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*Ken*

## DRAFT BUDGET 2014-15 – PERFORMANCE EVALUATION

I am pleased to be publishing today the Scottish Government's Draft Budget 2014-15.

In line with the Written Agreement between the Scottish Government and the Finance Committee, and our earlier correspondence about the Parliament's Strategic Budget Phase, I am also pleased to enclose information that is intended to support the Committee's consideration of the Government's performance against the priorities set out in the Scottish Spending Review 2011.

*Scotland Performs* is the primary source of information about performance against the outcomes set out in the National Performance Framework. I enclose with this letter updates that have been prepared for each subject committee on performance against the indicators that underpin *Scotland Performs*.

In addition, you wrote to me attaching a list of questions that the Finance Committee and subject committees have raised in relation to the Spending Review. I enclose the Government's response to these questions.

I look forward to working with the committee during the budget process.

*John*

JOHN SWINNEY



# **Budget 2014-15 - Performance evaluation material for Committees**

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### Responses to specific queries raised by the Finance Committee follow:

**Update on progress in delivering the decisive shift to preventative spending including details of the initial impact on outcomes and saving which have resulted**

**Update on the impact which each of the change funds have made on improving outcomes and reducing demand on acute services**

**SG Response:** Information about prevention is included in the Draft Budget. Additional information on each of the three change funds is set out below:

#### Reshaping Care

The Change Fund approach has worked on a number of levels:

- as an enabler for the strategic vision on Reshaping Care;
- as a lever for closer joint working, via joint ownership of the Fund through shared signatures on change plans;
- as an accelerant in changing attitudes, cultures and behaviours;
- as a means of jointly testing and spreading innovative approaches to inform partnerships' longer term investment and disinvestment decisions;
- as an important element in helping partnerships develop and implement Strategic Joint Commissioning – with the expectation being, post 2014-15, that this will supplant the CF as a permanent way of planning and providing services locally; and
- as a key catalyst for the changes envisaged in the integration Bill (Public Bodies (Joint Working) Scotland) currently before Parliament particularly in relation to integrated budgets and the requirement to share partnership resources.
- within the current Spending Review period, the Fund is also a key element in the Scottish Government's overall approach to preventative spend and its use is subject to regular review. We are working closely with Audit Scotland and other stakeholders to determine where the Fund has made most impact and will take on board lessons learned.

Progress with local initiatives being taken forward through Change Plans is reported regularly by partnerships. The JIT Change Fund Mid-Year Report 2012/13 highlights key themes across partnerships, such as improvements in partnerships' joint working and enhanced service user/carer engagement, examples of community based support, developing anticipatory care and preventative interventions, and enhancing intermediate care and "reablement" or "enablement". Partnerships have been encouraged to put in place their own monitoring and evaluation plans so they can monitor progress themselves against milestones and outcomes and make adjustments accordingly. Partnerships share information about work that has been successful and about projects that have not progressed to plan. They are also required to record how funding has been spent to understand and measure the proportion of funding allocated to anticipatory and preventative services.

<http://www.jitscotland.org.uk/action-areas/reshaping-care-for-older-people/change-fund-plans/>

An example of using the Change Fund within a local partnership Change Plan is the Borders Care and Repair One Stop Shop which used the Change Fund to buy equipment to support the

introduction of the Home Falls Initiative. This Initiative has reduced the number of falls in the home from 33%(National statistics) to 9% in the 65-80 year old age group and from 50% to 9% for the over 80 year old age group in the pilot cohort. The hand held equipment and data software used to collect and manage information from the screening tool was funded by the Change Fund.

<http://www.jitscotland.org.uk/action-areas/reshaping-care-for-older-people/reshaping-care-improvement-network/no-place-like-home-resources/>

### Early Years

The Early Years Change Fund signifies a significant shift to preventative spend over the current Parliamentary term – bringing together financial commitments from across Health, Local Government and the Scottish Government. The Early Years Change Fund is the first time we have collectively agreed a financial mechanism for delivering on the aspirations of the Early Years Framework.

A recent analysis of the impact of the Early Years Change Fund, through Community Planning Partnerships, indicates that the Change Fund has supported a shift to a more strategic and structured approach to the early years, underpinned by integrated working, and supported a shift to prevention and early intervention. What is also clear is that there is significantly more spent on early years than is captured by the Change Fund. This indicates that the Change Fund has been successful in leveraging in additional resources to drive the move to prevention and early intervention.

To support this process we have established the Early Years Collaborative which is the world's first national, multiagency quality improvement collaborative, working across Scotland to give our children the best start in life.

The Early Years Collaborative helps Community Planning Partnerships to take this work forward by creating a structure in which partners can easily learn from each other and from recognised experts in areas where they want to make improvements, and by supporting the application of improvement methodology to bridge the gap between what we know works and what we do.

The work being carried out by Community Planning Partnerships covers a wide range of themes relating to prevention and early intervention: for example, increasing the uptake of healthy start vitamins; increasing the number of children who have a bedtime story read to them; and speeding up permanency planning for Looked After Children.

### Reducing Reoffending

The Reducing Reoffending Change Fund has supported the development of two national offender mentoring services and four local, specialised mentoring projects providing guidance and assistance to prolific young male offenders and women offenders. It has also supported the development of new Public Social Partnerships (PSPs) between third sector and public sector organisations to co-design and deliver effective mentoring services. Over the period 2013-15, £7.7 million has been allocated to support better service users' interaction with the criminal justice system and public services.

**Update on progress in relation to those Scotland Performs indicators which relate directly to early intervention (Increase the proportion of babies with a health birth weight, reduce children's deprivation, increase the number of pre-school centres with positive inspection reports, improve children's services, improve children's dental health, increase proportion of healthy weight children) including spending details and how performance will inform future spending allocations.**

**SG Response:** A scorecard showing progress in relation to these indicators has been provided.

**Assessment of the impact of preventative spending and the early years change fund on the above indicators.**

**SG Response:** Measures to support NHS Boards in implementing the Refreshed Framework for Maternity Care are being put in place including workforce development, information and data improvements and improving the quality of pathways of care. An Antenatal Access HEAT target has been in place since April 2012 which states "At least 80% of pregnant women in each SIMD quintile will have booked for antenatal care by the 12th week of gestation by March 2015 so as to ensure improvements in breast feeding rates and other important health behaviours". There is evidence that those women at highest risk of poor pregnancy outcomes are less likely to access antenatal care early and/or have a poorer experience of that care. High quality, relationship based antenatal care with a strong focus on prevention, promotion of health, early intervention and support as early as possible in pregnancy is therefore vitally important. To support implementation of the Framework and delivery of the HEAT target, additional finance to support NHS Boards was provided in 2011-12, 2012-13 and 2013-14. £2,235,340 was allocated in 2012-13 and £2,445,000 in 2013-14.

The Scottish Government receives regular reports on the antenatal access HEAT target. Issues are addressed promptly. NHS Boards are also encouraged to share good practice.

Improving Maternal and Infant Nutrition: A Framework for Action was published in January 2011. Action can be taken by NHS Boards, local authorities and others to improve the nutrition of pregnant women, babies and young children. It is the first framework which looks at the nutrition of mothers before and during pregnancy, supports and promotes breastfeeding and the importance of a healthy diet throughout early childhood.

An implementation group has overseen implementation of the framework. It has established a monitoring structure for implementation and ensured communication between all organisations which have a role.

Funding of £2,592,000 was provided to Boards in 2012-13 and 2013-14. £40,000 was also allocated to UNICEF UK to support implementation of the Baby Friendly Initiative in maternity units and community health partnerships which contributes to increases in initiation and maintenance of exclusive breastfeeding.

NHS Boards, in conjunction with partner organisations, are required to submit six monthly reports on implementation, including how funds have been spent.

Work progressing under the Early Years Collaborative will also impact on these indicators. The Collaborative has established the following key aims:

- To ensure that women experience positive pregnancies which result in the birth of more healthy babies as evidenced by a reduction of 15% in the rates of stillbirths (from 4.9 per 1,000 births in 2010 to 4.3 per 1,000 births in 2015) and infant mortality (from 3.7 per 1,000 live births in 2010 to 3.1 per 1,000 live births in 2015).
- To ensure that 85% of all children within each Community Planning partnership have reached all of the expected developmental milestones at the time of the child's 27-30 month child health review, by end-2016.
- To ensure that 90% of all children within each Community Planning Partnership have reached all of the expected developmental milestones at the time the child starts primary school, by end-2017.

**An update on progress in delivering efficiency savings across the public sector over the period of the current Spend Review.**

**SG Response:** As the Cabinet Secretary for Finance stated in the Parliament on 17 November 2010, with the Scottish Budget facing significant reductions over the course of the current Spending Review the Scottish Government expects public bodies to deliver efficiencies of at least 3% per annum and to report publicly on the results achieved.

The Scottish Government delivered a 3% efficiency saving across central spending in 2011-12 (the fiscal resource and capital DEL that it does not disburse to public bodies). Actions taken to deliver savings and avoid cost included: national procurement contracts for Glow (national intranet for learning) and Interconnect (high speed education broadband infrastructure), saving around £4.7 million and controlling the costs of generic prescription drugs through the operation of the Scottish Tariff avoiding costs of £15 million. A statement for 2012-13 will be published following the publication of the final audited accounts.

The Public Services Reform (Scotland) Act 2010 places a duty on listed public bodies to publish an annual statement of the steps they have taken to improve efficiency, effectiveness and economy in the exercise of their functions.

**An update on progress in implementing the McClelland Review's recommendations including details of the savings and efficiencies achieved and projected efficiencies and savings.**

The McClelland Review of ICT Infrastructure in the Public Sector in Scotland suggested that savings on external spend, achieved through implementing recommendations could begin in the year 2012-13. *Scotland's Digital Future: Delivery of Public Services* published in September 2012 sets out our strategy for delivering on the review and the actions that will be taken at national level. The strategy contributes to National Outcome 16 and is supported by sectoral strategies which contribute to both national and local priorities.

The Cabinet Secretary for Finance, Employment and Sustainable Growth gave a commitment to the Scottish Parliament's Finance Committee that he would annually set out progress in achieving the efficiencies and improvements in value for money as recommended in John McClelland's review and being taken forward as set out in Scotland's Digital Future: Delivery of Public Services and its action plan.

A [measurements and benefits framework](#) to ensure we can demonstrate success to the Government and Parliament has been agreed by the public sector.

The phase 1 benefits which we can measure for year end 2012/13 are as follows:

**Benefit 4** – Our businesses have easier access to information on the public sector ICT contract pipeline.

**Benefit 5** – Increasing numbers of SMEs are involved in the delivery of Public Sector ICT contracts.

**Benefit 10** – Our public bodies are saving money through increasing collaborative ICT procurement.

Our early findings in relation to ICT expenditure are as follows:

Benefits from Scottish Procurement collaborative ICT procurements for the Spending Review Period (2011-14) are c. £56.1 million broken down as: FY 2011-12 – c. £23.4 million; and 2012–13 - c. £32.7 million.<sup>1</sup>

ICT spend has gone down from £875 million in 2008/09 as reported in the McClelland Review to £686 million in 2011/12<sup>2</sup>. The sectoral breakdown, which may vary year on year, is as follows: Local Government 34%, NHS 28%, Central Government 24%, HE/FE 12% and Police/Fire 2%. The downward trend in ICT spend has been supported by demand management and delivering better VFM through collaborative agreements.

The Scottish Government will be undertaking further analysis with sectors and the UK Government Procurement Service to ensure we have captured all relevant data for the Scottish public sector. A full report will be provided by the end of 2013 on the improvements in 2012/13 on the phase 1 benefits, and plans for phase 2 measures in 2013/14 and beyond.

### **Online Services**

Our strategy aims to deliver on both the McClelland recommendations and the findings of the Christie Commission. Both reviews noted opportunities for digital technology and on-line services to support more personalised and efficiency services.

There are potential savings to be gained from channel shift to digital delivery, which will be facilitated by the Scottish Government but will accrue in local government and health. Figures published by SOCITM, the association for ICT professionals in the public and third sectors, indicate that it costs £8.62 per visit for a face-to-face interaction and £2.83 per phone call – but just 15p per online visit. Given up front costs we would not expect savings to be realised before 2014/15.

By Autumn 2013 we will map the full landscape of Scottish public sector services delivered to Scottish citizens and businesses in order to set the priorities for digital service transformation. These priorities will be assessed against criteria including the volume of access and the Channel Shift potential for individual services and developed into a Routemap for the public sector.

MyGovScot will realise savings as existing websites are shut down and rationalised. This excludes the cost benefits from the digital transformation programme in which significant potential exists for the public sector to realise savings. Each contact and transaction with government switched online could generate savings of between £3.30 and £12.00.

<sup>1</sup> Based on current estimates for national and central government agreements (figures do not include benefits from other sectors or national UK collaborative agreements).

<sup>2</sup> Source: Procurement Information Hub.

UK Government estimates of the savings from digital service transformation range between £1.7 and £1.8 billion annually. This analysis covers transactional services run at a UK national level, many of which are in turn devolved to Scotland with the same potential to benefit from Channel Shift e.g. making a Lasting Power of Attorney or booking a prison visit – currently an entirely offline process. It also excludes both the savings from information provision to citizens (£36 million annually) and transactional services run by local government.

In addition to channel shift savings, MyGovScot also introduces the potential for savings that accrue from avoidable contact. Web visit failures often lead to a follow-up contact by phone which could be avoided. Calculated as the cost of an extra phone call (£2.90) for each web failure, an estimate of the total savings from avoidable contact are summarised below:

Average monthly LA site visits (2010)	% total failure	No of Councils	Failed Visits in year in Scotland	Costs of avoidable contact in year
111,755	21.64%	32	9,287,572	£26,931,059

Progress towards channel shift will be reported as part of phase 2 as set out in the measurements and benefits framework and are aligned to both benefit 1 and 14.

## Health and Sport Committee

Responses to specific queries raised by the Health and Sport Committee follow:

**Update on progress on initiatives relating to preventative spending – including Family Nurse Partnerships and Keep Well.**

### SG Response

**Family Nurse Partnerships** - The Family Nurse Partnership (FNP) programme currently has at least one team in 7 NHS Health Board areas, expanding to at least one team in each viable NHS Board area by the end of 2015, with an investment of £11 million over the next two years. The FNP programme has increased its capacity, which has enabled 60% more families to be supported since 2012/13, and will reach more than twice as many by the end of 2014/15. By the end of 2013/14 the programme will have the capacity to support up to 1,970 places across 7 Health Board areas.

**Maternal and Infant Health** - A package of measures to support NHS Boards in implementing the Refreshed Framework for Maternity Care is being put in place including workforce development, information and data improvements and improving the quality of pathways of care. In addition an Antenatal Access HEAT target has been in place since April 2012 which states “At least 80% of pregnant women in each SIMD quintile will have booked for antenatal care by the 12th week of gestation by March 2015 so as to ensure improvements in breast feeding rates and other important health behaviours”. There is evidence that those women at highest risk of poor pregnancy outcomes are less likely to access antenatal care early and/or have a poorer experience of that care. High quality, relationship based antenatal care with a strong focus on prevention, promotion of health, early intervention and support as early as possible in pregnancy is therefore vitally important. To support implementation of the Framework and delivery of the HEAT target, additional financial resources to support NHS Boards were provided in 2011-12, 2012-13 and 2013-14. Funding of £2,235,340 was allocated in 2012-13 and £2,445,000 in 2013-14.

The Scottish Government receives regular NHS Board Management Reports and statistics relevant to the antenatal access HEAT target as well as separate reporting templates. If concerns are identified, members of staff arrange to meet with NHS Board representatives who lead on the Antenatal Access target to resolve issues promptly. NHS Boards are also encouraged to share good practice by providing brief updates to be shared at the Refreshed Framework for Maternity Care quarterly meetings.

Improving Maternal and Infant Nutrition: A Framework for Action was published in January 2011. It is a framework for action which can be taken by NHS Boards, local authorities and others to improve the nutrition of pregnant women, babies and young children. It is the first framework which looks at the nutrition of mothers before and during pregnancy, supports and promotes the benefits of breastfeeding and the importance of a healthy diet throughout early childhood.

An implementation group has overseen the commencement of the implementation of the framework. It has developed and established a monitoring and evaluation structure for framework implementation; monitored and supported the commencement of the implementation and facilitated and ensured communication between all relevant organisations with a role in the implementation process.

A funding allocation of £2,592,000 was made available to Boards in 2012-13 and 2013-14. Funding of £40,000 was also allocated to UNICEF UK to help support the implementation of the Baby Friendly Initiative in maternity units and community health partnerships which contributes towards increases in initiation and maintenance of exclusive breastfeeding.

NHS Boards, in conjunction with partner organisations, are required to submit six monthly progress reports. This includes financial information on how funding has been allocated to support actions designed to meet the outcomes set out in the Framework.

**Keep Well** – The Keep Well programme was set up in 2006 and its aim is to contribute to a reduction in health inequalities by providing health checks targeted at those at high risk of preventable serious ill health. Through a Keep Well health check, people at greatest risk of ill health are actively identified and offered opportunities for early detection, advice and treatment, enabling earlier identification, prevention and treatment for conditions such as high blood pressure, type 2 diabetes and high cholesterol.

In 2011 the process of mainstreaming Keep Well across NHS Boards began in Scotland with the aim of making it part of 'normal permanent practice' by 2014. As part of this process the target populations eligible for health checks were increased and included 40-64 year olds in areas of deprivation and 35-64 year olds in defined vulnerable populations.

As part of the mainstreaming process there has been increasing recognition for the need for evidence about the impact of the programme in order to inform future policy and investment decisions. NHS Health Scotland are currently undertaking an impact evaluation which will be concluded and reported in 2014. The interim progress report for the evaluation was published by NHS Health Scotland in 2013.

#### **Update on how change funds have been deployed and the impact on quality of care and value for money.**

**SG Response:** The response given to the question on the impact which each of the change funds has made on improving outcomes and reducing demand on acute services, on page 3 of this document is linked to this point.

The Change Fund approach has worked on a number of levels:

- as an enabler for the strategic vision on Reshaping Care;
- as a lever for closer joint working, via joint ownership of the Fund through shared signatures on change plans;
- as an accelerant in changing attitudes, cultures and behaviours;
- as a means of jointly testing and spreading innovative approaches to inform partnerships' longer term investment and disinvestment decisions;
- as an important element in helping partnerships develop and implement Strategic Joint Commissioning – with the expectation being, post 2014-15, that this will supplant the CF as a permanent way of planning and providing services locally; and
- as a key catalyst for the changes envisaged in the integration Bill (Public Bodies (Joint Working) Scotland) currently before Parliament particularly in relation to integrated budgets and the requirement to share partnership resources.
- within the current Spending Review period, the Fund is also a key element in the Scottish Government's overall approach to preventative spend and its use is subject to regular review. We are working closely with Audit Scotland and other stakeholders to determine where the Fund has made most impact and will take on board lessons learned.

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enhancing intermediate care and “reablement” or “enablement”. Partnerships have been encouraged to put in place their own monitoring and evaluation plans so they can monitor progress themselves against milestones and outcomes and make adjustments accordingly. Partnerships share information about work that has been successful and about projects that have not progressed to plan. They are also required to record how funding has been spent to understand and measure the proportion of funding allocated to anticipatory and preventative services.

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An example of using the Change Fund within a local partnership Change Plan is the Borders Care and Repair One Stop Shop which used the Change Fund to buy equipment to support the introduction of the Home Falls Initiative. This Initiative has reduced the number of falls in the home from 33%(National statistics) to 9% in the 65-80 year old age group and from 50% to 9% for the over 80 year old age group in the pilot cohort. The hand held equipment and data software used to collect and manage information from the screening tool was funded by the Change Fund. <http://www.jitscotland.org.uk/action-areas/reshaping-care-for-older-people/reshaping-care-improvement-network/no-place-like-home-resources/>

#### **Analysis of (i) types of cost pressures relevant to the health service, (ii) evidence on the historical levels of these variables and (iii) recent time trends in these pressures in Scotland**

##### **SG response**

**Management of Cost Pressures** – Health spending has been protected from the significant budget reductions being experienced in other areas as a result of the reductions the UK Government has made to the Scottish Budget. However, NHS Scotland continues to take forward an efficiency programme aimed at delivering 3% efficiency savings each year, to help maintain services, in line with the rest of the public sector in Scotland. The main cost pressures currently facing NHS Scotland are:

- Pay
- Demographics and New Technologies
- New Drugs and Volume
- Maintenance

##### **Pay**

Pay represents approximately 50% of the net operating costs of NHS Scotland. Table 1 shows the pay costs and whole time equivalents (WTEs) since 2010-11:

<b>Staff Group</b>	<b>2010-11</b>		<b>2011-12</b>		<b>2012-13</b>	
	<b>WTE</b>	<b>Cost (£m)</b>	<b>WTE</b>	<b>Cost (£m)</b>	<b>WTE</b>	<b>Cost (£m)</b>
AfC Staff	120,412	4,137	120,593	4,120	120,433	4,158
Medical & Dental	11,292	1,092	11,777	1,126	11,943	1,143
Senior Managers	1,255	98	1,082	88	971	77
Unallocated	295	13	174	11	630	25
<b>Total</b>	<b>133,254</b>	<b>5,340</b>	<b>133,626</b>	<b>5,345</b>	<b>133,977</b>	<b>5,403</b>

The [Scottish Government Pay Policy](#) for 2013-14 was published in September 2012 and both the [NHS Pay](#)

[Review Body](#) and the [Doctors' and Dentists' Remuneration Body](#) (DDRB) reported on 31 March 2013.

There remains a commitment in place to pay the Scottish Living Wage to 2015-16 (£7.20 per hour in 2012-13, £7.45 per hour in 2013-14 or £14,583 per annum) and to protect workforce numbers, by constraining growth in overall paybill costs.

Details of the pay settlement for NHS staff in 2013-14 are also now available for Agenda for Change (AfC) and Medical and Dental (M&D) staff and these have been incorporated into the cost models. For the purpose of illustration only, the models assume all staff will receive a 1% uplift in the years 2014-15 to 2016-17.

The total paybill for 2013-14 is estimated to be £5,448 million. It is estimated that the total paybill will increase by around £30 million per year thereafter over the period covered.

