

A NATION WITH AMBITION

THE GOVERNMENT'S
PROGRAMME FOR SCOTLAND

2017-18



Scottish Government
Riaghaltas na h-Alba
gov.scot



year of young people
bliadhna na h-òigridh
2018

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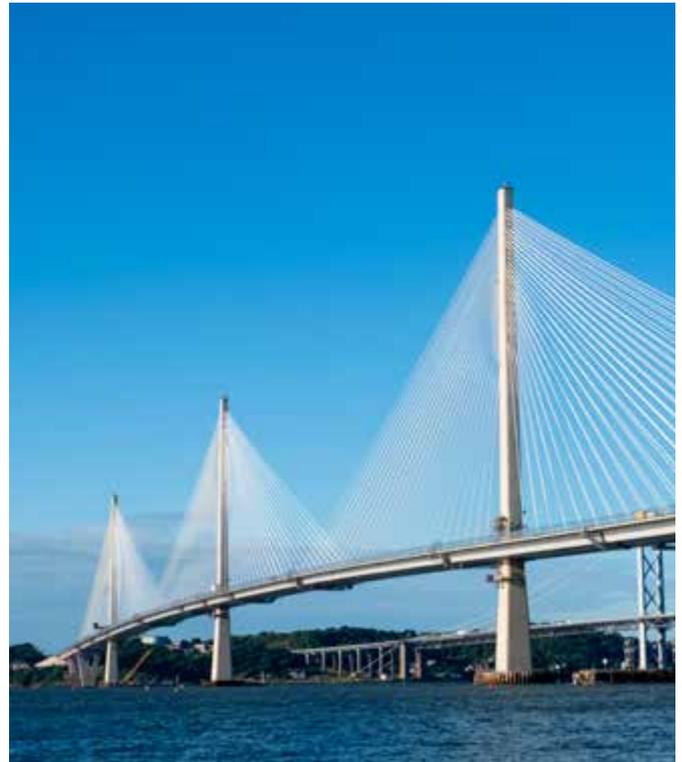
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FOREWORD BY THE FIRST MINISTER



In the last decade, we have achieved many things. We have developed our economy, protected jobs and businesses and made record investments in public services. We have expanded free early learning and childcare, abolished prescription charges, kept access to university free of tuition fees, confronted climate change head-on and transformed our infrastructure. We have fashioned Scotland as a modern and outward-looking place.

I am proud of our work and all that we have achieved. Now, we again look to the future. It is time to refocus our efforts and refresh our agenda to meet the changing needs of our people and the unprecedented challenges of our times.

We must navigate the uncertainties of Brexit.

As technology rapidly advances, so too must our economy.

We have a moral responsibility to tackle climate change and an economic responsibility to prepare Scotland for the new, low carbon world.

As our population ages, we must meet the needs of our older citizens while ensuring fairness across the generations.

In the face of continued Westminster austerity, we have a duty to protect our cherished public services.

And we must uphold the rights and values of an open, inclusive, diverse, tolerant and progressive democracy at a time when the forces of isolation and protectionism appear to be on the rise.

In each of these challenges, we will find opportunities. It is our job to seize them.

This Programme for Government is our plan to shape the kind of Scotland we all seek – an inclusive, fair, prosperous, innovative country, ready and willing to embrace the future.

It includes major reforms in education, health and justice, new opportunities for our communities and important measures to safeguard the environment and improve the quality of housing.

It commits to lifting the public sector pay cap – vital to living standards and our ability to recruit staff for our precious public services.

And it opens a debate about how to best use our tax powers – responsibly – to protect public services and strengthen the social contract in the face of continued Westminster austerity.

Crucially, this Programme for Government also sets out a bold and forward-looking economic vision – sending a clear message to our people, businesses, schools, colleges and universities, and to the wider world: Scotland's ambition is to be the inventor and the producer, not just a consumer, of the innovations that will shape the lives of our children and grandchildren.

We will seize the economic opportunities of tackling climate change, helping existing industries adapt to the future and using developments in data and digital technology to make our economy more competitive, productive, innovative, fair and profitable. As a key step in getting Scotland ready for our low carbon future, this Programme for Government sets out a bold new plan to electrify our roads network.

Vital to all of what we aspire to as a nation is our commitment – my personal commitment – to raise the bar and close the gap in education. All children and young people, whatever their background or circumstances, deserve the same chance to reach their full potential.

From the Baby Box to the expansion of free high quality early learning and childcare, and from our work to tackle child poverty to the school reforms that will put more power and resources into the hands of teachers, the year ahead will see us take the next bold steps to give our children the best start in life. Our focus is an education system that will give them the skills, support and experiences they need to fulfil their ambitions and make Scotland the economic success we want it to be.

Our Programme for Government also sets out the next steps in a more inclusive approach to helping unemployed people find work, and creation of a new social security system with dignity and respect at its core. In the coming weeks, we will confirm the configuration of the new social security agency that will ensure effective delivery of the new, devolved benefits, starting with an increased Carer's Allowance next year.

This Programme also renews our mission to tackle the deep-seated and intractable challenges of homelessness, rough sleeping and drug use. While these problems are not unique to Scotland and affect a minority of our population, they blight too many lives and tarnish the reputation of our nation. With cuts from Westminster austerity now exacerbating these problems, we will redouble our own efforts to tackle them.

Dignity, too, is the watchword as we adapt to an ageing population. In this Programme for Government, we reaffirm our commitment to record investment in our NHS while also delivering the reforms that will see more care delivered in the community through primary and social care services.

We will also continue to tackle the challenge of poor public health, matching our actions on smoking and alcohol misuse, with bold new initiatives to reduce obesity, boost active travel, improve mental health and tackle air pollution.

Modern governments across the globe face the challenge of securing equality across the generations – dignity for those in old age and a fair deal for the next generation of young people who will live, work and bring up their families here.

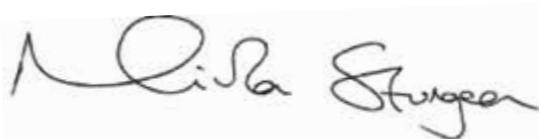
This Programme sets out our commitment to providing young people with the skills they need to succeed in tomorrow's economy, while also delivering more affordable homes and doing all that we can to boost wages and raise living standards. Just as free personal care has been a substantial investment in our older generation, free childcare and free tuition mirror that investment for our young people and young families.

Of course, Brexit will continue to provide the backdrop to much that we do over the next year. The Scottish Government will continue to make the case for remaining in the single market and customs union. We will take whatever steps we can to protect our economy from the damage Brexit will do. But, Brexit poses a threat to more than just our economy. It is also a threat to our rights as citizens. That's why we will work to protect human, environmental, employment and consumer rights. And we will protect the Scottish Parliament by resisting any attempt at a power grab by the UK Government.

Over the next few months, we will also set out the case for further extending the powers of the Scottish Parliament in areas such as immigration, social security, employment rights and trade – and highlight where additional powers would enable us to better achieve the ambitions in this programme. We will seek to build consensus across the political spectrum and civic society.

As we reflect on the progress of the last decade and look ahead to the challenges and opportunities of the future, our purpose is clear – we want Scotland to be the best place in the world to bring up children, the best place to grow up and be educated, the best place to live, work, visit, invest and do business, the best place to be cared for in times of sickness, need or vulnerability and the best place to grow old.

This programme sets out our next steps in creating the better future we all want for our nation.

A handwritten signature in black ink, reading "Nicola Sturgeon". The signature is written in a cursive, flowing style.

Rt Hon Nicola Sturgeon MSP
First Minister of Scotland



VI

Bute House
No 6 Charlotte Square
Official Residence of The
First Minister

INTRODUCTION

Change is happening all around us. We see it in technology, in the workplace, in the wider economy, in our environment, in so many aspects of everyday life. The challenges of Brexit are emerging every day. While we will always push the UK Government to mitigate those impacts on Scotland, we must also ensure we are ready to meet those challenges and plan for the future.

Rapid technological change is having a huge impact on our daily lives, often in exciting and life-enhancing ways, and we must ensure our businesses and people are ready to grab those opportunities.

The good news is that there are few countries better placed than Scotland to tackle the challenges and take advantage of the opportunities that present themselves in the 21st century.

Scotland has the talent, resources and ability to adapt and thrive in a changing world – and we have strong and shared principles of public service, inclusion and equality.

As we reflect on the progress of the last decade and look ahead to the challenges and opportunities of the future, our purpose is clear – we want Scotland to be the best place in the world, to bring up children, to grow up and be educated, to live, work, visit, invest and do business, to be cared for in times of need, sickness or vulnerability, and to grow old.

This Programme for Government sets out how we will build on the work already underway, with a fresh set of priorities, to turn this ambition into a reality.

It reinforces our commitment to forward looking, caring and open government.

So, for example, as a forward-looking administration, this Programme for Government details how we will:

- phase out the need for new petrol and diesel cars and vans by 2032
- double investment in walking and cycling to £80 million a year
- reform education to help close the poverty-related attainment gap
- establish a Scottish National Investment Bank to support economic growth

As a caring government, our next steps will include:

- lifting the public sector pay cap for our NHS and other public sector workers
- making it a national objective to end rough sleeping – backed with new investment
- providing access to sanitary products for students in schools, colleges and universities to fight ‘period poverty’
- exploring a citizen’s basic income scheme

And to meet the high ambitions we have for our nation, we must be a government open to new ideas and to working across political boundaries. So, for example, we will:

- implement ‘Frank’s Law’ to provide free personal care to those under 65
- introduce legislation for a ‘soft’ opt-out system of organ and tissue donation

This Programme for Government is our plan to shape the kind of Scotland we seek – an inclusive, fair, prosperous, innovative country, ready and willing to embrace the future.



EXECUTIVE SUMMARY

A future of opportunity

A future-proofed, high-tech, low carbon economy

The world economy is changing at a dramatic pace. The successful economies of the future will be resource efficient and low carbon, and they will harness the power of technology. We have a once in a lifetime opportunity to grasp Scotland's competitive advantage in these technologies – as an inventor and producer, not just a consumer. Scotland can, once again, help shape the new world now being built.

We also have established strengths in key sectors like renewable energy, creative industries, life sciences, tourism, food and drink and advanced manufacturing – we intend to build on these strengths.

We must create the best possible business environment in Scotland, focus our enterprise and skills agencies on increasing productivity and supporting the growth of key sectors, and send a clear signal that Scotland is the place to be for investment in low carbon and digital technology.



To create the best conditions and infrastructure for business, the actions we will take over the next year will include:

- increasing spending on business research and development
- beginning work to establish a Scottish National Investment Bank to provide patient capital for growth and support our overall economic strategy
- urgently responding to the recommendations of the Barclay Review of business rates
- introducing a Planning Bill to streamline the planning process
- driving forward the 'Reaching 100%' project to deliver access to superfast broadband to all residential and business premises by 2021
- investing heavily in our health, education, housing and transport facilities, including the infrastructure projects valued at more than £6.4 billion which are in construction or estimated to start in 2017

To support businesses to grow and expand, particularly in key sectors, we will:

- appoint a new Strategic Board to focus our enterprise and skills agencies even more firmly on supporting the growth of key sectors and ensuring that our universities, colleges and wider training programmes are producing the skills that businesses and our people need
- confirm the location and lead partners for a new National Manufacturing Institute for Scotland this year and begin onsite work in 2018

**WE'LL INCREASE
PUBLIC FUNDING
FOR OUR FILM AND
SCREEN SECTOR
TO £20 MILLION
A YEAR**



- create a new Screen Unit within Creative Scotland and increase public funding for our film and screen sector to £20 million a year
- promote locally-sourced and produced food and drink
- support implementation of the industry-led Life Sciences strategy
- confirm this autumn a network of Trade Envoys to champion and represent Scotland's export interests and strengthen our market intelligence capacity
- open a new Hub in Paris to maximise opportunities for Scotland in France, our third largest export market
- establish interim arrangements for the south of Scotland enterprise agency while developing legislation for its formal establishment

To send a clear signal that Scotland is the place for innovation in digital and low carbon technology, we will:

- take the lead in promoting the use of ultra-low emission vehicles (ULEVs), with a target to phase out the need for new petrol and diesel cars and vans by 2032, eight years before the rest of the UK
- underline that commitment by setting out our plans for the expansion of the charging network; collaborating with industry and academia to find solutions to challenges, such as our high proportion of tenement properties; the extension of the Green Bus Fund; the acceleration of procurement of ULEVs in the public and private sectors; and increasing awareness and uptake of ULEVs by private motorists
- establish an Innovation Fund to invest a further £60 million to deliver wider low carbon energy infrastructure solutions across Scotland, such as electricity battery storage and sustainable heating systems and electric vehicles charging. This will build on the momentum generated by the European-supported Low Carbon Infrastructure Transition Programme and will benefit consumers, communities and businesses up and down the country
- become a more entrepreneurial government by:
 - launching the Unlocking Ambition Challenge to invest in a group of up to 40 talented individuals and early-stage entrepreneurs who have big ideas and ambitions and who will be chosen, mentored and led by some of Scotland's leading entrepreneurs

**UP TO 40 EARLY STAGE
ENTREPRENEURS WITH THE
HIGHEST POTENTIAL WILL HAVE
A CHANCE TO PARTICIPATE IN
OUR UNLOCKING AMBITION
CHALLENGE**

- doubling our support for CivTech®, our way of harnessing the creative ability of our entrepreneurs to tackle societal problems and support the public sector
- establish an independent organisation ‘FinTech Scotland’, backed by public, private and academic partners, which will accelerate development of the financial services technology ecosystem in Scotland
- provide leadership on carbon capture and storage by providing early stage support for the newly proposed Acorn Project at St Fergus
- continue our investment in digital and mobile connectivity to further unlock the potential of our communities, especially in rural and remote areas
- developing a deposit return scheme for drinks containers for roll-out across Scotland
- establishing an advisory group to consider fiscal and other measures to reduce waste and boost the circular economy – for example, a possible levy on single use coffee cups
- doubling investment in active travel from £40 million to £80 million a year from 2018-19
- introducing a Transport Bill to provide local authorities with flexible options to improve bus services in their local areas
- identifying a public body to bid for the next ScotRail franchise contract and setting out the next steps in preparation of the bid

Taken together, we want to be clear to our businesses and investors: Scotland is a forward looking, innovative nation with great businesses, academics, people and natural resources – our potential is massive and we have the determination to match it.

Cleaner, greener and healthier

We will support the circular economy and tackle climate change. Creating a cleaner, greener Scotland matters to the health and quality of life of all of us right now. We must reduce air pollution, encourage more physical activity to prevent ill health and promote sustainable forms of transport. The actions we will take in the next year include:

- introducing a new Climate Change Bill to set even more ambitious targets to reduce greenhouse gas emissions
- creating a Low Emissions Zone (LEZ) in one of our cities by the end of next year – and working with local authorities to introduce LEZs into our four biggest cities by 2020 and to all Air Quality Management Areas by 2023

Services fit for the future

Improving public services

Over the last ten years, public services have become better integrated and more responsive to the needs of our diverse communities. They now provide a more joined up and flexible service to the public.

But we cannot stand still.

To ensure services are fit for the future – and ready to meet the same technological and demographic challenges faced by our economy overall – it is essential that we continue to reform.

We must focus on those who most require support and redesign the way in which some services are provided to ensure we are using public resources in the long-term interests of the country.

Our focus on prevention and early intervention will:

- target the earliest years of a child's life, to build strong foundations and reduce the number of adverse childhood experiences that we know have lasting impacts on our children and shape their lives as adults
- encompass action across government to increase activity levels, tackle diet and obesity and improve air quality to reduce the long-term challenges facing our health service and allow our people to live healthier for longer
- in justice, focus on diverting people from crime, reducing reoffending and supporting communities to ensure more people are able to live fulfilling lives and make their full contribution to society
- continue to break down the barriers between health and care services, particularly for our older people. More support must be provided in people's homes and communities, enriching their lives and extending healthy life-expectancy

The best place in the world to grow up

As we look ahead to the Year of Young People 2018, our mission is to improve the life experience and life chances of our children and young people, so they can thrive and be equipped to take advantage of tomorrow's opportunities.

Our driving principle is simple: if we invest in our young people now, everyone will benefit.

So, it is the right time to address the rights of children and young people as enshrined in the United Nations (UN) Convention on the Rights of the Child. This will pose questions of the whole public sector, and of society at large, and drive better decisions that prevent harm and encourage development of our young people.



year of young people
bliadhna na h-òigridh
2018

The early years

To give our children the best start in life, this year we will:

- deliver a Baby Box to all newborns
- reform the support given to mothers and their babies in light of the maternity and neonatal services review
- ensure all eligible first-time mothers benefit from the support of a Family Nurse Partnership
- increase the number of health visitors as part of the reform and improvement of health visiting services
- prepare for the introduction of the new Best Start Grant for low income families by summer 2019
- take the next steps towards the near doubling of funded early learning and childcare, including setting out minimum levels of multi-year funding to deliver the expansion and provide certainty to our councils and providers

Excellence and equity in our schools

We are determined to close the attainment gap and raise standards for all in our schools. We believe that teachers, children and their parents are best placed to make decisions about a young person's learning – we must do more to support them. We will implement our radical reform of the education system. This will put more power and money in the hands of headteachers to raise attainment and increase the support classroom teachers get with expert help from Regional Improvement Collaboratives.



The actions we will take this year to reform and improve our education system for children, teachers and parents include:

- introducing new standardised assessments in P1, 4 & 7 and S3 from autumn this year
- implementing the National Improvement Framework to provide children, teachers and parents with more information on improvement than ever before
- continuing the Pupil Equity Fund, as part of the broader Scottish Attainment Challenge – putting more resources directly into the hands of headteachers
- introducing an Education Bill to reform school governance – giving more powers to headteachers, more support to teachers and strengthening the role of parents
- working with teachers, schools, local authorities, business and third sector partners to design and implement the Regional Improvement Collaboratives
- developing a new route into teaching to attract high quality graduates into priority areas and subjects
- increasing support to improve STEM learning and teaching in the school curriculum through the recruitment of specialist advisers

Beyond school

We must also continue to break down barriers beyond school to help our young people succeed. Through reforms to university access, the learner journey and student support we can help our young people through some of the most exciting, and stressful, transitions of their lives. The actions we will take over the year will include:

- continuing to drive forward the recommendations of the Commission on Widening Access, to meet our commitment to equal access to university by 2030
- providing full, non-repayable bursaries to care experienced young people awarded a place at university
- setting out plans to reform student funding, based on the independent review that will report in the autumn
- continuing to increase the number of modern apprenticeships, to meet our commitment of 30,000 by 2020
- implementing the recommendations made by the independent advisor on poverty and inequality in her second report, 'The Life Chances of Young People' – vital to delivering fairness across the generations
- meeting the tuition costs for all EU undergraduate students starting a course at a Scottish university in 2018-19

Children and young people's rights

2018 is Scotland's Year of Young People, which presents an opportune moment to realise more fully the rights of children and young people and further embed a rights based approach in all that we do. Scotland has a proud record in recognising and protecting the unique rights and needs of every one of our children but we believe it is time to go further. For the majority of our children, Scotland is a fantastic place to grow up with a world of opportunity to explore. Sadly, that is not the case for everyone and by embedding these rights we can help to fully realise our goal of getting it right for every child.

The actions we will take over the next year will include:

- undertaking a comprehensive audit on the most effective and practical way to further embed the principles of the UN Convention on the Rights of the Child into policy and legislation, including the option of full incorporation into domestic law raising the minimum age of criminal responsibility from 8 to 12 through our Minimum Age of Criminal Responsibility Bill
- supporting the proposals in the Member's Bill to introduce a legislative ban on the physical punishment of children

THE MINIMUM AGE OF CRIMINAL RESPONSIBILITY BILL WILL RAISE THE MINIMUM AGE OF CRIMINAL RESPONSIBILITY FROM 8 TO 12

Building strong and safe communities

Recorded crime in Scotland is now at a 42-year low. However, the nature of crime and people's expectations of the police are changing, and our understanding of how to tackle reoffending and the causes of crime is improving. We must ensure that our laws keep pace with changing behaviours, and that our police, fire and wider public services are equipped for the challenges of the future. We have undertaken one of the most important reforms to our public services in a generation through the creation of Police Scotland and the Scottish Fire and Rescue Service. This gives us the chance to move into another phase where we focus our efforts on tackling reoffending, supporting victims and witnesses and reforming the way in which we treat female offenders.

We start from a strong foundation. Just as the crime rate in Scotland has fallen, so too has the reconviction rate. It is now at an 18-year low as a result of more community based alternatives to short-term prison sentences. We have achieved this by being bold and progressive in our approach to offending and sentencing. It has worked and it is time to go further.

The actions we will take over the next year will include:

- extending the presumption against short sentences from 3 to 12 months. We will commence this change after the provisions of the Domestic Abuse Bill are fully in force so as to secure safeguards for people who are victims of those crimes
- continuing the development of the new estate for female offenders, with far greater community focus and support for these offenders and their families, who often have complex needs
- introducing a Management of Offenders Bill which includes extending the use of electronic monitoring of offenders in the community and enabling the use of new technology where appropriate
- modernising the existing law on the rehabilitation of offenders

To reduce the stress of giving evidence in court for victims of and witnesses to crimes, we will also introduce a Vulnerable Witnesses and Pre-recorded Evidence Bill to reduce further the need for children and vulnerable witnesses to give evidence in a courtroom.

THE VULNERABLE WITNESSES AND PRE-RECORDED EVIDENCE BILL WILL REDUCE FURTHER THE NEED FOR CHILDREN AND VULNERABLE WITNESSES TO GIVE EVIDENCE IN A COURTROOM

The nature of crime is also changing. Technological advances mean there are new avenues for criminals to explore and organised crime continues to have too big an impact on our communities. Police Scotland has already set out in its Policing 2026 Strategy its plans for reform of its service to adapt to its future workload. This year, we will:

- protect the frontline police budget and support the implementation of the Policing 2026 Strategy
- improve public sector resilience against cyber attacks
- ensure that the Scottish Fire and Rescue Service, Police Scotland and the Scottish Ambulance Service are supported to fulfil their counter-terrorism roles
- create a new criminal offence of drug driving to come into force in 2019
- complete the passage of the Domestic Abuse Bill, further underlining our determination to eradicate violence against women and girls

As part of our responsibility to keep Scotland safe, we will also learn and apply lessons from the tragedy at Grenfell Tower, through the work of our Ministerial Working Group.

The best place in the world to be cared for and be healthy

The NHS is our most cherished public service and we are determined to ensure it is properly equipped for the future.

We still suffer from too much ill health that could be prevented through healthier living. We will ensure record investment in the NHS, but we know that money alone is not enough. The NHS must reform and change – medicine is advancing, the population is ageing, and care is becoming more complex. In common with health care systems across the UK and indeed the world, our NHS also faces recruitment challenges – challenges which will be exacerbated by Brexit.

IN 2017-18 WE WILL BEGIN THE IMPLEMENTATION OF 'FRANK'S LAW', PROVIDING FREE PERSONAL CARE TO THOSE UNDER 65 WHO NEED IT

In everything we do, we will maintain the NHS's founding principles – publicly owned, publicly delivered and free at the point of need – but the NHS needs to evolve and adapt to meet the challenges of the future.

We must also expand our focus on the prevention of ill health, matching our past actions on smoking and alcohol with new initiatives to reduce obesity, boost active travel, improve mental health and tackle air pollution.

The actions we will take over the next year will include:

- ensuring at least a real terms increase in the frontline NHS budget, as part of our commitment to increase health resource funding by £2 billion over the life of this Parliament
- investing an increasing proportion of the budget in primary, community, mental health and social care services – to support the shift in the balance of care that is required
- taking forward our new Mental Health Strategy
- implementing the Health and Social Care Delivery Plan
- introducing a Safe Staffing Bill to enshrine safe NHS staffing in law, starting with nursing and midwifery
- lifting the 1% pay cap for NHS and other public sector workers to raise living standards and aid recruitment
- beginning the implementation of ‘Frank’s Law’, providing free personal care to those under 65 who need it
- introducing legislation for a ‘soft’ opt-out system of organ and tissue donation through the Organ and Tissue Donation Bill
- limiting the marketing of products high in fat, sugar or salt
- taking a range of actions to improve the quality of the air that we breathe and boost active travel and physical activity

Supporting public sector workers

We will remove the 1% pay cap from 2018-19. Future pay policy will take account of the cost of living, continue to protect the lowest paid and ensure public sector budgets remain in balance. Our objective is to secure pay rises that are affordable, reflect the real life circumstances people face and recognise the valuable contribution of the public sector workforce.



Paying for public services

Health care, a strong and fair justice system, excellent public education and support for the vulnerable are cornerstones of the social contract between this Government and the people of Scotland. We believe that the damaging austerity policies of the UK Government have damaged both Scotland and the rest of the UK. We also face the unwanted challenge of Brexit and its potential impact on both our economy and public services. This Government has sought to protect our public services over this time but we think it is now time to open a fresh debate about how we continue to maintain appropriate investment in our public services, while recognising the pressure that household incomes are under. To inform that debate ahead of setting the budget for 2018-19, we will publish a discussion paper on income tax and possible options for using our powers to ensure the sustainability of our public services and give long-term certainty to taxpayers.

