



Downloaded on 23-09-2016 10:21
Released on 06-09-2016 14:58

First Minister Statement

PROGRAMME FOR GOVERNMENT

Presiding Officer,

This is a new parliament, with new powers, operating in a new political, economic and constitutional context.

The Programme for Government that we publish today sets out how we will use those new powers and adapt to that new context.

It includes the bills that will be introduced between now and the end of June next year.

However, it recognises that government is about more than legislation. It therefore sets our legislative programme in the context of our wider ambitions and, crucially, it sets out how we will seek to protect Scotland's interests, particularly our economic interests, in the wake of the EU referendum.

Most importantly of all, it demonstrates how we will implement the mandate the people of Scotland gave us in May to drive sustainable economic growth, reform education and create opportunities for all, transform our public services and empower local communities.

Presiding Officer, four of the bills that we will introduce in this session will make use of new powers that are being devolved to this parliament.

The **Air Passenger Duty Bill** will enable a replacement tax to be introduced from April 2018. The government's intention is to halve the overall level of APD by the end of this parliament, to support growth and improve our connections with countries across the globe - priorities that are now even more pressing as a result of the EU referendum.

The **Railway Policing Bill** will prepare the way for the British Transport Police in Scotland to be integrated into Police Scotland, while continuing to exercise their highly specialist railway policing functions.

The **Gender Balance on Public Boards Bill** will use new powers to tackle an issue that I know commands considerable consensus across the chamber. Gender balance on public boards is an area where strong progress has already been made – 2015 was the first time ever that more women than men were appointed to public boards in Scotland. However that progress must be maintained and built upon, and this Bill will help ensure that the public sector leads by example in delivering true gender equality in Scotland.

Finally, and perhaps most importantly, we will introduce a **Social Security Bill**. This will see us take the first steps towards a distinctive Scottish social security system based on dignity and respect. It will support delivery of key policy commitments – for example, an increase in Carers' Allowance, a new Best Start grant for low income parents, a new and more humane approach to disability assessments and abolition of the bedroom tax. This Bill will be a powerful demonstration of our determination to use new powers to create the fairer Scotland that we wish to see.

Later this year, we will also introduce the annual **Budget Bill** - and as part of the budget process, we will set out how we will use our new income tax powers fairly and progressively.

Presiding Officer

The ability to use these new powers and responsibilities would in itself make this a landmark year for our parliament. But we are also now operating in a new context.

The outcome of the EU referendum has created significant uncertainty and anxiety for individuals, businesses, organisations and communities across the country.

That means that the work of this Government, and this Parliament, is more important than ever. We must do everything we can to reassure our citizens, protect Scotland's interests, and retain our place in Europe.

At the end of June, Parliament provided a mandate for the Government to explore all options for retaining the benefits of EU membership. I will update members on this work in a statement tomorrow.

Today my focus is on the actions we are taking now to support the economy, drive improvement in our public services and create a fairer society.

The people of Scotland endorsed our policy programme when they re-elected us in May. Today's statement is about the nuts and bolts of delivery - the hard graft of turning our manifesto into reality.

Let me turn, firstly, to the economy.

Over the next year, we will continue to focus on the four pillars of our Economic Strategy - investment, innovation, internationalisation and inclusive growth.

A few weeks ago, in recognition of the economic uncertainty created by Brexit, I announced that we would invest an additional £100 million in capital projects in this financial year.

Today, I am setting out the detail of the projects that will be supported by this accelerated funding. These projects have been assessed against the criteria we set out previously and range from energy efficiency measures in homes and public buildings, to trunk road maintenance and rail improvements, investment in hospitals - specifically the Golden Jubilee, Inverclyde and Glasgow Royal Infirmary - maintenance in our universities and colleges, and maintenance across the police and fire estates.

This investment will bring immediate economic benefits and support jobs - but it will also improve the infrastructure of our public services for years to come.

I can also confirm today that European Structural Funds projects with a total value of £290 million have now been approved - with partner funding, this will mean total investment of £650 million in communities and businesses between now and 2018.

In addition, in the next financial year, we will invest around £4 billion in infrastructure, including in the priorities set out in our Infrastructure Investment Plan.