Staff Group	2013-14	2014-15	2015-16	2016-17
AfC Staff	4,221	4,231	4,242	4,251
Medical and Dental	1,152	1,171	1,194	1,217
Senior Managers	75	73	72	71
<b>Total</b>	<b>5,448</b>	<b>5,475</b>	<b>5,508</b>	<b>5,539</b>

## Demographics

The Independent Budget Review and the Christie Commission on the Future Delivery of Public Services, both commissioned by the Scottish Government, have already helped to stimulate wide-ranging debate about the nature and design of our public services and the ways that these might respond to the impact of an ageing population along with the wider economic and social challenges faced by Scotland.

The Scottish Government's policy approach is based on a strong belief in the entitlement of Scotland's people to make decisions about this country's future, including the way that services are designed locally. To help enable rounded debate at local levels, we have already acted to strengthen arrangements for community planning and adult care to support discussion about the kinds of services needed to meet the needs and aspirations of different communities, both now and over the longer term. In developing new Single Outcome Agreements by June 2013, for example, all Community Planning Partnerships have been asked to consider how all partners will work together to improve "outcomes for older people", one of six key policy priorities agreed by the National Community Planning Group.

The forecast growth in the number of older people in Scotland has significant implications for health spending. The Registrar General has projected that the number of people in Scotland aged over 75 will grow by around 10,000 every year, over the decade ahead. Changes in demography will vary in scale depending on location. Around one quarter of Scotland's population will be aged 65 and over by 2033; for some of our more rural areas the proportion is predicted to rise to nearly one third.

## Emergency Admissions and Readmissions

The impact of an ageing population is reflected in a range of different areas, for example in the rate of emergency admissions and readmissions of older people (details [published here](#)). A number of national policies specifically target improvements in the provision of integrated care (primary, secondary and community) for older people, particularly in relation to safely reducing the number and duration of unplanned admissions to hospital. It is recognised that by making such improvements patient outcomes (in terms of on-going health, patient choice and dignity) can be significantly enhanced. Implementing and

sustaining these changes represents a significant challenge to the NHS as the Scottish population of people aged 65 or more is estimated to increase by 22% by 2020 and 50% by 2030 (based on projected change from 2010<sup>3</sup>).

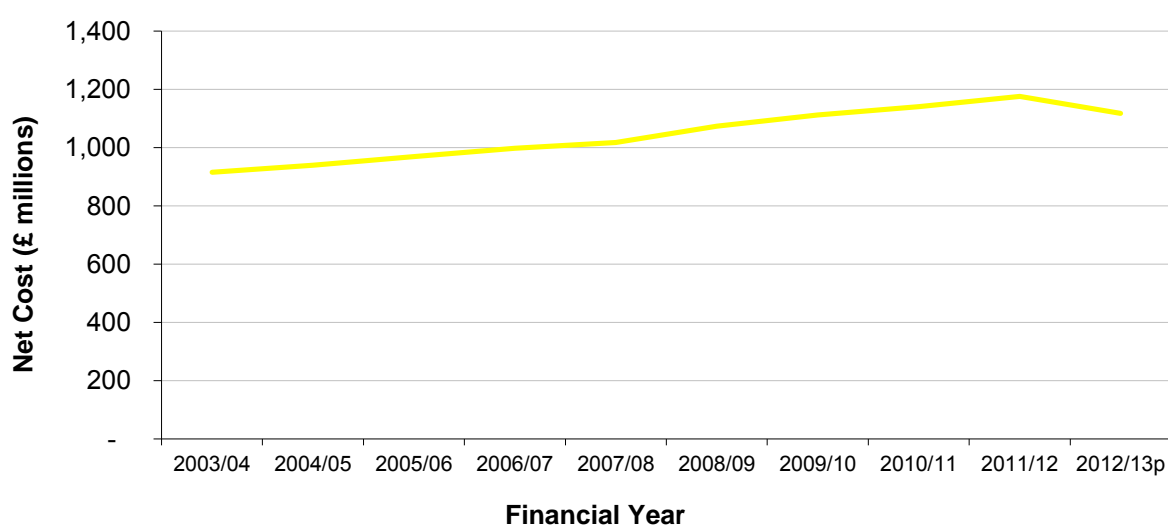
- The emergency admission rate per 100,000 population for patients of all ages has increased over the last ten years from 9,176 in 2004-05 to 10,070 in 2011-12. The highest rate was observed at 10,149 in 2008-09.
- The emergency admission rate is strongly related to patient age. With the exception of the very young (ages 0-4) rates rise with increasing age group with patients aged 75+ having 6.6 times more emergency admissions per 100,000 than 15 to 29 year olds and 4.3 times more than 45 to 59 year olds (see chart 7 overleaf).
- As the likelihood of emergency admission increases with age, so too does the likelihood of a patient having multiple emergency admissions. For patients aged 65 years and over who have had 2 or more emergency admission spells in hospital, the rate per 100,000 population has increased over the last ten years from 4,380 in 2002-03 to 5,132 in 2011-12.

Health Boards and their partners have been taking forward significant work through local Change Plans to redesign and improve the quality of care and support for older people, including key targets to reduce emergency admissions and delayed discharge. The change plans are still in the early stages of implementation but there is a programme of evaluation and improvement support that sits alongside the change fund, provided by the Joint Improvement Team.

### Drugs - Prescribing costs

The total (net) cost of prescriptions dispensed in 2012-13 was £1.12 billion, a decrease of 5.0% compared with the previous year. This is a break in the trend in recent years; prior to 2012-13 the net cost was steadily increasing year on year (between 2003-04 and 2012-13 the net cost increased by 22.1% overall).

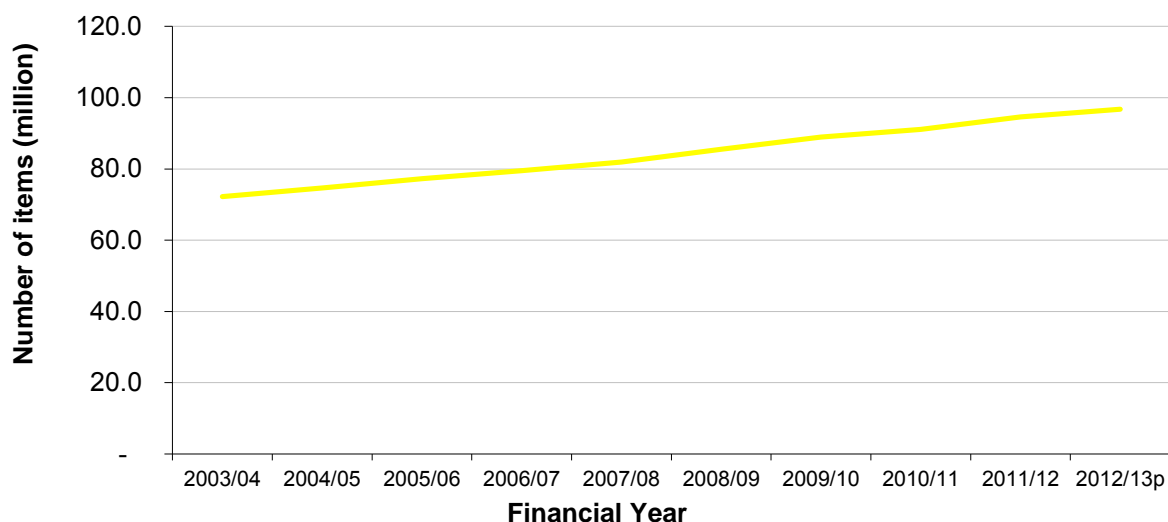
This is due to successful efforts by Health Boards and GPs to ensure that prescribing in primary care is as cost effective as possible. This reduction has been achieved despite continuing increases in the number of drugs dispensed by making best use of generic drugs where there is no reduction in the clinical benefits for patients.



## Volume growth

The total volume of items dispensed in Scotland in 2012-13 was 96.8 million, a rise of 2.3% from the previous year, compared to an increase of 3.8% in 2011-12.

The number of items dispensed has been increasing year on year with a total increase of 34.0% between 2003-04 and 2012-13. This growth reflects not only the availability of new or more effective medicines, but also increasing patient expectation, demographic changes and latterly the implementation of clinical guidelines and recommendations.



## Generic prescribing

The rate of generic prescribing was 82.8% in 2012-13. The percentage of generic prescribing has increased steadily since 2003-04.

The rate of generic prescribing remains very high and the number of generic prescriptions has risen slightly year on year. There is limited potential for further immediate savings from higher rates of generic prescribing as there remains a significant residual volume of dispensing in respect of drugs still protected by patent or prescribed as proprietary drugs by GPs for clinical reasons.

Prescribers are strongly encouraged to write prescriptions generically. This is because generic drugs are generally cheaper than proprietary drugs. It is also best practice; when generic substitutes become available at a cost lower than the proprietary drug, the prescriber is already used to writing the generic name

## Key Figures

	2009-10	2010-11	2011-12	2012-13
Total prescription items dispensed (millions)	88.97	91.13	94.60	96.78
Volume Growth	4.1%	2.4%	3.8%	2.3%
Net Ingredient Cost (NIC) (£m)	936.1	950.5	973.7	910.2
NIC Growth	3.3%	1.5%	2.4%	-6.5%
Total cost of items dispensed (£m)	1,112.3	1,140.4	1,176.5	1,118.0
Net cost Growth	3.6%	2.5%	3.2%	-5.0%
Net average cost per head of population (£)	214.1	218.4	223.9	212.8

## Maintenance

NHSScotland's estate backlog maintenance expenditure requirement is the base cost required to bring those parts of the existing estate which are currently not in satisfactory condition, back to a satisfactory condition. It is an on-going challenge for the NHS to balance investment between that which is focussed on service improvement and development, and that which is necessary to maintain buildings in a good condition and ensure that they are safe, reliable and fit for purpose. An analysis of the backlog expenditure requirement across NHS Boards identifies a base backlog maintenance expenditure requirement of £948 million, which is a £6% reduction since 2011. NHSScotland currently spends £638 million per year on property ownership and facilities management services and a further £62.6 million on the purchase and maintenance of medical equipment.

Indicative figures for 2013 indicate that the overall backlog maintenance has reduced by a further £90 million to £858 million. Further details will be included in the next 'State of the Estate' report which is expected to be published later this year.

## Reducing Risk Profile of Backlog Maintenance

High and significant backlog has reduced from £538 million to £424 million, a reduction of £114 million. The proportion of the total backlog maintenance categorised as high and significant risk has reduced from 53.2% of the total in 2011 to 44.7% in 2012.

## Summary of Backlog Risk Profile and % of Total Backlog

	Backlog Cost (£M)					
	Low Risk Items	Moderate Risk Items	Significant Risk Items	High Risk Items	Not Categorised	Total Backlog
2011 Backlog	218	237	306	232	17	£1,010m
% OF TOTAL	21.6%	23.5%	30.2%	23.0%	1.7%	100%
2012 Backlog	239	285	265	159	-	£948m
% OF TOTAL	25.2%	30.1%	28.0%	16.7%	0%	100%

## Tackling Backlog Maintenance

Of the total identified backlog maintenance of £948 million the following actions are in hand:

	£m
<b>Total Backlog Identified 2012</b>	<b>948</b>
Less	
<b>Planned actions by 2017</b>	
Planned Disposals	(175)
Investment/ refurbishment/ upgrading	(256)
Note – currently identified high and significant backlog will be eradicated	
<b>Residual Low and Moderate risk backlog</b>	<b>517</b>
Further Planned maintenance to reduce currently identified low and moderate backlog	(90)
<b>Residual low and moderate backlog to be addressed post 2017</b>	<b>427</b>

Within the next five years, based on capital projects, disposals and maintenance plans we expect the total backlog to reduce by a total of £521 million to £427 million and for all high and significant risk backlog currently identified to be removed.

In tracking the progress of Boards in tackling backlog maintenance year on year there are a number of actions and measures in already in place. These are:

- Regular review of backlog and its' risk profile
- Identified actions by Boards that can be tracked – new projects, maintenance plans and planned disposals
- Review of Board's Property and Asset Management Strategies to identify progress, examine risk management/ mitigation strategies, identify emerging issues and challenge planned actions
- Estate rationalisation and disposal of older properties avoiding the need for expenditure on backlog
- Replacing older properties with new facilities and avoiding the need for expenditure on backlog
- Incorporating backlog works within major modernisation and refurbishment projects
- Undertaking specific projects to target the high and significant backlog
- Incorporating backlog work within operational repair and cyclical maintenance
- £320 million will be transferred from the revenue to capital budget over a three year period starting in 2012-13 to specifically address this issue.

### Examples of Projects Making an Impact on Existing Backlog

- NHS Greater Glasgow and Clyde will reduce their identified backlog maintenance of £177.7 million by £88.5 million to £89.2 million. This will be achieved through disposals, in part facilitated by the construction of the New South Glasgow Hospitals Project, and planned, risk profiled maintenance.
- NHS Lothian planned disposals will reduce identified backlog by £30.5 million.
- Royal Edinburgh Hospital In Patient Accommodation will remove £22.6 million of which £19.6 million is High and Significant Risk
- Replacement of Dumfries and Galloway Royal Infirmary (which includes the reprovision of Nithbank Hospital) will remove £40.9 million
- NHS Forth Valley to reduce identified backlog by £13.1 million or 87% through refurbishment of

#### Stirling and Falkirk Royal Infirmaries and planned disposals

- NHS Ayrshire and Arran to reduce identified backlog by £16.1 million from £93.3 million to £77.2 million through investment in North Ayrshire Community Hospital, maintenance and planned disposals.
- Argyll and Bute mental health project being taken forward via hub in NHS Highland will remove £5.9 million of backlog
- The disposal of Forth Park Hospital, Kirkcaldy will remove £3.8 million of backlog maintenance
- Disposal of Woolmanhill Hospital in Aberdeen will remove £2.6 million of backlog
- Replacement of Glenwood Health Centre will remove £0.4 million of backlog

Whilst tackling high and significant risk backlog maintenance will be prioritised we cannot target this in isolation. Whilst those areas containing high and significant risk backlog (particularly in clinical areas) are targeted for investment/ action it is important to recognise that when access can be gained to operational areas the approach is to maximise that opportunity by undertaking planned preventative maintenance and backlog across all risk categories in those areas.

In monitoring these actions centrally it is recognised that local prioritisation of available resources is required and that the timing of planned asset disposals can move subject to the planning process and local market conditions. In order to support the disposals process in particular we are investing £5 million over 3 years to support enabling works, master planning etc. in order to generate disposal income and remove backlog and other liabilities (security) from surplus site.

#### **Description of the implications for financial governance (for all stakeholders) of integrating health and social care budgets.**

**SG Response:** The Public Bodies (Joint Working) (Scotland) Bill was introduced to the Scottish Parliament on 29 May 2013. In summary, it makes provision for Scottish Ministers to specify national outcomes for health and wellbeing, for delivery of which Health Boards and Local Authority partners will be required to put in place integrated health and social care arrangements.

The objective of the Bill is to bring together strategic planning of health and social care services, to ensure that the providers of health and social care services are held to account jointly and effectively for improved delivery, and that services are firmly integrated around the needs of individuals, their carers and other family members; are characterised by strong and consistent clinical and care professional leadership; and are underpinned by flexible, sustainable financial mechanisms that give priority to the needs of the people they serve.

The Bill sets out two models of integration, with different governance arrangements, from which Health Boards and Local Authorities may choose to suit local circumstance. Guidance on the financial governance implications of the Bill is under development.

#### **Model 1: delegation to a body corporate**

The Health Board and Local Authority delegate functions and resources to a joint board, which is established as a body corporate. In this model, the integration joint board appoints a chief officer who leads development of a strategic plan for health and social care services, setting out how the integrated budget will be allocated across the community health, social care and hospitals sectors. Integrated delivery of services will be by the Health Board and Local Authority, managed by the chief officer and overseen by the integration joint board. An “integration plan” will set out the agreement between the Health Board and Local Authority to put the integrated arrangement in place.

#### *Financial Governance implications*

- The integration joint board will require its own financial governance system. The chief officer will be the accountable officer of the integration joint board for the use of the integrated resources delegated to it by the Health Board and Local Authority.
- The integration plan will set out how the accountable officers of the Health Board and Local Authority will discharge their accountabilities for the resources delegated to the integration joint board. When resources are re-allocated back from the integration joint board to the Health Board and Local Authority for operational delivery of services, the Section 95 Officer of the Local Authority, and the Chief Executive of the Health Board, will resume their roles as accountable officers for those resources received, and the respective financial governance systems of each body will apply.
- The integration joint board will be required to produce audited accounts. In practice, the volume of transactions will be minimal. Accounting arrangements, financial services and financial decision support to the chief officer will be provided by the Health Board and Local Authority.

#### **Model 2: delegation between partners**

The Health Board or Local Authority, or both, delegates functions and resources to the other, or each other, for delivery of services. This model is sometimes referred to as a lead agency model, with the partner to whom functions are delegated becoming the lead agency. In this model, the chief executive of the lead agency will be jointly accountable to the Health Board and Local Authority for management of the integrated services and delegated budget, and will lead development of the strategic plan.

#### *Financial Governance implications*

- The Chief Executive of the host partner will be the accountable officer for the delegated resources, and the financial governance arrangements of the host organisation will apply to the delegated resources.
- The accountable officer of the delegating partner will discharge his/her accountability by means of the provisions in the integration plan.
- The delegated resources will be accounted for and audited as part of the lead agency's accounts.

# Education and Culture Committee

## Responses to specific queries raised by the Education and Culture Committee follow:

### An update on early years / early intervention

**SG Response:** The Scottish Government's aspiration for children is a simple but ambitious one: for Scotland to be the best place in the world to grow up. We know that supporting children in their earliest years gives them opportunities for learning and development that can make a huge difference throughout their lives.

We have reached a point now where we have the commitment and the will to deliver in this area, and we have a strong evidence base about what works to make improvements. In Scotland, we are working toward building a high quality, universal system for all children, where the most vulnerable benefit most, and we want to achieve this in a manageable, affordable and sustainable way. Our approach is based on a significant shift to preventative spend, and on working more closely than ever before with partners across the public, private and third sector to drive forward improvements for our children and young people. Over the last year we have made significant progress:

- We have introduced provisions through the Children and Young People (Scotland) Bill to increase the flexibility and amount of funded early learning and childcare to a minimum of 600 hours for 3 and 4 year olds, and our most vulnerable 2 year olds (those who are looked after or under a kinship care order).
- The Early Years Collaborative – the world's first national, multiagency quality improvement collaborative – is now working across Scotland to give our children the best start in life.
- The Early Years Change Fund has continued to shift the balance of spending toward prevention rather than intervention.
- The Play Strategy will help ensure that the value of play is recognised throughout society – while our National Parenting Strategy is encouraging agencies to work together to support families across Scotland.
- We are committed to making sure that all parents can get easy access to high quality, flexible, co-ordinated family support and we are investing £18 million to help achieve this.

### An update on Historic Scotland expenditure

**SG Response:** Historic Scotland protects and promotes Scotland's historic environment, through the conservation and maintenance of 345 nationally significant historic properties and monuments in the care of Scottish Ministers and, as the largest operator of paid visitor attractions in Scotland, through the employment of over 1,100 staff around Scotland who help to maintain its position as a world-class visitor destination. In its work with VisitScotland and VisitBritain, it is a key player in supporting tourism in Scotland.

It provides advice on the special interest and management of the most important parts of Scotland's wider historic environment, including listed buildings, scheduled monuments, wreck sites, gardens and designed landscapes and battlefields, far beyond its 345 properties. It

promotes cultural identity and associated community regeneration through designations, through educational programmes and through the Historic Environment Grants Programme. This Programme contributes funding for the repair of Scotland's most important historic buildings, the regeneration of historic areas and the enhancement of the quality of Scotland's historic city centres.

Historic Scotland, as Scotland's largest employer of stonemasons, also protects and supports traditional skills through its employment of skilled crafts people and its work with colleges, Sector Skills Councils and others, and through its Modern Apprentices contributes to our youth employment agenda.

Over the course of 2013-14, Historic Scotland will:

- complete, in partnership with the National Trust for Scotland, the Battle of Bannockburn project ready for its opening in 2014;
- progress work on the National Conservation Centre enabling young people to learn traditional skills in a modern context, for completion in 2016;
- invest an additional £1 million in maintenance of historic properties throughout Scotland, providing local opportunities for the construction sector and helping the efficient carbon management of the historic estate and benefiting cultural tourism, economic regeneration and pro-active maintenance of the estate;
- invest in local regeneration throughout Scotland through grant schemes, refresh properties to improve visitor offering, and provide guidance on energy efficiency and on maintaining traditional buildings;
- continue to explore all means of growing income from current and alternative sources to support our functions;
- review processes and systems to identify further potential efficiencies, investing in the short term to deliver long-term savings;
- continue to support the development of a Historic Environment Strategy for Scotland; and
- take forward the proposed merger of Historic Scotland and RCAHMS.

# European and External Relations Committee

**Responses to specific queries raised by the European and External Relations Committee follow:**

## **Update on major events and theme years budgets**

**SG response:** The Major Events & Themed Years budget in 2013/14 has been used to support the promotion and delivery of a number of projects including the Year of Natural Scotland, Homecoming Scotland 2014 and the 2013 MOBO awards. In 2014/15 the budget will principally be used to support the promotion and delivery of Homecoming Scotland 2014.

## **Update on International Development (International Development, International Strategies, International Image, Fresh Talent)**

**SG response:** The International budget continues to be committed to furthering the Government's aim of increasing sustainable economic growth. £9 million is invested annually in international development projects to support economic development in Malawi, Sub-Saharan Africa and South Asia. The focus is on exporting Scotland's skill and knowhow and thus on deepening the "aid to trade" agenda.

The international budget is also being used to deepen Scotland's ties to its priority countries of India, Pakistan, China, the US and Canada. This includes the funding of an overseas SG presence in the US and China, promotional work, projects, and supporting the planning, delivery and follow-up of international Ministerial visits. The budget also supports "fresh talent" initiatives including providing support to local authorities to deal with immigration and asylum issues as well as providing funding through Scottish Enterprise for visa advice to workers seeking to relocate to Scotland.