KEY SCOTTISH GOVERNMENT SUPPORTED PROJECTS SINCE 2007

South Yell – Mid Yell Water Treatment Works Upgrade

Lerwick Harbour Quayside Upgrades

Shapinsay Water Treatment Works Upgrade

European Marine Energy Centre

Subsea fibre optic network

Scrabster Harbour

Wick High School – one of 651 school building projects completed

Stornoway Harbour

Ullapool Harbour

Subsea fibre optic network

Tain Health Centre

New ferry points for Raasay, Armadale, Mallaig & Uig

UHI Campus

Great Glen Cycle Way

Sabhal Mòr Ostaig

Lochaber Smelter

A9 – 90 miles of carriageway with cycle lanes

Mull & Iona Progressive Care Centre

Stirling Care Village

Bathgate to Airdrie Railway

Greenock Sports Centre

Queen Elizabeth University Hospital Campus

Kilmarnock Campus

M74, M73 & M8 Improvements

Dumfries & Galloway Primary Care

Stranraer and Cairnryan Strategic Ports

A96 Carriageway Dualling

Forres Hospital

Peterhead HMP Grampian

Elgin Flood Protection

Aberdeen Western Peripheral Route

Key Worker Accommodation

Brechin Flood Protection

V&A Museum of Design Dundee

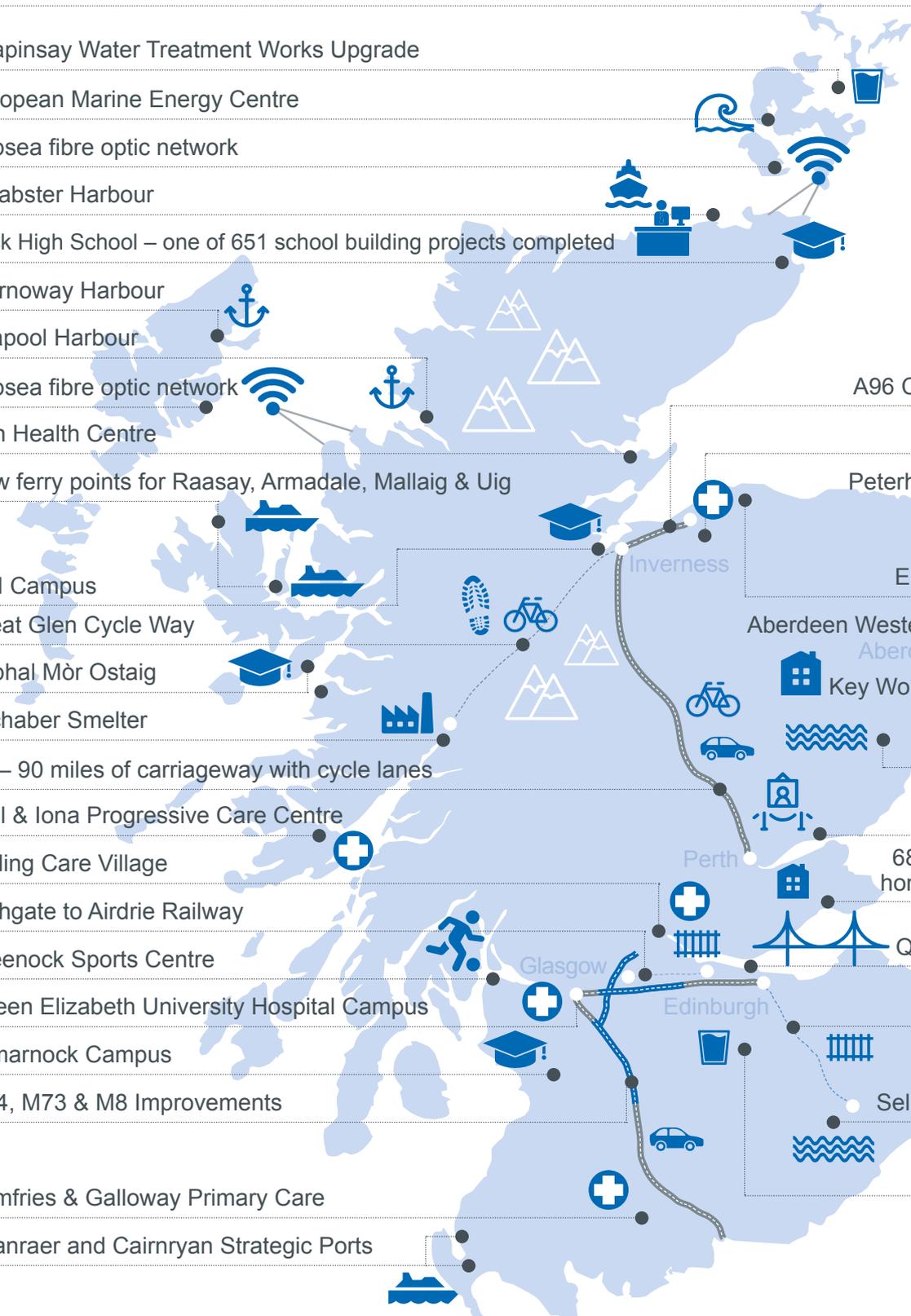
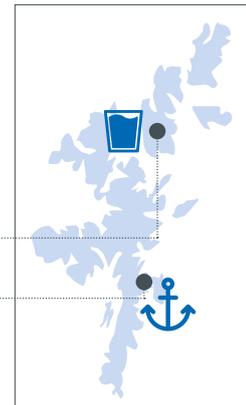
68,000 new affordable homes across Scotland

Queensferry Crossing

Borders Railway

Selkirk Flood Protection

Glencorse Water Treatment Works



Building a fairer Scotland

We are committed to upholding the rights and values of an open, inclusive, diverse and progressive democracy. We do this in the face of continuing austerity and an increasingly punitive approach to welfare from the UK Government, and at a time when there is a real and present danger posed by Brexit to our rights as citizens.

We believe that giving everyone the support they need to get on, protecting the most vulnerable in society and tackling poverty are crucial to building a fairer society. We will:

- use new social security powers coming to the Scottish Parliament to transform the service people receive through a system based on dignity and respect
- challenge the austerity-driven rise of child poverty, investing in tackling its root causes and mitigating its worse effects where we can
- deliver more high-quality affordable homes and commit to ending rough sleeping
- empower communities to take more decisions themselves, placing greater control of budgets in the hands of the people who know best what a community needs – those who live in the community itself
- defend our social, economic, democratic and human rights, with more action on race and a new drive on gender recognition

Social security

Scotland's first Social Security Bill was introduced to Parliament in June and will complete its passage later this year. Just as we have established in devolved areas, this is an exciting opportunity for the Scottish Parliament and Government to show how we can better serve people in Scotland. This Bill will enable us to design and build a social security system based on dignity and respect and reverse some of the harshest impacts of austerity and so-called welfare reform.

The actions we will take over the next year will include:

- confirming the configuration of the new social security agency and continuing to recruit at least 1,500 members of staff to work as part of it
- delivering the first of the newly devolved benefits – an increased Carer's Allowance – from summer 2018 and backdating it to April 2018
- preparing for the effective delivery of the new Best Start Grant and the new Funeral Expense Assistance by summer 2019

Tackling poverty

Our Child Poverty Bill – setting statutory targets to tackle child poverty – is also due to complete its passage through Parliament later this year. Following the success of the Independent Advisor on Poverty, we have established a new Poverty and Inequality Commission to advise and challenge Government on actions to reduce poverty. In the next year, we will take further steps to help tackle poverty in the short term and inform consideration of more fundamental changes for the longer term.

This will include:

- establishing a new £50 million fund to tackle child poverty
- providing access to free sanitary products to students in schools, colleges and universities and considering further action to ensure those on low incomes are assisted in light of the findings of the current Aberdeen pilot

WE WILL PROVIDE ACCESS TO FREE SANITARY PRODUCTS TO STUDENTS IN SCHOOLS, COLLEGES AND UNIVERSITIES

- funding research into the feasibility of a citizen's basic income scheme
- providing a financial health check to families on low incomes
- bringing forward a new package of support for young carers, including through implementation of the Carers (Scotland) Act 2016

Housing and homelessness

One of the most important factors in any person's quality of life is their housing. Good quality, warm and affordable housing is vital to ensuring a Scotland that is fair for this and future generations. Scotland is already building social housing at a faster rate than any other part of the UK. Over the life of this Parliament, we will invest more than £3 billion in delivering 50,000 affordable homes. This is a massive investment in our housing stock which is ambitious, challenging and absolutely necessary.

The actions we will take over the next year will include:

- making further progress towards our target of 50,000 affordable homes by the end of the Parliament
- introducing a Warm Homes Bill to set a statutory fuel poverty target
- introducing new energy efficiency standards for the private rented sector

During the next year, we will also renew our mission to tackle some deep-seated and intractable challenges – homelessness, rough sleeping and drug use. These problems are not unique to Scotland but they blight lives and damage communities. With cuts from Westminster exacerbating the problems, we will intensify our own efforts to tackle them.

There are councils, charities and religious and advocacy groups all over Scotland providing vital emergency shelter and food to people sleeping rough in Scotland. Their work is deeply admirable and a credit to them and the communities they serve. In a country as wealthy as Scotland, however, no one should have to choose to sleep on the streets: we must do more to eradicate rough sleeping.

Recent statistics on drug deaths in Scotland are also unacceptable; the desperation that can lead to, and stem from, drug and alcohol abuse ruins and ends lives. So we will significantly increase our investment in the often linked issues of homelessness, substance abuse and mental ill-health.

THE 'ENDING HOMELESSNESS TOGETHER' FUND OF £50 MILLION OVER A FIVE-YEAR PERIOD WILL SUPPORT ANTI-HOMELESSNESS INITIATIVES & PILOT SOLUTIONS TO DRIVE FASTER CHANGE

So this year we will:

- set a clear national objective to eradicate rough sleeping, recognising that it requires more than just the provision of housing and that every individual will have their own unique needs and challenges
- establish a homelessness and rough sleeping action group to lead change in this area and identify the actions, services and legislative changes required to end rough sleeping and transform the use of temporary accommodation
- create a 'Ending Homelessness Together' Fund of £50 million over a five year period to support anti-homelessness initiatives and pilot solutions to drive faster change
- invest an additional £20 million in alcohol and drug services

Supporting everyone into work

Although unemployment is at historically low levels, there are still many who struggle to secure and sustain jobs. Disabled people, those with long-term health problems – particularly mental ill health – and those with low levels of qualifications are particularly disadvantaged in the labour market and often experience worsening ill health and poverty as a result. We must do more to ensure that as many people as possible benefit from work; not only in terms of income and maximising our workforce, but also from the self-worth and expression that can come from employment.

New powers under the Scotland Act 2016 enable us to provide employment support to disabled people and those at risk of long-term unemployment. We will commence our devolved employment service Fair Start Scotland in April 2018. We are seeking to provide employment support to a minimum of 38,000 people who are out of work in the next three years. This will be a voluntary service to ensure participation – it is not part of the UK's benefit conditionality regime.

Empowering our communities

The most successful reforms to our public services stem from decisions made by the people who provide and use those services. Scotland has achieved much over the last few years in terms of galvanising community engagement and putting more decisions and resources in the hands of communities. For politicians in central and local government it is often difficult to let go of power and resources but we need to trust and empower our communities to control their own affairs.

We want everyone in Scotland to be able to lead a fulfilling and satisfying life in their local community, regardless of background or circumstances. That means we have to take action where difficulties or disadvantages have been encountered – whether through direct support such as social security or by finding ways to change behaviours and attitudes and confront intolerance, prejudice and discrimination.

It is from that base that we build strong communities.

The actions we will take over the next year in addition to our reform of school governance will include:

- a comprehensive review of how local decisions are made and how local democracy is working
- continuing to support Community Choices to encourage the spread of participatory budgeting across Scotland
- introducing a Bill to establish a framework for the management of the Crown Estate in Scotland

- continuing to implement the Land Reform (Scotland) Act 2016, including publishing a final version of a Land Rights and Responsibilities Statement and guidance on engaging communities in decisions relating to land
- supporting the publication by the Land Commission of its first strategic plan in September, setting out its priorities over the next three years and a major programme of research to examine options for further reform

Dignity, equality and human rights for all

Scotland is an open and tolerant society, committed to respecting, protecting and implementing human rights and demonstrating equality, dignity and respect in everything we do. Our public services are built on a rights based approach to ensure that we strive to represent everyone in our society.

We will oppose any attempt by the UK Government to undermine the Human Rights Act 1998 or withdraw from the European Convention on Human Rights. In addition, we will ensure existing and relevant future human rights protections provided under EU Law are maintained following UK withdrawal and implement the socio-economic duty in the Equality Act 2010 by the end of this year. We will also consider how we can go further to embed human, social, cultural and economic rights including the UN Convention on the Rights of the Child.

Dignity and equality has many facets, therefore we will:

- establish an expert advisory group to lead a participatory process to make recommendations on how Scotland can continue to lead by example in human rights, including economic, social, cultural and environmental rights
- implement a new Race Equality Action Plan
- progress our Gender Representation on Public Boards (Scotland) Bill through Parliament, making Scotland the only part of the UK with requirements for gender parity on public boards
- right the wrongs of the past by introducing the Sexual Offences (Pardons and Disregards) Bill to pardon same-sex activity that should never have been criminalised
- consult on reforming gender recognition legislation



A confident, outward looking nation

Scotland is an outward looking nation, with much to offer as a good global citizen. In recent years, interest in Scotland, our culture, our industries, our politics and our environment has grown. As other countries reconsider their role in the world and question the value of international engagement, we remain committed to being an open, welcoming and diverse nation.

We have begun to develop a distinct voice and positive reputation for addressing key international challenges such as climate justice, gender and sustainable development. This is underpinned by our early commitment to meet the UN Sustainable Development Goals and to incorporate them into the work of government at every level.

We will maintain strong links with our European neighbours and friends whatever the outcome of the Brexit negotiations and build new connections through the Arctic Circle Assembly and our approach to internationalisation.

A truly successful country also requires a vibrant, exciting and ever changing culture. Fortunately, in Scotland we are blessed with just that and Scottish culture has benefited enormously from immigration from across the UK and the world.

Culture for all

In the coming year, we are developing a Culture Strategy for Scotland based around the principles of access, equity and excellence – and as part of the Year of Young People 2018 – we will establish with partners a Cultural Youth Experience Fund to enhance existing opportunities for young people and continue to invest in cultural infrastructure in all parts of the country.

The biggest arts festival in the world has just celebrated its 70th anniversary – but it is far from being the only flourishing feature of Scotland’s distinctive arts, culture and sporting agenda. In the coming year we will mark:

- the Year of Young People 2018
- the 2018 European Championships in Glasgow
- completion of the V&A Museum of Design in Dundee



International relations and International Development

Scotland has good reason to be a confident, outward looking nation with much to offer as a good global citizen.

To support our place in the world and reinforce our international outlook, we will:

- publish a refreshed International Framework and Policy Statement identifying key areas where Scotland has a distinct contribution to make to international affairs
- continue to expand our presence in key markets to boost trade and exports, including the establishment of a new hub in Paris

- continue to support unaccompanied child refugees and others through the Syrian Resettlement Programme and our New Scots strategy
- send a high level delegation to the Arctic Circle Assembly in Iceland and host the Arctic Circle Forum in Scotland
- maintain our increased international development fund of £10 million each year

Our efforts in tackling climate change, supporting refugees and building institutional capacity in other countries is internationally recognised and the more we do, the more Scotland’s role in the world is enhanced.



Conclusion

This Programme for Government is comprehensive and ambitious. It aims to create the social and economic conditions for Scotland to prosper and flourish while being at ease with itself as a confident, outward looking nation in the modern world.



SCOTLAND, EUROPE AND THE CONSTITUTION

The result of the EU referendum clearly demonstrates that the people of Scotland see their future as part of the EU. Withdrawal will have profound implications for our economic prosperity, the way we live our lives and for the constitution of the UK.

The UK Government proposals set out in the EU (Withdrawal) Bill would lead to further centralisation of power in Whitehall and Westminster and less, not more, power for people in Scotland over Scottish matters.

The Bill requires the consent of the Scottish Parliament as it legislates in devolved areas and affects the powers of both the Scottish Government and Parliament. We cannot recommend that the Scottish Parliament consents to the Bill in its current form as it contains an unacceptable and impractical constraint on the devolved competence of our Parliament. It intends to replace EU law with unilateral decision-making at Westminster.

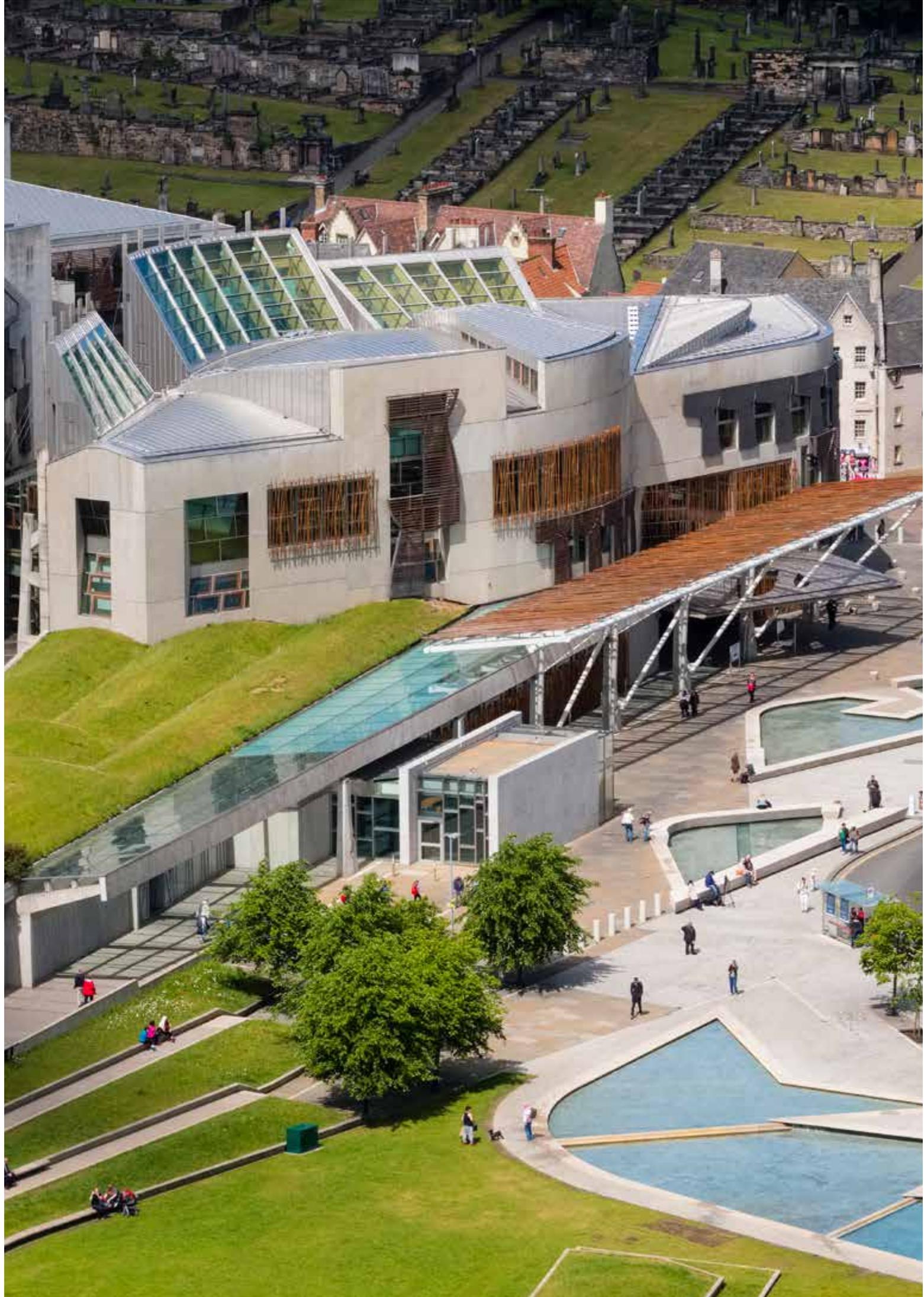
We will resist this constitutional development and seek to build cross-party support for alternative proposals which would enhance the devolution settlement. Along with the Welsh Government, we are discussing how the Bill could be amended, and other steps taken, to meet our objections. In the meantime, we are considering how Scottish legislation at Holyrood could provide the necessary continuity of law in Scotland as an alternative to the UK Bill.

The kind of Scotland we envisage is a country that is fair, prosperous, open and tolerant. The implications of the UK's exit from the EU are potentially far-reaching in that context. There will be consequences for jobs, trade, investment, living standards, the rights of individuals, the environment and opportunities available to future generations.

We will seek to build support around the proposals we published in December 2016 in our policy paper 'Scotland's Place in Europe', which proposed we keep Scotland and the UK in the European Single Market and the Customs Union. We will also seek to shape the UK's future partnership with the EU and beyond in order to promote Scotland's trade and investment, rural industries, research and position in the world.

Whatever the Scottish and UK Governments' differences, we need to secure the best possible outcome for Scotland's interests. We will expect the Prime Minister to honour her commitment to engage fully with the devolved administrations. The Joint Ministerial Committee (EU Negotiations) was established to that end. Its remit includes oversight of an agreed UK approach acceptable, as far as possible, to all administrations.

At the end of this period of negotiation with the EU, expected in autumn 2018, when the terms of Brexit and the future of devolution will be clearer, we will set out our judgement on the best way forward for Scotland at that time, including our view on the precise timescale for offering people a choice over the country's future.



A STRONGER SCOTTISH PARLIAMENT

Over the next year, Brexit will continue to provide the backdrop to much that we do. However, we will not be passive in the face of Brexit. We will continue to make the case for remaining in the single market and customs union.

We will take whatever steps we can to protect our economy from the damage Brexit will do. We will work to protect human, environmental, employment and consumer rights. And we will protect the Scottish Parliament by resisting any attempt at a power grab by the UK Government.

Over the next few months, we will also set out, in a series of evidence-based discussion papers, the case for further extending the powers of the Scottish Parliament in the following key areas:

- immigration: setting out why it is vital to our economy to be able to attract talent from across Europe and the world; why current UK Government policy is so harmful to Scotland's interests; and how a more flexible approach to immigration, with more power for the Scottish Parliament, could operate
- social security and employability: setting out how more comprehensive devolution of social security and employment support would allow the Scottish Parliament to deliver a more joined up system for those in and out of work; tackle poverty more effectively; and consider more fundamental options for long-term reform, such as a citizen's basic income scheme

- employment: setting out how the Scottish Parliament could more effectively tackle issues of low pay and poor working practices, and protect workers' rights against any post-Brexit race to the bottom
- trade: in the event the UK takes the damaging decision to leave the EU Customs Union, setting out why it is essential for the Scottish Parliament to have a role in negotiating and ratifying future UK trade deals, to help our industries, protect devolved public services and ensure the highest standards of environmental and consumer protection

We will also explore how responsibility for a broader range of taxes would enable the Scottish Parliament to take more balanced budget decisions, grow the economy and tackle poverty more effectively. We believe additional powers in these areas will give us the tools to go even further than this Programme and help us achieve its ambitions.

These proposals will be in line with the fundamental belief that decisions about Scotland are best taken by those of us who live and work here.

We will seek to build consensus in these areas across the political spectrum and wider civic society.



THE SCOTTISH GOVERNMENT'S LEGISLATIVE PROGRAMME 2017-18

In the coming year we will introduce Bills to deliver reform and improvement. We are also ready to legislate for the consequences of Scotland's removal from the EU if required.

BILLS FOR INTRODUCTION IN 2017-18

BUDGET BILL

CLIMATE CHANGE BILL

CROWN ESTATE BILL

DAMAGES BILL

EDUCATION BILL

LAND AND BUILDINGS TRANSACTION TAX BILL

MANAGEMENT OF OFFENDERS BILL

MINIMUM AGE OF CRIMINAL RESPONSIBILITY BILL

ORGAN AND TISSUE DONATION BILL

PLANNING BILL

PRESCRIPTION BILL

SAFE STAFFING BILL

SEXUAL OFFENCES (PARDONS AND DISREGARDS) BILL

TRANSPORT BILL

**VULNERABLE WITNESSES AND PRE-RECORDED
EVIDENCE BILL**

WARM HOMES BILL

BILLS ALREADY ANNOUNCED

**CHILDREN AND YOUNG PEOPLE
(INFORMATION SHARING) BILL**

CHILD POVERTY BILL

**CIVIL LITIGATION (EXPENSES AND GROUP
PROCEEDINGS) BILL**

CONTRACT (THIRD PARTY RIGHTS) BILL

DOMESTIC ABUSE BILL

FORESTRY AND LAND MANAGEMENT BILL

GENDER REPRESENTATION ON PUBLIC BOARDS BILL

HOUSING (AMENDMENT) BILL

ISLANDS BILL

SOCIAL SECURITY BILL

WILD ANIMALS IN TRAVELLING CIRCUSES BILL

BILLS PASSED SINCE 2016-17 PROGRAMME FOR GOVERNMENT

AIR DEPARTURE TAX BILL

BUDGET BILL

LIMITATION (CHILDHOOD ABUSE) BILL

RAILWAY POLICING BILL

BILL SUMMARIES

Budget Bill

The annual Budget Bill process provides parliamentary approval for the Scottish Government's spending plans, sets devolved taxes, allocates resources to strategic objectives and supports progress towards our vision of a more successful country through increasing inclusive and sustainable economic growth.

Climate Change Bill

The Climate Change Bill will respond to the historic Paris Agreement by setting more ambitious targets to reduce greenhouse gas emissions. The Bill will increase transparency, demonstrate our commitment to sustainable economic growth and signal to the international community that Scotland is the place to do low carbon business.

Crown Estate Bill

The Crown Estate Bill will establish a framework for the management of Crown Estate assets to ensure Scotland's local communities, authorities and industry can benefit from this major change.

Transport Bill

The Bill will contain provisions on smart ticketing on public transport in Scotland and to tackle obstructive and inconsiderate parking. It will also enhance and improve the role of the Scottish Road Works Commissioner and the wider regulation of road works and provide local transport authorities with a viable and flexible set of options to influence the provision of bus services in their area to better meet local users' needs.

Damages Bill

The Damages Bill will amend the law on the Personal Injury Discount Rate following a joint consultation with the UK Government. The Bill will also enable courts to impose periodical payment orders when making an award of damages in respect of a personal injury.

Education Bill

The Bill will take forward a programme of reform to school education, strengthen the education workforce and improve collaboration and engagement. The Bill will:

- set out support for Headteachers
- establish a Headteachers' Charter to define their responsibilities as leaders of learning in schools
- improve parental and community engagement
- provide legislative underpinning for the regional improvement collaboratives
- strengthen the voice of children and young people in promoting and supporting pupil participation
- provide a fair and transparent funding system to support a more empowered education system

Management of Offenders Bill

In keeping with our commitment to prevent and reduce offending, this Bill will deliver on recommendations made by the Expert Working Group on Electronic Monitoring and improve the existing law on the rehabilitation of offenders. In particular, it will:

- enable new technologies to be used for electronic monitoring
- allow electronic monitoring to be used as part of more community sentences, court and prison orders
- reduce the length of time for which many people will be required to self-disclose previous offending behaviour
- make the Rehabilitation of Offenders Act 1974 more accessible for individuals and employers using the legislation

Minimum Age of Criminal Responsibility Bill

This Bill will increase the age from which a child can be held criminally responsible from 8 to 12 years old; aligning it with the current minimum age of prosecution and reflecting Scotland's commitment to international human rights standards.

It will ensure harmful behaviours can still be investigated and responded to, contain appropriate safeguards for the gravest cases, and retain victims' rights to information and support.

Organ and Tissue Donation Bill

Great progress has been made in increasing organ and tissue donation and transplantation in Scotland with the incredible help of donors and their families.

To further increase the number of cases where organ and tissue donation is authorised, the Bill will introduce a 'soft' opt-out system of organ and tissue donation, enabling donations to proceed where a person had not opted-out. It will also include safeguards to minimise the risk of a person becoming a donor if they would not have wished to donate.