This morning I visited the new Boroughmuir High School - one of 29 new schools that I can confirm will open in this academic year as part of our Schools for the Future programme.

Presiding Officer,

These 29 new schools will take the total number of schools built or refurbished under this government to more than 630.

Over the coming year, we will also see completion of three major transport projects - the Queensferry Crossing, the Aberdeen bypass and the M8/M73/M74 motorway project.

We will also invest more than £570 million in affordable housing this year, part of our £3 billion plan to build 50,000 affordable homes over this parliament - 35,000 of them for social rent.

We will also introduce a **Housing Bill** to ensure that Registered Social Landlords continue to be classified in a way which enables them to borrow money to invest.

And we will help more people into home ownership through continued support for our shared equity programmes.

Our infrastructure investment will also support our transition to a low-carbon economy. We are committed to introducing a new Climate Change Bill later in this parliament. Having met our current target of a 42% reduction in emissions six years ahead of schedule, this Bill will set the ambitious new target of a more than 50% reduction in actual Scottish emissions by 2020.

However, as part of this Programme for Government, we will publish a new Climate Change Plan and a new Energy Strategy, which will together set out our low carbon infrastructure priorities. As well as helping us meet our climate change obligations, this will provide investors with certainty and a clear sense of direction.

We have already delivered on our commitment to make energy efficiency a national infrastructure priority, and over this and the next three years we will support it with more than £500 million of public funding. This investment will help thousands of households and businesses. It will deliver warmer homes alongside widespread social, economic and environmental benefits. We will also introduce a Warm Homes Bill later in the parliament.

Finally, on investment, let me turn to digital infrastructure. In the modern economy, good quality digital connections are as fundamental to business success as electricity or running water. When I became First Minister in November 2014, broadband coverage across Scotland was only 63%. By the end of last year, it had reached 85%. I can confirm today that we will invest £90 million over the next year to ensure that we reach our target of 95% by the end of 2017.

And, even more ambitiously, over the coming year we will publish a detailed delivery plan setting out how we will deliver our commitment to provide superfast broadband to 100% of commercial and residential premises by the end of this parliament.

A transformational investment for all of Scotland, but particularly for those living and working in our rural communities.

Presiding Officer,

As well as investing in our vital infrastructure, we are stepping up our support for business, in the wake of the referendum.

We have set up a new Business Information Service, to provide advice and support for businesses worried about Brexit.

We are also establishing a new Post-Referendum Business Network, bringing together the Scottish Government, the Scotland Office, the STUC and business

organisations, to help shape future policy and support.

We will also invest £3.5 million to establish and support new Innovation and Investment Hubs in London, Dublin and Brussels. These Hubs will play a key role in attracting investment to Scotland and in helping indigenous businesses access new markets - objectives that are all the more important in the new circumstances we face.

We will also work to ensure that we have a competitive and fair system of business rates.

From April next year, the number of businesses benefiting from the small business bonus will increase to 100,000. We also look forward to receiving the recommendations from the wider review of business rates that is underway and acting on them as quickly as possible.

Presiding Officer,

I am also determined that we do more to support our manufacturing base.

Manufacturing employs nearly 200,000 people across our country and accounts for over half of our international exports and half of our R&D spend.

Yesterday, I visited Alexander Dennis in Falkirk, one of our most successful manufacturing companies to announce the biggest R&D grant ever awarded by Scottish Enterprise - an example of the practical help that government provides to companies with growth potential. The ongoing review of our enterprise and skills support will ensure that our agencies continue to support businesses in the most efficient and well-targeted way.

Today, I can confirm that, over the next year, we will finalise the business case for a new National Manufacturing Institute - a partnership between the government and our agencies, Strathclyde University and the private sector to create a manufacturing centre of excellence and skills academy, focused on helping companies innovate and compete in international markets.

Presiding officer,

The difficulties facing our oil and gas sector are well known. We will continue to do all we can to support a healthy future for the sector through the Energy Jobs Taskforce.

However, I am also determined that our economy gets maximum benefit from planned decommissioning. Estimated expenditure on decommissioning over the ten years to 2024 will be in the region of £17 billion - two thirds of it in the period after 2020.