# Economy, Energy, and Tourism Committee

**Responses to specific queries raised by the Economy, Energy, and Tourism Committee follow:**

## **Update on work to improve access to finance, particularly for SMEs**

**SG Response:** Securing finance remains a challenge for some viable businesses. Some businesses indicate that they have trouble accessing loans/overdrafts, or the terms of their lending are changed by the banks to their detriment.

Accessing new finance or renewing facilities is not an automatic right. The lending landscape has changed, banks' lending criteria are stricter now and accessing finance to support growth is more challenging for some sound propositions.

There are a complexity of issues surrounding business perceptions in both business confidence and availability/affordability of bank finance. Both demand and supply side factors will influence decisions, but evidence suggests that it is business confidence that currently has more influence on SMEs accessing finance.

Advisory support is available through Scottish Enterprise, Highlands and Islands Enterprise and Business Gateway to help companies improve their chances of securing funding. For example, in 2013/14, Scottish Enterprise intends to help 350-400 companies secure growth finance by improving their financial readiness.

The Scottish Investment Bank (SIB) continues to deliver a range of equity investment schemes investing in early stage innovative and high growth business, alongside private sector investors. SIB's £113 million Scottish Loan Fund supports growth and exporting companies access loans from £250,000 to £2 million.

Future knowledge in this field should be enhanced by the conclusions of both the independent review of RBS SME lending standards and practices, to be undertaken by Sir Andrew Large with recommendations published in the Autumn<sup>3</sup> and the OFT market study on competition in banking for SMEs, which will look at the supply of services to SMEs; competition in supply of lending and other finance; and whether there are types of SMEs that face particular difficulties, and if so why.

The latest Bank of England Lending to Businesses monthly data shows that the stock of lending to UK businesses decreased by around £4.5 billion in May 2013; broadly similar to the contraction in the previous 3 months. The annual rate of growth in this measure of the stock of lending to businesses has been negative for the past 4 years.

The July 2013 Bank of England Agent's summary of business conditions found that whilst corporate credit conditions had continued to improve gradually, many firms reported a desire to rely on internal or non-bank funding.

In 2013 Q2, the Bank of England Credit Conditions Survey found that the availability of credit increased across all firms sizes with the most significant increase for large companies. Similarly, demand for credit increased across all firms sizes. The increase in demand from small firms follows a decline over the previous three surveys.

<sup>3</sup> <http://www.rbs.com/content/dam/rbs/Documents/Customers/lending-review-terms-of-reference.pdf>

**Update on action to provide advice and support to help SMEs grow, hire staff and take on apprentices.**

**SG Response:** We are supporting local authorities in their management and delivery of the Business Gateway service, which assisted over 11,000 new businesses in 2011-12. At the same time, we are delivering the Business Portal Programme to make it easier for business to access online support for a single source. After successful piloting, the website went live on 17 June 2013.

The SME Growth Fund will provide £37.85 million to help businesses across Scotland to effectively recruit new staff. With an aim of helping 8,000 SMEs to grow, it includes grants to help fund growth, innovation activities and the expansion of business growth advisory support. It forms part of an £88 million package of support to improve employment opportunities across Scotland.

We will continue to focus on the Make Young People Your Business campaign. This involves working with employers to invest in young people through offering jobs or work experience as appropriate. Planned investment in the coming year includes targeted support to encourage SMEs to recruit a young person with the support of employer recruitment incentives delivered through the Youth Employment Scotland Fund. Delivered by Scotland's 32 local authorities and part-funded by the European Social Fund, these financial incentives will help small businesses create up to 10,000 jobs for young people.

25,000 new Modern Apprenticeship opportunities will be funded once again this year. These opportunities include higher-level technical and professional apprenticeships and are developed in response to employer demand. The Scottish Government, through Skills Development Scotland (SDS), delivered 25,691 Modern Apprenticeship starts in 2012-13 and SDS research shows that 92% of those who complete apprenticeships are in work six months later – and most (nearly 80%) are in full-time employment. As well as exceeding the overall target for MAs we also delivered a manifesto commitment for higher level MAs – introducing Technical MAs at SVQ level 4 and Professional MAs at SVQ level 5. Work is ongoing to deliver a further manifesto commitment for the introduction of shared apprenticeships to make the recruitment of MAs easier and more attractive to SMEs in particular. SDS is currently considering a suitable pilot for shared apprenticeship models.

**Update on work to maximise the public sector's direct contribution to the economy through smart use of public procurement and to help SMEs compete effectively for contracts.**

**SG Response:** The Scottish Government is continuing to work with business representatives and the wider public sector to improve practice in this area.

- Early engagement with the market is a key feature of our published standard procedures.
- Scotland is using a comprehensive, joined up suite of procurement improvement tools to drive procurement reform and deliver greater value for money in public procurement. These include Public Contracts Scotland, the Scottish Procurement Information Hub, the Procurement Journeys (best practice guidance for buyers and suppliers),
- The ability to advertise sub-contracting opportunities through Public Contracts Scotland was released on 6 April 2012 following a successful pilot of advertising subcontract opportunities arising from the new Forth Crossing project. Initially this functionality will be used mainly on major construction projects, and one of the first users is Balfour Beatty who are working on the construction of the new Scottish Crime Campus.

Data drawn from the Procurement Information Hub shows that of the approximate £9 billion annual public sector procurement expenditure in 2010/11:

- around 7% went direct to micro businesses (1-9 employees);
- 12% went to small businesses (10-49 employees), and;
- 27% went to medium sized businesses (50-249 employees).

This compares to a UK Government “aspirational” target of 25% of direct and indirect spending with SMEs.

We are also working towards introduction of a procurement reform Bill which will establish a national legislative framework for sustainable public procurement that supports Scotland’s economic growth. Framed within EU procurement law, the Bill will help us accelerate improvements in the procurement system and help ensure that doing business with the public sector is simpler, more transparent and more accessible to suppliers, especially SMEs.

#### **Update on the priority to maintain and develop a supporting business environment**

**SG Response:** Prioritising support for the activities delivered by the enterprise agencies has been a major part of this approach. Scottish Enterprise and Highland and Islands Enterprise provide bespoke advice to major growth businesses across Scotland helping firms grow more and grow quicker than would otherwise be the case. Amongst services provided is the allocation of grants like Regional Selective Assistance where, in 2012/13, offers worth £43 million were accepted by 118 companies which are anticipated to create / support 4,766 jobs. Between 1 April and 30 June this year RSA offers worth a total of £6.6 million were accepted for projects expected to create / support 721 jobs.

Business Gateway, delivered at local authority level, provides one-to-many advice to new start and existing businesses and supplies the pipeline for new businesses for SE and HIE to account manage. In 2011/12 Business Gateway helped 11,027 start-up, with Business Gateway estimating this is around 25% of all start-ups.

Scottish Development International lead on co-ordinating the delivery of Scotland’s Trade and Investment Strategy. During 2012/13 SDI assisted nearly 2,100 businesses to access overseas markets, an annual increase of over 50%, while SDI support has led to the creation / safeguarding of over 33,000 planned jobs in Scotland since 2008<sup>4</sup> and Ernst and Young’s UK Attractiveness Survey revealed jobs attracted to Scotland from Foreign Direct Investment in 2012 outstripped all UK regions except NW England.

Regular meetings with senior officials in Scotland’s main business organisations provides a clear line of communication between the Scottish Government and business leaders therefore fostering the delivery of responsive and flexible support which meets business needs while also using the business organisation networks to keep businesses informed of the available support.

The establishment of four Enterprise Areas has also helped deliver a more supportive business environment. In their first year of operation to April 2013, Enterprise Areas attracted 12 businesses while a further eight tenants are awaiting the construction or completion of relevant buildings and ‘shovel ready’ funding was awarded to four locations to enhance site access and

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<sup>4</sup> Source: SDI figures

infrastructure.

A Regulatory Reform Bill was introduced to the Scottish Parliament in March 2013 aiming to streamline and make regulation more effective by delivering consistency, while maintaining local accountability, in the application of regulation across Scotland.

**Update on the development of a coherent approach to assisting our cities and city regions in being the engines of growth for the Scottish economy.**

**SG Response:** The approach is set out in our strategy, “Scotland’s Cities: Delivering for Scotland” which was developed in collaboration with the cities and published in December 2011. It established the Scottish Cities Alliance which, in its first year, has been successful in forging effective new working relationships between the partner organisations: the seven cities, the Scottish Government, national agencies, the Scottish Council for Development and Industry and the Scottish Cities Knowledge Centre. A £7 million Cities Investment Fund supports collaboration and the strategic implementation plan for the next 3 years, which is split into: attracting investment, creating the conditions for economic growth and research.

**Update on support for the transition to a low carbon economy**

**SG Response:** The Scottish Government is committed to maximising both the financial and environmental opportunities from the transition to a low carbon economy. This was emphasised by the Spending Review (2011) that included £327 million to tackle fuel poverty, home energy efficiency, support housing quality, and meeting our contractual commitments to housing stock transfer landlords. Opportunities exist across the whole Scottish Economy for business and industry. Scotland's low carbon environmental goods and services sector (LCEGS) is forecast to grow by 30% from £10.1 billion to £13.2 billion between 2011/12 to 2016/17 (sector includes Renewable Energy; Environmental Management and Low Carbon Technologies).

Businesses and the public sector in Scotland can realise substantial savings through energy and resource efficiency. A UK study shows that around 2.3% of GDP could be saved through straightforward resource efficiency measures by using raw materials more efficiently and generating less waste. Since 2011/12 this Scottish Government has established the Resource Efficient Scotland programme which simplified the range of available energy and resource efficiency advice and support. From 1 April 2013 £7 million from the programme has been supporting organisations in the business, public and third sectors, with the aim of realising potential annual savings of at least £21 million and energy efficiency savings of 45GWh.

A nationwide programme of converting to greener street lighting is being brought forward by the Scottish Government to be considered for Green Investment Bank (GIB) funding. The plan is one of a number of energy efficiency programmes being looked at that could be rolled out across the Scottish Government’s and other large public sector estates to attract private sector funding, and maximise spend to save opportunities. Initial studies indicate that a £350 million investment in low carbon measures across the Scottish public estate could lead to potential cost reductions of around £900 million. This builds on the foundation laid by the Scottish Futures Trust, working closely with Resource Efficient Scotland, COSLA, NHS Health Facilities Scotland, Scottish Enterprise and others. The work will develop commercial delivery structures which aggregate projects and establish national Energy Efficiency programmes to realise investment potential and attract in private finance from GIB and others, as well as reduce costs for all authorities and the wider public sector.

**Update on the priority to capitalise on existing competitive advantage in renewables to attract investment and establish a strong supply chain**

**SG Response:** We know that renewable energy development will take place where the best resource and the best economic incentives can be found. That is why Scottish Enterprise and Highlands and Islands Enterprise continue to support renewable energy developers by providing appropriate financial support and by ensuring that local supply chain support is available to assist the development and deployment of projects in Scotland. Our trade and investment arm, Scottish Development International, continues to engage closely with all of the main turbine manufacturers and component suppliers with the aim of securing further investment into Scotland.

We know too that the development of appropriate locations is critical to Scotland becoming the base for the construction and assembly of wind turbines and marine devices. Our £70 million National Renewables Infrastructure Fund, established to strengthen port and manufacturing facilities, and our £15 million Scottish Innovative Foundation Technologies Fund, set up to help develop deep-water wind turbine foundations, are both helping to stimulate the offshore renewables supply chain and to maintain Scotland's position as one of the world's most attractive destinations for renewable energy investment, development and deployment. The Scottish Government and its enterprise agencies have supported the development and growth of the European Marine Energy Centre (EMEC), which remains the world's only grid connected, independently accredited test centre for wave and tidal devices. With facilities for full scale testing of wave and tidal technologies and nursery sites for off grid testing of scale devices, the centre has played a major part in supporting the development of a wide range of marine technologies, and continues to attract a wide range of international users and interest.

**Update on priorities relating to VisitScotland**

**SG Response:** The VisitScotland Annual Report and Accounts for the year ending 31 March 2012 were laid before the Scottish Parliament in November 2012 (the Annual Report and Accounts for 2013 will be published later this year). VisitScotland's key activities are focussed around the strategic priorities outlined in the 2011-2014 Corporate Plan, which are to:

- Maximise the sustainable economic benefit of tourism in Scotland through marketing Scotland to visitors in all parts of the world;
- Provide information about Scotland as a visitor destination;
- Provide Quality Assurance to visitors and quality advice to tourism businesses;
- Work together with industry;
- Work to influence, lead, co-ordinate and support people and organisations in order to deliver the national events strategy.

The focus of these priorities remained largely unchanged in the updated VisitScotland Corporate Plan for 2013-2016. VisitScotland has aligned its corporate objectives and focused its activities to contribute to several of the Government's Purpose Targets and National Outcomes. The direct contribution to the Government's National Performance Framework is towards objectives 1 (We live in a Scotland that is the most attractive place for doing business in Europe), 13 (We take pride in a strong fair and inclusive national identity), 14 (We reduce the local and global environmental impact on consumption and production) and 16 (our public services are high quality, continually improving, efficient and responsive to local people's needs). In addition, in June 2012, the Cabinet Secretary for Finance, Employment and Sustainable Growth positioned VisitScotland as the lead body for driving growth in the visitor economy.

Despite the tough economic climate, the latest visitor statistics indicate that in comparing the visitor numbers and expenditure between 2010 and 2012, there has been a 3.6% increase in visitor numbers and an 8% increase in visitor spend.

### **Progress in delivering 25,000 Modern Apprentices**

**SG Response:** The Scottish Government has committed to offering 25,000 Modern Apprenticeships (MAs) in each year of the current Parliament. This was achieved in 2011/12 when we delivered 26,427 and again in 2012/13 when we delivered 25,691.

As well as exceeding the overall target for MAs (the majority of which were at SVQ levels 2 and 3), we have also delivered the manifesto commitment for higher level MAs – introducing Technical MAs at SVQ level 4 and Professional MAs at SVQ level 5. Work is ongoing to deliver a further manifesto commitment for the introduction of Shared apprenticeships, to make the recruitment of MAs easier and more attractive to SMEs in particular. SDS are currently considering a suitable pilot for shared apprenticeship models.

### **Update on the Opportunities for All initiative**

**SG Response:** The Scottish Government has given an explicit commitment, through *Opportunities for All*, to a place in learning or training for every 16-19 year old in Scotland who is currently not in work, a Modern Apprenticeship or education. This means support for those at risk of disengaging and for those who have already done so. It also means a much greater focus within the post-16 education system on meeting the needs of these young people. *Opportunities for All* builds on and adds momentum to existing activity being developed through 16+ Learning Choices and More Choices, More Chances and forms a significant element of the Government's reform of post-16 education.

The Post-16 Transitions budget includes £5.6 million specific grant funding in 2012-13 to local authorities to co-ordinate local delivery of Opportunities for All. This includes post-16 transition planning (16+ Learning Choices) for all young people moving on from school and subsequent episodes of learning, and Activity Agreements for those young people furthest from the labour market. A further £5.28 million specific grant funding has been allocated to local authorities for 2013-14.

**School Leaver Destinations** - There has been a year on year increase in positive sustained destinations for young people since 2008/09, when local authorities were first given funding to improve post-16 transition planning for young people moving on from school. 2011/12 has seen a record high.

Proportion of School Leavers in positive destinations in Scotland				
Year	2008/09	2009/10	2010/11	2011/12
Initial	85.7	86.8	88.9	89.9
Sustained	85.1	85.2	87.2	89.5

**Activity Agreements** – since April 2011 we have been implementing Activity Agreements in all 32 local authority areas. In 2012/13, 2,602 young people signed up to and took part in an Activity Agreement. This is a 17% increase on 2011/12. On average, at any one time there are 1,424 young people taking part. Last year 2,602 young people left an Activity Agreement with 69% of them moving into a positive outcome. This is a 4% increase on the previous year. The

majority have been to college, national training programmes (35%) or employment (18%).

**Update on priority to maintain the Energy Assistance Package and Home Insulation Scheme.**

**SG Response:** The Scottish Government is creating a £200 million per year initiative (£79 million SG funding, £120 million from major energy companies) to tackle fuel poverty. The new **Home Energy Efficiency Programmes for Scotland (HEEPS)** replace the highly successful **Energy Assistance Package (EAP)** and **Home Insulation Schemes (HIS/UHIS)** and have been developed to respond to changes to the social obligation placed upon energy companies. Designed so that they are able to lever in the new funding from the Green Deal and Energy Company Obligation (ECO), there are three strands:

1. Like HIS/UHIS, the **Area Based Schemes** are delivered by Local Authorities and will provide a range of insulation measures, to transform thousands of properties across Scotland into warmer homes, which are easier and cheaper to heat. In June, we announced just under £46 million of the available £60 million had been allocated in the first funding round and the schemes from this round will draw in significant leverage from the utility companies. Early indications are that utility companies are providing nearly £3 of ECO funding for every £1 spent by the Scottish Government, demonstrating the validity of assumptions on establishing a £200 million fund.
2. The **Affordable Warmth Scheme** is delivered nationally and targeted at private tenure households who are vulnerable to fuel poverty. Entirely funded by the Energy Company Obligation, this is designed to provide a range of insulation and heating measures. We are working closely with energy companies to deliver the ECO so that every eligible household in Scotland, regardless of location, receives a service. Memoranda of Understanding have been signed with Scottish Power, Scottish Gas and SSE and the first homes have already received installations.
3. The **Energy Assistance Scheme**, is an extension of stage 4 of the former Energy Assistance Package, focusing assistance on the most vulnerable and poor households which were previously eligible for heating and insulation measures under EAP but who would otherwise miss out under the Affordable Warmth Scheme. The Scottish Government has made available funding of £16 million for this Scheme.

Additionally, a further £3 million has been allocated to the Energy Saving Trust and others to help support the Home Energy Scotland Hotline and advice centres to provide advice and guidance to people about the energy efficiency of their homes and what support they may be eligible for.

**Analysis of whether there have been public sector job losses and whether these are being compensated for by the creation of jobs in the private sector with capital funding**

**SG Response:** The Government Economic Strategy provides a flexible and adaptable framework to support sustainable economic growth in Scotland with opportunities for all to flourish. This flexible framework has allowed the public sector in Scotland to focus resource and effort on action to support output and employment in the Scottish economy, through boosting public sector capital expenditure, taking direct action to tackle unemployment, and enhancing economic confidence by providing security to Scottish households and encouraging private sector investment. Supporting and encouraging private sector confidence is essential, as private sector growth is central to driving economic recovery, and to unlocking Scotland's economic potential in the longer term.

The latest labour market statistics show that over the past year the number of unemployed people in Scotland has decreased (down 10,000) and the number of people in employment is increasing (up 20,000). Public sector employment has decreased in Scotland, though it is falling at a slower rate in Scotland than in the UK. The Scottish Government recognises the importance of maintaining employment in providing security to Scottish households, which is why we have continued our policy of no compulsory redundancies in the public sector. Over the year to the first quarter of 2013 private sector employment (including the public sector financial institutions) increased by 58,800 and currently the private sector accounts for 78.0% of Scottish employment, the highest percentage since devolution.

The Scottish Government also recognises the importance of investment and capital expenditure for both short term and longer term economic growth. The potential for short run and long run benefits from capital expenditure is widely recognised, for example in the OECD's February 2013 Economic Survey of the UK<sup>5</sup>. The Office for Budgetary Responsibility have also estimated that fiscal tightening driven by capital spending cuts will ultimately have a more negative impact on the economy relative to equivalent tightening through the resource budget<sup>6</sup>.

Despite the unprecedented cuts by the UK Government to the Scottish Government's core capital budget, we continue to pursue a range of actions to boost such investment. Over the three year spending period from 2012-13 to 2014-15, the Scottish Government will support more than £10 billion of infrastructure investment through the capital budget, the Non-Profit Distributing pipeline, rail investment through Network Rail's Regulatory Asset Base and switching resource into capital. This is providing an immediate stimulus to the economy, protecting jobs, retaining skills and activity in construction. It is also creating new assets, including new transport links and digital infrastructure, which boosting Scotland's economic potential in the longer term.

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<sup>5</sup> OECD, Economic Surveys United Kingdom, February 2013 ([http://www.keepeek.com/Digital-Asset-Management/oecd/economics/oecd-economic-surveys-united-kingdom-2013\\_eco\\_surveys-gbr-2013-en](http://www.keepeek.com/Digital-Asset-Management/oecd/economics/oecd-economic-surveys-united-kingdom-2013_eco_surveys-gbr-2013-en))

<sup>6</sup> Office for Budgetary Responsibility, Forecast Evaluation Report, October 2012.  
<http://cdn.budgetresponsibility.independent.gov.uk/23690-OBR-Web-Only.pdf>

# Equal Opportunities Committee

Responses to specific queries raised by the Equal Opportunities Committee follow:

**The committee:** stressed the importance of the Equality Budget Statement (EBS) to the budget process and in demonstrating progress with an overall approach to equalities; seeks reassurance that the EBS is integral feature of budget process; asked whether the EBS will be used as a tool to measure impacts instead of providing a narrative of spending on equalities; and asked what improvements will be made to the EBS this year.

**SG Response:** The Equality Budget Statement (EBS) remains an integral part of the Scottish Government's budget process, with this being the fifth year an EBS has been produced. Significant work has been undertaken since last years' EBS to ensure continuing improvement, including revised guidance and tools, and a new more formalised team approach in portfolio areas. In addition, the Equality Budget Advisory Group (EBAG) continues to help the Scottish Government shape its approach to the EBS and the budget more widely: EBAG does not undertake the analysis of proposals or comment on specific content but provides advice on the processes needed to do this.