Prescription Bill

The Bill will implement recommendations of a Scottish Law Commission Report to ensure the law of negative prescription is clear and fair. Negative prescription establishes the time-limit within which an aggrieved person must raise a claim in court.

Safe Staffing Bill

The Safe Staffing Bill will deliver on the commitment to enshrine in law the principles of safe staffing in the NHS, starting with the nursing and midwifery workforce planning tools. The Bill will ensure nationally agreed, evidence-based workload and workforce planning tools are applied, and ensure key principles relating to professional judgement, local context and quality measures underpin workload and workforce planning.

Vulnerable Witnesses and Pre-recorded Evidence Bill

The Bill will build on the work of the Scottish Courts and Tribunals Service's 'Evidence and Procedure Review'. It will remove legislative barriers to the greater use of pre-recorded evidence for child and vulnerable adult witnesses. These changes will help move our criminal justice system much closer to achieving our vision that children, wherever possible, should not have to give evidence in court during a criminal trial.

Land and Buildings Transaction Tax Bill

This Bill will give retrospective effect to the application of the LBTT (Additional Amount – Second Homes Main Residence Relief) (Scotland) Order. The Order covers certain scenarios where spouses, civil partners or co-habitants jointly buy a home to replace a home that was owned by only one of them. Making the Order retrospective will mean that repayment of the LBTT Additional Dwelling Supplement will be able to be claimed by taxpayers meeting the relevant criteria in respect of transactions which occurred prior to the effective date for the Order.

Planning Bill

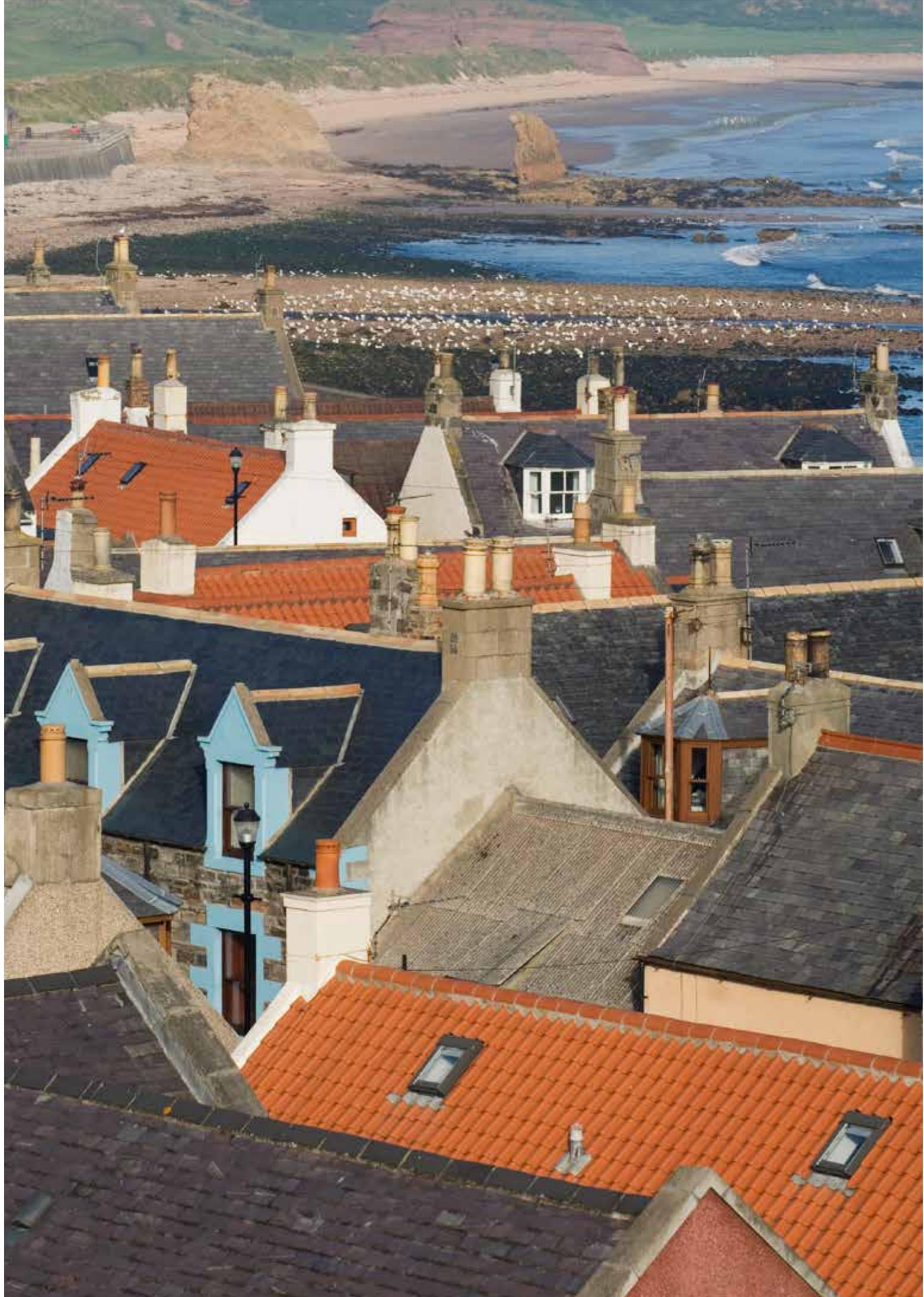
Responding to the independent review of the planning system, the Bill will ensure a greater focus on delivering the development Scotland needs with the infrastructure to support it. There will be a simpler, more effective system of development plans, to set a clear view of how areas will develop in future. Procedures for preparing plans will be improved and communities will have better opportunities to influence the future of their areas.

Sexual Offences (Pardons and Disregards) Bill

Scotland previously had discriminatory laws which criminalised consensual same-sex sexual activity. The Sexual Offences (Pardons and Disregards) Bill will ensure that men convicted under these laws will receive a pardon and will be able to apply to have such criminal conviction information removed from central records. This will apply where the same activity would now be lawful.

Warm Homes Bill

We are committed to tackling fuel poverty and improving the energy efficiency of Scotland's buildings. As part of our long-term Fuel Poverty Strategy, we will introduce a Warm Homes Bill to set a new statutory fuel poverty target to help ensure that progress is made on these issues, and that support is given to those who are most in need of help to heat their homes.



MEASURING PROGRESS: THE NATIONAL PERFORMANCE FRAMEWORK

It is 10 years since we launched our world-leading National Performance Framework. It sets out a vision of national wellbeing for Scotland and charts progress towards this through a range of social, environmental and economic indicators.

The Framework changed how we do government in Scotland. We shifted the focus to improving outcomes and considering how our actions will improve the quality of life for people in Scotland. We have put this approach in legislation in the Community Empowerment (Scotland) Act 2015.

Our latest figures (2015-2016) show 55 out of 66 of the existing indicators demonstrate performance that is either improving or being maintained. That includes:

- the total value of Scottish exports increasing from £19.3 billion in 2006 to £28.7 billion in 2015 – an increase of 49.1% over the period
- the percentage of children in combined material deprivation and low income falling from 16% in 2006-07 to 10% in 2015-16
- the percentage of young people in learning, training or work is increasing – in 2015-16, 92% of school leavers from publicly funded schools were in positive and sustained destinations, compared to 87% in 2007-08
- the amount of electricity generated by renewables has risen from 16.8% of gross electricity consumption in 2006 to 54.0% in 2016
- the gender pay gap has decreased considerably, with the gap in median earnings between men and women working full-time in Scotland falling by 6 percentage points, from 12% in 2007 to 6% in 2016
- the percentage of people who have been the victim of a crime fell from more than 20% in 2008-09 to below 15% in 2014-15
- the quality of hospital inpatients' healthcare experience is improving, with the average patient score rising from 78 out of 100 in 2009-10 to 83 out of 100 by 2015-16 – the highest level recorded



Looking forward to the next five years, a vision for Scotland must be created in discussion with the people who live here. Therefore, in advance of proposing new outcomes to the Scottish Parliament, we have been asking people what kind of Scotland they would like to live in. These conversations along with those we have had about what a fairer and healthier Scotland would look like have provided us with a rich source of information to develop a new set of proposed national outcomes for Scotland.

Scotland was one of the first nations to state strong political support for the UN Sustainable Development Goals. The review of the national outcomes provides us with an opportunity to further embed these Goals in the National Performance Framework. We will also take the opportunity to put human rights at the heart of how we assess national performance by embedding them in the proposed Framework too.



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A FUTURE OF OPPORTUNITY

A future-proofed, high-tech, low carbon economy

The current pace of technological change is unprecedented – it is transforming the way we work, conduct business, buy goods and communicate with one another. Businesses and governments across the world are investing in artificial intelligence, machine learning, data analytics and low carbon energy technologies that will revolutionise the global economy.

The opportunities for those that adapt and lead these changes are substantial. The value of the digital economy in Scotland was estimated to be £4.45 billion in 2014. Data driven innovation alone has the potential to deliver £20 billion of productivity benefits for our economy over the next five years. The prize is an innovative, growing economy which creates more and better jobs for everyone in Scotland.

But we know that to grasp these opportunities we must act quickly and with purpose or be left behind. We intend to seize the moment, and this Programme for Government sets out actions to make Scotland a country that will lead change and reap the economic rewards it will bring.

Our economic ambition

Our ambition is to build a modern, dynamic, open economy which benefits everyone in Scotland.

Scotland is already a global competitor in food and drink and in asset management. It is also Europe's energy capital. We are leading the way in sectors such as financial technology (FinTech), advanced manufacturing, life sciences and creative industries. We will continue to give support and investment to ensure these sectors reach their full growth potential.



These ambitious businesses are the employers of today, innovating for the future. We must do all we can to support them in providing the jobs of the future.

This Programme for Government is about backing businesses that want to innovate and grow. Whether they are in manufacturing, technology, retail, services – or indeed any of our key sectors – success will have common factors: the constant drive to innovate, to stay ahead of the competition and to deliver, and protect jobs.

We know how important skills are to businesses' growth plans. Many businesses identify digital and leadership skills as vital to innovation and growth. We also know that wider business investment is key to growth.

We will specifically support sectors that are already leading the way, but also create the digital infrastructure and the opportunities for ambitious businesses across all of Scotland to modernise, digitalise, innovate and grow.



The jobs of the future

Scotland is uniquely placed to lead the way on decarbonising our economy; our human, natural and research resources are hard to match. The economic benefits of our climate change ambitions are clear, but it is time to fully realise the economic potential of world-leading low carbon innovation.

We also have a head start in high-tech and digital spheres, where advanced manufacturing and digital and data solutions have the potential to revolutionise our industries and communities. It is vital that we provide the right infrastructure to support this – both through expanding and improving our high-speed broadband network and providing our people with the skills that they need to take advantage of it.



**WE WILL INCREASE SPENDING ON
BUSINESS RESEARCH AND DEVELOPMENT**

It is also why we must nurture and build entrepreneurialism within our economy, education system and society. For centuries, Scotland's inventions have changed the world – we now have the opportunity to shape this century, by matching the ambition and ingenuity of the famous innovators of our past.

To grasp these opportunities, we must also attract the best and brightest talent from outwith Scotland and make clear to the world that we are open for business. We need a business environment which promotes growth, investment and innovation. The proposals in this Chapter include:

- a bold new ambition on ultra-low emission vehicles, including electric cars and vans, with a target to phase out the need for petrol and diesel vehicles by 2032, underpinned by a range of actions to expand the charging network, support innovative approaches and encourage the public sector to lead the way
- establishing a new Strategic Board to co-ordinate the work of our enterprise and skills agencies and ensure maximum impact from our £2 billion investment each year in enterprise and skills
- providing direct support for additional business research and development
- establishing a National Investment Bank to support infrastructure investment, help companies grow and support our economic vision
- establishing a new two-year competition for entrepreneurs, which will enable them to bring their ambitions to grow their businesses and create jobs to reality, with mentoring, networking and skills-sharing support from established entrepreneurs
- investing billions of pounds in infrastructure, both traditional and digital, to ensure that all of Scotland's communities benefit from growth

Scotland's potential – the low carbon economy

The rapid increase in the availability of technology provides specific strategic opportunities for business to grow and for higher skilled, more rewarding jobs in the low carbon economy.



Investing in the low carbon economy – an opportunity as much as an obligation

There is increasing recognition of the wider economic and social benefits that come with the move to a low carbon economy, such as new jobs, improved air quality, and positive health outcomes. The low carbon economy now supports over 58,000 jobs in Scotland and generates over £10 billion in turnover. Recent analysis by the International Finance Corporation indicates that the 2015 UN Paris Agreement will help open up \$23 trillion worth of opportunities between now and 2030.

THE CLIMATE CHANGE BILL WILL SEND A CLEAR, LONG-TERM SIGNAL THAT THIS IS THE BEST PLACE IN THE WORLD TO INVEST IN LOW CARBON BUSINESS

Our proposals for a new Climate Change Bill to update Scotland's already pioneering climate targets in response to the Paris Agreement will send a clear, long-term signal that this is the best place in the world to invest in low carbon business.

The 'Climate Change Plan' to be published in early 2018 will provide certainty to businesses and investors about how we plan to reduce emissions over the 2020s and early 2030s. The message is clear – this Government is determined to create a world-leading low carbon economy and we want business and investors to share our ambition.

We will establish a Just Transition Commission to advise Scottish Ministers on adjusting to a more resource-efficient and sustainable economic model in a fair way which will help to tackle inequality and poverty, and promote a fair and inclusive jobs market.

Leading the way on electric vehicles

We will take the lead in promoting the use of ultra-low emission vehicles (ULEVs) and phase out the need for new petrol and diesel cars and vans by 2032, well ahead of the 2040 target recently announced by the UK Government.

To support this, we will:

- expand our electric charging infrastructure between now and 2022, whether in rural, urban or domestic settings. Easy access to smart and rapid charge points will mean 'range anxiety' will be a thing of the past in Scotland
- work with each of our delivery partners to create Scotland's first 'electric highway' on the A9, including charging points along the route, demonstrating that electric vehicles offer important advantages to motorists in rural, as well as urban, Scotland

- accelerate the procurement of ULEVs in the public and private sectors, transforming public sector car and van fleets by the mid 2020s and commercial bus fleets by the early 2030s
- introduce large scale pilots across the country, to encourage the private motorist to use ULEVs and remove barriers to their use
- provide financial support for local solutions and small scale research and development to address the particular challenges to expanding the charging infrastructure in Scotland, such as charging in tenement properties, and capitalising on opportunities such as better linking electric vehicles with renewable energy and energy storage and systems in Scotland



We recognise that many of the key fiscal levers still rest with the UK Government and we note their 2040 commitment. We will ask them to play their part in meeting our ambitions by making full use of their reserved powers to help shape the market, including through vehicle standards and taxation.

The new Strategic Board for the enterprise and skills agencies will also be expected to work with our agencies to ensure that we are not simply a purchaser of these technologies, but innovators and producers as well.

Securing jobs, investment and carbon reduction

Transitioning to a resource efficient, low carbon and circular economy represents a massive opportunity for business and for jobs. To grasp these opportunities we will:

- raise our ambitions and introduce a Climate Change Bill to increase our statutory 2050 target and make sure Scotland plays its full part in efforts to limit the global temperature increase to 1.5°C above pre-industrial levels
- publish a final Energy Strategy by the end of 2017 that builds on Scotland's existing strengths and supports the development of a modern, integrated clean energy system, delivering reliable energy supplies at an affordable price in a market that treats all consumers fairly
- include recommendations on a Government owned energy company in the Energy Strategy
- establish an Innovation Fund to invest a further £60 million to deliver innovative low carbon energy infrastructure solutions across Scotland, such as electricity battery storage, sustainable heating systems and electric vehicle charging. This will build on the momentum generated by the European-supported Low Carbon Infrastructure Transition Programme and will benefit consumers, communities and businesses up and down the country
- make our towns and cities more attractive places in which to invest and work – as well as protecting health – by introducing low emission zones in our four biggest cities by 2020 and into all other Air Quality Management Areas by 2023 where the National Low Emission Framework appraisals advocate such mitigation



We will also develop a deposit return scheme designed to increase recycling rates and reduce littering and implement it across Scotland. This represents a step change in our level of ambition and over the next year we will build on detailed work already being carried out by Zero Waste Scotland, ahead of roll-out across Scotland. We will ensure the scheme is tailored to meet Scotland's specific needs and we will work closely with the business community during its design and implementation. The question of whether this scheme should extend to small retailers – who have specific difficulties that would need to be overcome – will be addressed as part of this process.

We will also go further in our efforts to end the 'throw-away' culture, by examining how to reduce demand for single-use items, such as disposable coffee cups. We will appoint an expert panel to advise on the use of charges, similar to the successful plastic bag charge, with the goal of encouraging long-term and sustainable changes in consumer behaviour.

In the coming weeks, we will also set out our considered view and seek parliamentary approval on Scotland's approach to unconventional oil and gas extraction.

Creating Scotland's future – innovation and productivity

To truly grasp the opportunities of the future we must do more to promote entrepreneurial skills and culture in Scotland and to attract, nurture and retain the most innovative companies and individuals in Scotland.

Through our Innovation Action Plan, we are already building on the successes of Scotland CAN DO and are committed to ensuring that efforts of the Government and our agencies are aligned to provide the best possible support to entrepreneurs.

We have doubled the funding available to CivTech®. CivTech has already provided the opportunity for entrepreneurs to use their digital innovations to create solutions to challenges faced by public services. It is an innovative and exciting way of using public sector spending power to create new business and improve people's lives.



But we can and must do more. The fantastic success of BrewDog, Skyscanner and FanDuel show us what is possible. Those companies provide jobs, investment and enjoyment to people in Scotland and all over the world.

To show our ambition and determination in this area, we will:

- introduce the Unlocking Ambition Challenge. Each year, this scheme will support up to 40 of the most talented and ambitious entrepreneurs to bring their ideas to market and create jobs. It will be an international competition with candidates chosen by established entrepreneurs and supported by them. It will provide and support a cohort of Scottish innovators to potentially replicate the success of their mentors. Some will succeed, some will not, but each will be given every possible opportunity to succeed
- increase current grant funding for business research and development by £15 million in each of the next three years

This increased investment in business research and development is part of our goal to double business research and development between 2015 and 2025. This is a stretching and ambitious target but Scotland's spend on business research and development is, and has consistently been, poor compared to other OECD countries. This is in stark contrast to our higher education research and development spend which compares well with other countries. That success is welcome and must continue but it also shows us that the talent and ability is there, we just need to harness it better.

The direct funding announced in this programme will help but will not achieve this growth alone. It is incumbent on all players in the economy to drive progress. For our agencies to play their part the new Strategic Board will be tasked with identifying and addressing specific barriers to research and development (R&D) across all sectors, and sending a clear message to the world that Scotland is the place for investment in R&D. We will also seek opportunities to maximise the impact of our infrastructure investments and procurement on business R&D in areas such as electric vehicles, digital and mobile technologies.

As well as directly encouraging and stimulating innovation, we must create the conditions for businesses across Scotland to digitalise, modernise, innovate and grow. Adoption of existing technology such as superfast broadband, Wi-Fi and mobile internet can assist better business management, and create opportunities for employees to develop and apply their digital skills to enhance productivity. That is why creating the digital and connectivity infrastructure is vital to businesses across the economy.

Driving technological and digital innovation

New and existing technologies are transforming whole sectors of our economy. We want to harness this change for the good of all of Scotland, deliver a step-change in productivity and safeguard Scotland's reputation as a leader in innovation. We will do this by driving the proliferation of digital infrastructure for the good of all businesses and households and supporting the development of world-class tech-clusters in Scotland.

Enabling innovation – digital and connectivity infrastructure

As just one example, in 2015, 75% of internet users in Scotland reported that they used the internet to buy goods and services online in the past three months. Increasingly, much of this is done through mobile devices.

We cannot afford to wait for the UK Government to match our ambition, even though this is a reserved policy area. We will pursue the UK Government and Ofcom to implement changes to UK-wide policy and regulation which have the potential to improve broadband and mobile coverage in Scotland – and press for Scotland to get its fair share of UK funding and investment to enhance connectivity.



No matter their response, by 2021 we will ensure that Scotland is fully digitally connected. In the coming year, we will:

- exceed our target of 95% of properties having access to fibre broadband
- launch the first phase of procurement for 'Reaching 100%' (R100), our programme of investment to deliver 100% access to superfast broadband of 30Mbps to all homes and businesses by 2021
- review our approach to enable more effective development of community broadband projects

We are also aiming to make Scotland the most attractive place in the UK to invest in telecoms. So we will:

- deliver free Wi-Fi throughout major town and city centres across Scotland
- unlock the potential of international fibre connectivity for new business opportunities, improved broadband performance and increased resilience by exploring opportunities to link Scotland to existing or new transatlantic fibre crossings
- match the UK Government's rates relief on certain new fibre investment, subject to confirmation of the associated detail

Enhancing our telecoms connectivity benefits everyone and creates opportunities for businesses around mobile e-commerce. Our ground-breaking Mobile Action Plan, developed in collaboration with industry and launched in 2016, is the first of its kind in the UK. In 2017-18, we will deliver transformative measures, including:

- reforming planning measures to create favourable conditions for infrastructure investment
- developing a programme to address 4G mobile coverage 'not spots' with delivery of initial phase activity in 2017-18
- accelerating deployment of infrastructure, for example through delivering new rental guidance for mobile infrastructure, including small cells, on public buildings



We want more businesses to make better use of digital infrastructure and adopt digital technology. We will provide support for them to do this by investing an additional £1.7 million in 2017-18 to build on the highly successful and well-received first year of 'DigitalBoost' delivered through Business Gateway.

Digital Strategy

The refreshed digital strategy, 'Realising Scotland's Full Potential in a Digital World', emphasises the importance of business transformation through effective use of digital technology to ensure public services are designed around the needs of users and make sense to the people who need them most.

We assess all new or redesigned services to the Digital First Service Standard to ensure that all services are built in line with best practice and are aligned across the public sector. The Standard describes the minimum level required for digital public services and contains 22 criteria grouped around three themes – technology, business capability, and capacity and users. Compliance with the Digital First Service Standard is now mandatory for all central government bodies.

We are committed to ensuring all new public bodies are digital businesses who will deliver on these standards.

Financial technology (FinTech)

In 2017, Edinburgh was ranked 15th of 44 financial centres assessed by the Global FinTech Hubs Federation. Our goal is for Edinburgh to be ranked in the top 10 global FinTech centres by 2021.

We have been working with Scottish Financial Enterprise and its members to develop and deliver a shared FinTech Strategy to raise the global profile of Scotland's FinTech sector across Scotland.

We will now take that further by providing £250,000 over the next two years and leveraging further financial support from industry, to support a virtual FinTech hub and the establishment of FinTech Scotland, an industry-led body that will champion, nurture and grow Scotland's FinTech community.

Life sciences

The life sciences sector is critical to the competitiveness of Scotland's economy. This highly innovative sector currently employs over 37,000 people, and has turnover of £4.3 billion, with GVA at £2 billion.

The 2017 industry-led 'Life Sciences Strategy for Scotland' outlines the sector's priorities to grow the sector's turnover to £8 billion by 2025.

The Scottish Lifesciences Association works closely with the NHS to provide opportunities for Scottish companies to introduce new products and services to the NHS. The NHS will support implementation of the strategy and step up its engagement with industry and academia to build sustainable economic growth in Scotland.



The development of the precision medicine sector is vitally important to Scotland's future health. It will revolutionise health care, allowing specific treatments to be tailored to the individual characteristics of each patient. Scotland has outstanding strengths in this area and we will continue to build on these to assist the commercialisation of world-class research in precision medicine and genomics sequencing.

Advanced manufacturing

Our Manufacturing Action Plan has laid the foundations for Scotland becoming a world leader in advanced manufacturing. We have provided practical support and advice through the Scottish Manufacturing Advisory Service and taken decisive action to support jobs in Lanarkshire steelworks and the UK's last aluminium smelter in Lochaber. These actions are driving innovation and protecting jobs.

In 2017-18, we will:

- directly support the £8.9 million Lightweight Manufacturing Centre in Renfrew. Working with the Advanced Forming Research Centre, this Centre will give Scottish companies a competitive edge in new manufacturing processes for lightweight materials such as titanium and carbon fibre, which increase efficiency and performance and help further reduce carbon emissions
- confirm the location and academic and business partners for the National Manufacturing Institute for Scotland (NMIS) this year and begin construction work onsite during 2018
- launch a service to engage 200 manufacturing businesses each year to develop their own 'Manufacturing 4.0 Improvement Plan' so that manufacturing companies take advantage of new technologies and advance their integration with data and digital
- provide £18 million support – from the Scottish Government and the European Regional Development Fund – through Zero Waste Scotland. This will help manufacturing businesses unlock the economic potential of the circular economy by maximising the value of the manufacturing process from beginning to end. This includes providing grants of between £20,000 and £1 million to SMEs through the Circular Economy Investment Fund



Sensor and imaging systems

Around 170 companies in Scotland are active in the market for sensor and imaging technology across a wide range of activities including aerospace, healthcare, agriculture and public services. These companies already employ 16,000 people and contribute £2.6 billion to the Scottish economy.

We have demonstrated our confidence in the sector through our investment in the Fraunhofer Centre for Applied Photonics and the Censis Innovation Centre. The Censis Centre supports Scottish businesses to develop their ideas and secure commercial opportunities by forging partnerships with universities and economic development agencies.

We will invest in a new and more supportive wireless sensor network. This national resource will transform the potential for businesses to explore sensor and imaging applications, to pilot their ideas and then launch proven, sustainable products and services into the global market.