That's why Scottish Enterprise is developing a comprehensive Decommissioning Action Plan.

This will inform the range of actions and the necessary investments in capacity and infrastructure that will help to maximise the economic return to the Scottish economy.

Presiding Officer,

There is one further significant economic initiative that I want to announce today as a response to the challenging economic circumstances we face.

We intend to use the strength of our balance sheet to establish a new Scottish Growth Scheme worth up to half a billion pounds over the next three years. The Scheme will be targeted at SMEs with significant growth or export potential but which find it difficult to access investment finance on the necessary scale. It will offer guarantees - or, where appropriate, loans - of up to £5 million per eligible business.

The guarantees will appear on our balance sheet as contingent liabilities - so will not come from existing spending on public services - but they will help us to remove some of the uncertainty and share some of the risk that these high-potential businesses face when making big investment or export decisions.

Presiding Officer,

This policy marks a new departure for the Scottish Government. It is an exceptional response to an exceptional economic challenge.

It will require some change to the parliamentary procedures associated with approving government guarantees. The Finance Secretary will discuss this with the Finance Committee and party spokespeople shortly.

The scheme will not require a single penny of investment from the UK government - however, it will require their co-operation in agreeing the budgeting treatment of the guarantees. I hope that support will be forthcoming.

Presiding Officer,

This is a half-billion pound vote of confidence in Scottish business, Scottish workers and the Scottish economy. I hope we can count on support from across the chamber to make it a reality.

Before I move on from our support for business, I want to underline our commitment to inclusive growth. Indeed, the potential for a UK government outside the EU to resort to deregulation and a race to the bottom makes this work even more important.

So we will encourage more businesses to sign up to the Business Pledge and increase the number of accredited living wage employers to 1000 by this time next year. We will take forward our new Labour Market Strategy and use new powers to abolish fees for Employment Tribunals.

Unlike the UK government, we will work with trade unions as partners - investing in trade union modernisation and in workplace development through the Scottish Union Learning Fund. We will also support the Fair Work Convention in the next phase of its work.

We will work with the Equality and Human Rights Commission to tackle pregnancy and maternity discrimination and we will establish a 'Returners' programme to help women return to work after a career break.

In short, we are determined to build an economy where everyone has a fair chance to contribute to growth, and where everyone can share in the benefits of growth.

Presiding Officer,

Let me turn now to what I have already described as the defining mission of my government - education.

Our work to close the attainment gap starts in the early years.

By the end of this parliament, we will double the amount of free care available to all three and four year olds and the most disadvantaged two year olds - a truly transformational investment that will not only benefit children and families, but also provide employment opportunities for 20,000 additional early years workers.

Over the next year, the detail of the delivery of this policy will take shape.

We will publish a policy blueprint, setting out clear milestones for delivery through to 2020.

From January, we will pilot different models for delivering the expanded provision.

And we will work with local authorities to deliver on our promise that, by 2018, every nursery in our most deprived communities will benefit from an additional qualified teacher or childcare graduate.

Presiding officer,

One of the effects of our early years policy - when fully implemented - will be to significantly reduce the cost of childcare for parents.

However, I recognise that in the meantime these costs, particularly upfront costs, can be prohibitive.

That's why I am also announcing today that we will immediately examine ways to reduce those costs through, for example, a deposit guarantee scheme.

The Communities Secretary will set out further details in the soon to be published Fairer Scotland Action Plan, which will also respond in full to the first set of recommendations from our Poverty Adviser.

Our work to ensure that children get the best start in their early years will be matched by our work to improve attainment in school.

In the next year, as part of the Scottish Attainment Fund, we will invest an additional £150 million in our schools - targeted at overcoming the impact of deprivation.

£100 million of it will come directly from our reforms to the council tax and I can announce today that the regulations giving effect to these changes will be laid in parliament this week.

Our additional investment will be matched by reform.

Implementation of the new National Improvement Framework is already underway.

Standardised assessments - not tests, but assessments that will inform teacher judgments - will be piloted before the end of this year and implemented across Scotland next year.

We will publish the first school by school information on the numbers of children meeting the required levels of curriculum for excellence in December - that will tell us more accurately what the extent of the attainment gap is and allow us to set clear targets for closing it.