The EBS provides information on the equality analysis and assessment of the impact of Scottish Government's spending plans. It is a representation, year on year, of the cultural journey within government towards fully mainstreamed equality thinking and budgetary decision making. The EBS is not yet a perfect product, but it is already widely respected and improvements are made every year to the process and the product. This year's changes include the following:

- **International Context** – the EBS will be set in its international context, providing a narrative on how Scotland leads the way, in many respects, on equality budgeting approaches.. Officials also recently met with Welsh Assembly counterparts to share lessons learned and look for suggestions for further improvement.
- **New EBS teams:** A new, formalised, EBS team approach has been established in portfolio areas, consisting of analytical, finance and policy leads.
- **Improved guidance and tools:** EBS guidance has been substantively reworked and improved. For example, as part of this year's EBS, specific case studies of how budgetary decisions have been affected by equality impact assessment will be included.
- **Continuous Improvement:** In last year's EBS, each portfolio chapter identified 3 key areas of focus or concern to report on again in this year's EBS to ensure effective use of the assessments undertaken in the year. Again, this year, teams will be asked to identify points for improvement in terms of their equality analysis and assessment.
- **Launched an Equality Evidence Strategy for 2013:** The Scottish Government launched the strategy in January 2013 to identify key evidence gaps and seek strategies to fill them. This is aimed, initially, at improving the coverage in the Equality Evidence Finder webtool, which is another recent development, making equality evidence readily accessible on the Scottish Government website for EBS teams and external stakeholders.
- Links: Equality Evidence Finder [www.scotland.gov.uk/EqualityEvidence](http://www.scotland.gov.uk/EqualityEvidence)
- Links: Equality Evidence Strategy 2013:  
<http://www.scotland.gov.uk/Resource/0041/00411305.pdf>

# Infrastructure and Capital Investment Committee

**Responses to specific queries raised by the Infrastructure and Capital Investment Committee follow:**

## **Update on the delivery of initiatives under the Scottish Futures Trust.**

**SG Response:** Scottish Futures Trust (SFT) is tasked with improving the efficiency and effectiveness of infrastructure investment in Scotland through working collaboratively with public bodies and industry. SFT is currently supporting the public sector in three broad ways - the use of innovative finance, efficient procurement and effective ongoing management. It assists in innovative financing for infrastructure, over and above traditional capital budgets, through supporting delivery of: the pipeline of Non-Profit Distributing projects in transport, education and health; the National Housing Trust initiative; and the Tax Incremental Financing pilot. SFT supports efficient procurement of infrastructure through delivery of: Scotland's Schools for the Future programme, which is on track to deliver 67 schools from the budget initially planned for 55 schools; the Scotland-wide hub programme which will deliver a wide-range of construction projects in partnership with the private sector; and a range of low carbon investment work, including energy efficient street lighting. SFT supports effective management of infrastructure through: supporting public bodies to improve property asset management, including disposal of surplus property where appropriate, and reviewing the operational management of existing public private partnership contracts.

## **Update on the performance and benefits delivered by the Scottish Futures Trust**

**SG Response:** The Scottish Government sets SFT a challenging target to achieve between £100 million and £150 million of savings and benefits annually across its work in infrastructure investment. In July 2012, SFT published its externally and independently validated Benefits Statement, noting that SFT delivered £131.4 million of net savings and benefits to Scotland arising as a result of its work during the 2011-2012 financial year. These net benefits and savings comprised £84.5 million of efficiency gains, £48.2 million of additional investment and £3.5 million of avoided cost, and take into account SFT's £4.8 million operating costs for that financial year.

## **Update on the allocation of and benefits derived from available EU Structural Fund**

**SG Response:** European Structural Fund Programmes run in seven year cycles with the current programmes operational from 2007 – 2013. There are two streams of Structural Funds – European Social Fund (ESF) and European Regional Development Fund (ERDF). In total £699 million was awarded to the Scottish Structural Fund Programmes and good progress has been made in delivering the programmes with the majority of funds allocated by the end of 2010. During the current funding period Structural Funds have been used to support projects that provide training and support for individuals to enter employment; provide access to businesses; boost capital expenditure and improve access to finance.

While businesses continue to experience difficulties in obtaining credit facilities, the provision of risk capital has shown itself to be a sustainable way of supporting the creation and growth of the SME base in Scotland. £74.5 million of ERDF has been invested into a number of public sector backed venture capital and loan funds to increase the availability of development finance across Scotland. In addition, the £50 million SPRUCE Fund, co-financed by the Scottish Government and ERDF, is designed to lever significant co-investment from the public and private sectors into projects which support urban renewal and employment growth such as commercial space, key

transport improvements, and energy efficiency. SPRUCE is supported by a further £10 million grant fund, enabling ground works that unlock sites for future investment.

Through European Structural Funds we have continued to support large infrastructure projects including the University of Strathclyde's Technology and Innovation Centre (TIC) which was awarded an ERDF grant of £6.7 million towards the construction of their £87 million development. Furthermore, available resources from the Scottish Structural Fund Programmes are being used to create the right economic conditions for young people. This has resulted in £25 million of EU funding being used to support youth employment, of which £15 million will be allocated in the 2013-14 budget to support employer recruitment incentives. Collectively these funds will support two projects – Youth Employment Scotland and SME Growth – which will support both growth in SMEs through better support services and the ability of SMEs to hire unemployed young people.

**Update on the drive to identify alternative sources of funding, particularly in relation to housing and transport infrastructure projects.**

**SG Response:** Significant progress is being made in delivering the pipeline of Non-Profit Distributing (NPD) projects, which are funded over the long term from revenue budgets. During 2013-14 projects with a combined value of over £700 million will start construction, with work already underway at Inverness and City of Glasgow Colleges [NB need to check Glasgow closed], and Kilmarnock College and the M8 M73 M74 Motorway Improvements due to start construction later this year.

Significant progress has been made in using alternative sources of funding to support new affordable housing supply. The pioneering use of government guarantees to support housing investment through the National Housing Trust initiative (NHT) and other innovative finance approaches including grant recycling and new sources of finance, has, since 2011, secured approval of 1,900 new affordable homes across Scotland. This has been achieved by using a modest level of public funding and is expected to lever around £250 million of investment.

Scottish Government guarantees are also supporting Homes for Scotland's MI New Home Mortgage Indemnity Scheme, which is supported by 25 house-builders and has already helped more than 500 Scottish households on their way to achieving their home ownership aspirations. This is safeguarding jobs, creating apprenticeships and providing a vital economic boost as it averages £10 million in new home sales every month.

We continue to make progress with the Tax Incremental Financing (TIF) pilot projects, with investment now underway in Glasgow and Falkirk. Scottish Ministers have given final approval to three projects in the Glasgow, Edinburgh and Falkirk Council areas, provisional approval to one in North Lanarkshire and expect to receive business cases for two further projects in Fife and Argyll and Bute in the near future. TIF is a means of funding public sector infrastructure, through allowing the local authority to retain the additional non-domestic rate revenue arising from that investment, and in the process unlocking private sector investment.

We continue to work with Network Rail and the Office of Rail Regulation to utilise Network Rail's Regulatory Asset Base (RAB) wherever possible for financing rail infrastructure. The Glasgow TIF scheme, which involves the redevelopment of Buchanan Galleries, has provided the opportunity to redevelop Glasgow Queen Street station, and this will be funded through Network Rail's Regulatory Asset Base.

## Responses to specific queries raised by the Justice Committee follow:

### **Update on action to reduce overcrowding in prisons, including addressing the increasing female prison population.**

**SG response:** The Scottish Government continues to invest in the prison estate to directly address the problem of overcrowding. In 2012-13, the budget supported the opening of HMP Low Moss in March 2012 (which provided an additional 700 prisoner places); the second phase of the re-development of HMP Shotts; and the taking forward of the construction of HMP Grampian, a new prison which will eventually replace HMP Aberdeen and HMP Peterhead.

Over the course of 2013-14, resources are being focused on: the completion of the construction of HMP Grampian, and on preparations for the opening of the new prison in early 2014; implementing improvements to the management of women offenders in Scotland in line with the accepted recommendations from the work of the Commission on Women Offenders; and acquiring a site for HMP Highland, the planned replacement of the existing HMP Inverness.

In 2014-15 the spending plans include additional capital funding of £20 million which will be specifically targeted towards the needs of Scotland's female prison population; and taking forward work to plan for the replacement of HMP Barlinnie facilities (at a point beyond the end of the current spending review period).

We are also continuing to develop our response to the Commission on Women Offenders recommendations in order to improve outcomes for women offenders across the criminal justice system. The 2012-13 budget has allowed a number of new initiatives based on the recommendations to get underway:

**Mentoring Services for Women Offenders** – The Reducing Reoffending Change Fund (RRCF) is funding a partnership of third sector organisations to devise and implement a national network delivering mentoring services to women offenders who will provide practical support, advice and guidance, to support their rehabilitation and release, assist them in engaging with public services, and help them address their practical problems and behavioural issues through intensive support. This sees the introduction of 24 full time mentors providing intensive support to an estimated 720 women. Funding has been agreed for 2 years after which sustainable funding will be agreed with their public sector partners. Rather than directly addressing the current position, the RRCF focuses on preventative spend aimed at reducing reoffending and thus reducing the prison population in the longer term.

**Women's Community Justice Centres** – These are in the planning stages in Glasgow, Edinburgh and Dundee to support the development of a 'community justice centre' approach to working with women offenders. These are based on the 'one stop shop' models such as the 218 Service in Glasgow and the Willow Project in Edinburgh which brings together a consistent range of services to reduce reoffending and bring about behaviour change. Further proposals for other locations are anticipated before the end of this financial year.

**Diversion from Prosecution Pilot** – A pilot project is underway in Glasgow to examine more effective and efficient use of diversion from prosecution for women offenders (where that is an appropriate response to the circumstances and offence).

**Update on the development and resourcing of HMP Inverclyde for women prisoners, with a view to opening the prison by 2016.**

**SG response:** Work is currently focussing on progressing the work programme and ensuring resources are in place to deliver the new female facility at HMP Inverclyde, with a building contractor to be appointed and work to start in 2014-15, with a view to the operational opening in November 2016.

**Update on work with providers of community penalties on assessing the cost and effectiveness of community penalties, so as to better inform plans for the punishment and rehabilitation of offenders.**

**SG response:** Research work is being commissioned to improve knowledge within the Scottish Government, Community Justice Authorities (CJAs) and Local Authorities (LAs) of the costs of providing Criminal Justice Social Work Services. This includes in-depth analysis of the unit costs of the delivery of Community Payback Orders (CPOs). This research and further studies will better inform us of the cost for the punishment and rehabilitation of offenders using CPOs. Findings from this research will be available in September 2014.

The Scottish Government published the Community Payback Order - Scottish Government Summary of Local Authority Annual Reports 2011-12 on 20 December 2012, providing information on the operation of the CPO during its first year. Furthermore, an independent process and early outcome evaluation of the CPO is now underway. This will assess progress with implementation of the new provisions, and examine the impact that the CPO has had to date. The Scottish Government is due to receive findings from this evaluation in October 2014.

**Update on work to tackle the backlog of maintenance on court buildings.**

**SCS response:** During 2012-13 additional funding from Scottish Government contributed to backlog maintenance being reduced from £57 million to £54 million. The SCS board continues to carefully monitor the backlog position and has prioritised estates funding, where possible towards backlog reduction.

The additional funding of £6.5 million for 2013-14 is welcomed and this level of future investment is critical to ensure progress in reducing backlog maintenance is continued.

This will allow the capacity, quality and capability of the remaining court estate to meet the requirements of Making Justice Work reform programme, whilst making our estate safer, more sustainable and accessible.

**Update on work to provide more opportunities for victims and witnesses to give evidence by video-conferencing where, as a result of court closures, intimidation is likely or unnecessary travel can be avoided.**

**SG response:** Vulnerable witnesses can already give evidence via live video conferencing link from a separate location in certain circumstances, and proposals to widen the availability of such links are contained in the Victims and Witnesses (Scotland) Bill currently being considered by the Parliament. This provision has been in place for a number of years and was introduced to support victims and witnesses through the court process.

Where video link facilities do not exist in the vicinity of those Sheriff courts due for closure, the Scottish Court Service has committed to introduce them. Their aim is to establish the links for use by vulnerable witnesses and thereafter we would seek to extend operations through a phased approach to other types of business within legislative provisions.

**Update on how the Scottish Government and the Scottish Court Service intends to monitor the effects and costs of any court closures on court users and other organisations, once implemented.**

**SG response:** The Scottish Court Service has a comprehensive range of performance measures across all courts to monitor levels of service provision and court operations, including business levels and case throughput.

In the context of court users and other organisations, only around 5% of overall court business will move to another court as a consequence of the court closures. COPFS, SLAB and Police Scotland have confirmed that the impact on their organisations costs will be broadly neutral. Other principal court users are the local faculties and the public and, as explained in the SCS consultation document, the overall economic impact of closures at an all-Scotland level is expected to be localised, minimal and short-term.

SCS will be conducting project closure activity to ensure the actual impacts are in line with expectations. This will include the post implementation review of the expected benefits at an appropriate time point after the end of each phase of closures. SCS uses qualitative and quantitative measures for these review processes including engagement with stakeholders and court users. Prior to those reviews the more immediate impact on individual court users will also be captured and managed through court user surveys and local court liaison meetings.

**Update on the effectiveness of efforts being made across justice agencies to tackle churn in the criminal justice system.**

**SG response:** Under the Making Justice Work programme, initiatives are now being introduced which will help reduce the number of trial adjournments and repeated court diets. Particular attention is being given to the summary criminal justice process (which accounts for around 95% of criminal business) where steps are being taken to conclude cases at the earliest opportunity. New measures being introduced include: giving a greater focus on early case preparation and dialogue between prosecution and defence; making CCTV and forensic evidence available earlier, and improving the attendance of accused and witnesses at trial. The initiatives have been introduced first in Edinburgh and are now being introduced in Aberdeen before being rolled-out to the rest of the country.

**Update on the roll out of video conferencing facilities in prison visits, court proceedings and police stations.**

**SG response:** Under the Making Justice Work programme, we are piloting the use of live video conferencing links between a small sample number of agents and some of their clients being held in prison. This technology is being thoroughly tested before it is extended more widely. Good progress is being made in using live video conferencing links in court proceedings with examples of this being adopted in petition and appeal cases. We have included provisions in the Criminal Justice (Scotland) Bill, introduced to Parliament in June 2013, to extend the use of live video conferencing links to all court cases other than those where evidence is being led.

In relation to police stations, the establishment of Police Scotland is allowing the police to review and develop a consistent custody management strategy across Scotland. The strategy is under development and the police are looking at how they could make good use of live video conferencing links between police custody units and courts to reduce travel time and the demands placed on both police and court custody cells.

**Update on the delivery of projected savings for police reform in 2013-14 and in subsequent years**

**SG response:** Savings from police reform, expected to be £42 million in 2013-14 and £88 million in 2014-15, are in the process of being identified and delivered. The Police Service of Scotland and the Scottish Police Authority have taken account of these savings within their budgets. They are working closely to deliver savings plans across the two years, and have put in place a formal review and challenge process to identify and deliver the savings principally from three areas: people, property and procurement.

The reduction in (civilian) staff numbers will result in the largest single contribution to the savings target, while police officer cost reductions will also contribute – for example from reductions in overtime. Property maintenance cost reductions have already been put into effect and further reductions are being identified through the police estate strategy currently being developed. Similarly procurement savings are being identified, which will ensure the on-going control of expenditure and driving out of efficiency savings.

**Update on work to ensure that police staff redundancies do not result in widespread backfilling by frontline officers**

**SG response:** The Scottish Police Authority and Police Scotland are managing those leaving under the voluntary redundancy and early retirement schemes for police staff to ensure a controlled reduction in total headcount number. The applications are considered by panels meeting regularly to assess the potential cost of the redundancy, the savings it would achieve as well as the impact of the loss of each post or individual. Redundancy / Retirement offers are only approved and made once these points have been fully considered.

**Update on work to standardise ICT systems in the single police force.**

**SG response:** Inheriting the ICT systems from the 8 predecessor police forces has inevitably resulted in considerable work to rationalise and standardise systems to be used by the single police service. An ICT blueprint has been agreed by the SPA setting out the broad parameters and priorities for the way ahead. A full ICT strategy is currently being developed, which will set out the timescales and phasing of the work.

The letting of the i-6 contract on 1<sup>st</sup> July is the first significant element of this work and will put in place a single national ICT system to cover the recording, management and analysis of data on six areas of police activity: crime, vulnerable persons, criminal justice, custody, missing persons and property.

# Local Government and Regeneration Committee

**Responses to specific queries raised by the Local Government and Regeneration Investment Committee follow:**

**In the National Performance Framework and Scotland Performs, which indicators and targets are specifically influenced by Local Government activity?**

**SG Response:** A scorecard highlighting these indicators has been provided.

**What has been local government's influence on the performance assessment of these indicators and targets, and have any performance assessments changed local government spending plans?**

**SG Response:** Local government influences these indicators and targets through the delivery of a wide range of services and by working in partnership with organisations such as the police, the NHS and colleges to improve outcomes for communities. The development and delivery of Single Outcome Agreements (SOAs) by Community Planning Partnerships (CPPs) is the mechanism by which each Council and its partners agree shared strategic priorities for the area and how they will work together to deliver those priorities. SOAs contain specific indicators and targets including, where relevant to local priorities, indicators from the National Performance Framework which are available at the local level. CPPs have performance management arrangements in place to monitor and report on these indicators and targets and to consider what action, including changes to spending plans, is required to improve performance. It is for individual Councils to decide if and how they change spending plans as a result of this.

**In terms of the priorities for local government set out in the Spending Review 2011, can the Government set out how these have been (or are still being) achieved.**

**SG Response:**

**Priority: Council Tax freeze**

Achievement to date: The Scottish Government provided a further £70 million per year to those councils that froze their council tax at 2007-08 levels for each of the three years of the Spending review 2012-15. In return all 32 local authorities did freeze their council tax levels in both 2012-13 and 2013-14 and the Scottish Government will continue to work with its local government partners to extend the freeze for the remainder of this Parliament. The council tax freeze has provided further protection for hard pressed households across Scotland many of whom have been affected by the economic downturn and the impact of UK Government's welfare reforms.

**Priority: Local government to pass on Police Grant in full to Police Boards as a contribution to maintaining the number of police officers at least at 17,234 throughout the three-year period 2012-15.**

Achievement to date: The clear up rate for crimes increased in 2012-13 and is now at its highest since 1976. Officer numbers remain significantly higher than before May 2007. There were 17,496 police officers (full-time equivalent) in Scotland on 31 March 2013, an increase of 1,262 (+7.8 per cent) from 31 March 2007. The risk of being a victim of crime here is falling, and is lower than England and Wales. The Scottish Crime & Justice Survey estimates 17.8 per cent of the adult population in Scotland were victims of crime in 2010-11 – lower than the 21.5 per cent

in England and Wales (British Crime Survey in 2010-11) and lower than the 21.3 per cent in Scotland in 2005-06.

As a result of Police reform, from 2013-14 funding for the single national police service is allocated by the Scottish Government to the Scottish Police Authority, instead of through local authorities to the former police boards. This means that responsibility for maintaining police numbers now sits with the Scottish Police Authority and the Police Service of Scotland.

**Priority: Local government will maintain teacher numbers in line with pupil numbers and secure places for all probationers who require one under the teacher induction scheme.**

Achievement to date: There are 2 elements to this commitment: places for all probationers through the Teacher Induction Scheme and teacher numbers. The Scottish Government and the General Teaching Council for Scotland co-administer the Teacher Induction Scheme. We have a well-established annual cycle of engagement with local authorities and the teacher education universities to ensure that there are sufficient teaching posts available for the students who graduate each year as new teachers. All probationers who were eligible for a place under the Teacher Induction Scheme this year have now been allocated a place.

The teacher numbers element of the commitment is measured on an annual basis through the teacher and pupil census which is published in December. The 2012 census showed that the commitment had been met for that year and performance for 2013 will be measured through this year's census.

# Rural Affairs, Climate Change and Environment Committee

## Responses to specific queries raised by the Rural Affairs, Climate Change and Environment Committee follow:

**Update on increase in commitment to Scotland's food and drink industry, more than doubling the ongoing budget for food industry support over the spending review period.**

**SG Response:** We would look to stabilise spend at the same level on our national food and drink policy work, and continue to invest in new capital projects and market development. The food and drink industry has grown in value greatly since 2007, meeting the export target of £5 billion five years early and is on course to greatly exceed the turnover target of £12.5 billion as well. In the wake of this news the industry has recently agreed to set a new target of £16.5 billion turnover by 2017. In addition to supporting the Government's work with the industry, this budget funds food and drink policy initiatives in food education, local food, food tourism and grow-your-own initiatives.

**Update on commitment to empower communities through a range of measures, including the Climate Challenge Fund, the creation of a new land fund, and investment in renewables and rural broadband.**

**SG Response:** The flagship Climate Challenge Fund (CCF) is empowering local communities across Scotland to take ownership of, and direct practical action on, the climate change agenda, through supporting carbon reduction projects that are community lead, produce a measurable reduction in carbon emissions and create a lasting legacy of low carbon assets and/or behaviours for the future. Since its establishment in 2008 the fund has supported 578 projects with a total value of £48.3 million. The budget for CCF in the current Spending Review period is £30.9 million, £15.9 million of which has been allocated to date to 117 projects.

The CCF was refreshed in November 2012 to ensure that it targets those areas that need it most, and remains fit for purpose. Following the refresh the Fund now offers development grants to disadvantaged communities (including communities in the bottom 15% of SMID rankings, BME communities and young people), a dedicated strand of funding to projects led by under 18s (The Junior Climate Challenge Fund - JCCF) and an 'Ideas Bank' which allows local authorities, NGOs, businesses, and other organisations to put up ideas and support local communities to deliver these. Communities are encouraged to address the long term sustainability of their projects, by, where appropriate, generating income which is invested in further low carbon activity. This refreshed approach will help to build a strong platform for continued successful operation of the fund in future spending rounds.

The Scottish Government is leading the way in the UK in its support for community and local ownership of energy and maximising community benefits from commercial renewables schemes. We have a comprehensive support scheme – Community and Renewable Energy Scheme (CARES) – with a budget of £23 million and which has been recognised by the OECD as exemplary in its field. CARES provides advice free at the point of use for community groups and rural businesses wishing to get involved in renewables, and offers pre-planning loans to help de-risk investment. Other support provided under CARES includes grants for community micro-renewables in deprived areas, and for innovative solutions to grid constraints in remote areas, as well as guidance on negotiating with developers on community benefits.

The Scottish Land Fund (SLF) is a manifesto commitment which supports the community ownership of land in Scotland. The SLF supports rural communities to become more resilient and sustainable through the ownership and management of land and land assets. It focuses primarily on the acquisition of land and land assets (land assets are resources that are associated with the land such as mineral or riparian rights, energy opportunities, standing timber and buildings). It is being delivered in partnership by BIG and HIE. BIG dealing with grant enquiries and the decision-making on awards; HIE providing support to applicants on developing their applications.