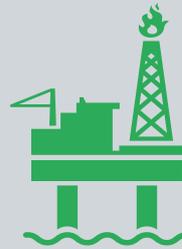
Harnessing the resources and ingenuity of the oil and gas sector

In the last two years, the North Sea oil and gas industry has found new ways to innovate and to develop its expertise in order to deal with the downturn in the market. Harnessing the resources of the North Sea will be vital to the Scottish economy for decades and the expertise which the industry has brought to Scotland provides innovative, job creating opportunities for the north east of Scotland. We will continue to take steps to support the industry. To secure the many and varied opportunities it provides for Scotland we will:

- continue to push the UK Government to:
 - bring forward immediate measures to improve exploration and attract fresh investment to provide support to the supply chain and workforce
 - ensure that issues relating to the tax treatment of late life assets are addressed as quickly as possible to allow assets to be in the right hands and contribute towards maximising economic recovery
 - provide support to the industry in its ambitions to increase the total economic value of the North Sea sector through export-led growth

WE ARE COMMITTED TO SECURING FUTURE INVESTMENT IN CARBON CAPTURE STORAGE IN SCOTLAND

- provide leadership on carbon capture and storage (CCS). The UK Government's apparent withdrawal from CCS risks the North Sea's potential as the largest carbon storage resource in Europe. While continuing to press the UK Government to put in place the policy and financial framework to secure CCS investment in Scotland, we will provide early stage support of £100,000 to underpin the feasibility stage of the newly proposed Acorn Project at St Fergus in Aberdeenshire



TO SUPPORT DECOMMISSIONING WE WILL INVEST IN AN ULTRA-DEEP WATER PORT IN SCOTLAND

- support decommissioning work for older assets which are coming to the end of their economic life. We have already approved the first projects from our Decommissioning Challenge Fund but we will also invest in an Ultra-Deep Water Port to be established in Scotland. The North Sea has put £330 billion into the UK Treasury so we believe the UK's Ultra-Deep Water Port must be in Scotland. We will work with industry to build the case for this and seek cross-party support for the proposal. To show our commitment we will make available capital funding of £7.5 million and challenge the UK Government to commit funding as well
- support the Oil and Gas Technology Centre

Tourism, innovation and our economy

Tourism is a vital part of the Scottish economy, employing 217,000 people and supporting a visitor spend of almost £9 billion a year. It showcases Scotland as a great place to live, work, study and invest in. Tourism continues to diversify and innovate – from the enormous success of the NC500 to the Dark Skies of Galloway. Much more can be achieved through further diversification, including not only traditional promotion and redevelopment, but also an increase in support for modernisation and digital innovation to help capture the potential within this vital sector.

In 2017-18, we will build on previous success by:

- developing with partners sustainable tourism action plans and a national food tourism action plan in key areas across the country, reflecting the further boost that will come from modernisation, innovation and promotion
- improving digital capability across the tourism and hospitality sectors through the Digital Tourism Scotland programme and the Big 5 Questions project, which also supports better customer service and staff development, reduced costs and industry engagement
- improving access to visitor information across Scotland by modernising key visitor information centres, developing partnership arrangements and improving digital and online information provision
- launching an app, developed through our own CivTech® programme, which provides in-car radio entertainment and tourist information for the A9 corridor – meaning that the A9 will soon be dualled, electric vehicle ready, and provide integrated tourist advice

- promoting, through digital and traditional methods, the south of Scotland and Ayrshire as a tourism destination for coastal and forest tourism activities, with enhanced visitor experiences, development of walking opportunities and cycling routes, 7stanes mountain biking, the Galloway Dark Sky Park and South West Scotland Biosphere
- progressing the redevelopment of Inverness Castle to deliver a quality visitor attraction that celebrates the spirit of the Highlands and provides a cultural hub of international significance by 2021

Our creative industries – a vital cultural and economic resource

We will strengthen and coordinate support for our film and television sector to drive its growth by creating a dedicated screen unit within Creative Scotland, to coordinate existing and new public sector investment and resources more effectively.



We will provide an additional £10 million of funding in 2018-19 to bring screen development, production and growth funding to £20 million next year. This is in addition to the existing £12.8 million commitment to BBC Alba/MG Alba.

As part of this work, we will support the world-renowned National Film and Television School with £475,000 to establish a new base in Scotland.

We will also maintain the investment in the Production Growth Fund. Since September 2015, £3.25 million has been made available to the Fund to incentivise productions to choose Scotland as a base. Creative Scotland figures show that the first £1.75 million awarded generated a spend of £17.5 million in the Scottish economy. We are also working with Scottish Enterprise, Creative Scotland and others to facilitate the creation of additional studio facilities.

Regeneration

Our approach to regeneration recognises the unique contribution that can be made by every part of Scotland.

During this Parliament, we will invest in regeneration activity including delivery of the Regeneration Capital Grant Fund (RCGF) in partnership with local government. The RCGF has invested in over 90 projects across Scotland since 2014 and, in 2017-18, it is anticipated to support or create more than 2,000 jobs, refurbish and bring back into use a number of historic and landmark buildings, create more than 18,000 square metres of business space, support over 50 community facilities and services and bring long-standing vacant land and buildings back into use.

We will assist, through the SPRUCE infrastructure investment loan fund, the Vacant and Derelict Land Fund and sponsorship of the Clyde Gateway.

Creating the conditions for businesses to invest for the future and internationalise

To allow our businesses to seize opportunities, it is incumbent on us to provide the environment and conditions which will allow our businesses and people to innovate. This requires investment in our businesses, infrastructure and people and this Programme sets out how we match our ambition with our actions.

Helping the bottom line – non-domestic rates

We will continue to ensure that 100,000 businesses pay no rates at all through the Small Business Bonus Scheme.

We will, urgently take forward the Barclay Review and, as a priority, the recommendations to:

- introduce a new relief for day nurseries to support childcare provision
- move to three-yearly revaluations from 2022 with valuations based on market conditions on a date one year prior
- support town centres by expanding Fresh Start relief
- commission a separate review of plant and machinery valuations with particular focus on renewable energy sector valuations and statutory improvements to property including sprinkler systems

WE WILL URGENTLY TAKE FORWARD THE BARCLAY REVIEW RECOMMENDATIONS ON NON-DOMESTIC RATES

We will give urgent consideration to the remaining recommendations of the Barclay Review and will publish an implementation plan shortly.

Providing investment for growth

Our businesses and financial services sectors continue to invest in our economy and have a vital role to play in securing innovation and growth. We recognise, however, the potential catalyst the public sector’s own investments can provide to the economy.



In last year’s Programme, we announced plans to establish a new, £500 million Scottish Growth Scheme (SGS) to support new and early-stage companies over the next three years.

In June, we announced the first tranche of the SGS which aims to stimulate over £200 million of investment to help businesses grow via the Scottish-European Growth Co-Investment Programme.

This year, we will make a further tranche of investment under the SGS, a £25 million expansion of the SME Holding Fund. Alongside additional private sector investment, we expect this to provide over £100 million to innovative, high-growth companies. The SGS is putting more money into the Scottish economy and will continue to do so over its three-year lifecycle.

It is time to go further and to provide a fuller investment vehicle to deliver our economic vision. The Council of Economic Advisers have set out the importance to Scotland’s economic growth of supporting infrastructure development, providing finance for high growth businesses, and supporting strategic investments in innovation. They recognised the scale and scope of our investment and intervention in infrastructure and business development, but also identified national promotional banks as a cornerstone of a number of European countries’ approaches to support the delivery of long-term investment to support economic development. They also recognised that there were presently barriers, including UK Government budgetary rules, which would need to be considered and overcome for such a bank to be internationally competitive and successful.

We will now develop a full implementation plan for a Scottish National Investment Bank, including its remit, governance, operating model and approach to the robust management of financial risk. We will discuss the implementation plan with Scottish Parliament’s Finance Committee and UK Government to ensure that it has the full necessary support to allow the Bank to operate effectively.

WE WILL DEVELOP A FULL IMPLEMENTATION PLAN FOR A SCOTTISH NATIONAL INVESTMENT BANK TO SUPPORT ECONOMIC GROWTH

£2 billion to realise our vision – enterprise and skills

One of the largest investments in the Scottish economy comes from our enterprise and skills agencies. While that investment has done much to ensure that inward investment is at record levels, unemployment is at record lows and exports continue to increase, we know there is more that can be done to get better outcomes from that investment.

The report covering Phase 2 of the Enterprise and Skills Review was published in June 2017 and outlines a wide range of key actions including the creation of a new enterprise agency for the south of Scotland to drive inclusive growth in that region. We will prepare legislation to establish the agency in 2018 and put in place interim arrangements later this year to ensure the south of Scotland benefits from a new approach that supports a diverse and resilient economy, sustains and grows communities, and capitalises on people and resources.

From October, the new Strategic Board for Enterprise and Skills will oversee the work of the enterprise and skills agencies (Scottish Enterprise, Highlands and Islands Enterprise, the new south of Scotland Agency, Skills Development Scotland and the Scottish Funding Council) and will improve the co-ordination of activities across the enterprise and skills agencies. As announced on 31 August, this Strategic Board will be chaired by Nora Senior, who will bring decades of experience and leadership in business to drive our ambition.

Part of the work of the Strategic Board will be ensuring that our agencies provide a first-class service to our businesses, entrepreneurs and people. But it will also ensure that we are getting the best possible return from our investment while making our economic vision a reality.

This Programme provides the strategic framework and priorities which we expect the Strategic Board and agencies to deliver. As we have made clear (and as evidenced by the creation of the new South of Scotland Agency), the detailed solutions which are appropriate for particular communities, businesses and individuals cannot always be set by government but this Programme provides an overarching set of ambitions which each agency can unite behind.

Promoting trade and investment

One of the key aims of our enterprise agencies is to boost Scotland's international profile and to build on recent successes in increasing exports; not least in the food and drink sector.



Exporters are amongst our most productive and innovative businesses and through 'Global Scotland', our Trade and Investment Strategy, we are creating the right environment to enable Scottish businesses to internationalise and boost Scotland's export performance and attract investment.

Since 2007, Scotland's international exports have increased by 41%. But more needs to be done to identify and exploit international market opportunities. This is particularly important in the context of Brexit.

The EU is Scotland's most important destination market for international exports. Membership of the European Single Market provides Scotland's firms with a market of over 500 million people, to which Scotland's businesses exported £12.3 billion in 2015 – 43% of our total international exports.

We want to ensure that as many businesses as possible are enabled to start exporting or to grow their exporting activity. Therefore, we will continue to do all we can to protect Scotland's interests in Europe during the UK's negotiations to leave the European Union. We are also doubling the number of people working for Scottish Development International (SDI) in Europe.

To build resources in Scotland, we are establishing up to six pilots for local and regional export partnerships to provide business-to-business support in Scotland for small and medium enterprises that have limited experience of exporting. This complements our support to the Chambers of Commerce for building trading alliances with the international network of Chambers and for new business-led trade missions.

Our overseas footprint continues to develop. Innovation and Investment Hubs are now operational in London and Dublin, with our Berlin Hub opening this year. We are developing our existing presence in Brussels into a Hub and we will open a new Hub in Paris to maximise opportunities for Scotland in France, our third largest export market.

We have also established a Board of Trade and will appoint a network of Trade Envoys this autumn to champion and represent Scotland's export interests and strengthen our market intelligence capacity. We will maximise the trade and investment benefits of Expo 2020 in Dubai.

LONDON	OPEN
DUBLIN	OPEN
BRUSSELS	DEVELOPING
BERLIN	DEVELOPING
PARIS	NEW ARRIVAL

ANNOUNCING FURTHER EXPANSION OF OUR NETWORK, WITH A NEW HUB IN PARIS

Scottish Enterprise will develop interactive online tools and services for companies seeking to export. These will be piloted by companies who have the potential to export but who are not currently doing so.

SDI helps businesses around the world invest in or trade with Scotland – in the year ahead its web presence within Scotland will be redeveloped to present key information tailored to the needs of users and aligned with other business support providers.

To complement this work, we will also:

- deliver a partnership approach with Scotland's universities and colleges on internationalisation, building on the experience and success of Connected Scotland, which supports collaboration in the higher education sector to pursue international opportunities
- develop and deliver a co-ordinated programme of local trade events across Scotland
- continue with the work led by SDI and industry bodies to promote our food and drink around the globe, retaining and expanding, if possible, our in-market specialists

Inclusive and sustainable development in developing countries

We aim to improve Scotland's trade and investment performance and contribute to inclusive and sustainable development in developing countries, in support of 'Global Citizenship: Scotland's International Development Strategy'. We will do this by helping business play its part in promoting and respecting human rights; working with partner countries to support development through trade; and internationalising Scotland's world-leading approach to social enterprise to help others realise the benefits of the social enterprise model.

International marketing

To ensure Scotland is viewed around the world as a country to visit, live, work, study and invest in, we will develop an international marketing campaign for Scotland which brings together all of our efforts, not least those of SDI and Visit Scotland. This interconnected campaign will form part of a broader drive to boost Scotland's exports, inward investment and population.

Creating the workforce of the future

Part of Scotland being a great place to do business is getting the most from our great people. Scotland has a highly skilled workforce, which is recognised internationally as one of our key economic strengths and an established driver of business growth and inward investment. Our labour market is performing strongly, with high levels of employment and unemployment at historically low levels.

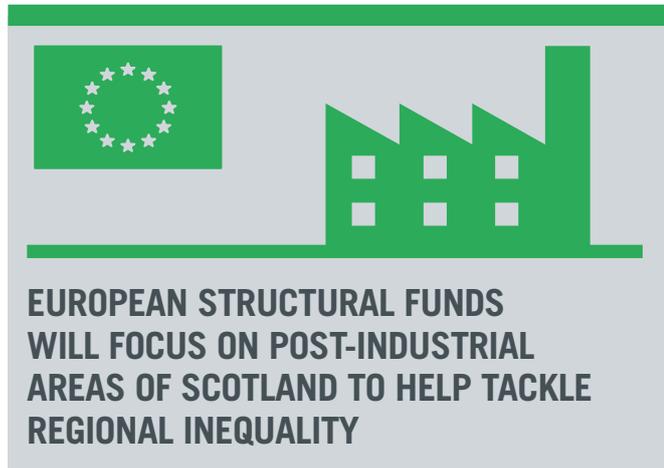


In spite of this, there are still too many people who have low paid and insecure jobs and our drive to innovate must also be built on fair work and providing people with flexible skills.

We must also be mindful of automation and digitalisation replacing some work activities, and work to counter that by seizing the potential they have to enhance, de-risk and create new work activities. We cannot stop global forces, so we must focus on safeguarding and developing future jobs by preparing a workforce that can adapt and respond to global changes.

We know that businesses share our goal to build skills. The majority of Scottish businesses plan to grow by increasing the skills of their workforce: in the 2016 Small Business Survey Scotland, 61% of SMEs cite this as the primary means by which they want to grow their business. This Programme sets out how we aim to help them.

We invest around £100 million per year in apprenticeships, flexible workforce development and individual training accounts. Skills Development Scotland will continue to assess the current and future industry demand for skills, and our work on skills alignment will ensure that the system is closely aligned with evolving industry needs.



Digital Skills

We know that digital skills shortages are currently constraining business growth in Scotland. Only 37% of firms in 2014 were fully equipped in terms of having the skills to meet the digital technology needs of business (Digital Economy Business Survey 2014). In addition, 25% of firms within digital technologies and other sectors believe that 'recruiting people with the right technical skills or experience would be an issue for their business in the next 12 months and currently require more digital skills than are available' (Ekosgen Digital Technologies Survey 2016); this is one of the key constraints to inclusive growth in Scotland.



That is why this year, building on previous investments in digital skills, we announced the Digital Growth Fund, with £36 million available over three years from April 2018 to enhance the digital capabilities of our people and our businesses, through support for digital skills training. We will work with business to ensure this investment meets their needs. We will also continue to ensure the £12 million Training Transition Fund helps oil workers retrain in other sectors, including low carbon and renewables sectors.

City deals and regional economies

We will work with regional partnerships to make the most effective use of existing city deal investment to tackle labour market challenges and skills shortages. City region deals act as enablers to drive inclusive economic growth. The deals enhance alignment between national, regional and local ambitions, strategies and resources and they enhance partnerships focused on long-term strategic approaches to improving regional economies. We have committed over £1 billion over the next 10-20 years for city region deals for Glasgow, Aberdeen, Inverness and Edinburgh and South East Scotland. Next we will seek to secure deals for Stirling and Clackmannanshire; the Tay Cities; and deliver a regional deal for Ayrshire.

We will also use European Structural Funds to help tackle regional inequality by focusing funding on post-industrial areas of Scotland. Looking carefully at skills gaps which exist in those communities, we will focus our efforts on filling those and encouraging inward investment. An additional £12 million of European funding will be invested in this work to develop the skills needed for new and emerging industries and markets.

Youth employment

We welcome our progress towards the target to reduce youth unemployment by 40% by 2021, with the youth unemployment rate now one of the lowest in Europe.

We continue to implement the Developing the Young Workforce (DYW) strategy and the network of regional industry-led Developing the Young Workforce Regional Groups is now complete. This harnesses the skills of engaged industry leaders to drive the delivery of cultural change in the relationship between employers and education. We have signalled our intention to provide funding to those groups through to 2021 and this is further evidence of our long-term commitment to deliver the DYW Programme. In the coming year those groups will increase the focus on how we support young people who face particular challenges in moving into work.

Flexible Workforce Development Fund

The UK Government's introduction of the Apprenticeship Levy has fundamentally altered the way in which skills training is funded. We are committed to working with businesses in Scotland affected by the levy to ensure they continue to invest in the development of their workforces. We will develop new approaches which are flexible and responsive to the needs of those businesses as we pilot a new workforce development fund, which will launch later this year. This £10 million investment will help employers to increase productivity and address skills gaps by supporting in-work training of their workforce. The fund will be delivered through colleges and bring the sector closer to industry.

Drawing on the lessons from the first year pilot, we will develop a proposal for an extension of the Flexible Workforce Development Fund (FWDF) in 2018-19. The priorities for the FWDF will be developed in line with emerging future skills priorities identified by the new Strategic Board.

Employability services and supporting disabled people into work

From April 2018, we will exercise one of the first powers devolved under the Scotland Act 2016 to deliver our new employment support service Fair Start Scotland. It will provide tailored, person-centred support to a minimum of 38,000 people who are furthest removed from the labour market. Building on this we will work with partners in UK and local government to ensure our pre-employment programmes and the structures that deliver them meet the needs of those who face the greatest barriers to work. We will align this work with that of the Developing the Young Workforce Regional Groups to create streamlined routes for our most vulnerable young people to get back into work.



We will also reduce barriers to employment for disabled people and seek to reduce, by at least half, the employment gap between disabled people and the rest of the working age population.

Twenty per cent of the population is disabled, but disabled people make up only 11% of the private sector workforce and 11.7% of the public sector workforce. We will consult disabled people's organisations and public sector bodies on setting targets to redress this imbalance.

In Fair Start Scotland, we have reserved one of the nine contract areas for bids from supported businesses whose primary aim is the social and professional integration of disabled or disadvantaged persons and where at least 30% of the employees are disabled or from poorer backgrounds. Additionally, as part of the overall procurement exercise, we have encouraged potential service providers in the other eight contract areas to consider how they can work with supported businesses across Scotland.



We will also:

- pilot a work experience scheme for young disabled people aimed at improving the transition into permanent employment and removing barriers to finding employment
- deliver a disability internship programme, providing disabled people with 120 employment opportunities in the third and public sectors and in politics, over the period 2017 to 2021
- deliver a two year NHS internship programme for disabled graduates in partnership with NHS Scotland and the Glasgow Centre for Inclusive Living Equality Academy from 2016 to 2018
- hold a major congress on disability, employment and the workplace and engage with partners, employers, the Scottish Trades Union Congress and disabled people's organisations during 2017 in shaping its focus

Support for veterans

We remain committed to ensuring that no member of the armed forces and veterans community in Scotland faces disadvantage when accessing services and support. We will continue to support veterans through responding to the recommendations of the Scottish Veterans Commissioner and through the Scottish Veterans Fund, with our multi-year commitment of £360,000 in place until 2019-20. In 2017-18, for the first time, the Scottish Veterans Fund includes a dedicated strand of funding provided by Standard Life, which will focus on employment for veterans. This brings the total committed through the Fund to £600,000 over three years to 2019-20.

Migration

Inward migration is vital to meeting Scotland's economic, demographic and cultural needs. Population growth is the biggest driver of economic growth in Scotland today and migration is essential for the sustainability of Scotland's population growth.

The UK's one-size-fits-all approach to immigration is no longer sustainable. We have repeatedly set out our position that the UK Government's existing immigration policies don't work for Scotland. We will continue to work to address the negative rhetoric around migration.

While migration is currently reserved, we made clear in 'Scotland's Place in Europe' that our preference is for autonomy in Scotland on immigration powers and for Scotland to continue to benefit from free movement within the single market.

In the next year, we will seek to build consensus around the need for Scotland to have migration powers. We will also work with partners to attract more people to live and work in Scotland and to ensure migrants to Scotland are able to remain. We will continue to push the UK Government to deliver flexibilities within the current system as a matter of urgency including setting out new skilled jobs required in Scotland through the occupation shortage list and the reinstatement of a post-study work route.

Consumers

By the end of 2017, we will publish a consultation on how best to deliver the optimal approach to consumer protection and competition in Scotland so that real benefits can be delivered to consumers and businesses.

Scotland's travel and transport system – cleaner, greener and healthier

While we will increase our focus on the opportunities that technological change is delivering, we will also continue to deliver improvements in traditional infrastructure that deliver real economic benefits and improved connectivity.

We will also commence work for the second Strategic Transport Projects Review in the Dumfries and Galloway area. This will include looking at the access to the ports at Cairnryan.

We are investing more than £1 billion annually in public transport and other sustainable transport options to encourage people to use an alternative to their cars while delivering the largest transport investment programme that Scotland has ever seen.



WE WILL PHASE OUT THE NEED FOR NEW PETROL AND DIESEL CARS AND VANS BY 2032

Active travel

We will build an Active Nation, boosting investment in walking and cycling and putting active travel at the heart of our transport planning. Our actions will include:

- making our towns and cities friendlier and safer spaces for pedestrians and cyclists by increasing investment that supports active travel from £40 million to £80 million per year from 2018-19
- appointing an Active Nation Commissioner to ensure delivery of world-class active travel infrastructure across Scotland
- stepping up promotion of the use of electric bicycles to ensure as many people as possible can benefit from active travel
- delivering projects which help older people benefit from our network of walking and cycling routes



We will work towards delivering a long distance walking and cycling route, offering an experience equivalent to the successful North Coast 500 and continue our investment for walkers, cyclists and equestrians on the A9 corridor, including 35 km of new cycle track to connect the A9 route with the wider National Cycle Network.



Air quality and low emission zones

Air pollution impacts on human health and particularly affects vulnerable groups such as the very young and old, and it exacerbates respiratory and cardiovascular conditions. This has long-term impacts on individuals' wellbeing and on their participation in the labour market and economy. We will take forward our 'Cleaner Air for Scotland' plan to tackle air pollution and ensure that levels are below stringent legal requirements.

With local authorities, we will introduce Low Emission Zones (LEZs) into our four biggest cities between 2018 and 2020 and into all other Air Quality Management Areas by 2023 where the National Low Emission Framework (NLEF) appraisals advocate such mitigation. We will also establish an Air Quality Fund to support local authorities with Air Quality Management Areas to deliver transport-based mitigation as identified by the NLEF. We will work with the commercial and bus sectors, the Energy Saving Trust and the Low Carbon Vehicle Partnership to establish an Engine Retrofitting Centre in Scotland to support the delivery of LEZs, creating new jobs and with the goal of winning business from outwith Scotland.

Roads

We have just seen the Queensferry Crossing open to the public and earlier in the summer the opening of the upgrade to the M8, M73 and M74 motorways. We continue to deliver the Aberdeen Western Peripheral Route and progress the dualling of the A9, underlining our commitment to major infrastructure across Scotland.

This year, we will also focus on maintaining the trunk road network in line with international best practice.

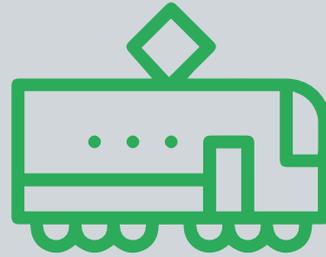
This approach will help to sustain the economic health of our nation and meet the expectations of the travelling public. We will invest in further essential road maintenance schemes, our bridge strengthening programme and ancillary assets and increase the resilience of the network to unplanned events such as flooding and high winds. The Transport Bill will contain provisions on obstructive and inconsiderate parking. It will also enhance and improve the role of the Scottish Road Works Commissioner and the wider regulation of road works.

THE TRANSPORT BILL WILL CONTAIN PROVISIONS ON SMART TICKETING ON PUBLIC TRANSPORT IN SCOTLAND

Smart ticketing

We are continuing with our programme to allow all journeys on Scotland's bus, rail, ferry, subway and tram networks to be made using some form of smart ticketing or payment. The entire ScotRail network is smart-ready and ScotRail continues to develop and deliver smart ticketing products in line with their franchise commitments. The five largest bus operators, covering 74% of journeys, have already introduced multi-operator smart ticketing in the city regions of Aberdeen and Dundee, with Glasgow (late 2017) and Edinburgh (early 2018) to follow.

Transport Scotland will continue its work to deliver a national 'e-purse' system for use on saltirecards allowing cash free travel on public transport across Scotland.



IN 2017-18 WE WILL PRESS FOR FURTHER DEVOLUTION OF NETWORK RAIL IN SCOTLAND

Buses

The Transport Bill will provide local transport authorities with improved options to influence the provision of bus services in their area to better meet local users' needs, through partnerships with operators, franchising, or running their own services.

The National Concessionary Travel Scheme provides great benefits and we will continue to provide free bus travel to those who need it most while ensuring the scheme is sustainable in the longer term. We will pilot free bus travel for Modern Apprentices.

Rail

We continue to demand the level of service which customers expect from ScotRail and, while the improvements we have seen this year are welcome, there is more to do. A key to improvement is realising the investments that we are working with ScotRail and Network Rail to deliver.

We are seeing many of our major projects come to fruition in 2017-18. Some highlights include:

- the Edinburgh to Glasgow via Falkirk High route being served by electric trains in the coming months and adding 26% more seats at peak times
- Dundee Station redevelopment being completed by early 2018
- refurbished high speed trains being introduced into service by ScotRail between the seven Scottish cities from spring 2018
- 75 new sleeper coaches being gradually introduced on overnight services to and from London from April 2018 onwards

We will go further by developing new proposals to continue the reinvigoration of the Scottish rail network and will take forward work on:

- our investment strategy for new track and stations for 2019 onwards
- introducing hybrid electric trains
- further tackling overcrowding
- introducing dedicated carriages for cycles and other outdoor sports equipment on rural routes in the north and west
- maximising the local benefits of the route between Girvan and Stranraer
- service improvements for the line between Inverness and Wick/Thurso



We fundamentally believe, however, that we could do much more if we had stronger levers over the rail network. The rail network in Scotland is already publicly owned – by the UK Government. In the coming year, we will continue to press for the further devolution of Network Rail in Scotland so that it becomes fully accountable to the Scottish people. We will also make full use of new powers provided through the Scotland Act to allow public sector bodies to bid for future Scottish rail franchises.

In 2017-18, we will identify a suitable public body to make a robust bid for the next ScotRail franchise contract and confirm the next steps for the preparation of a bid.