Our reforms also involve freeing and empowering teachers to do what they do best - teach.

Last week, John Swinney set out measures to reduce the unnecessary workload faced by teachers.

I can announce today that he will publish the Governance Review next week - it will look at the system changes required to empower schools and decentralise management. We will introduce an Education Bill in the second year of this session to implement any proposals requiring legislation.

And in March we will consult on a new, fair and transparent national funding formula for schools to ensure that how we fund our schools supports our ambition to achieve both excellence and equity.

As we take forward our school reforms, we will continue to work collaboratively with councils, teachers and parents.

We will also take advice from our new Council of International Advisors. The Council met for the first time last week and expressed strong support for our direction of travel.

Presiding officer, I have said that I want to be judged on our success in narrowing - and ultimately closing – the attainment gap. We must not tolerate a situation where some children from deprived areas do less well at school than those from affluent areas. The measures we will implement over the next five years constitute a comprehensive approach to tackling that attainment gap. I have no doubt they will be closely scrutinised but I hope they will gain widespread support.

Of course, our determination to promote opportunities for all does not stop when people leave school.

We will maintain the number of full time equivalent college places at their current level. We will also protect free university tuition and continue our work to increase the number of modern apprenticeships and develop our young workforce.

We are currently developing the implementation plan for the recommendations made by the Commission on Widening Access to university and over the next few weeks we will confirm the appointment of an independent Widening Access Commissioner.

I can also confirm today that from the next academic year, care experienced young people will be entitled to full bursaries. In addition, we will work with universities to guarantee a place for those who fulfil the minimum qualification requirements.

And, lastly, I can announce today that next month - as promised in our manifesto - we will embark on a major review of student support. It is vital that the arrangements we have in place support our commitment to widening access.

Presiding officer, we understand that our work to ensure equality in education must extend well beyond the gates of our nurseries, schools, colleges and universities.

That's why the new **Child Poverty Bill** is arguably the most important piece of legislation we will introduce this year. This Bill will establish Scotland as the only part of the UK with statutory income targets on child poverty.

It will also be backed by real action. For example, our new Best Start grant will provide financial support to low income parents when their child is born, when they start nursery and again when they start school.

And over the coming year, I am proud to say we will also introduce the Baby Box - offering essential items such as clothing, bedding and books for all new-born babies.

Our overall aim is clear. From the moment parents receive their baby box, right through to when young adults go to college or university, into apprenticeships and jobs, supporting children and families is at the heart of this government's priorities. We want to ensure that every young person can fulfil their potential, because that's the only way in which Scotland can fulfil its potential.

Presiding Officer, we will also continue to invest in and reform our other key public services. Last week's patient experience survey showed record levels of satisfaction with our NHS – a credit to healthcare staff across the country. We must build on that.

Over this Parliament, we will increase resource spending in our NHS by £500 million more than inflation.

We will transfer at least £250 million each year from the NHS to health and social care partnerships, to build the capacity and resilience of our social care services.

I'm also delighted to confirm that, with effect from the start of next month, all adult social care workers will now be paid the real living wage.

As we see from figures published today, there are already record numbers of staff working in our NHS but we have plans in place to train more nurses, more doctors, including GPs, more paramedics and more community link workers.

We will shortly publish a new National Workforce Plan and, later in the Parliament, we will legislate to enshrine safe staffing levels in law.

We are also investing to transform primary care. We're helping GPs to work in multi-disciplinary teams with allied healthcare professionals such as pharmacists, community nurses and social workers. And over the next year, we will develop, in partnership with the BMA, a new GP contract to support more accessible services.

In the coming year, will also publish our new mental health strategy, supported by increased investment of £150 million over the parliament.

We will also take forward major investments in our hospital estate. We will invest £200 million to expand the Golden Jubilee and establish 5 new elective treatment centres for procedures such as hip and knee replacements. These specialised centres will provide better, quicker and safer care for patients, freeing up other hospitals to deal with emergency cases. It's another example of how we're investing now, to prepare our health service for the decades ahead.

We are also investing in and reforming our justice system.