It is a **£9 million, 4-year** commitment (£1M in 2012-13; £2M in 2013-14, £3M in 2014-15 and £3M in 2015-16). On 7 June the First Minister announced the extension of the Fund to cover a fourth year – 2014-14, with an available fund of £3M for that financial year.

The Fund opened for business in the first week of July 2012. Its opening was formally announced by the Stewart Stevenson, the then Minister for Environment and Climate Change at Crossgates, Fife, on 29 June 2012. Its committee was appointed in September 2012. It has five members including the Chair, Dr John Watt, formerly of Highlands and Islands Enterprise. That Committee considers applications over £100K. The first awards to be made under the Scottish Land Fund were made on 18 February 2013.

**Updated on work to invest to create the framework required for the sustainable economic development of Scotland's offshore wind and marine renewables sector.**

**SG Response:** Marine Scotland has developed a five-theme framework to facilitate offshore wind, wave and tidal energy development. The themes are:

1. Establish a system of marine planning to include sectoral marine plans.
2. Integrate and apply efficiencies to renewables projects marine licensing/consenting.
3. Facilitate research projects to address gaps in knowledge for renewables marine planning and licensing purposes.
4. Set up and engage with Regional initiatives to deliver green energy from Scottish waters.
5. Work in Partnership to establish Competitive Economic Hubs around Scotland.

In relation to Marine Planning, Marine Scotland has developed a system of National, Regional and Sectoral Marine Plans. The first Sectoral Marine Plan Blue Seas-Green Energy established spatial policy for a set of 6 offshore wind projects which could go forward to the Licensing stage. These projects could potentially deliver 5 Giga Watts of green energy, and fit with 2 further 'Round 3' projects in Scottish waters giving a total of 10 Giga Watts of potential offshore wind energy, which could be delivered by 2020. In addition, Marine Scotland is revising the Plan for Offshore Wind and is producing Wave and Tidal Energy Plans. The three plans are at the draft stage and statutory consultation has now been initiated. We will seek to engage effectively with relevant sectors, NGOs, planning authorities and through regional public consultation events. We are finalising Regional Locational Guidance to facilitate floating offshore demonstration projects and propose to initiate a Strategic Marine Grid Plan over the coming months.

On Efficient Licensing, the Marine (Scotland) Act permits the application for a Marine Licence and Consent to generate electricity and other related permissions for green energy development to be run as a single process. In addition Marine Scotland has set up a single body

to receive and manage developer applications for offshore wind, wave and tidal energy developments. There is a draft Licensing Manual and further draft Licensing Policy Guidance to maximise efficiency through streamlining and the provision of clarity. We propose to consult on this guidance having trialled so they can be adopted as Policy.

In relation to Research, we have undertaken research covering impacts on sea birds, marine mammals and andramous fish. We seek to establish species at risk, understand their characteristics, assessment methodologies, potential for effects, effectiveness of mitigation and significance of impact. In some cases research has been progressed in Scotland, however where it has been sensible to do so we have linked with other public sector bodies and developers to develop larger initiatives, such as the Offshore Renewables Joint Industry Programme. We are taking forward Coast Shelf modelling to track current and sediment movements, Seabed Mapping and Sediment Profiling and are seeking to set up a Passive Acoustic Monitoring Network to track marine mammals supported by an aerial Hedef survey programme which can be used to survey sea birds in addition.

Our main regional initiative for wave and tidal energy development remains focused upon the Pentland Firth and Orkney Waters where we have piloted work on fishing, fish processing, tourism and shipping activities to fill gaps in knowledge to deliver Regional Locational Guidance for developers and a pilot Regional Marine Plan with the relevant planning authorities. However, we are also working with Argyll and Bute Council and have helped facilitate a Tiree scenario mapping project and are engaged in a Sound of Islay demonstration project with the early mover developer, Scottish Power. We are establishing the potential for Moray Firth and Forth and Tay Regional initiatives where we are liaising with offshore wind developers on commercial fishing, andramous fish and economic benefit initiatives.

On economic benefit, we are facilitating work between developers and our enterprise agency staff to explore exchanges between supply chain companies to deliver offshore wind projects. This work will lead to a better and growing knowledge where there is potential to help indigenous companies compete within the supply chain and where there is most potential for competitive international companies to partner with indigenous companies or to become inward investors to enhance our supply chain hub potential. In addition, we will commission scenario maps for the Moray Firth and Forth and Tay offshore wind developments to establish the potential for manufacturing, installation and servicing hubs. This work will be taken forward in partnership with the developers, east coast planning authorities, our enterprise agencies and the potential supply chain companies.

**Establish a Next Generation Digital Fund to support the roll-out of next generation broadband across Scotland, with a particular focus on rural and remote areas**

**SG Response:** A Next Generation Fund consisting of £8 million (2012/13), £26 million (2013/14) and £27.8 million (2014/15) was established within the Scottish Government's Rural Affairs and Environment portfolio in order to support the delivery of next generation broadband across the country. This included an allocation of £14 million (2014/15) and £12.8 million (2014/15) from budget consequentials. The Fund was boosted further by an allocation of £100.8 million by Broadband Delivery UK and a £40 million ring-fenced allocation from Local Government.

*Scotland's Digital Infrastructure Action Plan*, published in January 2012, set out a series of initiatives designed to provide Scotland with a world class, future proofed digital infrastructure. One of these initiatives, Step Change, is designed to deliver a digital infrastructure that has the capacity to deliver speeds of 40-80Mbps for between 85-90% of premises across Scotland and the best possible uplift in speeds for the remaining 10-15%. It consists of two separate, but

inter-related projects that are now being delivered in partnership with BT. Whilst delivery of the two projects will be led by a single programme team, the contract covering the Highlands and islands is held by Highlands and Islands Enterprise, whilst the contract covering the Rest of Scotland is held by Scottish Government. The latter includes direct financial contributions of just over £50 million from 14 Local Authorities across the region, each of which is subject to a formal minute of agreement with Scottish Government. Survey work is being completed currently on both projects, but it is anticipated that Step Change will significantly exceed its original coverage targets.

The Next Generation Digital Fund also provided £5 million to establish Community Broadband Scotland. This initiative is targeted at those communities that are currently receiving speeds of less than 2Mbps and provides both professional advice and financial support to empower such communities to take their own action to meet local needs.

**Update on provision of financial support for Scotland's rural economy through payments to farmers, fishermen and land managers, including through elements of the Scotland Rural Development Programme and the European Fisheries Fund (EFF).**

**SG Response:** To date the programme has awarded £69 million to over 700 projects, generating in excess of £160 million investment and supporting/safeguarding in excess of 8,000 jobs.

We have supported over 400 fishing vessel modernisation projects with assistance of £13.7 million - these projects have safeguarded jobs, increased energy efficiency and safety.

The EFF has awarded 32 Fishing Port Facility projects over £19 million grant, which have improved landing conditions, storage and working conditions.

Over £3.7 million has been allocated to Measures of Common Interest projects, which has helped provide training, deliver industry pilot projects, marketing and safety initiatives such as the Scottish Fishermen's Federation project to offer a Personal Flotation Device to every fisherman in Scotland.

EFF grant of over £7 million has been awarded to the aquaculture sector, helping to provide assistance with the expansion and upgrading of facilities and helping mussel growers convert to the New Zealand production method.

Over £18.1 million has been awarded to the Processing sector, providing help in developing and upgrading processing facilities, which has helped in the development of new products and markets, including exports.

**Update on investment through the EFF to deliver Scottish Government's commitment to assist with capital investment, increasing competitiveness in aquaculture, fishing and fish processing industries, and to promote a resilient fleet structure.**

**SG Response:** The EFF programme (2007-2013) can provide grant assistance with capital investment in the aquaculture, fishing and fish processing industries. The programme can also support strategic trade initiatives, fisheries dependent communities and Scottish Government and European Community policy initiatives for the sustainable development of fisheries.

The EFF has provided support to help ensure the continued viability of the fishing sector as a whole, with support towards vessel modernisation, infrastructure development and training

requirements. The focus of fleet actions includes support towards more selective gear and trials to support the transition to a more sustainable fishery. In addition, the scheme supports wider research and the management of fisheries in a way which maximises the benefits to Scotland and its coastal communities. Sustaining vibrant fishing communities in this way can sustain livelihoods at sea and onshore, and secure a stable future for our offshore and inshore fisheries. These actions are enhanced through support to community led local development projects by Fisheries Local Action Groups (FLAG's) under Axis 4 of the programme. In this way, work contributes to the cross-cutting priority to support and aid regeneration and renewal across Scotland's rural communities.

With regard to Aquaculture, Scotland is well placed as the largest producer of farmed salmon in the EU and 3rd globally. The EFF has supported the whole sector, including shellfish, and helps to underpin sustainable economic growth particularly in rural and coastal communities, providing quality and secure jobs. Scotland's Marine Plan consultation document includes targets to increase marine fish production sustainably to 210,000 tonnes (159,269 tonnes in 2011) and shellfish to 13,000 tonnes (6,525 tonnes in 2012) by 2020. In respect of the processing sector and wider food chain, the EFF programme has supported investments in new and existing facilities improving the processing capability, efficiencies and environmental credentials of the sector. The scheme also supports businesses through Scotland to allow further consolidation, or new developments, in domestic and export markets market.

#### **Update on action to reform the Common Fisheries Policy and the post-2014 European Marine and Fisheries Fund**

**SG Response:** The reform of the Common Fisheries Policy (CFP) has now been agreed and we have embarked on implementation of the reform package. This includes practical research trials of sustainable discard-free fisheries by both demersal and pelagic vessels (as far as we are aware the first such trials to be carried out by any member state in the North Sea) and steps to establish regional fisheries management through the formation of a North Sea regional group (the Scheveningen Group) and plans to bring together those Member States fishing in North Western Waters later this year.

Our recently published prawn and white fish action plan provides support to help ensure the continued viability of these fleets and places a renewed focus on more selective gear and on trials to support the transition to a more sustainable discard-free prawn fishery. In addition, we are currently carrying out research into the management of quota to examine the evidence for developing this in a way which maximises the benefits to Scotland and its coastal communities.

Concurrent with this work we are carrying out a survey and assessment programme off the West Coast to review the state of fish stocks and closed areas and we are scoping a major project to examine the marine eco-system in the North Sea so we can better understand the predatory interactions between fish stocks there. We are also consulting this summer on proposals for a network of Marine Protected Areas around Scotland's coasts and taking forward plans for developing the marine eco-system in the Clyde Sea. We see all of this work as helping to sustain vibrant fishing communities by supporting managed fisheries that can sustain livelihoods at sea and onshore and secure a stable future for our offshore and inshore fisheries. In this way, our work contributes to the cross-cutting priority to support and aid regeneration and renewal across Scotland's rural communities.

The primary purpose of the European Maritime and Fisheries Fund (EMFF) is to support the

implementation of the CFP as well as funding wider accompanying measures within the marine environment. The EMFF will operate from 2014-20 and is structured around four pillars – Smart Green Fisheries; Smart Green Aquaculture; Sustainable and Inclusive Territorial Development and Integrated Maritime Policy. In terms of specific policy objectives, we believe the EMFF will support the delivery of: the final CFP reform package (in line with EU 2020 objectives for fisheries and the wider marine environment, including the removal of discards, fishing at Maximum Sustainable Yields and delivery of effective regional management); sustainable development of fisheries, aquaculture and local communities; innovative or collective projects which help to improve the economy and sustainability of the industry; and effective science, data collection and compliance actions. The Council of Ministers agreed a General Approach at the July Council and consideration will now move to trilateral negotiations between the Commission, the Presidency and the European Parliament with a view to the new programme starting as early as possible in 2014.

With regard to Aquaculture, this is now a major component within the reformed CFP, and the EC wants to expand aquaculture production for the social and economic benefits it can bring, but also to address the trade deficit in seafood within the EU whereby 70% of consumption derives from imported seafood. Scotland is well placed as the largest producer of farmed salmon in the EU and 3rd globally. The sector helps to underpin sustainable economic growth particularly in rural and coastal communities with significant potential to contribute further, investing to provide quality and secure jobs. Scotland's Marine Plan consultation document includes targets to increase marine finfish production sustainably to 210,000 tonnes (159,269 tonnes in 2011) and shellfish to 13,000 tonnes (6,525 tonnes in 2012) by 2020. The Ministerial Group for Sustainable Aquaculture (MGSA) has been established to enable industry to achieve these sustainable growth targets.

Scotland has also developed a robust and effective policy and regulatory framework - illustrated by the Aquaculture and Fisheries (Scotland) Act 2013 - which is designed to ensure farmed and wild fisheries are managed effectively to maximise their combined contribution to supporting sustainable economic growth. Additionally, we are working with UK Government to develop Multi-Annual National Aquaculture Plans which set out our sustainable growth targets and highlight best practice.

#### **Update on the negotiations that began in 2011, between the European Commission, member states and the European Parliament on the EU budget for 2014-2020**

##### **Update on the negotiations on the budget for the Common Agricultural Policy (CAP)**

**SG Response:** Scottish Ministers engaged with their UK counterparts across the early part of 2012 as the EC progressed its discussions with Member States on settling the Multi Annual Financial Framework for 2014-2020. Following the agreement of Member States on overall limits for each of the programmes, Scottish Ministers successfully mitigated the effects of a potentially significant reduction in the level of Structural Funds resulting from the EC's allocation methodology.

Scottish Ministers were disappointed that the UK Government failed to insist on a significant improvement to Scotland's poor budgetary position under the CAP. Scotland currently has the lowest per-hectare level of rural development funding in Europe, by comparison with member states, and the fourth lowest level of direct farm payments. Under the new CAP budget Scotland may eventually receive the lowest levels in Europe under both areas of the CAP, despite a 'convergence' mechanism which, had Scotland already been a member state in its own right, would have yielded around an extra €1bn in CAP payments over the 7-year budget period.

Proposals around the division of the UK's CAP budget allocation remain subject to ongoing discussions over the final allocation methodology.

**Update on investment in flood protection and our programme of work to implement the Flood Risk Management (Scotland) Act 2009. We will continue to invest in ensuring that we have clean air and water and the portfolio will spend £5.2 million on natural assets and flooding in 2012-13.**

**Update on the development of our River Basin Management Plans further, recognising the multiple benefits that promotion of our water environments can have.**

**SG Response:** The Government's support to flood risk management comes from a number of portfolios. Support to local authority led flood protection schemes (identified at the level of £42 million in the local government capital settlement); and work to support local authority activity to implement flood risk management, supported through the Local Government Portfolio. Scottish Water's activity as a responsible authority through the Infrastructure and Capital Investment portfolio.

The Rural Affairs and Environment portfolio supports a wide range of activities which support the implementation of the Flood Risk Management (Scotland) Act 2009 and related activities that support the warning and informing of the public as to potential flood risk. Particular examples of the latter include financial support to the joint SEPA – Met Office Scottish Flood Warning Service; tidal monitoring and the ongoing development of flood warning schemes.

In support of the Act, the flooding budget is used to support pilot and other projects that are applicable across Scotland. Particular examples include the development of LIDAR and Detailed River Network data (which in addition to avoiding replication of activity across 32 local authorities will also be available to public bodies for other purposes). It has also supported work by SEPA to promote public awareness of floodline (the source of flood warnings) and specific projects such as that with the Tweed Forum to explore new approaches to Natural Flood Management.

Funding for River Basin Management Plans is enabling SEPA to tackle a range of pressures on our water environment. Good progress is being made in our programme of tackling diffuse pollution from agriculture, and this funding has enabled the use of innovative technology and demonstration sites to be developed. The funding has also enabled progress in delivering our strategy of restoring historic impacts on the water environment, and more specifically supporting opportunities to deliver collective water restoration and flood risk management objectives through the development of pilot catchment projects. These are innovative initiatives which will not only improve the quality of our water environment and reduce future flood risk but which deliver multiple environmental benefits and are examples of the preventative spend agenda in practice.

These important initiatives will be subject to evaluation and potential roll out to support up-scaled delivery of our catchment-based River Basin Management Plans and Flood Risk Management Plans. This is timely as work is now commencing to develop a second round of RBMPs and the first local flood risk plans, both due in 2015. Delivering these core benefits is also supporting the Government's Hydro nation agenda and the Land Use Strategy, particularly through improved engagement with land managers.

**Update on commitment to reduce waste and use materials more efficiently, working towards a 70% target for recycled waste and a maximum of 5% to be sent to landfill by 2025. Update on supporting businesses to use resources more efficiently, waste less and, as a result, reduce their costs and emissions while boosting profitability and productivity.**

**SG Response:** Building on our Zero Waste Plan (2010) we are focusing our efforts on achieving a transition to a more circular economy, which keeps materials and products in use for as long as possible, extracts the maximum value from them while in use, and recovers and regenerates new products and materials at the end of each service life. This approach will build resilience to supply disruptions and price volatility, while supporting the shift towards a low carbon and prosperous economy. Our key actions and achievements to date are:]

- Established Resource Efficient Scotland to provide, practical, on-the-ground support to help businesses eliminate unnecessary waste (water, energy and materials), save money and retain a competitive edge.
- Participating in major voluntary agreements with key business sectors - including grocery, hospitality and construction to reduce waste and recycle more.
- Delivered high profile campaigns to promote recycling and help people reduce food waste – saving money and cutting environmental impacts.
- Scotland’s household recycling rate was 40.1% in 2011 (up from around 32% for municipal waste in 2007). The percentage of waste landfilled in Scotland was down to 27% in 2010. Over 1 million households (46% of total households) now have access to a food waste collection service.
- The Waste (Scotland) Regulations 2012 are bringing about a transformation in recycling services to households and businesses, and helping save money, with:
  - new duties for dry recyclables and food waste to be collected from homes and businesses (end 2013)
  - bans on landfilling biodegradable waste (end 2020).
- Established a £3.8 million loan fund to help develop plastics reprocessing infrastructure.
- Announced plans to require retailers to charge for single use carrier bags by October 2014 – to promote reuse and reduce litter.

**Update on commitment to help families and individuals to reduce their waste – for example by cutting avoidable food waste, and save each household on average £430 every year – and commitment to invest £70.8 million in the zero waste Scotland programme, to help Scotland unlock these savings and reduce its emissions by cutting its waste.**

**SG Response:** The reference to the saving target of £430 every year by cutting avoidable food waste was inaccurately stated in the spending review document. £430 is the estimate of the total average cost of avoidable food waste to households. Our food waste prevention campaign and voluntary agreement with the grocery sector will have helped households reduce this, but not eliminate it.

**Progress in delivering the aim to increase woodland planting to 10,000 hectares per year, recognising that forestry continues to be an area of major importance for climate change. The government will invest £65.5 million in the Forestry Commission and Forest Enterprise in 2012-13.**

**Update on commitment to expand Scotland's woodland – building to a planting rate of 10,000 hectares per year, supporting Forestry Commission Scotland with a budget of £48 million for this purpose, supplemented by European Funding.**

**SG Response:** Scotland has some 1.4 million hectares of woodland, which equates to roughly 18% of total land area. Scotland's woodland sequestered a net total of 9.1 MtCO<sub>2</sub>e in 2011. Without this, total Scottish emissions would have been 18% higher. However, following a period of low historic rates of woodland planting, net carbon sequestration rates are currently reducing year on year due to the lower proportion of young trees in Scottish forests.

To combat this, the recently published RPP2 confirms Scottish Minister's target to increase woodland cover by 100,000ha in the period to 2022 (Woodland Expansion Advisory Group, 2012). This requires woodland planting rates to increase to an average of 10,000 hectares per year (ha/yr). Good progress has been made with new planting rates increasing from 2,700 ha in 2009/10 to an average of 8,000 ha per year over the past two years. Based on an assumed constant rate of planting of 10,000 ha per annum from 2015 onwards, this will lead to lifetime emissions savings of 4.8 MtCO<sub>2</sub>e by 2027.

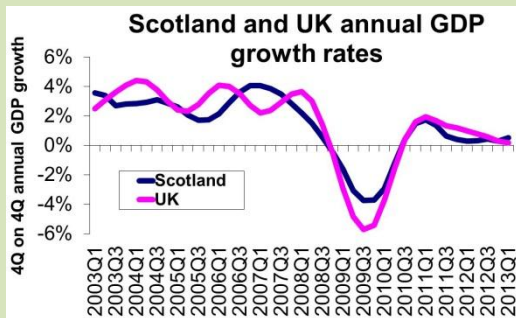
**The following National Performance Framework indicators have been selected as relevant to the Finance Committee for the purposes of the Draft Budget Consultation Period.**

- The report overleaf shows current performance on these indicators as at 11 September 2013.
- The hyperlinks below take you to the Scotland Performs website for the latest information on each indicator.

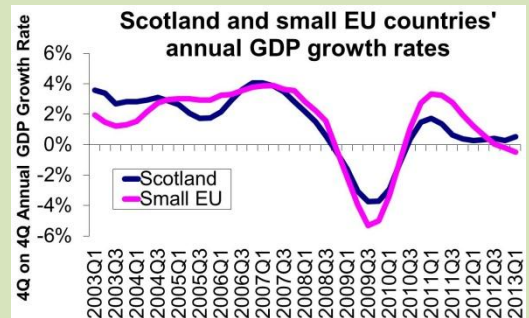
- [To raise the GDP growth rate to the UK level by 2011](#)
- [To match the growth rate of the small independent EU countries by 2017](#)
- [To rank in the top quartile for productivity against key trading partners in the OECD by 2017](#)
- [To maintain our position on labour market participation as the top performing country in the UK](#)
- [To increase overall income and the proportion of income earned by the lowest three income deciles as a group by 2017](#)
- [Improve the responsiveness of public services](#)
- [To narrow the gap in participation between Scotland's best and worst performing regions by 2017](#)
- [Improve people's perceptions of the quality of public services](#)



## Performance improving

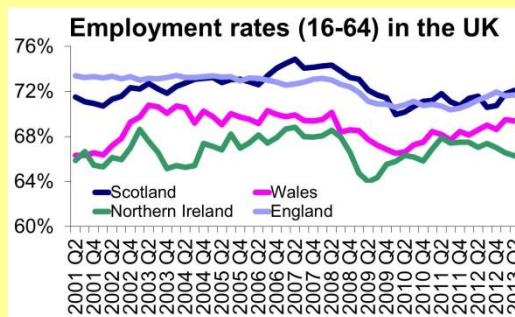
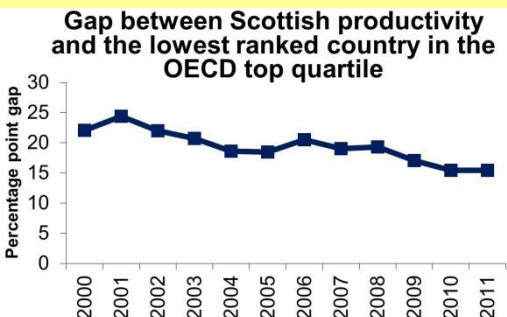


Annual GDP growth in the last quarter was slightly higher in Scotland compared to the UK.