Ferries

In 2017-18, we will continue to maximise the socio-economic development of Scotland's remote and island communities through our support of ferry services. Recent enhancements have supported a major uplift in the numbers travelling by ferry. While that growth in travel provides a welcome boost for the island tourism sector it does present a number of challenges in dealing with increased demand.

In response to these challenges, we will continue with a number of initiatives to further enhance and improve Scotland's ferry services, including:

- applying road equivalent tariff fares to all routes in the Clyde and Hebrides Ferry Services network throughout the year
- reducing passenger and car ferry fares to Orkney and Shetland in the first half of 2018
- supporting the town centre to town centre Gourock – Dunoon ferry service
- reviewing ferry services procurement policy and subsequently putting in place arrangements for the long-term delivery of our supported services
- continuing work on the Colintrave and Rhubodach slipways
- building two new major vessels for the Calmac Network, the first of which will be launched during the year



Air Travel

To ensure that air services continue to be more affordable for remote communities in the Highlands and Islands, facilitating accessibility, social inclusion and economic development, we will maintain the existing Air Discount Scheme in 2017-18 at 50%.

The Air Departure Tax (Scotland) Act provides for Air Departure Tax (ADT), which will replace UK Air Passenger Duty (APD) in Scotland. Revenue Scotland will be responsible for collecting and managing the tax.

Tax bands and tax rate amounts for ADT will be brought forward through secondary legislation. We are committed to reducing the overall burden of ADT by 50%, abolishing the tax altogether when resources allow and seeking a fair deal for the Highlands and Islands, where an exemption from APD currently applies.

Rural economy: preparing for the future

Rural Scotland is home to one fifth of Scotland's population and 51,000 registered small and medium-sized enterprises. Our food and drink sector is a global success – it has rapidly grown its export markets and demonstrated the innovation and ambition we need to replicate across the economy. But rurality, remoteness and depopulation, in particular, present significant challenges.

Increasing digital connectivity and technological advances, which allow us to better harness our natural resources, hold enormous potential for our rural communities. With geographical barriers becoming less important, we must support our rural areas to secure vibrant communities, deliver big ideas and drive economic growth.

In preparing for the future, our focus in the coming year will be on four key areas:

- enabling and encouraging sustainable development, enterprise and investment through a joined-up approach across government including local government and national agencies
- developing a strategic approach on environmental policy in Scotland to protect and enhance our environment, safeguard our natural capital and continue Scotland's leading role on addressing environmental challenges
- harnessing the potential of our natural assets and protecting our natural resources
- repopulating and empowering Scotland's rural, coastal and island communities

Preparing for the future

So much of our rural economy will be impacted by the outcome of the UK's negotiations on leaving the EU. We will fight for the best deal for our rural, coastal and island communities and do all we can to protect Scotland's interests during this period, whether that be in relation to our important rural industries, environment, communities or housing or any other issue important to the rural economy.



To do so, we must fully understand all the implications of Brexit for rural Scotland and develop policy and principles for future rural support based on the best available advice, research and expertise. We have established a National Council of Rural Advisers to lead this work. It will provide an interim report in November on Brexit implications and recommendations on policy and principles for future rural support in late spring 2018.



We will also:

- encourage stakeholders to submit their views to UK Government working groups so that Scotland's voice is heard and our particular circumstances and experience inform their policy development
- expect and press for all currently devolved powers over agriculture, animal health and welfare, fishing and rural and environmental policy to transfer to Scotland
- collaborate where appropriate to develop UK-wide approaches on relevant issues
- continue to press for a fair share of available UK funding – across all schemes – to be maintained in the future, and for the power to determine how to invest it
- engage with the UK Government and other devolved administrations on the former's proposals for the future

Enabling and encouraging enterprise and investment through a joined-up approach

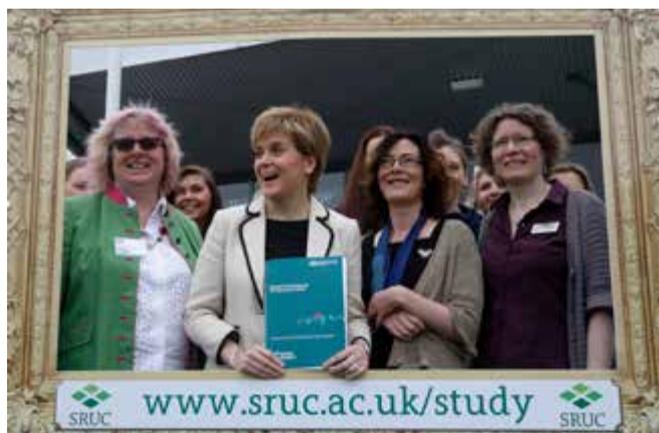
We want to ensure that rural sectors and businesses have opportunities to expand, collaborate and innovate.

EU funding, including the Scottish Rural Development Programme (SRDP) 2014-2020, will continue and will be invested in enterprise, protecting and improving the natural environment, and empowering rural, coastal and island communities. We will also plan a new unitary fund to invest in rural, marine and coastal enterprise as part of dealing with Brexit. The fund will ensure that future investments in the rural economy are aligned to business needs, key sectors and government priorities for sustainable and inclusive growth.

We will continue to seek repatriation of the EU's full CAP convergence funds of £190 million. Should we succeed, we will increase the CAP payment rate to active hill and upland farmers and crofters. We will also press for full devolution of the fish levy to generate additional revenue of £2 million to promote and market Scotland's quality fish and seafood. We will seek the full repatriation of the £1.5 million of red meat levy that Scotland loses through livestock that is slaughtered outwith Scotland.

Beyond the issue of EU funding, Brexit risks inflicting serious economic damage to rural jobs and businesses. In many sectors of vital importance to the rural economy, it is already clear that some businesses will struggle to operate without access to EU workers.

We will continue to argue vociferously against the damage posed by leaving the single market. However, we will also take action to help those most at risk, not least our farmers, our hill farmers and our crofters. We will seek to empower our farmers and crofters to use their land for new sustainable developments, including housing. As part of this, we will examine how, across the rural economy, we can use the planning and consents systems to fast-track sustainable developments – including housing – in order to generate new rural economic activity.



We will work with others, including the private sector, to attract further investment to rural Scotland by:

- assessing the potential for the use of financial instruments to support rural businesses
- exploring the use of loans to enable farmers, crofters and land managers to undertake projects and activity which maintains or improves the sustainability and productivity of their businesses and land

- seeking opportunities for public sector pension funds to invest in woodland and forest creation
- exploring how place-based collective endowments could be used to revitalise local, and particularly remote, communities
- facilitating partnership between the private and public sectors, for example, by working with local authorities and the Scottish Minerals Restoration Trust to pursue sustainable development options for restored open cast mines

Maintaining critical infrastructure will be essential in helping farm businesses become more efficient and sustainable as they increasingly add value to their products to maximise their economic impact and make the most of our natural assets.

As a key milestone towards a Scottish rural infrastructure plan, we will trial collaborative working between public agencies and the private sector to progress key economic development projects in the south of Scotland.

Supporting manufacturing in the West Highlands

In November 2016, Rio Tinto Alcan sold the last remaining aluminium smelter in the UK at Fort William, two hydro-electric facilities and estate land to the GFG Alliance. We underwrote this transaction as part of a clear commitment to Scotland's industrial infrastructure and rural economy and to inclusive and sustainable growth in the West Highlands.

Lochaber now has a once in a lifetime economic opportunity to revitalise the smelter and associated hydro schemes, to construct state-of-the-art facilities to manufacture automotive products and to develop and enhance the extensive estate lands. This could lead to the creation of several hundred direct jobs and many more jobs in the supply chain. The investment is predicted to add around £1 billion to the local economy over the next decade.

We are working with Highlands and Islands Enterprise, Highland Council and local community stakeholders through the Lochaber Delivery Group to co-ordinate support for GFG Alliance's industrial vision for the Lochaber assets, including development of infrastructure and housing.

We remain committed to supporting potential for community ownership of appropriate parts of the estate to help create stronger, more resilient and more independent communities.

In the Enterprise and Skills Review, we recognised the unique challenges facing the south of Scotland. In 2017-18, we will take forward delivery of the Review's recommendations to support community resilience and business growth. This will include:

- preparing legislation to create a new enterprise agency for the south of Scotland to lead transformational inclusive growth, increase competitiveness and tackle inequality
- introducing interim arrangements by the end of this year to ensure that the south of Scotland begins to benefit from a new approach
- promoting the south of Scotland and Ayrshire as a tourism destination
- investing in measures in the Tweed Valley action plan in the Borders and developing a similar action plan for Dumfries and Galloway

Harnessing the potential of our natural assets and protecting our natural resources

Scotland's natural capital is fundamental to our success as a nation and is the essence of Scotland's global brand. Continued growth depends on sustainably harnessing the potential of our natural assets – our land and seas in particular.

Environmental protection is one of the areas which will be most affected by the UK's decision to leave the EU: 80% of our environmental legislation originates from Europe. So, as part of our work to analyse scenarios on the future relationship between Scotland and the EU, we will develop a strategic approach on environmental policy in Scotland that will safeguard our natural capital and continue Scotland's leading role in addressing environmental challenges.

Supporting our food and drink industry

Our food and drink sector is a major contributor to Scotland's economy. The new industry-led Food and Drink Strategy – 'Ambition 2030' – published in March, set the aim of doubling the value of the industry to £30 billion by 2030. We will:

- focus support on growth markets across the UK for food and drink sourced or produced in Scotland
- build the service and supply chain to promote farmed fish and seafood to international and domestic markets
- work with producers and businesses to publish sector specific action plans
- consult on proposals for the Good Food Nation Bill and appoint a National Chef to promote Scotland's produce and the associated health benefits



OUR FOOD AND DRINK SECTOR IS A MAJOR CONTRIBUTOR TO SCOTLAND'S ECONOMY

We want to develop demand for locally-sourced and produced food and drink here in Scotland. Doing so in public sector settings is key, so we will:

- conclude the review of school food regulations and implement changes to reflect the revised scientific advice on nutrition
- invest in a new targeted supplier development programme to enable more food and drink suppliers to compete for public sector contracts
- facilitate attendance of public sector buyers and catering managers at 'Showcasing Scotland 2017'
- invest more in the 'Food for Life' programme to get all 32 local authorities achieving its Catering Mark in their schools

A sustainable and productive farming sector underpins our food and drink success. In 2017-18, we will:

- take forward recommendations from each of our four Agriculture Champions
- maintain direct support for farmers and crofters at current levels, put the CAP payment system on a secure footing and complete full digitisation of the application process for payments
- continue the Less Favourable Area Scheme in 2018 to support farming in our most fragile and remote areas, in line with EU rules
- expand the sheep and trees initiative and encourage more woodland creation on farms and crofts
- transpose the EU amending Directive that provides Scotland with the powers to opt-out of cultivating future EU approved genetically modified crops
- complete the ScotEID livestock database and support a cattle electronic identification pilot; deliver legislation to eradicate bovine viral diarrhoea and work with Livestock Health Scotland to identify the next target livestock diseases

A sustainable marine sector

Scotland has one of the world's richest marine environments. We will continue to support clean, healthy, safe, productive and biologically diverse seas and coasts and the sustainable growth of key industries, including aquaculture, sea fisheries and seafood. In the coming year, we will:

- develop a strategic health framework to support the aquaculture sector's 2030 sustainable growth ambitions
- develop policy which consolidates sustainable fishing in Scottish waters and support a thriving Scottish fishing industry, onshore and offshore
- continue to press the UK Government to implement a new UK Fisheries Concordat
- establish a Scottish Advisory Committee to guide the Seafish Industry Authority

Protecting our marine environment

The seas around Scotland are a national asset that must be protected and cherished. In the year ahead, we will:

- consult on refreshing the National Marine Plan and improve the protection given to Priority Marine Features outside Marine Protected Areas
- create a research programme on blue carbon and evaluate options to create a deep sea national marine reserve
- develop a dolphin and porpoise conservation strategy to maintain the species in favourable conservation status
- host an international conference to discuss improving our marine environment and protecting our wildlife, focusing on marine plastics
- commit £500,000 to begin to address litter sinks around the coast and to develop policy to address marine plastics, which will involve working with community groups

Scotland: a hydro nation

We are proud that Scotland's water industry remains in public ownership and our reputation as a Hydro Nation is growing. In the coming year, we will:

- provide £210 million to support Scottish Water's £3.6 billion capital investment programme to meet EU Directives and provide new connections and network capacity
- grow Scotland's water economy through Scottish Water International consultancy, the Hydro Nation innovation service and test facilities, world-class research, overseas development aid and working with Scottish Development International

A growing forestry industry

Scotland's forests and woodlands provide around £1 billion in GVA annually to the economy, support around 25,000 jobs and contribute to our climate change targets. To meet the current annual target of creating 10,000 hectares of woodland, tree planting must become a shared national endeavour. We will:

- complete the devolution of forestry and establish a modern framework for forestry in Scotland through the Forestry and Land Management Bill
- implement the Mackinnon report in full, including streamlining the approval process for good quality planting applications
- increase the budget for woodland creation by £4 million in 2017-18 and work with timber users to develop, promote and facilitate the use of home-grown Scottish wood
- support the development of partnerships involving communities, public and private sector investors to plant more trees and create more woodlands

- evaluate current practice around reinstatement of trees removed during development of infrastructure
- work with a refreshed Forest and Timber Technologies Industry Leadership Group to develop a long-term action plan to identify and exploit strategic opportunities for economic growth in the sector



On Scotland's National Forest Estate, Forest Enterprise Scotland will:

- restore a further 500 hectares of ancient woodland
- as part of the New Woodland Investment Programme, establish 650 hectares of new woodland
- sustain the Estate's timber production potential by replanting after felling, predominantly with productive conifers
- identify and develop innovative partnerships to increase leisure and recreational activity

Forest Enterprise Scotland will work with partners to identify areas of vacant and derelict land for the New Woodland Investment Programme. It will continue to involve local communities in managing the National Forest Estate. In 2017-18, we will seek to transfer a further 700 acres of forest to community ownership.

Scotland's National Forest Estate, Forest Enterprise Scotland and Forest Holidays – a perfect partnership

Tourism and recreation on our National Forest Estate contributes £110 million each year to the Scottish economy and supports 3,800 jobs. Forest Holidays, a joint venture including Forest Enterprise Scotland, has developed luxury cabins at Strathyre and Ardgartan in the Loch Lomond and the Trossachs National Park. A further inward investment of £10 million is planned for the Tweed Valley. Other sites are being investigated, including Nevis Forest near Fort William.

Protecting our flora and fauna

Wildlife and plant species must also be protected as key natural resources. We will:

- take forward proposals with Police Scotland for new resources to tackle wildlife crime
- establish an independent group to consider how to ensure that the management of grouse moors is environmentally sustainable and compliant with the law
- commission work in relation to protecting gamekeepers' employment and other rights
- commission a research project to examine the impact of large shooting estates on Scotland's economy and biodiversity
- establish an independent group to advise on effective and sustainable deer management

Expanding our greenspace

By building on our support for the Central Scotland Green Network (CSGN), Europe's largest greenspace project, we will improve the quality of people's lives and help tackle inequalities.

Activity will include:

- targeting improvements in the most disadvantaged areas
- improving the quality of publicly owned greenspaces for recreation and community use, for example, community growing
- delivering 25 pollinator projects along the John Muir Way to create Scotland's first pollinator-friendly urban corridor



We will also support increased pollinator planting by local authorities across Scotland on roadside verges, public green spaces and similar areas.

Community growing is a key aspect of becoming a Good Food Nation, contributing to our health and environment, and we will take steps between now and 2020 to increase the area available for this across Scotland.



Repopulating and empowering Scotland's rural, coastal and island communities

People are key to driving forward our rural economy. We are committed to supporting people to remain on and return to the land by creating a sustainable and productive environment in which they can live and work. We will:

- produce a rural skills action plan in 2018 to enhance employment opportunities for young people
- seek to increase rural housing stock by enabling more housing in suitable and sustainable rural locations, consulting on permitting the conversion of existing farm buildings to form new homes and exploring incentives to encourage use for permanent housing
- ensure rural communities are among the first to benefit from our commitment to provide 100% access to superfast broadband
- ensure that the opportunities of low carbon technologies, not least electric vehicles and energy storage, bring the significant benefits to rural communities that we know they can

We need to attract more people into farming. Key actions will include:

- an action plan for 'Farming Opportunities for New Entrants' to include the identification of more public and private land for new farmers
- addressing, through our taskforce on Women in Agriculture, the barriers which prevent more women entering and staying in farming
- implementation of the measures in the Land Reform (Scotland) Act 2016 to support a thriving tenanted sector for agriculture



WE WILL CONSULT ON PERMITTING THE CONVERSION OF FARM BUILDINGS TO FORM NEW HOMES TO INCREASE RURAL HOUSING STOCK

Traditional crofting also has a role to play in enabling more people to live and work in the Highlands and Islands but we must also maximise the potential from a modern approach to crofting. That means enabling different ways of working the land and creating sustainable crofting communities. We will:

- work with crofting stakeholders to explore opportunities for more new woodland crofts and development of a new entrants scheme
- produce a draft consultation crofting development plan
- continue to explore development of a suitable funding mechanism to support community landowners with croft registration
- consult on and develop proposals to reform crofting law

We will continue our work to empower Scotland's island communities. The Islands Bill provides for the creation of a National Islands Plan and a duty to island-proof future government policies, strategies and legislation.

THE CROWN ESTATE BILL WILL ESTABLISH A LONG- TERM FRAMEWORK FOR THE MANAGEMENT OF CROWN ESTATE ASSETS IN SCOTLAND, PROVIDING OPPORTUNITIES TO BENEFIT COMMUNITIES AND THE ECONOMY

The Crown Estate Bill will be introduced to establish a long-term framework for the management of Crown Estate assets in Scotland. This will provide opportunities for local management following devolution, to benefit communities and the economy.



2

SERVICES FIT FOR THE FUTURE

Public services and those who work in them are vital to the success of our economy and our society. Over the last 10 years, public services have become better integrated and more responsive to the needs of our diverse communities.



To ensure our services are fit for the future, it is essential that we take a number of actions now to address future challenges. By focusing on those who most require support and redesigning the way in which some services are provided, we will make sure we are using public resources in the long-term interests of the country.

Our focus on prevention from the earliest years of a child's life, including improving the rights of young people, will reduce the impact of adverse childhood experiences and ensure our young people begin their adult lives from strong foundations.

Taking action to increase activity levels, tackle poor diet and obesity and improve air quality will reduce the long-term challenge facing our health service, while focusing on diverting people from crime, reducing reoffending and supporting communities ensures more people are able to live fulfilling lives and make their full contribution to society.

For our older people, and for all those who require care in our NHS, we will continue to break down barriers and provide more support in people's homes and communities, enriching their lives and extending healthy life-expectancy.

WE WILL REDUCE THE IMPACT OF ADVERSE CHILDHOOD EXPERIENCES SUFFERED BY VULNERABLE YOUNG PEOPLE

The best place in the world to grow up

Improving the education and life chances of children and young people is the defining mission of this Government. We will build on our reforms to deliver our vision for education, close the attainment gap and raise attainment for all. We remain focused on giving all our children the best possible start in life through the Getting It Right For Every Child approach: from before birth, throughout their education and beyond. All children are equal in Scottish society, but not all have the same opportunities. We need to ensure that the barriers to success that children and young people experience can be addressed quickly and that the right help is given at the right time.



We are reforming the whole education system. The early years experience is being revolutionised by the expansion of early learning and childcare to almost double current levels. Schools will see a fundamental change, with more power and money in the hands of headteachers to drive improvements in attainment. And in our universities, we will drive wider access so that going to university is based on ability not background.

Our investment in education and skills is an essential element in increasing productivity and encouraging inclusive growth; ensuring that all our children get equal chances and choices to succeed, not just at school, but in life.

The early years

Support for new families

Our support for young people begins with support for new parents to give their children the best start in life. Recognising this, we will:

- deliver the Baby Box to all newborns
- implement the recommendations of our maternity and neonatal services review
- increase the numbers of health visitors by 500
- complete our roll-out of Family Nurse Partnerships to all eligible first-time mothers in Scotland

We are now offering Baby Boxes to all babies born in Scotland. This is helping to address deprivation and support parents in the first few important months by including materials to promote the best possible outcomes for children. The box itself provides a safe space for babies to sleep near their parents, promoting bonding and early attachment.

To support families in those early years, we are also establishing the Best Start Grant which will provide financial support at key points in the early years of a child's life for those who need it, ensuring no child is left behind at this crucial stage in life.



WE WILL ALMOST DOUBLE FUNDED EARLY LEARNING AND CHILDCARE PROVISION TO 1,140 HOURS FOR ALL 3 AND 4 YEAR OLDS AND ELIGIBLE 2 YEAR OLDS FROM AUGUST 2020

Early learning and childcare

The importance of high quality early learning and childcare (ELC) in ensuring that our children and their parents are able to fulfil their potential cannot be overestimated.

Those children who receive a Baby Box this year will be among the first to receive 1,140 hours of fully funded early learning and childcare from 2020, almost double the entitlement available now. Our support for childcare is available to all families because we recognise that it helps all children, not just those where both parents work. These children will also receive free meals at nursery, building on the principle established by the Baby Box that all children are born equal.



Over the coming year, we will:

- back our ambition with investment by guaranteeing a multi-year package of funding for local authorities – to be published this autumn – to support the recruitment and training of staff and the delivery of new premises, and to ensure that some communities begin to benefit from the increase to 1,140 hours ahead of 2020
- work towards all childcare workers delivering funded ELC being paid the Scottish Living Wage from August 2020
- publish a Quality Action Plan that will set out measures to support early years professionals to continuously improve the care and learning experience our children receive, including by sharing best practice from centres of innovation across the country, providing mentoring for new members of the childcare workforce and improving the transparency of inspection arrangements to enable parents to make informed choices and to minimise the burden on providers

We will also publish our Funding Follows the Child model by the end of March 2018. This will include a national standard for a more open process for private and third sector providers and childminders accessing funded ELC.

Tackling Adverse Childhood Experiences

What happens to us as children can have a huge impact on us throughout our lives. Childhood experiences shape who we are and how we respond to events in our lives, especially if those experiences are adverse ones involving abuse, neglect, harm, violence or poverty. We now know through research and experience that preventing adverse childhood experiences where we can and tackling their impact where they do happen, can change a child's life and, importantly, their life chances.

Adverse Childhood Experiences (ACEs), like parental drug and alcohol abuse, parental incarceration, physical or sexual abuse or neglect, are linked to poorer physical and mental health in adulthood, risky health behaviours, violence and homelessness.

We will embed a focus on preventing ACEs and supporting the resilience of children and adults in overcoming early life adversity across all areas of public service, including education, health, justice and social work.

As part of our wider Getting it Right For Every Child (GIRFEC) approach, we will focus effort on preventing ACEs and on addressing their impact on our children, young people and adults, in particular parents. We will build on existing interventions, including:

- measures to reduce parental incarceration by moving to a presumption against short sentences
- more support for children and families in the very earliest years, through expansion in Health Visitor numbers and roll-out of Family Nurse Partnerships
- the expansion of high quality early learning and childcare, including action to increase take-up of provision for 2 year olds
- investment in projects and services which support parents and families to cope better, keep children safe and prevent children going into care
- providing funding direct to schools to tackle the attainment gap



Excellence and equity in our schools

School governance and funding

Our children will only achieve their full potential with the highest quality education at every level. To achieve that, we must ensure that children, parents and teachers are at the heart of our plans.

In the coming year, we will introduce an Education Bill, that will empower parents, teachers and children to make the key decisions about the life of their school, ensuring decisions about a child's education are taken as close to that child as possible.

THE EDUCATION BILL WILL EMPOWER PARENTS, TEACHERS AND CHILDREN, ENSURING DECISIONS ABOUT A CHILD'S EDUCATION ARE TAKEN AS CLOSE TO THAT CHILD AS POSSIBLE

This significant legislation will give headteachers new powers and responsibilities, formally establishing them as leaders of learning and teaching with key roles and functions that will be set out in a Headteachers' Charter.

We will back this greater responsibility with more money and more support, increasing the amount of investment that is directed at the discretion of headteachers and providing greater expert learning support to teachers in the classroom through the creation of Regional Improvement Collaboratives.

Following the conclusion of a wider consultation on school funding – 'Fair Funding to Achieve Excellence and Equity in Education' – we will develop an approach to funding that better reflects schools' needs, setting out firm proposals by summer 2018.

In addition, we will continue to bring forward new proposals under the Scotland's Schools for the Future Programme.

We will strengthen the role of parents in schools, increasing the opportunity for parental engagement both as part of the Education Bill and through a set of key actions including:

- ensuring that every school has access to a 'home to school' link worker to support parents and families who find it challenging to engage in their child's learning and feel excluded from the work and life of their child's school
- publishing a National Action Plan on Parental Engagement and Family Learning covering early years and schools and focusing on family learning in the home, parental representation and effective communication with parents
- working with the Scottish Parent Teacher Council to ensure that schools support parents to play an active part in school improvement
- ensuring there is a teacher or professional in every school with responsibility for promoting parental, family and community engagement

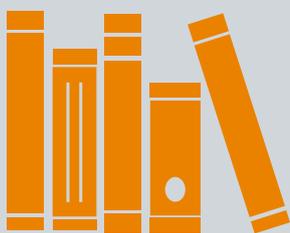
In this Year of Young People 2018, we will strengthen the voice of children and young people by:

- consulting on a requirement that every school should pursue the key principles of pupil participation
- considering new methods for children and young people to influence the relevance and implementation of Scotland's curriculum

Improving attainment

Reforming school governance is only one of the major actions we will take in the coming year to ensure our young people are equipped with the skills and knowledge they need to fulfil their potential. Closing the attainment gap and improving attainment for all is our central focus in education. To achieve that, all children, whatever their background or circumstances, should have the opportunity to enjoy a broad, engaging curriculum.

The first key to improvement is providing clarity on our ambitions and goals. Last year we carried out significant work to embed new benchmarks on literacy, numeracy and other curricular areas. We issued clear advice – stripping away thousands of pages of unnecessary work for teachers – on learning, teaching and assessment, and implemented a new inspection model for literacy, numeracy and health and wellbeing.