We will introduce four justice bills in the next year. These meet very different needs, but are all significant. The **Contract (Third Party Rights) Bill** and the **Expenses and Funding of Civil Litigation Bill** implement recommendations from experts. The first will clarify existing common law provisions; the second will make civil justice fairer, more affordable and more accessible.

The **Limitation (Childhood Abuse) Bill** fulfils a recommendation from the Scottish Human Rights Commission. At the moment, personal injury actions can only be started within three years of the individual knowing that an injury has been sustained. As the Human Rights Commission has pointed out, that's not appropriate for child abuse, where the reasons for victims often not coming forward until later in life are entirely understandable. The bill will ensure that the justice system works better for victims of such terrible crimes.

Finally, the **Domestic Abuse Bill** will ensure that our law is able to deal with the true nature and severity of domestic abuse. At the moment, physical abuse can be prosecuted, but it is often more challenging to prosecute psychological abuse. The new bill will therefore ensure that coercive and controlling behaviour can be dealt with more effectively. It will also help to shape public attitudes by explicitly acknowledging that psychological abuse is unacceptable and criminal. The bill is an important signal of our determination to tackle domestic abuse in all its forms. It will therefore make an important contribution to our aim of achieving true gender equality.

These bills sit alongside other measures to enhance public safety.

We will radically change how we deal with female offenders. Work has already started in preparation for the construction of a smaller women's prison on the Cornton Vale site. We will also establish community-based custody units for women offenders to help rehabilitation and reduce reoffending.

From next April, the establishment of Community Justice Scotland will bring national leadership to the community justice sector, ensuring that it delivers better outcomes for communities across Scotland.

We will also protect Police Scotland's revenue budget in real terms - delivering an extra £100 million over the life of the parliament. Crime levels in Scotland are already at their lowest for more than 40 years - by investing in and supporting our police, and working to reduce reoffending, we aim to ensure that the level of crime continues to fall.

Presiding Officer, the final issue I want to talk about today is community empowerment.

We gain significant social and economic benefits by giving people more control over decisions that affect them.

Over the next year, we will continue to support community land purchases - working towards our target of 1 million acres of land in community ownership by 2020. We will also consult on how communities can benefit from the devolution of the management of Crown Estate assets to Scotland.

We will introduce an **Islands Bill** - ensuring that our future policies and legislation take account of the needs of our 93 island communities.

We will implement and build on the Land Reform Act. Secondary legislation to establish a register of controlling interest in ownership will be introduced over the next year - heralding unprecedented transparency around land ownership. The Scottish Land Commission will become operational in April and advise on issues relating to land ownership, providing an expert source of evidence for future reform.

Finally, we will work with local councils and communities on extending community budgeting, and develop new legislation to further decentralise budgets and powers.

We want Scotland to be a country where community ownership is desirable and viable and community-led action is celebrated. This Programme will help us to achieve that.

Presiding Officer,

Let me turn now briefly to the issue of the EU.

62% of those who voted in Scotland, voted to remain in the EU. That's why I am determined to pursue all options to protect our place in Europe. I will update Parliament more fully tomorrow.

However, to ensure that all options are open to us, this Programme for Government makes clear that we will consult on a draft Referendum Bill, so that it is ready for immediate introduction if we conclude that independence is the best or only way to protect Scotland's interests.

Presiding Officer, I said at the beginning that this is a new parliament, with new powers, operating in a new constitutional context.

We also have a new domestic political context in our national Parliament.

A social democratic government in the mainstream of Scottish public opinion confronted by a right wing Conservative opposition.

This means a real battle of ideas.

A sense of solidarity versus the ideology of the small state.

A Scottish social security system with dignity at its heart, not crude attacks on the vulnerable.

A commitment to fair work not a deregulated race to the bottom.

This Programme for Government demonstrates how, with an iron focus on the day to day business of government, we will create opportunity for all.

It outlines how we will support economic growth, invest in childcare and schools, improve public services and empower local communities. It explains how we will use our substantial mandate to deliver on our manifesto commitments.

Presiding Officer, this Programme for Government will help to create a wealthier and fairer country.

I commend it to Parliament.

For more information contact:

SG Communications

Email: SGCommunications@scot.gov.uk