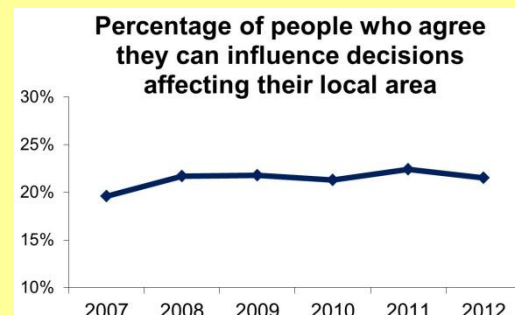
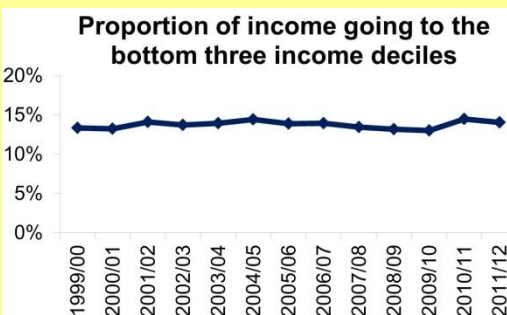
Annual GDP growth in the last quarter was slightly higher in Scotland compared to the small EU countries.

## Performance maintaining



The productivity gap between Scotland and the lowest ranked country in the OECD top quartile has decreased over the past decade, but with no substantial change between 2010 and 2011.

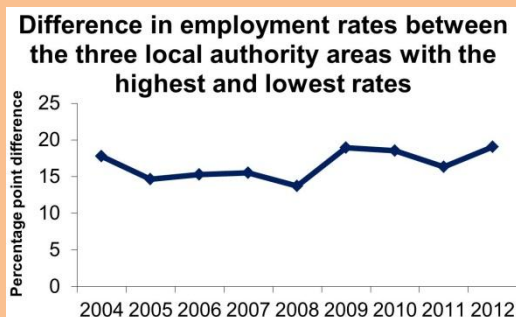
Scotland's employment rate fell below England's in the last two quarters of 2012, but the trend over the past few years is for rates in the UK to be highest in Scotland.



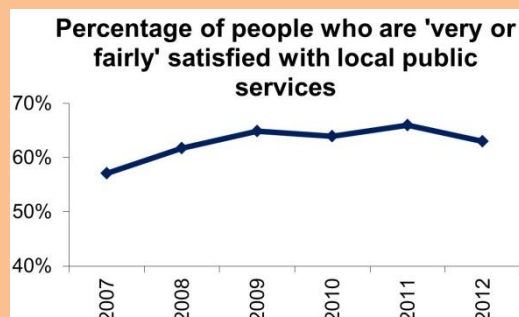
The proportion of income received by those at the bottom of the income distribution has remained broadly unchanged since 1999.

The percentage of people who agree that they can influence decisions affecting their local area stayed about the same in the past year.

## Performance worsening



The gap in employment rates between the three local authorities with highest and lowest rates widened in 2012 compared to 2011, due to the employment rate falling in the lowest performing areas .



After generally improving between 2007 and 2011, the percentage of people who are 'very or fairly' satisfied with local public services has markedly decreased.

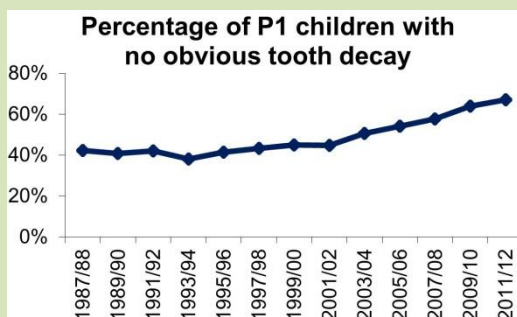
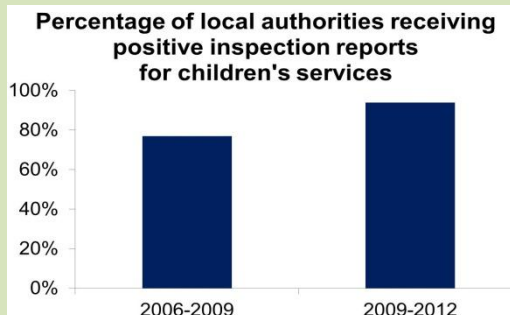
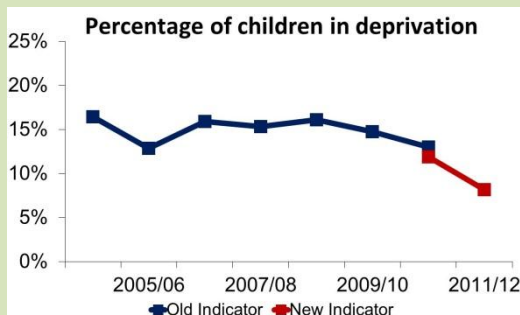
The following National Performance Framework indicators are for the Finance Committee’s deliberations as part of the Draft Budget Consultation Period.

- The report overleaf shows current performance on these indicators as at 11 September 2013.
- The hyperlinks below take you to the Scotland Performs website for the latest information on each indicator.

- [Reduce children's deprivation](#)
- [Improve children's services](#)
- [Improve children's dental health](#)
- [Increase the proportion of babies with a healthy birth weight](#)
- [Increase the proportion of healthy weight children](#)
- [Increase the proportion of pre-school centres receiving positive inspection reports](#)



### Performance improving

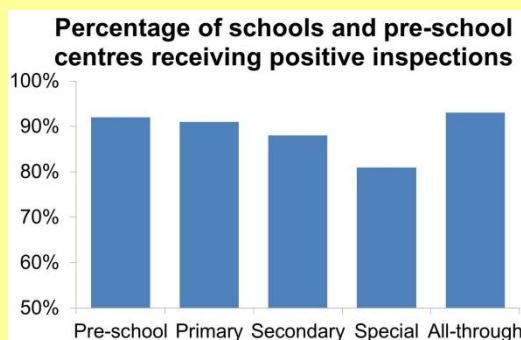
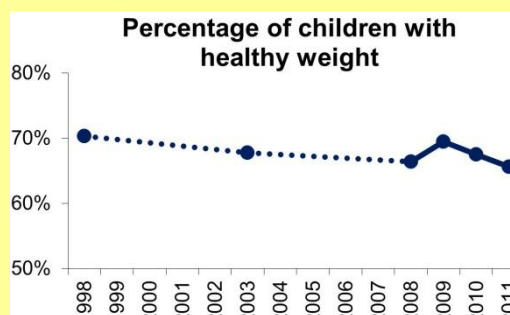
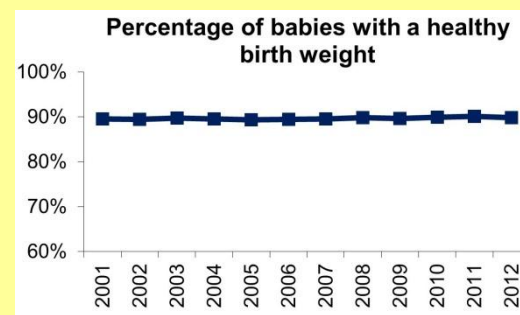


The proportion of children living in deprivation has decreased in 2012.

More local authorities received positive evaluations in child protection inspections in 2009-12 than in the previous period.

Over the past decade there has been an increase in the percentage of Primary 1 children with no obvious tooth decay.

### Performance maintaining



The proportion of babies with a healthy birth weight has remained steady over the past decade, with 90% of babies being a healthy birth weight each year.

The proportion of children with a healthy weight has fluctuated over time, but has an overall pattern of gradual decline, with little change in the last year.

New baseline data shows that 92% of pre-school centres receive positive inspection reports.

### Performance worsening

None of the indicators relevant to Early Intervention have a current status of 'performance worsening'.

**The following National Performance Framework indicators have been selected as relevant to the Health and Sport Committee for the purposes of the Draft Budget Consultation Period.**

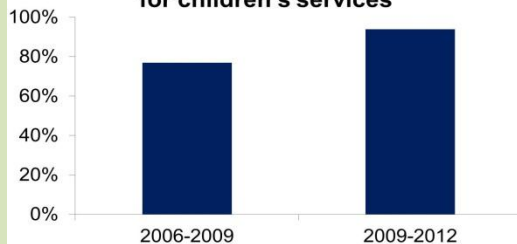
- The report overleaf shows current performance on these indicators as at 11 September 2013.
- The hyperlinks below take you to the Scotland Performs website for the latest information on each indicator.

- [Improve children's services](#)
- [Improve children's dental health](#)
- [Supported by increased healthy life expectancy in Scotland over the period from 2007 to 2017](#)
- [Reduce premature mortality](#)
- [Improve the quality of healthcare experience](#)
- [Reduce deaths on Scotland's roads](#)
- [Reduce the proportion of individuals living in poverty](#)
- [Reduce children's deprivation](#)
- [Increase the proportion of babies with a healthy birth weight](#)
- [Increase the proportion of healthy weight children](#)
- [Improve mental wellbeing](#)
- [Increase physical activity](#)
- [Reduce alcohol related hospital admissions](#)
- [Improve self-assessed general health](#)
- [Improve end of life care](#)
- [Improve support for people with care needs](#)
- [Increase the proportion of journeys to work made by public or active transport](#)
- [To match average European \(EU15\) population growth over the period from 2007 to 2017](#)
- [Reduce the percentage of adults who smoke](#)
- [Increase people's use of Scotland's outdoors](#)
- [Reduce the number of individuals with problem drug use](#)
- [Reduce emergency admissions to hospital](#)
- [To narrow the gap in participation between Scotland's best and worst performing regions by 2017](#)

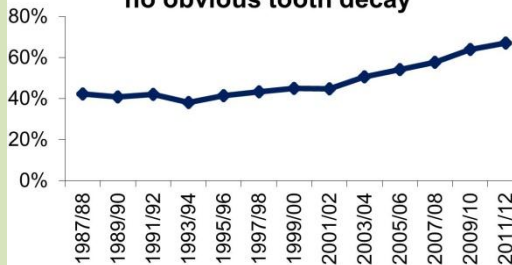


## Performance improving

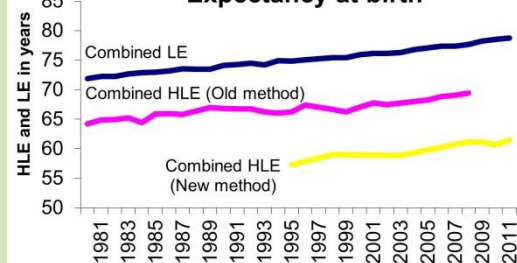
**Percentage of local authorities receiving positive inspection reports for children's services**



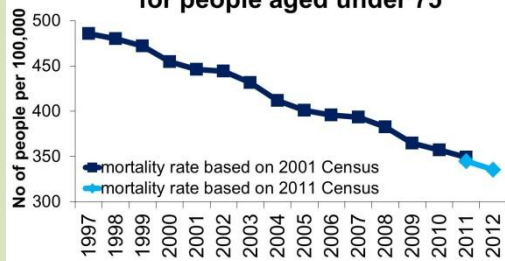
**Percentage of P1 children with no obvious tooth decay**



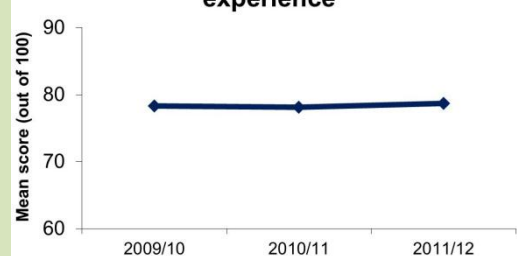
**Life Expectancy and Healthy Life Expectancy at birth**



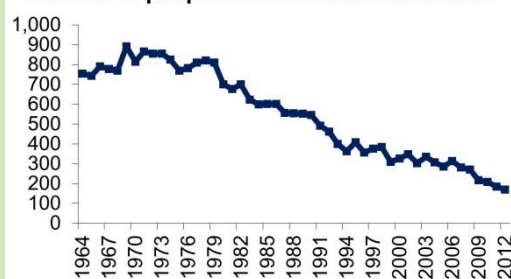
**Premature mortality for people aged under 75**



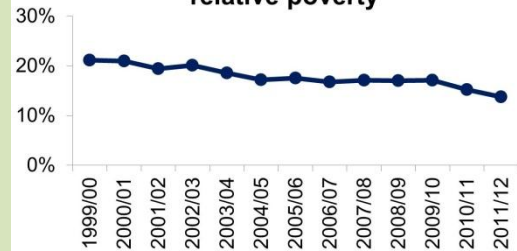
**Patients' mean scores for healthcare experience**



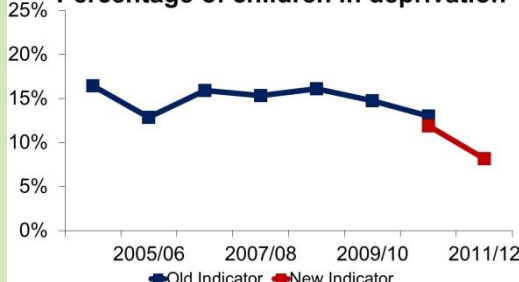
**Number of people killed on Scotland's roads**



**Proportion of individuals living in relative poverty**



**Percentage of children in deprivation**



More local authorities received positive evaluations in child protection inspections in 2009-12 than in the previous period.

Over the past decade there has been an increase in the percentage of Primary 1 children with no obvious tooth decay.

Levels of healthy life expectancy have been gradually increasing since 1980.

Premature mortality has decreased continuously for the last few years, continuing the long term downward trend.

Patients rated the quality of their healthcare experience as better in 2011/12 than in the previous two years.

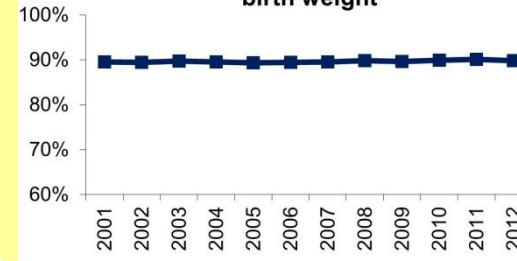
The number of people killed on Scotland's roads has fallen continuously for the past several years, as part of a long term downward trend.

The proportion of individuals living in relative poverty has decreased in the last two years, after remaining essentially unchanged for several years.

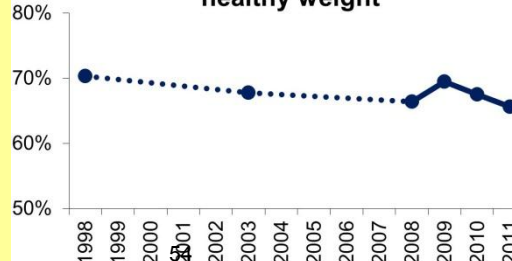
The proportion of children living in deprivation has decreased in 2012.

## Performance maintaining

**Percentage of babies with a healthy birth weight**



**Percentage of children with healthy weight**

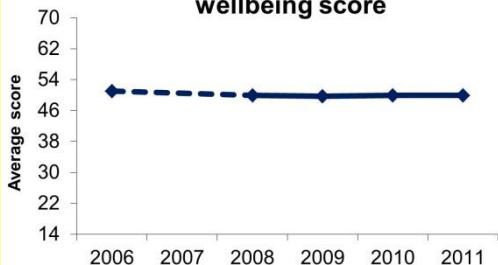


The proportion of babies with a healthy birth weight has remained steady over the past decade, with 90% of babies being a healthy birth weight each year.

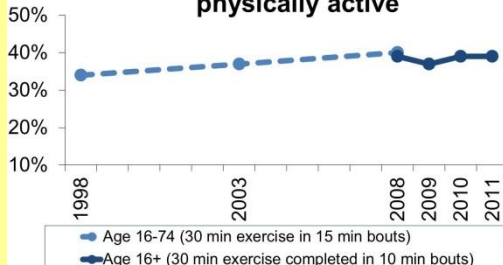
The proportion of children with a healthy weight has fluctuated over time, but has an overall pattern of gradual decline, with little change in the last year.

## Performance maintaining

**Average self-assessed mental wellbeing score**



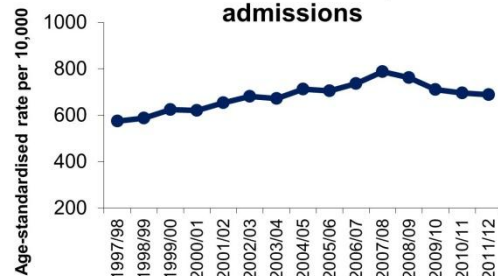
**Percentage of adults who are physically active**



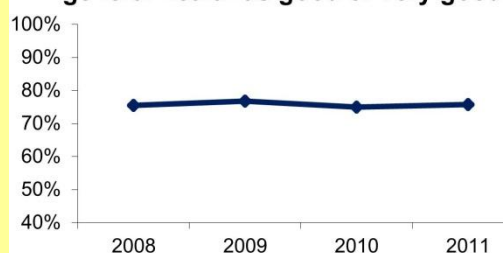
Average adult scores on the Warwick-Edinburgh Mental Wellbeing Scale have remained essentially unchanged for the past four years.

There has been no change in the proportion of adults meeting physical activity recommendations in recent years, although the longer term trend is generally increasing.

**Alcohol related hospital admissions**



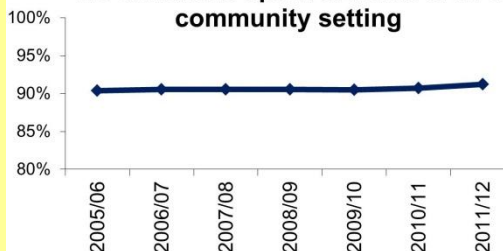
**Percentage of adults assessing their general health as good or very good**



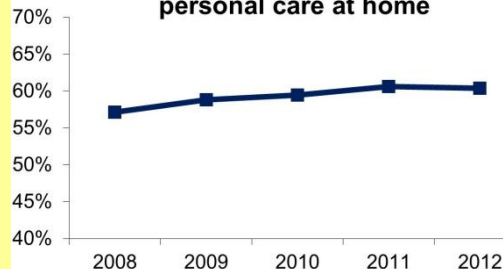
The rate of alcohol related hospital admissions remained largely unchanged in 2011/12 after decreasing from a peak in 2008.

There has been little change in the proportion of adults who assess their general health as good or very good in the last few years.

**Percentage of the last 6 months of life which are spent at home or in a community setting**



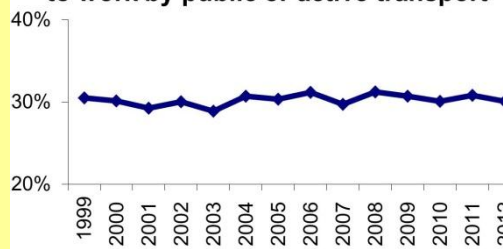
**Percentage of people receiving personal care at home**



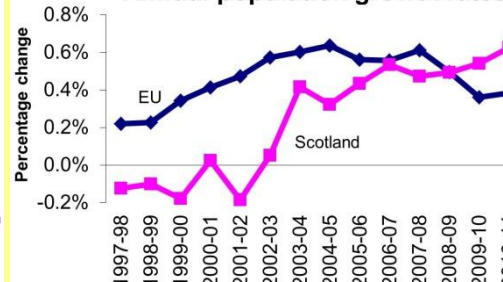
Consistently since 2005, over 90% of the last 6 months of life have been spent at home or in a community setting.

After increasing continuously since 2008, the percentage of people receiving personal care at home has remained the same in the last year.

**Percentage of adults who usually travel to work by public or active transport**



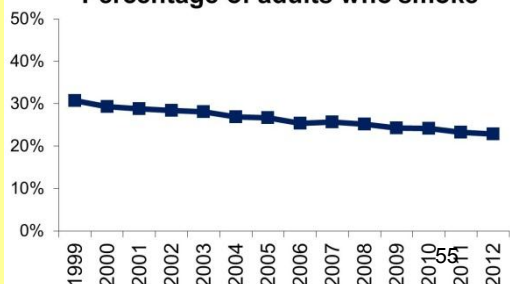
**Annual population growth rates**



The proportion of adults who usually travel to work by public or active transport has remained about the same for the last decade.

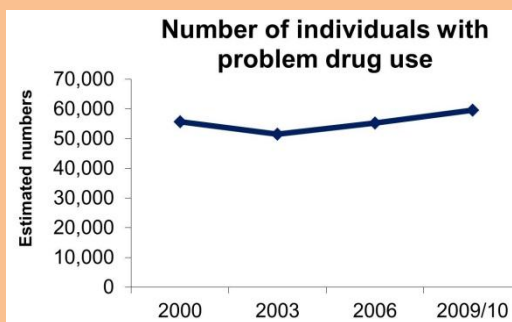
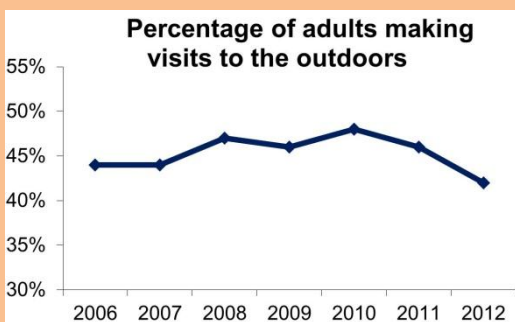
Scotland has a similar annual population growth rate to the EU in the latest year.