WE'RE INVESTING £1 MILLION OVER THE NEXT 3 YEARS IN A NATIONAL SCHOOL LIBRARY IMPROVEMENT FUND

This year, to bring even greater focus to improvement in our education system, we will:

- create new Regional Improvement Collaboratives to provide streamlined and strengthened support to teachers, including access to teams of attainment experts drawn from local authorities and Education Scotland
- roll out national standardised assessments to all schools, providing robust, consistent evidence of children's progress for teachers and parents
- establish a Scottish Education Council to ensure system-wide focus on improvement
- align the current functions of key national education bodies to ensure that inspection, curriculum development, improvement, professional learning and leadership are supported in a coherent way which is relevant and useful to teachers, children and parents

Scottish attainment challenge

The £750 million Attainment Scotland Fund will continue to support schools and local authorities in tackling the attainment gap, with £170 million already allocated for 2017-18.

Our £120 million Pupil Equity Fund is already beginning to transform schools by enabling headteachers to secure the additional staffing or resources they believe will support pupils affected by poverty and boost attainment levels.

To support the next phase of this activity, we will:

- continue to invest in the Challenge Authorities and Schools Programme along with a number of national programmes, with £50 million allocated in 2017-18 through the Attainment Scotland Fund
- work with professional associations and stakeholders to develop a learning programme for schools and other professionals to address attainment

Year 1 of the First Minister's Reading Challenge was a success, with 1,558 primary schools (74%) participating in 2016-17. This year, the Challenge will be extended from P4 – P7 to cover all primary school age groups. It will also be piloted in selected secondary schools from autumn 2017.

To support the success of the Reading Challenge, and recognising the role of school libraries in improving attainment, we will introduce a national School Library Improvement Fund, investing £1 million over the next three years.

We will establish an annual 'Maths Week Scotland' initiative, led by the Deputy First Minister, to raise the profile of the value and relevance of maths and to highlight the vital role of maths in education, work and life. The first Maths Week Scotland will be held 11 to 17 September 2017.



School buildings

We will publish a new education infrastructure plan, which will set out proposals to improve the condition of existing schools within the lifetime of this Parliament and our longer term ambitions to build more '2-18' campuses and establish an estate that is world-leading in energy efficiency.

Education workforce

To ensure that we have skilled, confident, collaborative teachers who are able to educate, energise and inspire our young people and to continue to improve the professional skills of our existing education workforce, we will:

- develop a new route into teaching to attract high quality graduates into priority areas and subjects
- develop a national approach to support the recruitment of teachers from outwith Scotland
- create a specific recruitment campaign for headteachers
- take action to ensure that all initial teacher education programmes, including student placements, are high quality, consistent and deliver appropriate content, particularly around literacy, numeracy, health and wellbeing and equality
- take steps to strengthen the early years experience and qualifications that teachers gain through initial teacher education
- continue to support Masters level learning, with additional investment of £800,000 in 2017-18
- consult on the establishment of a new Education Workforce Council to take on the responsibilities of the General Teaching Council for Scotland and the Community and Learning Development Standards Council

Gaelic

We will ensure that the growth of Gaelic medium education remains a priority in Scottish education. This will include the publication of the latest version of the National Plan for Gaelic in 2017 with targets. The Plan will seek to promote the growth of Gaelic in Scotland, increase the number of Gaelic schools and promote new routes into Gaelic teacher education. In addition, we will maintain our investment in MG Alba in 2017-18 and press the BBC to increase funding for BBC Alba programming.

After-school and holiday childcare

We recognise that it is not just activities during the school day that contribute to the success of our young people. Extra-curricular activities can also help to boost attainment and build the skills that young people will need in the future.



There is also a challenge for parents, particularly working parents, in securing accessible, affordable and flexible childcare that does not end when their children start school. Over the course of this Parliament, we will develop a strategic framework for after-school and holiday childcare, beginning by assessing the availability of existing provision and setting out what we can do to better meet the needs of families.

Beyond school

The transition from school into further and higher education, training and employment is one of the key points in a young person's life. As part of our commitment to ensuring that all young people can fulfil their potential and that Scotland benefits from all the skills and talents of our young people, we are taking a number of steps to improve the choices and opportunities available, including providing more opportunities for those who need greater support to succeed.

Putting students' needs and interests at the heart of further and higher education

During the Year of Young People in 2018 and as part of our Developing the Young Workforce programme, we will run a national campaign to promote the new opportunities on offer for young people from S4 and above who undertake work-related learning.

To improve access to university, we will drive forward the recommendations of the Commission on Widening Access's Report 'Blueprint for Fairness', so that every child, no matter their background or circumstances, has an equal chance of going to university by 2030. We expect every university to take action now to ensure that, by 2021, 10% of entrants to each university are from Scotland's 20% most deprived backgrounds. We must also ensure that people are supported not just to go to university, but to stay the course to graduation. Through the newly formed Access Delivery Group, we will consider what actions can be taken to increase retention and completion.



Every care-experienced young person who meets the entry requirements should be offered a place at a Scottish university and we expect universities to make clear how they will meet this commitment in the coming year. Every care-experienced student under 26 going to university this autumn will receive a full £7,625 non-repayable bursary to finance their studies.

The independent review of student support will report this autumn. We will consider its findings as part of our drive to reform student support so that funding follows individual students rather than places of study. We will continue our work to raise the repayment threshold for Student Loans so that, by the end of the Parliament, graduates do not start to repay loan debt until they are earning £22,000 and the repayment period is reduced to 30 years.

University education will remain free of tuition fees for Scottish domiciled undergraduate students and those from EU countries. In particular, we will:

- meet the tuition costs for all EU undergraduate students starting a course at a Scottish university in 2017-18 or 2018-19
- continue to press the UK Government to ensure the right of those students to stay and complete their studies
- expand the postgraduate support package to ensure that financial support is available for those who undertake courses by distance and digital learning

We want education for young people to be as effective and efficient as possible and provide more opportunities for those needing the most support to succeed. We will publish the findings from the first stage of our review of the learner journey for 15-24 year olds in the autumn, including research on the views and experiences of young people. The first stage of the review will be set out by the end of 2017 and will further test and implement improvements to careers advice, applications processes and a better join-up between schools, colleges and universities.

Stretching our aspirations to deliver excellence and equity

Our further education and higher education sectors have contributed significantly to our ambitions for inclusive economic growth, and particularly to our actions on young people's employment. Graduates from Scotland have the highest employment rates anywhere in the UK and record levels of college students now achieve higher education qualifications. We must build on this success to ensure colleges and universities play their part in our economic ambitions. In 2017-18, we will:

- continue through our improvement programme to focus on how colleges can raise attainment levels and increase the numbers of students who successfully complete courses and achieve the qualifications they are studying for
- review outcome agreements to create greater alignment with our key priorities
- apply a sharp focus on employability and STEM so that our colleges and universities help us produce the right skills and talent for industries of the future
- work with colleges and universities to address gender inequality at all levels from course choices to senior staff
- work with college leaders to develop a collective and collaborative approach to leadership
- engage with our universities and main research providers to monitor and address challenges related to Brexit so they can continue to attract the best research talent, forge international research collaborations and access EU funding



Supporting the further education and higher education sectors

We have demonstrated our commitment to Scotland's colleges and universities through investment of more than £6 billion for colleges since 2007 and more than £1 billion for universities in each of the last six years. That commitment remains, but in order to secure long-term financial sustainability and best value for our investment, the Scottish Funding Council will work with colleges to produce a financial plan that includes options for income generation whilst protecting access to further and higher education which is free of tuition fees.

We will consider the findings of the college estates' survey to plan future capital investment and set out proposals as part of an education infrastructure plan. We will explore with universities and colleges new approaches to build Scotland's reputation as an attractive place for international students to live and study.

Creating a confident digital society

Inclusive growth that combines increased prosperity with greater equality, creates opportunities for all, and distributes the benefits of increased prosperity fairly is a key pillar of our economic strategy. Providing everyone with the skills and confidence to become responsible digital citizens is part of this. Digital technologies are fully integrated into the lifestyles of our young people which gives them a clear understanding of the issues we all face in the digital realm. The rights and responsibilities that comprise responsible digital citizenship are being developed following the '5 Rights' Report by Youth Commissioners from Young Scot.

We will work with organisations across all sectors to implement the recommendations set out in the 5 Rights Report and we will use the Year of Young People 2018 as a platform to secure a wider public debate on rights and responsibilities in the digital world.

STEM (Science, technology, engineering and maths) education and training

Developing Scotland's STEM talent and capability is critical to generating inclusive and sustainable economic growth, equipping our young people with skills for the future and realising our ambitions for Scotland's economy.

We will publish our strategy for STEM education, training and lifelong learning this autumn. Built around the aims of excellence, equity, inspiration and connection, the key actions will include:

- creating a new network of STEM specialist advisers to support classroom teachers and raise STEM attainment
- enhancing opportunities for children in early learning and childcare to establish STEM fundamentals, learning particularly about their natural environment through outdoor play
- improving the supply of STEM talent into the teaching profession
- increasing support to improve STEM learning and teaching in the school curriculum through enhanced career-long professional learning for teachers
- developing a Scottish Young STEM Leaders programme to grow and spread inspiration and enthusiasm for STEM, starting in the early and primary years of education
- embedding best practice from the successful Improving Gender Balance project to improve participation by under-represented groups in STEM learning, courses and training, particularly for women and girls
- growing successful STEM partnerships between schools and employers through the Developing the Young Workforce Programme
- expanding STEM hubs to strengthen partnerships between schools, colleges, universities, science centres and employers
- supporting science centres and festivals to attract all ages and backgrounds
- expanding the number of work-based opportunities for students within STEM curriculum areas through an increase in college and university student placement opportunities, graduate internships and apprenticeships with employers
- publishing a STEM skills supply and demand study to improve understanding of what STEM skills are needed in the labour market



Children and young people's rights

We believe taking a rights based approach to policy making and public service delivery secures the best outcomes for all of our people. This is particularly true for our young people where, especially in their earliest years, many decisions are taken on their behalf.

THE MINIMUM AGE OF CRIMINAL RESPONSIBILITY BILL WILL INCREASE THE AGE FROM WHICH A CHILD CAN BE HELD CRIMINALLY RESPONSIBLE FROM 8 TO 12 YEARS OLD

Year of Young People 2018

A global first, the Year of Young People 2018 is the latest in our programme of themed years. The Year will aim to inspire Scotland through its young people, celebrating their achievements, valuing their contribution to our communities and creating new opportunities for them to shine locally, nationally and globally.

Young people have been involved in every stage of planning, delivery and decision-making of the Year, deciding on the aims, objectives and branding. Young Scot and its partners are supporting young people to co-produce the Year and are recruiting young people to act as champions for the Year in each local authority area.

This partnership model will help to deliver our ambitions for the Year. We are working to deliver policy objectives under six key themes to make a real and lasting difference to the lives of Scotland's young people.

In particular, we will take steps to embed children's rights within the fabric of Scottish society by progressing a range of actions to promote their wellbeing and enhance and protect their rights.

We will:

- undertake a comprehensive audit on the most practical and effective way to further embed the principles of the UN Convention on the Rights of the Child into policy and legislation, including the option of full incorporation into domestic law
- support John Finnie MSP's legislative proposals to remove the existing defence for parents and outlaw all forms of physical punishment
- prepare for implementation of the change in the law, including raising public awareness
- commence a three-year programme to raise awareness of children's rights, including among children and young people themselves as part of our Year of Young People
- increase the minimum age of criminal responsibility from 8 to 12, including measures for exceptional cases where it is necessary to investigate harmful behaviours by those under 12 years old and to recognise the impact on victims
- provide training, advice and information on the need to secure consent to sharing information by Named Persons and in developing a child's plan
- develop a young inspectors programme within Education Scotland's school inspections programme
- implement key measures in the National Action Plan on Internet Safety for Children and Young People, including:
 - hosting events to help parents and carers support their children's online activity
 - supporting children and young people to build their resilience online
 - working with digital media providers and industry to ensure better access to appropriate information and support
 - piloting the 'Click: Path to Protection' training module in Scotland on safeguarding children who have been sexually abused and exploited online

Meeting the additional support needs of children and families

We are developing a framework to support disabled children, young people and their families around information and rights, accessibility of services and transitions. We will consult later this year, and publish the framework in late summer 2018.

We are committed to exploring further the introduction of a Young Carer's Allowance to provide extra support for young people with significant caring responsibilities.

We will consult on and introduce new guidance to reaffirm the presumption of mainstreaming in Scottish schools and clarify decision-making and provision for children with additional support needs.



Putting children's interests at the core of the design and delivery of services

We will listen to the voices of our most vulnerable children and young people through the independent Care Review to understand how we can create a system that puts love for the children it cares for at its heart. Established earlier this year, the independent Care Review will run for two years. We will begin implementation of the recommendations as they emerge.

Additionally, through the Children and Young People Improvement Collaborative, we will:

- continue to support local authorities, health boards and the third sector to embed quality improvement in their work through a team of advisers
- help local authorities, health boards and the third sector to train their own improvement experts so that activities to improve outcomes for children and families are embedded in their services
- showcase good practice and share learning about approaches that are making a difference

We will continue to fund the Realigning Children's Services programme which supports Community Planning Partnerships to improve collaborative decision-making on the use of the total available resource to best meet the needs of – and improve outcomes for – individual children in their areas.

We will continue to fund partners such as the Lloyds Partnership Drug Initiative and Scottish Families Affected by Alcohol and Drugs to support vulnerable children and to develop a strategic approach to responses to children and young people in and on the edges of secure care in Scotland.

Improving how we support and protect our children and young people

The Getting It Right for Looked After Children and Young People Strategy sets out our approach to improving outcomes for looked after children.



In the coming year, we will:

- roll out 'Permanence and Care Excellence' to all local authorities to improve the processes to find secure and permanent homes for children who can no longer stay with their parents
 - through 'Realigning Children's Services', map the availability of services in local areas to ensure the right services are in place, including for those looked after at home
 - launch a National Kinship Care Advice Service for kinship care families and professionals in autumn 2017
 - review Foster, Kinship and Adoption Allowances to bring forward proposals for national kinship care and foster care allowances in summer 2018
 - ensure that all local authorities are referring children and prospective adopters to Scotland's Adoption Register by March 2018
 - review the legislative framework around children and young people's contact with parents and families and ensure that best practice for safe, secure and appropriate contact is supported and shared
 - require corporate parents to publish their plans by the end of March 2018 to allow Scottish Ministers to report to Parliament by July 2018
 - commission a progress review on the use of family support services to prevent children going into care
 - develop Secure Care National Standards to improve experiences and outcomes for our most vulnerable young people
 - establish a transformative model for secure care in Scotland through a new Secure Care Strategic Board, which will report by end 2018
- As part of our Child Protection Improvement Programme, we will implement the recommendations from the Child Protection Systems Review, including:
- publishing a new national child protection policy, including a National Child Abuse Prevention Plan, by March 2018
 - exploring a system on the National Police Vulnerable Persons Database to identify all children placed on a local Child Protection Register
 - working with the Care Inspectorate to ensure a revised framework of inspections which focuses on the experiences and outcomes of the most vulnerable children
 - consulting on revising the criminal offences of abuse and neglect of children
 - taking forward a programme of action to tackle neglect, working with agencies in three local authority areas to look at how practice change can be made and sustained
 - implementing actions in the National Action Plan to Prevent and Tackle Child Sexual Exploitation on improving the collation of information on child sexual exploitation by the end of 2018



Building a skilled and competent social services workforce

Our social services need a skilled, competent and valued workforce to lead the delivery of improved outcomes for children and young people. In the coming year, we will:

- complete the final phase of workforce registration – opening in October 2017 the Scottish Social Services Council register for support workers in care at home and housing support
- develop and start to implement the social care part of the National Health and Social Care Workforce Plan
- promote the social work profession and wider social service workforce as a valued place to work through a range of activities to embed Fair Work approaches, and support investment in workforce engagement and development
- appraise the delivery options, costs and investment required, and stakeholder views on introducing a supported first year in practice for newly qualified social workers
- build leadership capacity in the sector by encouraging uptake of the SCQF level 11 award for Chief Social Work Officers
- work with sector partners to strengthen leadership in social services, as set out in 'Enhancing Leadership Capability'

Building strong and safe communities

Our justice system

The changes we have made to the justice system over the last 10 years have been some of the most significant policy changes since devolution – ensuring that Scotland's justice system is internationally recognised for its focus on prevention and rehabilitation, while support for victims has been enhanced.

Recorded crime is down 41% since 2006-07, with crime now at its lowest level for 42 years. Scotland's reconviction rate is at its lowest level in 18 years. People feel safer in their neighbourhoods, with 74% of adults feeling safe to walk alone after dark, up from 66% in 2008-09.

In July 2017, we published 'Justice in Scotland: Vision and Priorities', providing an over-arching framework for everyone working in the justice system. It acknowledges that appropriate custodial sentences will always be required for those people whose offences are the most serious, or where there are significant risks to public safety. However, it also firmly focuses our efforts on prevention, diversion and early intervention, and includes a strong focus on the impact of adverse childhood experiences.

At the same time, we must also ensure that where people are victims of crime they have confidence that the right support will be available, from the emergency and specialist services and the courts.

In the coming year, we will continue to reform the way in which Scotland deals with offenders, including female offenders; provide enhanced support for victims, including new protection for those who face domestic abuse, and respond to new and emerging challenges such as cyber crime and terrorism.



Preventing and reducing offending

Our work on penal reform has seen reconviction rates fall to their lowest level for 18 years. Robust community sentences and reducing the inappropriate use of remand play a key part in breaking the cycle of offending. Evidence shows that individuals released from a custodial sentence of 12 months or less are reconvicted nearly twice as often as those who are given a community sentence.

As a result, we will extend the presumption against short sentences to 12 months. This will encourage the greater use of community sentences, which in turn will reduce the numbers serving ineffective short custodial sentences. However, final decisions on sentencing in each case will remain a matter for the independent judiciary. We will implement this change only once relevant provisions of the Domestic Abuse Bill are in force.

Electronic monitoring, or 'tagging', is a powerful tool to aid the delivery of community justice. As part of the Management of Offenders Bill, which we will introduce this year, we will expand and strengthen the use of tagging as part of our commitment to reducing offending and making our communities safer.

The Bill will also modernise the Rehabilitation of Offenders Act 1974, reforming disclosure of previous convictions. This will help people move on from their offending and improve opportunities for gaining employment and training, further reducing reoffending rates and enabling people to contribute positively to society.

THE MANAGEMENT OF OFFENDERS BILL WILL EXPAND AND STRENGTHEN THE USE OF TAGGING, AS PART OF OUR COMMITMENT TO REDUCING OFFENDING AND MAKING OUR COMMUNITIES SAFER

We are also consulting on proposals for legislative change to deliver some of the aims of the Parole Reform Programme to clarify the role of the Parole Board.

Community Justice

During 2017-18, we will continue ring-fenced funding of around £100 million to local authorities for criminal justice social work services, including the delivery of community sentences. An additional £4 million was provided in 2016-17 to expand access to community sentences and this is being maintained in 2017-18.

Diversion from prosecution

Interventions which address the underlying causes of offending are the most successful. Diverting people, particularly young people, from the formal mechanisms of the criminal justice system can be effective in reducing their reoffending. It can also be associated with positive long-term impacts in their lives such as reduced drug use.

We will:

- continue our efforts to make criminal justice interventions occur earlier, promoting the least intrusive intervention at the earliest possible time, and free up resources to be reinvested in the community
- work with partners in criminal justice social work and the Crown Office and Procurator Fiscal Service to maximise the availability and appropriate use of diversion schemes

Supported and supervised bail

Bail support and supervision is aimed at people who would otherwise be held on remand and allows them to be monitored and supervised in the community. Unlike remand, this allows families to stay together and does not adversely impact on employment opportunities or stable housing, which is proven to reduce reoffending.

Over the next year, we will:

- share good practice and learning with partners in criminal justice social work and revise existing guidance
- administer £1.5 million of funding to local authorities specifically for bail support services for women to improve provision of these services nationally

Transforming Custody

Between 2011-12 and 2016-17, the average number of women in custody has fallen from around 470 to around 370. A progressive new model for the female custodial estate, with a smaller national women's prison and local community-based custody units is being developed. The model offers access to intensive support to help overcome issues such as alcohol, drugs, mental health and domestic abuse trauma which can often drive offending behaviour. The Scottish Prison Service will open the first two community custody units and the new national prison by the end of 2020.

The Scottish Prison Service has also committed to developing a highly skilled, qualified and professionalised workforce, to unlock the potential of those in its custody and care and empower offenders to transform their lives through rehabilitation and support them in their reintegration into their communities. This is being taken forward through their Prison Officer Professionalisation Programme. The Scottish Prison Service is working with key strategic partners to establish the foundations for the professionalised workforce by summer 2019.

Improvements in taking evidence from children and vulnerable people

We will introduce a Bill on Vulnerable Witnesses and Pre-recorded Evidence, which will enable much greater use of pre-recorded evidence for child witnesses, reducing the need for children to have to give evidence in court during a criminal trial.

THE VULNERABLE WITNESSES AND PRE-RECORDED EVIDENCE BILL WILL ENABLE GREATER USE OF PRE-RECORDED EVIDENCE FOR CHILD AND VULNERABLE ADULT WITNESSES

We will also consult on the introduction of a statutory duty to provide ‘appropriate adults’ to support vulnerable adults who have communication difficulties during police processes.

Administration of justice: evidence and procedure

In collaboration with justice organisations, we are investing £1.1 million to further develop a digital evidence sharing capability which will enable a transformation of how evidence is accessed across the justice system, allowing for more efficient sharing of evidence and earlier resolution of cases.

Supporting victims of rape and sexual abuse: forensic examination services

We will improve the quality and delivery of forensic examination services, which are appropriate and sensitive to the needs of victims of sexual assault or rape.

In March 2017, we established the Taskforce for the Improvement of Services for Victims of Rape and Sexual Assault, chaired by the Chief Medical Officer.

Working with that group, we have commissioned Healthcare Improvement Scotland to develop National Standards for Healthcare and Forensic Medical Services for people of all ages who have experienced rape or sexual assault, including a series of consultation events across Scotland and specific sessions for people with lived experience. We are working with NHS Education Scotland to achieve a workforce which meets the needs of victims in being able to choose the gender of their examiner, encouraging the uptake of specialised training by female doctors, and delivering at least 50 new trained forensic medical examiners by the end of 2018-19. We will explore opportunities to develop new services for victims of sexual assault and pilot a project to design trauma informed processes in Shetland and Orkney.

Domestic abuse and violence against women and girls

Domestic abuse cannot be tolerated and we are maintaining our focus on dealing with this crime and improving the outcomes for victims. Our police and prosecution services have already done much to identify and prosecute offenders. We will build on that work and:

- establish a specific offence of domestic abuse covering both physical and psychological abuse
- implement a delivery plan for 'Equally Safe', our strategy for preventing and eradicating violence against women and girls
- take steps to comply with the Istanbul Convention in preparation for it being ratified by the UK Government
- expand the innovative Caledonian Programme so that more male perpetrators of domestic abuse can receive specific rehabilitation services designed to address the issues giving rise to their offending behaviour
- consult on changes to the law to prevent direct cross-examination of victims of domestic abuse by their alleged abusers in child contact cases before the civil courts



Human trafficking and exploitation

We will work with civic Scotland to deliver our Trafficking and Exploitation Strategy. Trafficking and Exploitation Risk Orders will come into force in October 2017, allowing the police to take preventative action in response to risk and in order to protect potential victims from harm.

Access to justice

The Civil Litigation (Expenses and Group Proceedings) Bill, introduced earlier this year, is another part of our commitment to make the civil justice system more accessible, affordable and equitable. It will make the costs of civil action more predictable, extend the funding options for pursuers, and bring more equality to the funding relationship between pursuers and defenders in personal injury actions.

Independent reviews of legal aid and the regulation of legal services are underway to consider how best to reform the legal aid system and what regulation is necessary. We will consider the recommendations and engage with the legal profession and users of legal services to ensure that arrangements for the regulation of legal services support the needs of those who rely on them.

Law Reform

The Damages Bill will amend the law on the Personal Injury Discount Rate. The Bill will also enable courts to impose periodical payment orders when making an award of damages in respect of a personal injury.

THE DAMAGES BILL WILL AMEND THE LAW ON THE PERSONAL INJURY DISCOUNT RATE

The Prescription Bill will address a number of issues within the law of negative prescription that can cause difficulty in practice. Among other reforms, it will:

- extend the application of the five-year prescription period
- change the rules for determining what facts about a damages claim the pursuer must have knowledge of before the prescription period begins to run in relation to the claim

As part of improving how family cases are dealt with by the courts, we will consult on a review of the provisions of the Children (Scotland) Act 1995 on parental responsibilities and rights and contact and residence cases involving children, with the goal of placing children and young people at the centre of family court cases. In 2014 and 2015, we consulted on reform of the law of succession and we made a number of major changes in the Succession (Scotland) Act 2016. During 2018, we will publish our response to the remaining issues.

THE PRESCRIPTION BILL WILL ADDRESS A NUMBER OF ISSUES WITHIN THE LAW OF NEGATIVE PRESCRIPTION

Services that keep us safe

Police Scotland

We will support Police Scotland and the Scottish Police Authority to deliver their Policing 2026 Strategy, ensuring that the service works with communities, responds to their needs and keeps people safe. Our provision of £61 million of reform funding in 2017-18 will support the delivery of the priorities for improvement of the service while enhancing specialist capability by ensuring more experts to tackle emerging threats like cyber crime and online fraud.

We are protecting the police revenue budget in real terms for this Parliament – delivering an additional £100 million investment over five years. We continue to make the case to the UK Government to extend a VAT exemption to Scottish emergency services, which would release £23 million for frontline policing and £10 million for the fire and rescue service.

Following the Railway Policing (Scotland) Act 2017, we will work with the UK Government to ensure secondary legislation is in place for the smooth integration of British Transport Police in Scotland into Police Scotland on 1 April 2019.

As part of the implementation of Scotland's new Mental Health Strategy, we will provide additional investment over the next five years, rising to £35 million in the fifth year for 800 extra workers in key locations, including police and justice settings.

Fire and Rescue

We are supporting the Scottish Fire and Rescue Service in its modernisation to meet existing demand and emerging risks. The role of the fire-fighter is expanding, not just in vital preventative work but also in responding to medical emergencies, often in more rural areas working alongside the ambulance service.

We will support the introduction of new technologies and delivery models such as the use of Rapid Response Units where these can benefit the service operationally, improve fire-fighter safety and better serve the communities.



All our emergency services are adapting to the terrorism threat we currently face and we will ensure that the Scottish Fire and Rescue Service, Police Scotland and the Scottish Ambulance Service are supported to fulfil their roles in any emergency response.