**Percentage of adults who smoke**



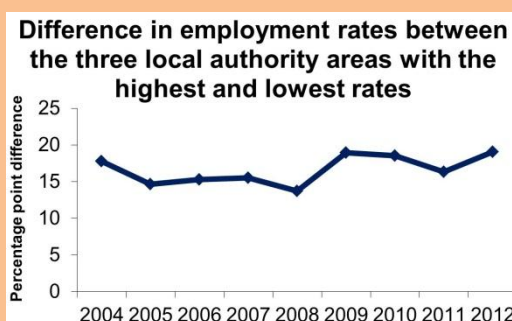
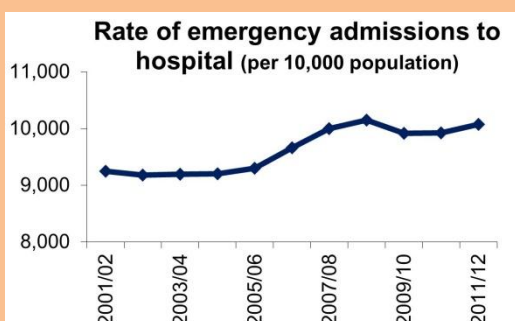
The number of adults who smoke has continued to decline as part of a consistent downward trend.

## Performance worsening



The percentage of adults making at least one weekly visit to the outdoors has decreased for the past two years.

The estimated number of individuals with problem drug use has increased in recent years.



The rate of emergency admissions to hospital peaked in 2008-09, but after falling in recent years the rate has again increased in 2011-12.

The gap in employment rates between the three local authorities with highest and lowest rates widened in 2012 compared to 2011, due to the employment rate falling in the lowest performing areas.

The following National Performance Framework indicators have been selected as relevant to the Education and Culture Committee for the purposes of the Draft Budget Consultation Period.

- The report overleaf shows current performance on these indicators as at 11 September 2013.
- The hyperlinks below take you to the Scotland Performs website for the latest information on each indicator.

## *Education*

- [Improve the skill profile of the population](#)
- [Increase the proportion of young people in learning, training or work](#)
- [Widen use of the internet](#)
- [Improve levels of educational attainment](#)
- [Increase the proportion of pre-school centres receiving positive inspection reports](#)
- [Increase the proportion of schools receiving positive inspection reports](#)
- [Increase the proportion of graduates in positive destinations](#)
- [Increase research and development spending](#)
- [Improve knowledge exchange from university research](#)

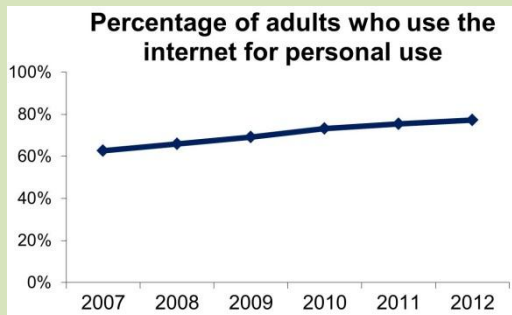
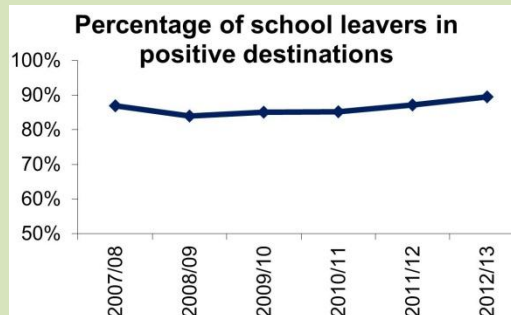
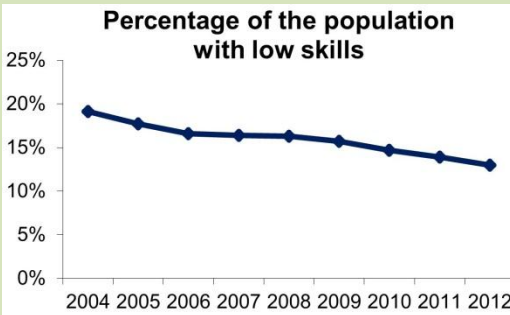
## *Culture*

- [Increase cultural engagement](#)
- [Improve the state of Scotland's historic sites](#)



## Education

### Performance improving

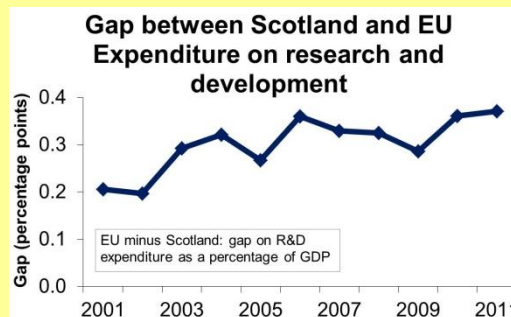
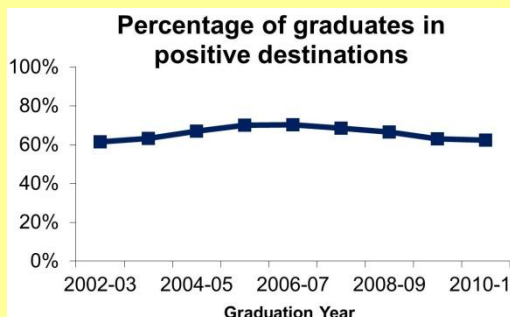
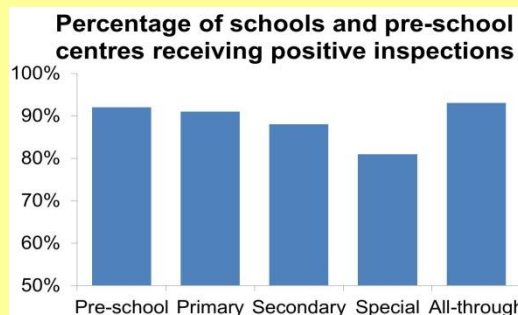
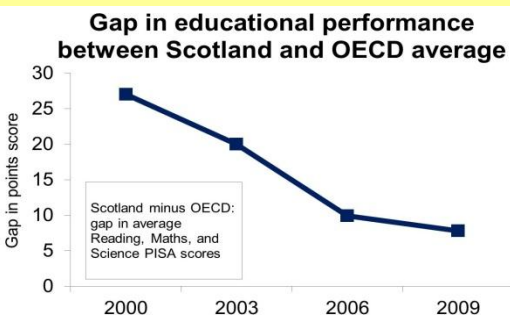


The percentage of the working age population with low skills continues to decline as part of a consistent downward trend.

The proportion of school leavers in positive destinations has increased over the last four years.

The percentage of adults using the internet for personal use has increased in the past year, part of a steady upward trend.

### Performance maintaining



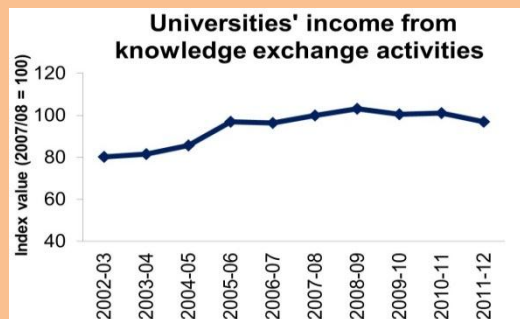
Although Scotland's educational performance is still above the OECD average, the gap narrowed markedly in recent years and has remained the same in 2009.

New baseline data shows that 90% of schools and 92% of pre-school centres receive positive inspection reports.

The proportion of graduates in positive destinations has remained about the same in the last few years, although on a downward trend.

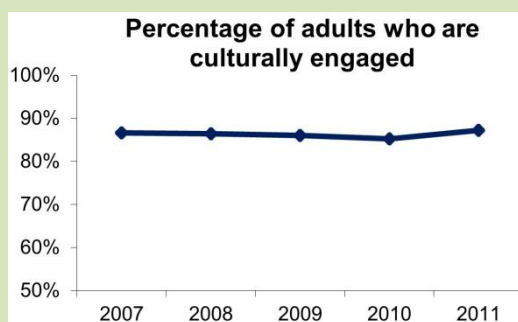
The gap between Scotland and the rest of the EU's R&D expenditure remains relatively wide, as expenditure in the rest of Europe has increased at a slightly higher rate.

## Performance worsening



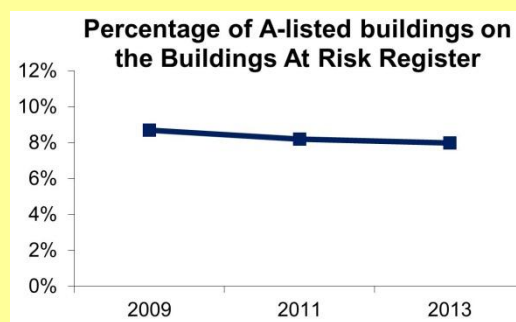
University income from knowledge exchange fell in 2011-12 due to a fall in income from licensing, venturing and consulting activities.

## Performance improving



After remaining stable for four years, the percentage of adults participating in a cultural activity increased in 2011.

## Performance maintaining



The percentage of Scotland's category A-listed historic buildings on the Buildings At Risk Register fell between 2009 and 2011, and has remained about the same level in 2013.

## Performance worsening

None of the indicators relevant to culture have a current status of 'performance worsening'.

**The following National Performance Framework indicators have been selected as relevant to the European and External Relations Committee for the purposes of the Draft Budget Consultation Period.**

- The report overleaf shows current performance on these indicators as at 11 September 2013.
- The hyperlinks below take you to the Scotland Performs website for the latest information on each indicator.

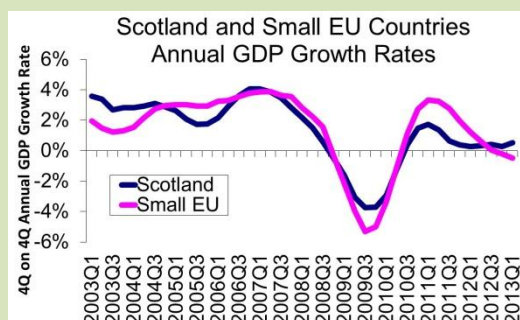
- [To match the growth rate of the small independent EU countries by 2017](#)

- [Increase exports](#)

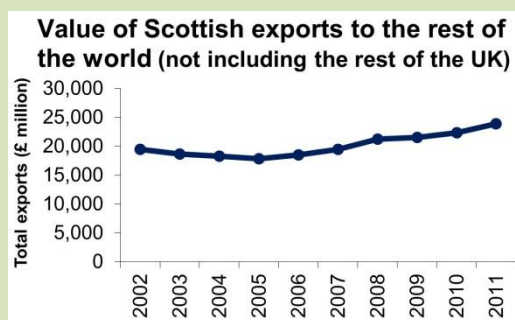
- [Improve Scotland's reputation](#)



## Performance improving

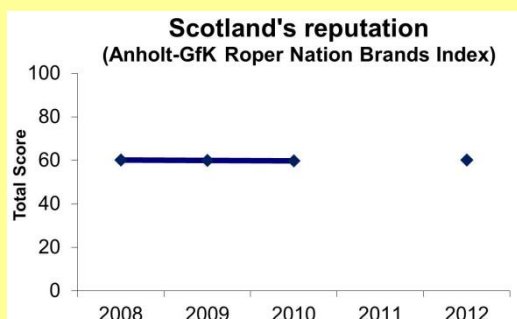


Annual GDP growth in the last quarter was slightly higher in Scotland compared to the small EU countries.



There has been a steady annual increase in the total value of Scottish exports since 2006.

## Performance maintaining



Scotland continues to have a high score for reputation, consistently rated in the top third of the 50 countries evaluated.

## Performance worsening

None of the indicators relevant to the Committee have a current status of 'performance worsening'.

The following National Performance Framework indicators have been selected as relevant to the Economy, Energy and Tourism Committee for the purposes of the Draft Budget Consultation Period.

- The report overleaf shows current performance on these indicators as at 11 September 2013.
- The hyperlinks below take you to the Scotland Performs website for the latest information on each indicator.

## Economy

- [To raise the GDP growth rate to the UK level by 2011](#)
- [To match the growth rate of the small independent EU countries by 2017](#)
- [Increase the number of businesses](#)
- [Increase exports](#)
- [Improve digital infrastructure](#)
- [Improve the skill profile of the population](#)
- [Increase the proportion of young people in learning, training or work](#)
- [Widen use of the internet](#)
- [To rank in the top quartile for productivity against key trading partners in the OECD by 2017](#)
- [To maintain our position on labour market participation as the top performing country in the UK](#)
- [To close the gap with the top five OECD economies by 2017](#)
- [To increase overall income and the proportion of income earned by the lowest three income deciles as a group by 2017](#)
- [Improve levels of educational attainment](#)
- [Increase research and development spending](#)
- [Increase the proportion of graduates in positive destinations](#)

## Economy (continued)

- [To narrow the gap in participation between Scotland's best and worst performing regions by 2017](#)
- [Increase the number of new homes](#)
- [Improve knowledge exchange from university research](#)

## Energy

- [To reduce emissions over the period to 2011 / To reduce emissions by 80 percent by 2050](#)
- [Increase renewable electricity production](#)
- [Reduce traffic congestion](#)
- [Reduce Scotland's carbon footprint](#)

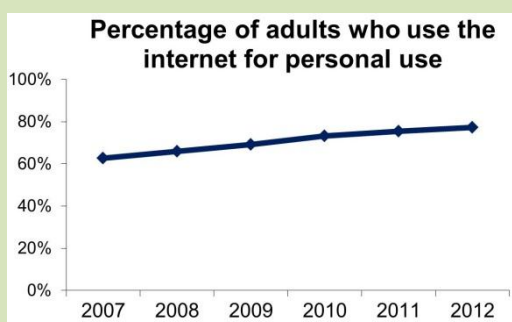
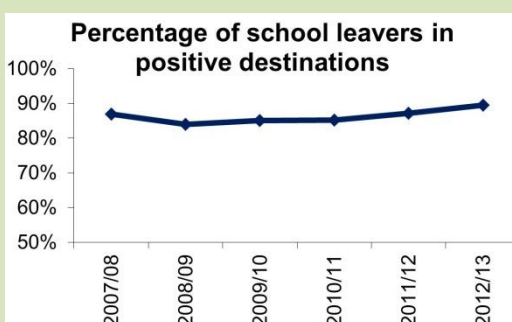
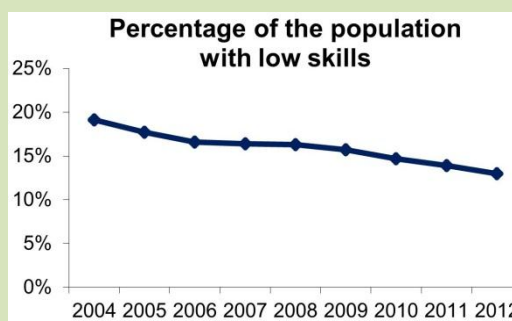
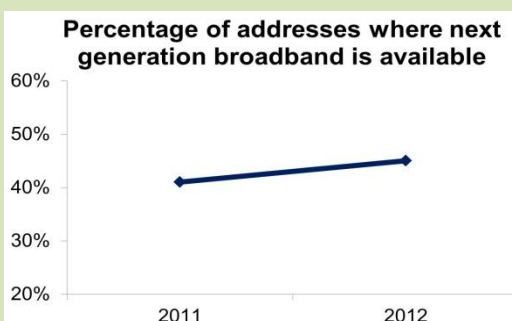
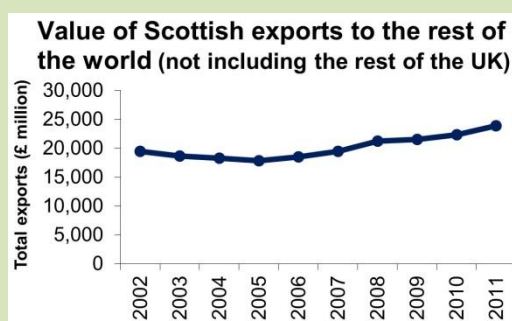
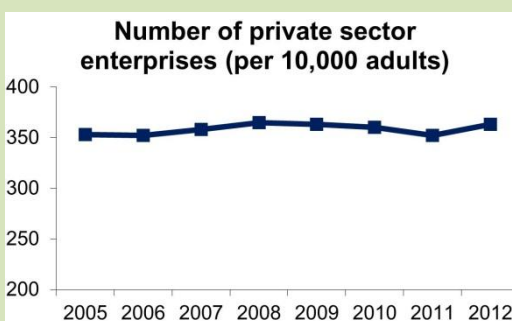
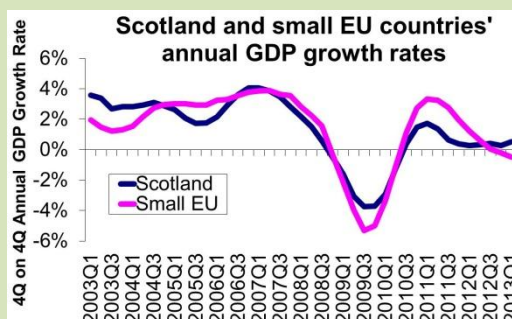
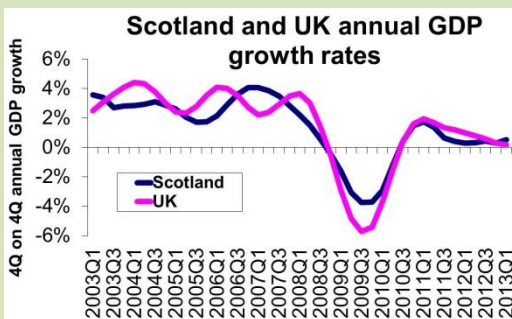
## Tourism

- [Increase cultural engagement](#)
- [Improve Scotland's reputation](#)
- [Improve the state of Scotland's historic sites](#)
- [Increase people's use of Scotland's outdoors](#)



## Economy

### Performance improving



Annual GDP growth in the last quarter was slightly higher in Scotland compared to the UK.

Annual GDP growth in the last quarter was slightly higher in Scotland compared to the small EU countries.

The increase in the number of businesses over the latest year marks a turning point in the previous declining trend experienced since 2008.

There has been a steady annual increase in the total value of Scottish exports since 2006.

Next generation broadband is available at more premises in 2012 than in 2011.

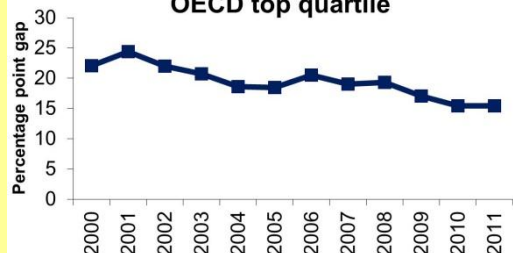
The percentage of the working age population with low skills continues to decline as part of a consistent downward trend.

The proportion of school leavers in positive destinations has increased over the last four years.

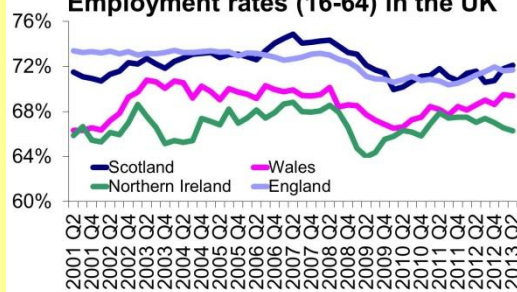
The percentage of adults using the internet for personal use has increased in the past year, part of a steady upward trend.

## Performance maintaining

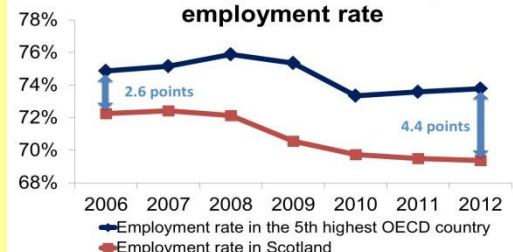
**Gap between Scottish productivity and the lowest ranked country in the OECD top quartile**



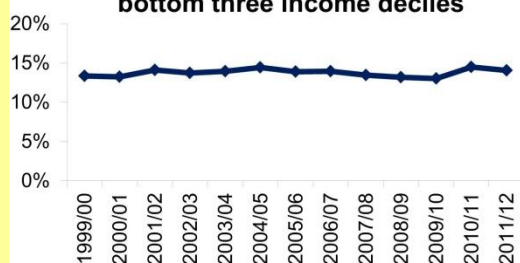
**Employment rates (16-64) in the UK**



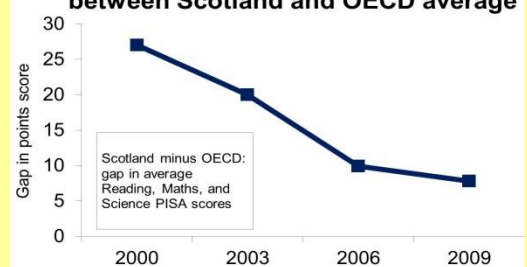
**Employment rate in Scotland vs the OECD country with the fifth highest employment rate**



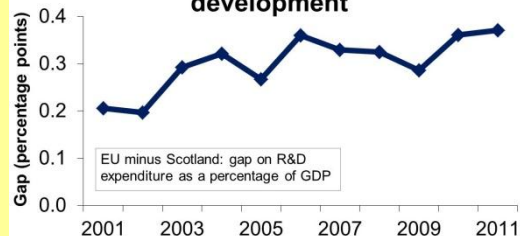
**Proportion of income going to the bottom three income deciles**



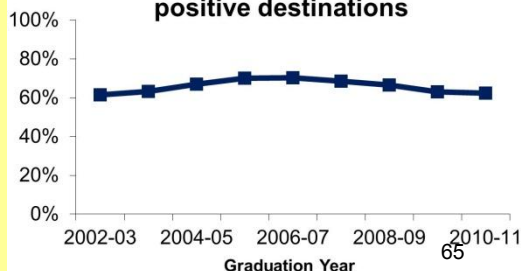
**Gap in educational performance between Scotland and OECD average**



**Gap between Scotland and EU Expenditure on research and development**



**Percentage of graduates in positive destinations**



The productivity gap between Scotland and the lowest ranked country in the OECD top quartile has decreased over the past decade, but with no substantial change between 2010 and 2011.