Counter-terrorism

We are committed to playing our full part in ensuring the safety and security of our citizens from the threat of terrorism. We meet this challenge by working with the UK Government to take informed decisions about the appropriate and proportionate measures required to protect Scotland. While we do so in partnership with the UK Government, the delivery of the counter-terrorism response falls heavily on us, our emergency services, local authorities, businesses and communities. We have a truly multi-agency approach, best demonstrated at the Scottish Crime Campus at Gartcosh which contains over 17 agencies working collaboratively to keep Scotland safe. We will continue to ensure that our agencies have the capabilities they need.

Cyber resilience and security

'Safe, secure and prosperous: a cyber resilience strategy for Scotland' sets out our vision for Scotland to become a world-leading nation in cyber resilience by 2020.

The global cyber attack in May 2017, which affected more than 150 countries and had a high-profile impact on some areas of the NHS in Scotland and England, underlined the seriousness of cyber threats. We will ensure the Scottish public sector can cope with threats like this and be a model of cyber resilience. This will involve achieving the National Cyber Security Centre's Cyber Essentials or Cyber Essentials Plus accreditation, providing effective protection against the most common forms of cyber attack.

We will work with the private and third sectors to develop complementary action plans in order to raise levels of cyber resilience.

People are our strongest line of defence. To help them operate safely and confidently in the digital world, we will implement a learning and skills action plan in our education system that instils cyber resilient knowledge, attitudes and behaviours from an early age. We will also ensure our citizens have opportunities to develop cyber specialist skills with career paths to help retain talent in Scotland. As the importance of cyber security increases, so do the opportunities for Scottish cyber security businesses to develop and sell products and services across the world. We will work with Scottish Enterprise, ScotlandIS and other partners to implement an economic action plan to support new ideas and cutting-edge research through collaboration between industry, academia and government.

Road safety

We want to live in a Scotland where no one dies on our roads. This year, we are continuing to install highly visible and reliable average speed camera systems: the upgrade of the A77 is now complete and the A90 network upgrade will be finished in the autumn.

We support Gillian Martin MSP's Seat Belts on School Transport Bill, which will make it a legal requirement for local authorities and grant-aided and independent school providers to ensure that seat belts are fitted in all dedicated vehicles used for home-to-school journeys and school excursions. We expect to start implementing the Bill in 2018.

In 2014, we prioritised introducing a lower drink drive limit to help save lives on our roads. This year, subject to the UK Government commencing the relevant enabling legislation, we will introduce secondary legislation for a new drug driving offence, which would come into force in 2019, once training and necessary technical approvals for testing equipment are in place. When the new offence is in force, alongside the lower drink drive limit, Scotland will have the most stringent drink and drug driving laws in the UK.

Animal welfare and wildlife crime

Irresponsible or illegal breeding and sale of dogs with associated fraud, animal welfare and public health risks are major concerns. We will work with charities and enforcement agencies to take forward the recommendations of research we have commissioned on illegal importation and sale from 'puppy farms'. This will include a communications campaign on the risks of buying puppies advertised on-line and rehoming dogs supplied from abroad. We will prepare to amend the Animal Health and Welfare (Scotland) Act 2006 to increase the maximum penalty for the most serious cruelty offences to five years' imprisonment as well as allowing fixed penalty notices for lesser offences.



We will prepare legislation for a modern system of registration and licensing of animal sanctuaries and rehoming activities, allowing for independent accreditation of applicants to reduce the burden on local authority inspectors. This will be followed by similar improvements to licensing for dog, cat and rabbit breeding, dealing and selling so that conditions in breeding units in Scotland can be properly controlled and breeders identified when advertising animals for sale.

We will tightly control the use of electronic dog training collars to allow responsible use under supervision while minimising the potential misuse of low quality devices.

We will consult on the introduction of compulsory video recording of slaughter at abattoirs in Scotland to aid enforcement of welfare requirements by abattoir management and Food Standards Scotland.

The Wild Animals in Travelling Circuses Bill, introduced earlier this year, will prohibit the use of any animal not commonly domesticated within Britain for exhibition, display or performance in a travelling circus in Scotland. We will also develop new licensing requirements to protect the welfare of wild and domesticated animals used for public performance or display in other circumstances.

We will also progress Lord Bonyon's recommendations to strengthen the law on foxhunting and Professor Poustie's recommendations to increase penalties for wildlife crime.

The best place in the world to be cared for and be healthy

Our vision is for people to live longer, healthier lives at home or in a homely setting. Achieving this will not only mean ensuring continued investment in high quality integrated services, but also the transformation of the way we deliver health and social care to drive improved performance. We will do this by acting on our Health and Social Care Delivery Plan through:

- better care: ensuring everyone gets the right help at the right time
- better health: developing an approach to health and care based on prevention, early intervention and self-management
- better value: getting better services from all our resources



To support this, we will ensure at least a real terms increase in the revenue budget of the NHS, as part of our commitment to increase health funding by £2 billion over the life of this Parliament.



Delivering better care

To build on the principle of a service that is free at the point of need, we are taking steps to extend free personal care to all those under 65 who need it – a move that has become known as ‘Frank’s Law’.

To ensure people get access to the right services more quickly, we are building capacity in primary and community care and reducing unnecessary demand for acute and secondary services. Through action by Integration Authorities and hospitals, we will reduce delayed discharges, avoidable admissions and inappropriately long stays in hospital while sustaining Accident and Emergency performance.

We are investing an increasing proportion of the budget in primary, community, mental health and social care services – to support the shift in the balance of care that is required.

We are transforming primary and community care by developing more effective models of primary care in every NHS Board, funded by £23 million investment.

We are investing in the workforce by:

- increasing the number of pharmacists with advanced clinical skills, creating 50 more community link workers, training more paramedics, health visitors and advanced nurse practitioners, investing £2 million in additional training for GP nurses and delivering an estimated 2,600 more training places for nurses and midwives
- negotiating a new General Medical Services contract, to support multi-disciplinary community care teams around a renewed leadership role for GPs
- starting two pre-medical entry courses at Glasgow and Aberdeen Universities, targeted at those from lower socio-economic backgrounds

We are driving quality improvements in acute and secondary care, building resilience in elective services and reducing waiting times. We will:

- implement the Modern Outpatients Programme to reduce unnecessary attendances and referrals to hospital outpatient services
- invest in our £100 million Cancer Strategy for earlier detection and diagnosis, and quicker treatment and post-treatment support
- increase scheduled care through £200 million investment in new elective facilities, as well as developing a major trauma network, and delivering the Patient Flow Programme to reduce private care spend and cancellations across Scotland
- develop a new National Improvement Collaborative with clinical specialists to support the way elective services are configured to meet demand

We are enhancing the social care sector’s ability to meet increased demand and provide better services, including adult social care reform, jointly delivered with local government and Integration Authorities.

Extension of free personal care

Scotland is rightly proud to have Free Personal Care for those aged over 65, ensuring that older people who require this support receive it. Following the last Programme for Government, we have conducted a feasibility study to examine the possible extension of Free Personal Care to people under the age of 65 who are assessed as needing it. We sought the views of stakeholders, not least Mrs Amanda Kopel of the Frank's Law campaign, to examine potential benefits, unmet need, and the interaction with social security.

While there are challenges to be addressed, we will take the necessary steps to make it a right for Free Personal Care to be provided to all who need it, regardless of age. This will include ensuring that those diagnosed with a terminal illness receive the personal care they are assessed as requiring for free. We will now work with the Convention of Scottish Local Authorities (COSLA) and a range of stakeholders to shape implementation and to put in place the capacity that will be needed to meet the demand – while ensuring a sensitive interaction with the social security system.

Delivering better public health

Our focus is on delivering an early intervention and prevention approach to public health, balanced by efforts to support everyone to lead healthier lives regardless of their circumstances.

We will consult this year on a range of actions to deliver a new approach to diet and healthy weight management – including on support to lose weight for people with, or at risk of, type-2 diabetes. To support this, we will also progress measures to limit the marketing of products high in fat, sugar and salt which disproportionately contribute to ill health and obesity.



WE WILL MAKE PROGRESS TO LIMIT MARKETING OF PRODUCTS HIGH IN SALT, SUGAR AND FAT WHICH CONTRIBUTE TO ILL HEALTH AND OBESITY

Alcohol and Drugs

Addressing the use and impact of drugs is a challenge that is not unique to Scotland, but it is one we are determined to meet. We have begun an overhaul of our drug strategy, guided by a principle of ensuring the best health outcomes for people who are, or have been, drug users, our aim being to seek, keep and treat those who need our help.

Equally, we will this year deliver a refreshed alcohol framework to continue to take on Scotland's often problematic relationship with alcohol misuse. We await the decision of the UK Supreme Court on minimum unit pricing and, should they find in our favour, we will move as quickly as is practicable to put the measure in place and help save lives.

This renewed focus on alcohol and drugs will be backed by additional investment of £20 million in treatment and support services.

Population health, active lives, and sport

Alongside what we are doing on active travel, we will launch a new Active Scotland Delivery Plan with a wide range of actions across all sectors, including:

- strengthening Community Sport Hubs, improving opportunities for older people in care to be physically active and ensuring Scotland becomes the first 'Daily Mile' nation
- encouraging more women and girls to take up sport by maintaining our Sporting Equality Fund with a £300,000 investment
- establishing a Women and Girls in Sport Advisory Group to help shape our future actions
- showcasing the contributions of football clubs to delivering positive outcomes, including the Football Fans In Training programme and Walking Football



Efforts to improve public health are not for the NHS or the health portfolio alone. One of the key drivers behind our efforts to deliver the 'Cleaner Air for Scotland' plan is an absolute recognition of the impact of pollution on health, not least more vulnerable groups such as the young and old.

We will look to local authorities to ensure that our towns and cities support people to live an active lifestyle with access to walking and cycling and places to participate in physical activity.

We will also seek to set overarching public health priorities with local government to direct improvement across Scotland, and establish a new, single, national population health improvement body by 2019.



WE ARE INCREASING RESOURCES FOR BREASTFEEDING TO SUPPORT MOTHERS, PARTICULARLY IN THE DAYS IMMEDIATELY FOLLOWING BIRTH

Delivering better child and maternal health

As part of our commitment to make Scotland the best place in the world to grow up, we will take forward the recommendations of the recent review of maternity and neonatal services so that we improve services for mothers and their babies.

As well as universal support for new-borns, as demonstrated by the Baby Box and the significant expansion of health visitor numbers, we will also ensure that those who need it get extra support through the full roll-out of the Family Nurse Partnership programme.

We will also increase resources for breastfeeding to support mothers, particularly in the days immediately following birth, and support the maternal and infant nutrition framework.

To ensure that this focus on the needs of children and young people is carried on beyond just the earliest years, we will develop a new 10-year child and adolescent health and wellbeing action plan.

To continue to drive improvements in IVF performance and access, we will invest £8 million to deliver the third cycle of NHS IVF treatment for those who are eligible.

Part of our efforts to help deliver the best possible healthcare for children is to give new impetus to preventing avoidable deaths, which is why we will be creating a system to ensure that any such deaths are properly reviewed.

Delivering better mental health care

Through our new Mental Health Strategy, we are shifting the balance of care towards mental health, increasing the level of investment in mental health services and improving support in the crucial period from birth to young adulthood. We are:

- re-designing primary and community services to meet the increasing demand for services
- developing the skills and capacity of our workforce to support people with mental health problems, including delivery of an additional 800 workers over the next five years to ensure access to mental health professionals in A&Es, GP practices, police custody units and prisons
- improving transitions for young people moving from Child and Adolescent Mental Health Services (CAMHS) to adult mental health services, including potential flexibility for those aged 18-25 to continue their care and treatment with CAMHS
- supporting the Rural Mental Health Forum to help people in rural areas maintain good mental health

By the end of this year, we will begin:

- a review of Personal and Social Education (PSE), the role of pastoral guidance in local authority schools, and services for counselling for children and young people
- to carry out an audit of CAMHS rejected referrals, and act upon its findings
- a review of whether the provisions in the Mental Health (Care and Treatment) (Scotland) Act 2003 fulfil the needs of people with learning disability and autism, with a view to determining what future legislative measures may be necessary
- work with stakeholders to examine the scope of reform required to the Adults with Incapacity legislation

Delivering better services

Following our National Clinical Strategy and our Health and Social Care Delivery Plan, we are continuing our twin approach of investment and reform, including:

- developing Regional Delivery Plans to set out services which can best be planned and delivered at regional level, and support services that can best be delivered closer to home
- supporting national NHS Boards to develop a plan of where improvement in national services should be focused, including where appropriate a 'Once for Scotland' approach
- examining opportunities for greater sharing of support services away from the delivery of frontline care
- developing a Digital Care Strategy to support a digitally-active population and workforce and make better use of the opportunities of modern technology



We will introduce a Safe Staffing Bill, which will require use of evidence-based workload and workforce planning tools, beginning with the existing nursing and midwifery tools.

To further build on progress on improving access to new medicines, we will complete the implementation of the recommendations of Dr Brian Montgomery's recent review, and the establishment of a single national formulary.

THE SAFE STAFFING BILL WILL REQUIRE USE OF EVIDENCE-BASED WORKLOAD AND WORKFORCE PLANNING TOOLS

While we have no plans to change the law on abortion, we will extend coverage to ensure that women from Northern Ireland can freely access abortion services in NHS Scotland.

Blood, organ and tissue donation

We will progress an Organ and Tissue Donation Bill to introduce a 'soft' opt-out system of organ and tissue donation in Scotland to encourage people to support donation, as part of our approach to increasing the number of organ donors and transplants.

THE ORGAN AND TISSUE DONATION BILL WILL INTRODUCE A SOFT OPT-OUT SYSTEM OF ORGAN AND TISSUE DONATION IN SCOTLAND

Following the recent recommendation of the Advisory Committee on the Safety of Blood, Tissues and Organs, we will implement the necessary changes to reduce the blood donation deferral period for men who have sex with men to three months. We have asked that further work be carried out into researching a safe system of individualised assessments, rather than blanket deferral periods.

Paying for public services

It is widely accepted that austerity has failed both Scotland and the rest of the UK. It has stymied economic growth, held down wages, led to cuts in social security and damaged our public services. This Government has worked hard to protect our key public services during this near decade of austerity. The NHS has continued to see additional funding, police numbers have remained well above pre-recession levels, local government has been shielded from the swingeing cuts experienced elsewhere in the UK, and social house-building has been at a rate unmatched elsewhere in the UK.

It is a key responsibility of any government to provide the vital public services that our people expect and to ensure that they are sustainable and affordable. It is also a key responsibility of government to support the economy.

The Scottish Government will continue to press the UK Government to end austerity at source. However, in the absence of any indication that they intend to do so, and with the future economic impact of Brexit becoming clearer, we believe it is time to have an informed discussion about the ways in which our income tax powers could support both our public services and our economy.

This Government has taken a responsible and considered approach to taxation. During the most difficult years following the financial crash we froze Council Tax. We have ensured thousands of small businesses have been sheltered from business rates. In the last year, we have asked those with the highest incomes and most valuable property to pay modest amounts more than people in England while ensuring first-time buyers are able to access the property market and buy homes to live in.

We do not underestimate the impact which changes to taxation can have and will always take decisions in a careful, considered and responsible way, with the interests of households, businesses and the wider economy at heart.

Ahead of publishing our draft budget for 2018-19, we will publish a discussion paper on Income Tax to open up the debate about the best use of our tax powers. It will:

- set out the current distribution of Income Tax liabilities in Scotland
- analyse the implications of different options around Income Tax, including the proposals of other parties represented in the Scottish Parliament
- set out the importance of the interaction of Income Tax policy with the fiscal framework
- provide international comparisons of Scotland's Income Tax policy
- better inform the Parliament and people in Scotland about the choices open to us to invest in our public services and support the economy in the context of austerity and Brexit

As set out last year, the First Minister has asked the Council of Economic Advisors how, and to what extent, the revenue risk associated with an increase in the additional rate of Income Tax can be mitigated. Their advice will also inform our Income Tax policy development in advance of the 2018-19 draft Budget.

In entering into discussions about the future of Income Tax, this Government recognises that taxation must be used responsibly and progressively and that taxpayers value certainty. These principles will underpin our decisions.

Supporting the public sector workforce

We have always sought to offer a distinctive pay policy – one that is fair, supports those on the lowest incomes and protects jobs and services while delivering value for money. We were the first government to pay the living wage to public sector employees and, within the confines of recent austerity, we have been able to provide higher increases for those on lower salaries.



We recognise the valuable contribution public sector employees make, working hard to ensure the effective delivery of services at a time when budgets are being squeezed. Furthermore, we are acutely aware of the impact that rising inflation and social security cuts are having on working households.

We will remove the 1% pay cap from 2018-19. Future pay policy will take account of the cost of living, continue to protect the lowest paid and ensure public sector budgets remain in balance. We aim for pay rises that are affordable, reflect the real life circumstances people face and recognise the invaluable contribution of the public sector workforce.



WE ARE LIFTING THE PUBLIC SECTOR PAY CAP FOR OUR NHS AND OTHER PUBLIC SECTOR WORKERS FROM 2018-19



3

BUILDING A FAIRER SCOTLAND

We want our communities to be genuinely empowered and inclusive, places where individuals and diverse groups can overcome social inequalities and go on to thrive in an open and tolerant society.

By empowering individuals with a firm set of rights and the support of a genuine social security system and providing communities with the ability to use their own assets, skills and networks to build and design services, we can address many deep-rooted social and economic injustices.

To achieve this, we will deliver a social security system based on dignity and respect, tackle child poverty, ensure greater supply of affordable homes and support those who are homeless or living chaotic lives to play a full role in their communities. We will also examine how new and innovative ideas, such as a citizen's basic income, might work and help to tackle ingrained inequalities.

As part of this approach, we will also look at how decisions are made in all of our communities and, through the Scottish Land Commission, consider a range of proposals to ensure that we make the most of our land – a vital resource – in a way that benefits everyone.



Social security

In June, we introduced Scotland's first Social Security Bill. This Bill will enable us to take forward our commitments on the devolution of social security powers and provides the framework for a comprehensive and joined-up system that puts dignity and respect at its heart. The Bill:

- provides for the delivery of 11 existing social security benefits as part of a devolved Scottish system
- embeds in legislation the principles of the Scottish system, including a commitment to a human rights based approach
- sets out the basic machinery of social security, from applications to appeals
- defines the types of assistance that we will provide

In April 2017, we announced how the new social security agency will operate. The configuration of the agency will be confirmed this autumn. Work is continuing on the recruitment of at least 1,500 members of staff to work there.

We will deliver the manifesto commitment to increase Carer's Allowance from next summer, backdating it to April 2018. After that, the first benefits to be devolved will be the Best Start Grant and Funeral Expense Assistance. We will deliver improved versions of these existing UK benefits by summer 2019. In the coming year, we will announce a package of support for young carers, which will include financial and non-financial elements.

The Best Start Grant (BSG) will be the first benefit to be paid by the new agency. The BSG is a central part of our commitment to parents and children, providing support to those who need it at the key points in a new baby and young child's life. We have designed the benefit to make sure that the people who need it, both in and out of work, can access it as easily as possible. To do this, we will improve on the Department for Work and Pensions (DWP) Sure Start Maternity Grant by:

- extending eligibility to anyone on a tax credit or housing benefit (in addition to existing qualifying benefits) so that they can apply and receive a payment before their baby is born
- not requiring parents who are under 18 to be on a qualifying benefit, making it easier for them to apply
- providing longer periods of time for people to apply so that they have more time to become aware of and access BSG
- integrating BSG with Healthy Start Vouchers so that parents complete one simple application process rather than two

Universal Credit remains reserved to the UK Government. However, the Scotland Act 2016 allows the Scottish Ministers to adjust when and to whom Universal Credit is to be paid. Regulations coming into force on 4 October 2017 will give Scottish applicants more choice over how payments are made; in particular, to allow for twice-monthly payments and managed payments to landlords. These regulations demonstrate our commitment to making full use of every power devolved to us.

Following the UK Government's decision to end entitlement for housing costs within Universal Credit for young people aged 18-21 years old, we have extended the Scottish Welfare Fund (SWF), on an interim basis, both to help 18-21 year olds adversely affected by the changes, and to support landlords.

Social security – a new approach to designing public services

The Scottish approach to designing services ensures that future digital services will more accurately reflect user needs and be more flexible and able to adapt to change. For example, to inform the design of Scotland's new social security agency and services, we have 2,400 people from across Scotland signed up for our Experience Panels. People with direct personal experience of the social security system will help shape the way we work. We are committed to making this model the way forward for all service design. We are clear that public sector services should be designed with, not for, the people who will use them.

Tackling Poverty

Poverty and Inequality Commission

Building on the contribution of the Independent Poverty Advisor, we have established a Poverty and Inequality Commission to provide advice and challenge to the Government on actions to address poverty.

We are exploring ways to put the Commission on a statutory footing with a broad remit that enables it to consider the full range of factors that contribute to levels of poverty and inequality in Scotland.



WE ARE ESTABLISHING A TACKLING CHILD POVERTY FUND, WORTH £50 MILLION OVER THE NEXT FIVE YEARS

Child poverty

Our Child Poverty Bill sets targets aimed at eradicating child poverty. Our first plan to deliver against these targets will be published in April 2018 and local areas will publish their own annual plans from 2019 onwards, in some cases building on local Fairness Commission recommendations.

We want to trial new approaches, strengthen the evidence base and support innovation at both national and local levels, so we are establishing a Tackling Child Poverty Fund, worth £50 million over the next five years. We will take advice from the Poverty and Inequality Commission on where this funding can have the biggest impact at national and local level. This innovation fund is only one element of the 2018 delivery plan. We will also ask the Commission to provide advice on the potential impact and suitability of using powers to top up benefits, for example child benefit, to alleviate child poverty.

Generational equality and opportunities for young people

In July 2017, the First Minister's Independent Advisor on Poverty and Inequality published a report making 18 recommendations on improving the life chances of young people. Particular focuses are mental health, employment, and housing. Throughout the Year of Young People 2018, we will begin to implement the advisor's recommendations and will keep Parliament updated on our progress as well as ensuring a role for young people in guiding our actions. We will also discuss the progress we are making with the Poverty and Inequality Commission. In 2019, we will publish an update setting out the progress made to date as part of our annual Fairer Scotland progress report.

Citizen's basic income

Several Scottish local authorities are considering how they can pilot elements of a citizen's basic income, a radical form of social assistance. One of its attractions is that it may help those on the lowest incomes back into work or help them work more hours, while providing an unconditional 'basic income' as a safety net. We believe that bold and imaginative projects like this deserve support but we also recognise that the concept is currently untested. Therefore, we will:

- establish a fund to help these local authorities areas develop their proposals further and establish suitable testing
- ask the Poverty and Inequality Commission to consider how it could help to draw together findings from local authorities to inform the government's thinking



WE WILL ASK THE POVERTY & INEQUALITY COMMISSION TO CONSIDER HOW IT COULD HELP DRAW TOGETHER FINDINGS FROM LOCAL AUTHORITIES TO INFORM OUR THINKING ON CITIZEN'S BASIC INCOME

Access to financial advice

In 2018, we will start the roll-out of a Family Financial Health Check Guarantee aimed at those on low incomes.

This first phase will offer low-income families with children access to a 'financial MOT', including advice on benefit eligibility and managing money. We want those families who have most to gain to be helped to claim all that they are entitled to. The guarantee will also help families access the best deals on financial products and services, and on energy bills. We will ensure that the families in most need know about this service and are encouraged to use it.

Credit unions

We will continue to support Scotland's credit union sector so that even more people have access to affordable and ethical alternatives to high-street banking and payday loans.

The Junior Savers Scheme partners credit unions with local schools to improve financial literacy among young people. By the end of 2017-18, we aim to have 40 new partnerships in schools right across Scotland.

We will also work to deliver a national credit union awareness raising campaign, which will include collaborating with sector representatives to identify opportunities for targeted local activity on funeral poverty.

Access to sanitary products

Being able to access sanitary products is fundamental to securing equality, dignity and rights across the whole of public policy. We will introduce a scheme to fund access to free sanitary products in schools, colleges and universities and consider action to support those on low incomes, but not in education, in light of the findings of the current pilot scheme in Aberdeen.

WE WILL FUND ACCESS TO FREE SANITARY PRODUCTS TO STUDENTS IN SCHOOLS, COLLEGES AND UNIVERSITIES

Homelessness

It is not acceptable in a modern and wealthy country like Scotland for people to be rough sleeping or spending extended periods of time in temporary accommodation. Strong rights for those who face homelessness are enshrined in law, but too many people struggle to access accommodation or the services they need.

WE ARE MAKING IT A NATIONAL OBJECTIVE TO END ROUGH SLEEPING – BACKED WITH NEW INVESTMENT

We want to change that. We are setting a clear national objective to eradicate rough sleeping in Scotland and transform the use of temporary accommodation. We will:

- establish a Homelessness and Rough Sleeping Action Group to lead change in this area and identify responses on the actions, services and legislative framework required to end rough sleeping and transform the use of temporary accommodation. The Action Group's work will be informed by the views of those with direct personal experience of homelessness
- create a five year £50 million Ending Homelessness Together Fund to support anti-homelessness initiatives and pilot new innovative solutions to drive further and faster change

In autumn 2017, we will take steps to reduce the time that households with pregnant women or children can spend in unsuitable accommodation from 14 to 7 days. We will also develop guidance on standards in temporary accommodation for homeless households.

Housing

We will deliver at least 50,000 affordable homes over the lifetime of this Parliament, 35,000 of which will be for social rent. More than £1.75 billion is being allocated to councils over the next three years to deliver our ambitious target.

In this financial year over £590 million is available to increase the supply of affordable homes across Scotland through our commitments to local authorities and also demand-led national schemes such as the Open Market Shared Equity scheme and the Rural and Islands Housing Fund. A budget increase of over £100 million in 2016-17 has led to more than 10,000 new housing units being approved in the first year of the target period: a record-breaking level.



We will also support up to 3,500 households this financial year into affordable home ownership, including approximately 2,500 first-time buyers, with assistance from our Help to Buy and other shared equity schemes. The total investment for these schemes in this financial year is £135 million.

Our Rental Income Guarantee Scheme, launching this year, seeks to attract new institutional investment to Scotland by sharing a limited proportion of the letting risk with participating members. Potential investment in the emerging Build-to-Rent market in Scotland is estimated to be in the region of £500 million over the next five years, supporting 2,500 new homes.

The Scottish Empty Homes Partnership has brought over 2,400 homes back into use to date. We will double our funding, helping local authorities to provide and sustain Empty Homes Officer support in every part of Scotland.



WE WILL DOUBLE OUR FUNDING TO THE SCOTTISH EMPTY HOMES PARTNERSHIP

Self-build and custom-build homes

To diversify the ways in which we deliver homes, we will support the increased delivery of self-build and custom-build homes and expand the options available and provide more flexibility for both individual homeowners and the construction industry.

This will include Simplified Planning Zones for housing, in recognition of the significant opportunities for the self-build and custom-build sector.

Reform of the planning system

The review of the planning system highlighted the importance of infrastructure to unlock opportunities for development and housing supply. We will introduce a Planning Bill to improve the system of development planning, give people a greater say in the future of their places and deliver planned development.

Our proposals for planning reform include actions to support inclusive growth and investment such as a new approach to Simplified Planning Zones, modernising Compulsory Purchase Orders and building on our eDevelopment services with the Digital Taskforce. We will review the National Planning Framework and strengthen its alignment with wider strategies and programmes, use new powers to restrict the over-provision of betting shops and payday lenders on our high streets, explore how food outlets in the vicinity of schools can be better controlled and work with local authorities to support people to live an active lifestyle through access to walking, cycling and places to participate in physical activity.

THE PLANNING BILL WILL IMPROVE THE SYSTEM OF DEVELOPMENT PLANNING, GIVE PEOPLE A GREATER SAY IN THE FUTURE OF THEIR PLACES AND DELIVER PLANNED DEVELOPMENT

THE LBTT BILL WILL RETROSPECTIVELY ALLOW REPAYMENT IN RELATION TO CERTAIN TRANSACTIONS INVOLVING JOINT PURCHASE BY SPOUSES, CIVIL PARTNERS OR CO-HABITANTS

Land and Buildings Transaction Tax (LBTT)

In setting rates and bands for LBTT, we will continue to help both first-time buyers and home movers to progress through the market. Since the introduction of LBTT we have, by setting a nil rate threshold of £145,000, kept around 20,000 additional house purchases out of tax compared to UK Stamp Duty Land Tax (SDLT). We expect to take up to a further 10,000 house purchases out of tax in 2017-18, helping people into home ownership.

We have also introduced secondary legislation to provide relief from the LBTT Additional Dwelling Supplement (ADS) and allow for repayment of the Supplement in relation to certain transactions involving joint purchase by spouses, civil partners or co-habitants. A Bill will be introduced to the Scottish Parliament to give retrospective effect to this change.

High rise housing following the Grenfell Tower fire

The tragic consequences of the fire at Grenfell Tower in London on 14 June understandably raised concerns for the safety of residents in high rise buildings in Scotland. We moved quickly to establish a Ministerial Working Group on Building and Fire Safety to co-ordinate responses in Scotland to the investigations into the cause and spread of the fire.

Scottish building standards are devolved and the Aluminium Composite Material cladding suspected of contributing to the spread of the fire at Grenfell is not permitted for use on high rise tower blocks in Scotland. While we are confident that in Scotland we have stringent building and fire safety regulations, public safety is of paramount importance and the working group agreed a work programme including:

- reviews of the current building standards and the fire safety regulatory framework, bringing forward a planned consultation on fire and smoke alarms in Scottish homes
- a targeted fire safety campaign for residents of high rise buildings

The Working Group continues to work with UK Government, other devolved administrations, local government, NHS boards, other relevant partners and affected residents in taking this work forward. We will use all evidence gathered in relation to this tragic accident to ensure we maintain the highest possible standards of safety for buildings in Scotland.

Energy efficiency and fuel poverty

Our ambitions to improve the energy efficiency of Scotland's buildings are also central to our efforts to tackle fuel poverty. That's why this year we will introduce a Warm Homes Bill to set a new statutory target for fuel poverty and determine how supplier obligations in relation to energy efficiency and fuel poverty are designed and implemented in Scotland.

THE WARM HOMES BILL WILL SET A NEW STATUTORY FUEL POVERTY TARGET

We will accelerate our work on Scotland's Energy Efficiency Programme (SEEP), to be rolled out from 2018. SEEP makes energy efficiency a national infrastructure priority and seeks to decarbonise heat provision over the long-term. Its multiple benefits include:

- providing more affordable energy for consumers
- creating a market for energy efficiency services and technologies, with an estimated 4,000 jobs supported each year once the programme is fully developed
- substantially reducing greenhouse gas emissions

We will continue to invest in energy efficiency and heat decarbonisation over the next four years, publishing a SEEP Route Map to set out our long-term ambition. We will develop financial mechanisms to attract private sector investment and we will build on our successful SEEP pilots, with £11 million available for further pilots in this financial year to test different approaches to energy efficiency and heat decarbonisation.

In addition, we will:

- seek the views of owner-occupiers on improving the energy efficiency of their homes, including the role of standards and the use of financial and fiscal incentives
- consult on detailed proposals for Local Heat and Energy Efficiency Strategies and regulation of district heating and develop, if appropriate, a wider SEEP Bill for later in this Parliament
- confirm the introduction of new energy efficiency standards for the private rented sector (PRS) to ensure that tenants are able to enjoy homes that are warmer and more affordable to heat
- introduce changes to improve the condition of PRS properties, ensuring that every private tenant is able to live in a safe and good quality home

Flood risk and the water environment

We have supported delivery of flood protection and improvements to Scotland's rivers and lochs as set out in the second River Basin Management Plans. We will continue to invest in the Water Environment Fund to deliver further improvements and associated additional community and economic benefits.

We will work with partners to deliver the first round of flood risk strategies. This will be supported by funding to projects and initiatives like the Scottish Flood Forum, to raise awareness of flooding and share information on how to be prepared. This will improve Scotland's resilience to an increasing likelihood of severe weather events and the associated risk of flooding. We will also support the Scottish Environment Protection Agency in their development of the second National Flood Risk Assessment, due in 2018.

Empowering our communities

Putting power in people's hands

Over the last 10 years, we have demonstrated a strong commitment to empowering communities and the importance of regional decision-making. We believe that the best people to decide the future of our communities are the people who live in those communities.



Now, working closely with councils, community councils, community planning partnerships, regional partnerships, businesses, the third sector and others, we will continue to reform the way Scotland is governed, focusing on delivering local decision making, not on behalf of a community, but by a community itself. Specifically, we will:

- decentralise power to a more local level in Scotland and launch a comprehensive review of local governance ahead of a Local Democracy Bill later in this Parliament
- support those island authorities who want to establish a single authority model of delivering local services – including health and social care. We will support proposals that are developed with stakeholders, including trade unions, and which clearly improve people's lives, create efficiencies and protect local democracy and our NHS

We will back our ambition with investment in local communities and in their ability to take decisions for themselves by:

- supporting hundreds of community organisations to deliver locally identified priorities to tackle poverty and inequality through our Empowering Communities Fund
- investing £10 million in 113 community projects as part of the Climate Challenge Fund, empowering local communities to deliver local solutions to climate change
- investing £2 million in the Community Choices Fund to support participatory budgeting – handing decision-making on budgets direct to communities
- working with local government on having at least 1% of council budgets subject to community choices budgeting
- investigating the scope to expand our support to employee ownership, including social care co-operatives' role in the delivery of services

Community wealth building

Building on existing support, including the work of Business Improvement Districts Scotland, we will actively promote wealth building within local communities. We will seek to maximise the benefits of economic activity for local communities by:

- working with anchor institutions to consider how procurement activity can be better used to support local economic activity
- helping local enterprises to supply goods and services to these anchor institutions – keeping money within communities

Council Tax

Our reforms to Council Tax, implemented in April 2017, protect household incomes and make local taxation fairer. By changing the amount of tax people in the highest value properties pay, an additional £500 million will be raised over the current parliamentary term to support services funded by local authorities.

To support those on low incomes, we have invested over £1 billion in the Council Tax Reduction Scheme since 2013-14, assisting almost half a million households each year to meet their Council Tax. In addition, we have increased the child allowance in the Council Tax Reduction Scheme by 25%, benefitting up to 77,000 households, and we will not introduce the two child cap (which now applies to many UK Benefits) to the Council Tax Reduction Scheme.

We remain committed to making local taxation more progressive whilst improving the financial accountability of local government and are open to further dialogue on options for reform.

Third sector funding

The third sector plays a vital role in Scotland's communities, working with them to tackle tough social issues at source. We recognise that to do this successfully the third sector needs stability of funding and the opportunity for longer term planning and development.

We will seek to extend three-year rolling funding where possible across the Scottish Government. Together with a transparent and fair basis for the extension of core funding, this will give the third sector a significant level of stability of funding and the ability to plan ahead.



Re-invigorating volunteering

We will be bold in realising our vision for volunteering and the role volunteers can play in shaping the lives of their communities. Volunteering is transformational: for the volunteer, for the beneficiary and for communities. We will do more to support groups currently facing barriers to engaging in their communities, including disabled people, older people and people out of work. Building on positive trends for youth volunteering, we will work with young people throughout the Year of Young People 2018 to better understand opportunities and motivations and ensure young people can contribute on issues that matter to them.

Land reform

Our land is vital to our wellbeing, prosperity and sense of national identity. It is important that we look after our land and continue to improve its productivity in economic, social and environmental terms. Land reform, in both urban and rural contexts, is already making an important contribution to making Scotland a more successful country for the benefit of all.

Scotland's new Land Commission, now a statutory public body, is charged with providing energy and focus on land reform and helping Scotland to make the most of its land. The Commission has been engaging with the public and various organisations, raising awareness of the significance of land reform as a driver of sustainable economic growth. We will encourage the Commission to continue this work across urban and rural Scotland.

We expect to approve the Commission's first strategic plan in September 2017. This will set out its priorities for the next three years for delivering significant change, as well as a major programme of research to examine a range of radical options for further land reform in Scotland. These will include:

- reviewing the unusually concentrated pattern of land ownership in Scotland, including the potential risk of localised monopolies in some situations, and its potential impact on the public interest
- examining the ownership of land by charitable trusts, and the potential impact that these arrangements may have on the public interest (including on community right to buy)
- reviewing tax and fiscal arrangements, including the potential for introducing some form of land value based tax in Scotland
- examining ownership constraints to the supply and cost of land for housing, including the issue of land banking
- identifying measures to bring vacant and derelict land into productive use for economic, social and environmental benefit, especially in urban areas
- assessing whether better use could be made of common-good land, including the extent to which it might be transferred to community ownership and managed for community benefit

In addition, we will encourage the Commission to take immediate action to help achieve change on the ground by preparing clear and robust guidance and codes of practice for landowners and managers that will inform and guide their decision making.

We want many more communities to benefit from our land reform agenda and wish to ensure the Community Right to Buy procedures are as simple as possible. We will ask the Commission to review existing mechanisms and recommend how best to enable community ownership in appropriate circumstances. We will also continue to support community land purchases through the Scottish Land Fund.



We welcome the positive impact which the Tenant Farming Commissioner is having on the sector. In addition to work already planned, we will ask the Commissioner and his fellow Land Commissioners to examine the current barriers to entry into agriculture, particularly for young people and for women, with a focus on identifying mechanisms to help increase innovation in the industry.

We are making good progress with implementing the Land Reform (Scotland) Act 2016. Further action over the coming year will include:

- publishing the final version of a Land Rights and Responsibilities Statement by October 2017
- setting out proposals for a Register of Controlling Interests in landowners and tenants, to increase the transparency of individuals controlling land in Scotland
- publishing guidance on engaging communities in decisions relating to land early in 2018

Dignity, equality and human rights for all

We are committed to respecting, protecting and implementing human rights for everyone in Scotland, and to embedding equality, dignity and respect in everything we do. That means learning lessons from the past as well as protecting our rights into the future.

The Sexual Offences (Pardons and Disregards) Bill will reflect this by ensuring that people convicted of offences relating to same-sex sexual activity under outdated criminal laws will receive a pardon where the same activity would now be lawful. They will also be able to apply to have such convictions removed from central criminal conviction records. This will correct a historic wrong.

We continue to oppose any attempt by the UK Government to undermine the Human Rights Act or withdraw from the European Convention on Human Rights. We will also work to ensure that existing and relevant future human rights protections provided under European Union Law are maintained following UK withdrawal from the EU.

THE SEXUAL OFFENCES (PARDONS AND DISREGARDS) BILL WILL ENSURE PEOPLE CONVICTED OF OFFENCES RELATING TO SAME-SEX SEXUAL ACTIVITY UNDER OUTDATED CRIMINAL LAWS WILL RECEIVE A PARDON WHERE THE SAME ACTIVITY WOULD NOW BE LAWFUL

Human rights go well beyond civil and political rights in the Human Rights Act 1998. We are also committed to action that gives effect to the vitally important economic, social and cultural rights set out in the International Covenant on Economic, Social and Cultural Rights, the European Social Charter and other treaties.

We will implement the socio-economic duty in the Equality Act 2010 by the end of this year, placing a requirement on key parts of the public sector, including Scottish Ministers, to have due regard to reducing the inequalities caused by socio-economic disadvantage when taking strategic decisions. This is a key component of our approach to tackling poverty.

We are determined to increase representation of disabled people in our democratic institutions. Our Access to Elected Office Fund (Scotland) supported those who wished to stand in the 2017 local government elections by helping to meet the additional costs disabled people face when seeking election. We will continue this fund for the Scottish Parliamentary elections in 2021.

We will also:

- press on with implementing our delivery plan 'Fairer Scotland for Disabled People' and continue our wider work to protect and promote the human rights of disabled people
- publish and implement a Race Equality Action Plan setting out the key actions we will take to drive forward race equality during this Parliament
- work with the Time for Inclusive Education (TIE) campaign to deal with LGBTI bullying, discrimination and prejudice in schools
- consult on reforming gender recognition legislation
- publish the first National Action Plan on British Sign Language (BSL) in October, improving access to information and services for those whose first or preferred language is BSL



- establish an expert advisory group to lead a participatory process to make recommendations on how Scotland can continue to lead by example in human rights, including economic, social, cultural and environmental rights
- progress the Gender Representation on Public Boards (Scotland) Bill, which was introduced in June 2017, to ensure that women are properly represented on Scotland's public boards
- confirm the full membership of the Advisory Council on Women and Girls this autumn. The Council will advise on the impact of government policies (Scottish, UK and local) on women and girls and identify areas where action is needed to bring about positive change. It will also advocate wider societal change, encouraging discussion and debate on gender inequality

Protecting and promoting human rights for everyone in Scotland

Everyone in Scotland has fundamental human rights guaranteed by law and set out in international treaties like the European Convention on Human Rights. EU laws are a vital part of those safeguards. But Brexit means that our future ability to benefit from EU progress on rights and equality is now under threat.

It is essential that existing safeguards are not undermined by Brexit. The rights we currently enjoy as EU citizens need to be permanently locked into any future deal. We will oppose the proposed removal of the European Charter of Fundamental Rights from our laws contained in the EU Withdrawal Bill and oppose any attempt by the UK Government to undermine the Human Rights Act 1998.

We will ensure existing and relevant future human rights protections provided under EU law are maintained following Brexit. We will also consider how Scotland can go further and will establish an expert advisory group to lead a participatory process to make recommendations on how Scotland can continue to lead by example in human rights, including economic, social, cultural and environmental rights.

As part of the Year of Young People, we will undertake a comprehensive audit on the most effective and practical way to further embed the principles of the UN Convention on the Rights of the Child into policy and legislation, including the option of full incorporation into domestic law.

Dealing with prejudice and intolerance

Ensuring communities are strong, resilient and cohesive is central to our ambitions for Scotland. We want to foster good relations with communities, support interfaith activities and tackle the prejudices and attitudes that fuel intolerance and hate crime.

We will work with partners and communities to deliver a balanced and proportionate approach to safeguarding vulnerable individuals who may be exploited by and drawn towards divisive ideologies. Our approach is grounded in prevention and early intervention, acknowledging that identifying and addressing risk and need at the earliest opportunity is proven to be the most effective approach.



To deliver this, we will:

- strengthen interfaith relations and dialogue in order to lower barriers, eliminate fear and distrust and increase understanding and mutual respect
- take forward a robust plan of action to implement the recommendations of the Independent Advisory Group on Hate Crime, Prejudice and Community Cohesion
- consider the findings of, and take action following, Lord Bracadale's review of hate crime legislation
- ensure local multi-agency structures are in place where institutions take ownership and have capacity to comply with the Prevent duty in a way that meets the Scottish context and needs
- enhance existing initiatives and support innovative projects to ensure individuals and communities with concerns, issues and vulnerabilities have access to appropriate safe spaces, advice and support

Open Government

In 2016, Scotland joined the Open Government Partnership (OGP), a multilateral organisation of 80 countries which promotes partnerships between governments, civil society organisations and people to make sure that citizens can see, understand and influence government effectively. Membership has provided the opportunity to highlight Scotland's commitment to openness, transparency and citizen participation and to share learning with countries around the world.

Openness and transparency is about much more than Freedom of Information. Open Government puts people in charge and creates opportunities for citizens to influence the decision-making process, hold government to account, and make the most of opportunities. People in Scotland must be able to understand how decisions are made, what information supports them, and how they can feed into the democratic process.

WE ARE ACTIVELY SEEKING TO INCREASE THE AMOUNT OF INFORMATION THAT WE PROACTIVELY PUBLISH & WE ARE REVIEWING OUR APPROACH TO ACCESSING INFORMATION TO SECURE INCREASED OPENNESS AND TRANSPARENCY IN LINE WITH INTERNATIONAL BEST PRACTICE

This year, we are implementing our first Open Government Partnership National Action Plan, delivering commitments on Financial Transparency, Measuring Scotland's Progress, a Fairer Scotland, Participatory (or community choices) Budgeting and Increasing Participation.

As part of our efforts, we are actively seeking to increase the amount of information that we proactively publish and we are reviewing our approach to accessing information to secure increased openness and transparency in line with international best practice.



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A CONFIDENT, OUTWARD LOOKING NATION

Scotland is an outward looking nation, with much to offer as a good global citizen.

From our support for Climate Justice to being one of the first developed nations to commit to delivering the UN Sustainable Development Goals, we will continue to play our part in meeting the global challenges of the day.

We will also continue our work to secure strategic partnerships for Scotland around the world. By building on trading relationships, sharing the skills and expertise of our colleges and universities, exchanging cultural and ancestral connections and exchanging policy ideas to address shared challenges, we can ensure Scotland remains a valued and well-connected nation not just in Europe, but around the rest of the world.



We are recognised around the world as a nation with a vibrant and thriving culture. In the coming year, we will develop a Culture Strategy for Scotland based around the principles of access, equity and excellence. It is an opportunity to show culture's importance to Scotland's future and will reflect our belief that the right to creative expression, to participate and earn a living from creative and cultural pursuits and be paid fairly for that work, should be widely recognised across society.

Culture

We will complete our new Culture Strategy for Scotland, considering what is working well, and ways to address challenges. The strategy will ensure that everyone has the opportunity to take part in or contribute to cultural life in Scotland and that the inequalities experienced in the sector itself, and in participation, are tackled.

The development of the strategy is drawing on a broad range of expertise, views and experience. The current engagement phase of the strategy will be followed by formal on-line consultation in 2018.

Culture for all

Ensuring everyone can access culture includes opening up cultural experiences to our children and young people. This year:

- we will establish with partners a Cultural Youth Experience Fund to enhance existing opportunities
- every primary school in Scotland will have an opportunity to experience Scotland's excellent and diverse cultural places and activities
- the Youth Music Initiative will support young musicians and ensure that our young people have the opportunity to experience music tuition by the time they leave primary school
- we will continue to ensure free access for all to Scotland's national museums and galleries

We will support:

- the touring and sharing of items from the national collections around Scotland, including The Monarch of the Glen, saved for the nation in 2017
- Dumfries and Galloway Council and the National Museum of Scotland in their joint work to ensure that there is long-term display of a significant part of the Galloway Hoard in Galloway

We continue to invest in Scotland's culture and heritage infrastructure, including:

- the V&A Museum of Design in Dundee, opening in 2018
- proposals for the further development of the National Museum of Flight in East Lothian
- the first phase of the development of the National Collections facility at Granton
- the redevelopment of the David Livingstone Centre in Blantyre
- the Burrell Renaissance project
- a new home for the Great Tapestry of Scotland in Galashiels
- proposals to redevelop the Citizens Theatre in Glasgow
- a new performance venue in Edinburgh as part of the City Deal, to enhance its status as an International Festival City and as a new home for the Scottish Chamber Orchestra

We will support Historic Environment Scotland and partners to develop a long-term Infrastructure Investment Plan for preserving, understanding and celebrating our built heritage.

Libraries

Alongside investment in school libraries, we will pilot a single library card that could be used at any council library across Scotland.



We are investing in the National Libraries Strategy. This will include supporting initiatives like coding clubs and WWI history projects. We are also working with partners to ensure that every child in Scotland receives a library membership and will launch a targeted programme with local authority partners in late 2017.

Major events

Year of Young People

Our series of themed years will have a particular resonance in 2018 – the Year of Young People. This is a global first, which will aim to inspire Scotland through its young people, celebrating their achievements, valuing their contribution to our communities and creating new opportunities for them to shine locally, nationally and globally.



Major sporting events

We are the principal funder of the Glasgow 2018 European Championships. This is a new event, which brings together the existing European Championships of seven high profile Olympic sports to create a spectacular sporting opportunity. It will give Glasgow and Scotland another chance to shine on a world stage. This inaugural edition will be staged jointly with Berlin. The event is a key legacy of the Commonwealth Games, and we are working in partnership with stakeholders to deliver a further legacy from the 2018 Championships,

focusing on sports, physical activity, and future event delivery, with a programme based around Community Sports Hubs and a cultural programme. The Championships will be aligned with the Year of Young People programme, with a particular focus on youth volunteering opportunities.

We will continue our support of The Scottish Open and Ladies Scottish Open, and a world-class annual golf programme in Scotland, the Home of Golf.

Scotland's Winter Festivals

Working with partners, including BEMIS Scotland and the Fair Saturday Foundation, we will continue to promote social inclusion and enhance community engagement, participation and sharing during the Winter Festivals, by supporting a programme of events across Scotland for St Andrew's Day, Hogmanay and Burns Night.

Edinburgh Festivals

This year we celebrated the 70th anniversary of the Edinburgh Festivals. We are providing £2.3 million this year to enhance the Expo fund to support excellent projects that promote Scotland's culture and creativity internationally.

And, as announced in August, we are establishing a fund to provide £1 million in each of the next five years for Edinburgh's Festivals to maintain its status as the world's foremost festival city.



International and European relations

In addition to the work we are undertaking to support trade, tourism and international connections through the establishment of Trade Envoys and the expansion of our Hub programme, we are carrying out a broad range of activity to improve and develop our international relationships across the whole of Government. This includes:

- publishing a refreshed International Framework and Policy Statement
- updating Scotland's Engagement Strategy with China to identify where Scottish skills and expertise can maximise opportunities and increase co-operation between Scotland and China's business and academic communities
- implementing the USA and Canada country engagement plans, including:
 - visits by Ministers and senior figures with a particular focus on increasing exports, securing inward investment, building innovation and developing research partnerships
 - expanding and enhancing our presence in Canada

- deepening our engagement with Japan and improving the existing links for business, education, culture and research
- refreshing our Nordic-Baltic Policy Statement and continuing to support the Nordic Horizons group which promotes policy exchange between Nordic countries and Scotland
- sending a high level delegation to the Arctic Circle Assembly in Iceland in October 2017 to engage on climate change and sustainable economic development and hosting a follow-up Arctic Circle Forum in Scotland to develop partnerships between Scottish organisations and international partnerships on economic issues
- taking part in the Social Enterprise World Forum in New Zealand in September 2017 and then welcoming social enterprises from around the world to the Social Enterprise World Forum in Scotland in 2018
- continuing to work towards the renewal of our historic partnership agreement with the Government of Malawi which is based on 150 years of shared history and friendship and promotes the enduring values of tolerance, fairness and equality and the sharing of experiences and skills for mutual benefit
- implementing the £1 million per year Humanitarian Emergency Fund announced in April 2017
- continuing funding of Scotland's Development Education Centres to inspire communities and young people to be good global citizens
- training at least 50 women every year from international conflict zones in prevention and resolution of conflict. This year, we are expanding our programme to include South Asia, South and Central America and sub-Saharan Africa

International development and humanitarian aid

Our 'Global Citizenship: Scotland's International Development Strategy', published in December 2016, provides the framework for Scotland's contribution to the fight against global poverty, inequality and injustice and promotes sustainable development.

We are committed to the Beyond Aid agenda, not only within our international development work, but more widely within government and across the public sector.

This year, our work includes:

- publishing the first Development Impact Report on our international development programme and other policies' contribution to development
- maintaining an increased International Development Fund of £10 million a year. This targets support in Malawi, Rwanda, Zambia and Pakistan. We are also maintaining our Small Grants Scheme to help smaller agencies contribute to the UN Global Goals in other developing countries

- publishing a refreshed version of our New Scots Strategy for integrating refugees
- supporting work, under our Scotland the Hydro Nation programme, to map, maintain and improve all of the water and waste water infrastructure in Malawi to assist the Government of Malawi to provide access to clean drinking water and sanitation for all by 2030

A national baseline assessment has been completed to identify good practice and gaps in information, advice and support for businesses. The assessment will underpin the development of a National Action Plan to implement the UN Guiding Principles on Business and Human Rights in Scotland. We will engage with businesses to ensure that the guidance and support provided to them meets both our human rights obligations and their business needs.

Responding to global challenges

Scotland makes a strong contribution to global challenges such as taking action on climate change, meeting the UN Sustainable Development Goals and responding to the needs of refugees.



Since 2015, COSLA's figures show that Scotland has opened its doors to 1,850 Syrian refugees, some 22% of all those coming to the UK under the resettlement programme. We are proud of Scotland's response to the refugee crisis and the work of local authorities, organisations and communities to provide support and welcome. We remain firmly committed to assisting those fleeing war, torture and persecution and we will continue to demand a more humane and responsive approach to asylum. Although immigration and asylum policy remain reserved matters, we will continue to work with our partners to do all that we can to support the integration from day one of those coming to Scotland.

We are continuing to deliver the First Minister's pledge to the Paris climate conference to provide £3 million each year through our climate justice programmes, including our new Climate Challenge Programme Malawi and new Climate Justice Innovation Fund. Between 2012 and 2021 the Climate Justice Fund will provide £21 million to some of the world's poorest people. This funding is additional to our International Development Fund and is contributing to our development goals. Earlier this year, Scotland signed a letter of co-operation with the State of California to provide practical support to the Under 2 Coalition of high ambition states, regions and cities worldwide which now covers over a billion people and a third of the global economy.

We continue to recognise the importance of international emissions trading schemes that allow businesses to determine cost effective routes to decarbonise, and will support efforts to create a global carbon market under the Paris Agreement.

We have chosen to give strong political support to the UN Sustainable Development Goals and will further embed them, along with human rights, in our proposed National Performance Framework too.



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