Scotland's employment rate fell below England's in the last two quarters of 2012, but the trend over the past few years is for rates in the UK to be highest in Scotland.

The gap in employment rates between Scotland and the 5th highest OECD country, which had narrowed in 2010, widened in 2011, with no substantial change in 2012.

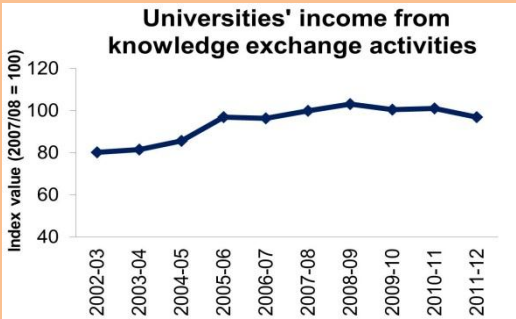
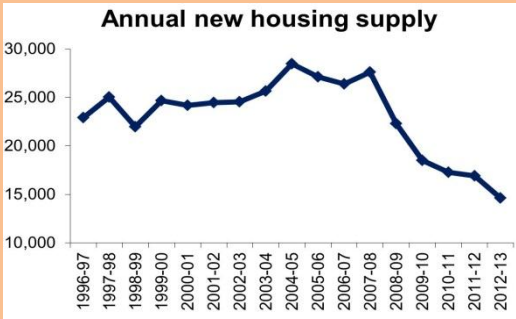
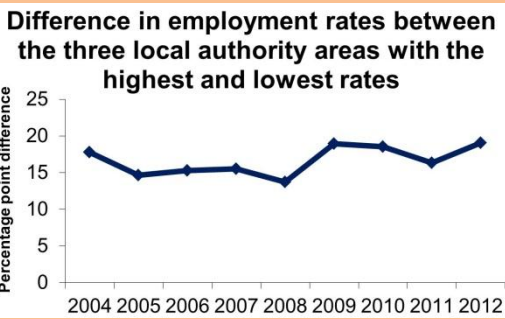
The proportion of income received by those at the bottom of the income distribution has remained broadly unchanged since 1999.

Although Scotland's educational performance is still above the OECD average, the gap narrowed markedly in recent years and has remained the same in 2009.

The gap between Scotland and the rest of the EU's R&D expenditure remains relatively wide, as expenditure in the rest of Europe has increased at a slightly higher rate.

The proportion of graduates in positive destinations has remained about the same in the last few years, although on a downward trend.

Performance worsening

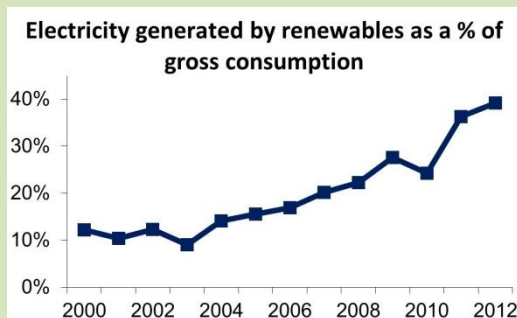
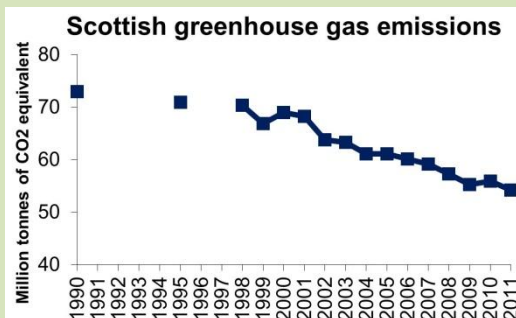


The gap in employment rates between the three local authorities with highest and lowest rates widened in 2012 compared to 2011, due to the employment rate falling in the lowest performing areas.

Since 2008, there has been a decline in total annual new housing supply, due to a marked fall in the number of private rather than social new builds.

University income from knowledge exchange fell in 2011-12 due to a fall in income from licensing, venturing and consulting activities.

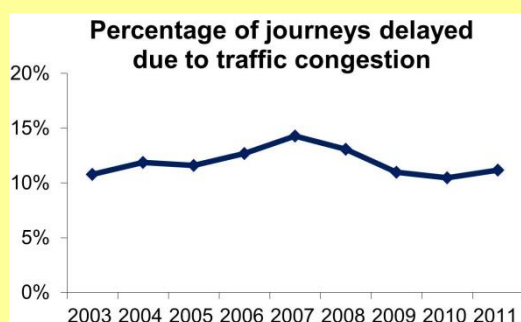
## Performance improving



Scottish greenhouse gas emissions have generally been decreasing over the past decade.

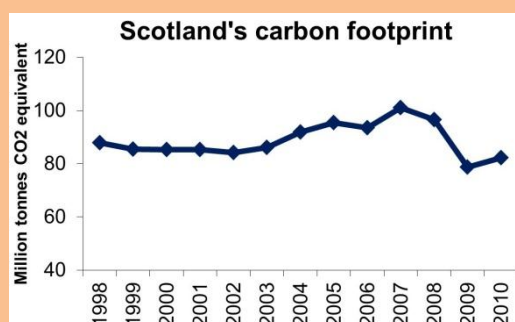
The proportion of Scotland's electricity generated from renewable sources has been increasing fairly steadily since 2004.

## Performance maintaining



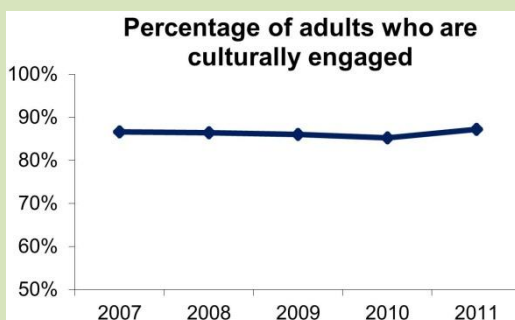
Journeys perceived to have been delayed due to traffic congestion have remained about the same in the last two years (after declining from 2007).

## Performance worsening



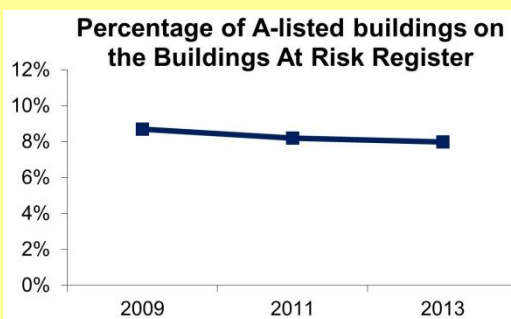
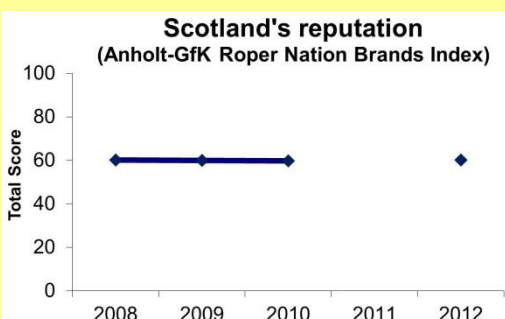
Scotland's carbon footprint increased in the last year, after declining from the peak in 2007.

## Performance improving



After remaining stable for four years, the percentage of adults participating in a cultural activity increased in 2011.

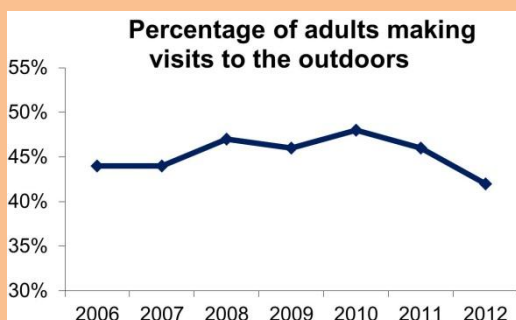
## Performance maintaining



Scotland continues to have a high score for reputation, consistently rated in the top third of the 50 countries evaluated.

The percentage of Scotland's category A-listed historic buildings on the Buildings At Risk Register fell between 2009 and 2011, and has remained about the same level in 2013.

## Performance worsening



The percentage of adults making at least one weekly visit to the outdoors has decreased for the past two years.

**The following National Performance Framework indicators have been selected as relevant to the Equal Opportunities Committee for the purposes of the Draft Budget Consultation Period.**

- The report overleaf shows current performance on these indicators as at 11 September 2013.
- The hyperlinks below take you to the [Scotland Performs](#) website for the latest information on each indicator.
- The Appendix shows some breakdowns (for example by gender, age and disability) where this information is available on Scotland Performs. A wider set of equality data is available through the [Equality Evidence Finder](#).

- [Improve the skill profile of the population](#)
  - see Appendix
- [Increase the proportion of young people in learning, training or work](#)
  - see Appendix
- [Reduce the proportion of individuals living in poverty](#)
  - see Appendix
- [Reduce children's deprivation](#)
- [Improve access to suitable housing options to those in housing need](#)
- [Reduce crime victimisation rates](#)
  - see Appendix
- [Reduce premature mortality](#)
- [Increase cultural engagement](#)
  - see Appendix
- [Widen use of the internet](#)
  - see Appendix
- [To increase overall income and the proportion of income earned by the lowest three income deciles as a group by 2017](#)
- [Improve levels of educational attainment](#)
- [Improve mental wellbeing](#)
  - see Appendix
- [Increase physical activity](#)
  - see Appendix
- [To narrow the gap in participation between Scotland's best and worst performing regions by 2017](#)



## Performance improving

The percentage of the working age population with low skills continues to decline as part of a consistent downward trend.

The proportion of school leavers in positive destinations has increased over the last four years.

The proportion of individuals living in relative poverty has decreased in the last two years, after remaining essentially unchanged for several years.

The proportion of children living in deprivation has decreased in 2012.

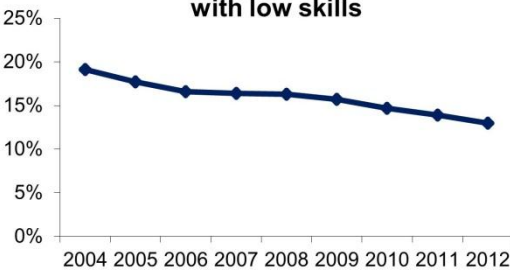
Since December 2012, all unintentionally homeless households have been entitled to settled accommodation.

The percentage of people who have been a victim of crime has fallen in recent years, continuing a generally downward trend.

Premature mortality has decreased continuously for the last few years, continuing the long term downward trend.

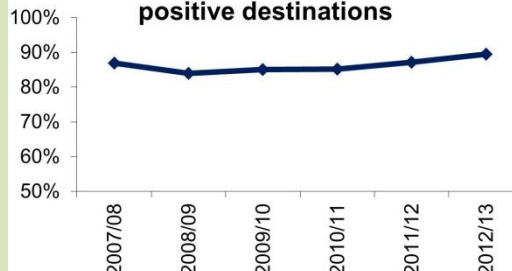
After remaining stable for four years, the percentage of adults participating in a cultural activity increased in 2011.

**Percentage of the population with low skills**



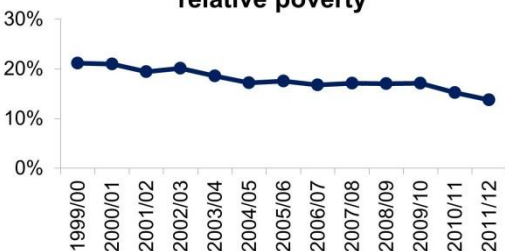
See also this indicator's breakdown in the Appendix

**Percentage of school leavers in positive destinations**



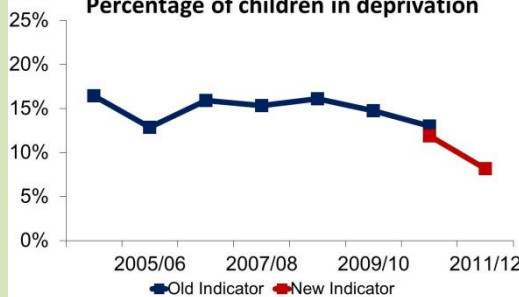
See also this indicator's breakdown in the Appendix

**Proportion of individuals living in relative poverty**

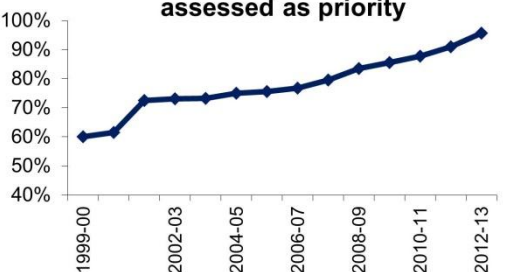


See also this indicator's breakdown in the Appendix

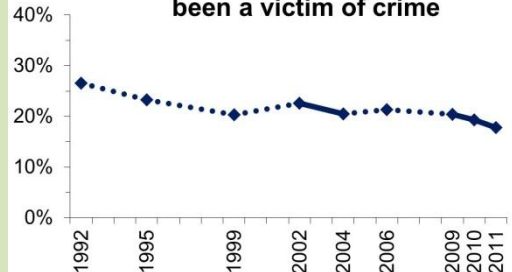
**Percentage of children in deprivation**



**Percentage of homeless households assessed as priority**

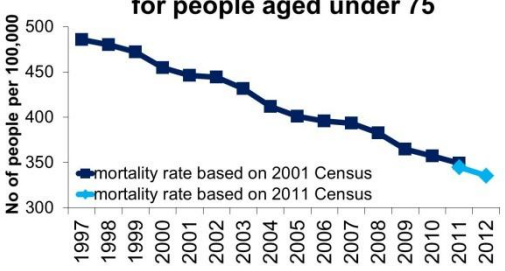


**Percentage of people who have been a victim of crime**

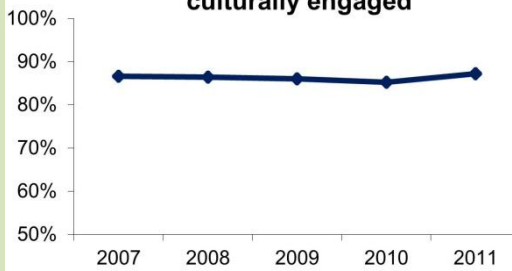


See also this indicator's breakdown in the Appendix

**Premature mortality for people aged under 75**

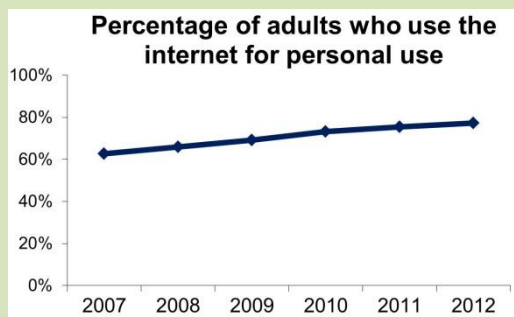


**Percentage of adults who are culturally engaged**



See also this indicator's breakdown in the Appendix

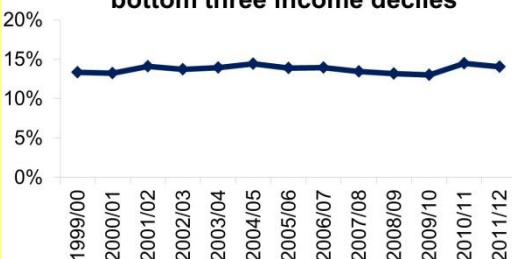
## Performance improving (continued)



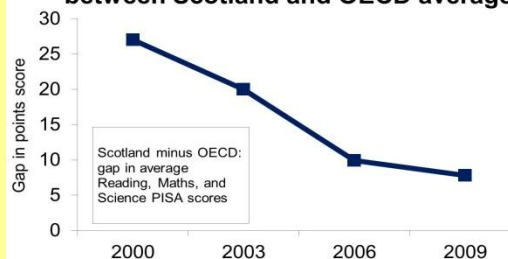
The percentage of adults using the internet for personal use has increased in the past year, part of a steady upward trend.

## Performance maintaining

**Proportion of income going to the bottom three income deciles**



**Gap in educational performance between Scotland and OECD average**



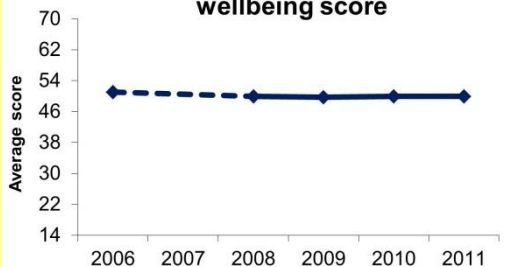
The proportion of income received by those at the bottom of the income distribution has remained broadly unchanged since 1999.

Although Scotland's educational performance is still above the OECD average, the gap narrowed markedly in recent years and has remained the same in 2009.

Average adult scores on the Warwick-Edinburgh Mental Wellbeing Scale have remained essentially unchanged for the past four years.

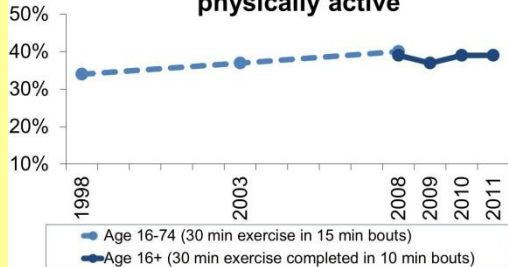
There has been no change in the proportion of adults meeting physical activity recommendations in recent years, although the longer term trend is generally increasing.

**Average self-assessed mental wellbeing score**



See also this indicator's breakdown in the Appendix

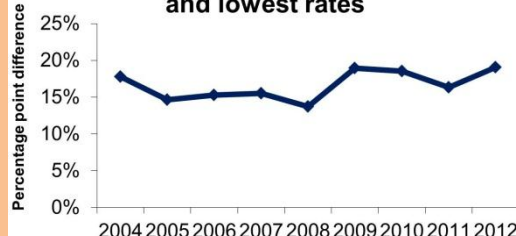
**Percentage of adults who are physically active**



See also this indicator's breakdown in the Appendix

## Performance worsening

**Difference in employment rate between three local authority areas with highest and lowest rates**



The gap in employment rates between the three local authorities with highest and lowest rates widened in 2012 compared to 2011, due to the employment rate falling in the lowest performing areas.

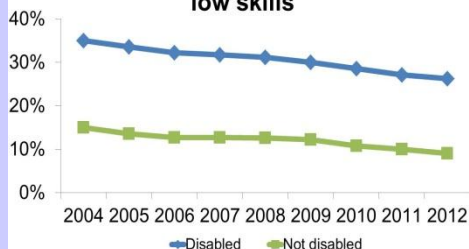
# Equal Opportunities Committee – Appendix

This Appendix uses the data available on Scotland Performs to provide selected data breakdowns for some of the indicators in the report.

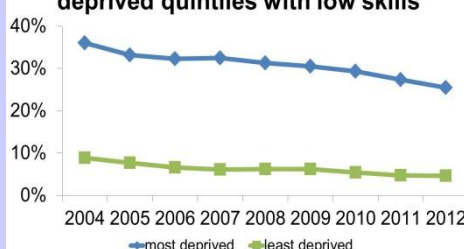
- Further breakdowns are available on [Scotland Performs](#) for some (though not all) of the indicators in the report
- A wider set of equality data is available through the [Equality Evidence Finder](#)

## Improve the skill profile of the population

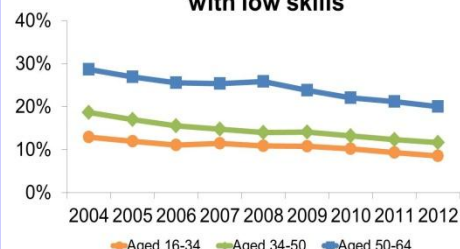
**Disabled and non-disabled adults with low skills**



**Adults from the most deprived and least deprived quintiles with low skills**



**Age groups of working age adults with low skills**



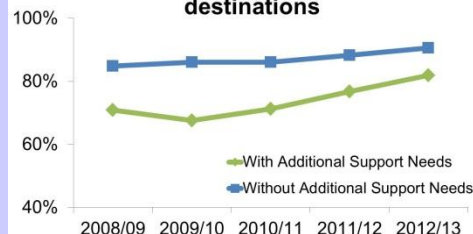
Since 2007 the proportion of disabled people with no or low qualifications has fallen by slightly more than for those without a disability.

The gap between the skill profile of adults in the most and least deprived areas remains large but has been decreasing in recent years.

The proportion of adults with low or no qualifications is strongly associated with age.

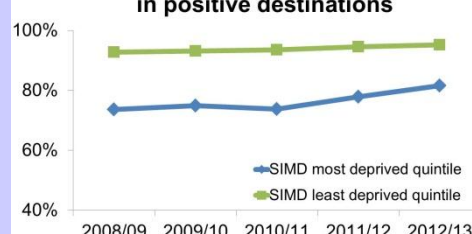
## Increase the proportion of young people in learning, training or work

**School leavers with and without Additional Support Needs in positive destinations**



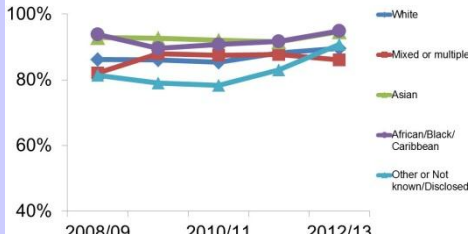
An increasing percentage of school leavers with Additional Support Needs have gone on to positive destinations in recent years.

**School leavers from the most deprived and least deprived quintiles in positive destinations**



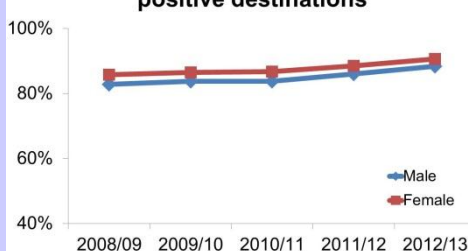
An increasing percentage of school leavers from the most deprived areas have gone on to positive destinations in recent years.

**School leavers in positive destinations by ethnic group**



The percentage of school leavers in positive destinations has increased for all ethnic groups except for 'Mixed or multiple'.

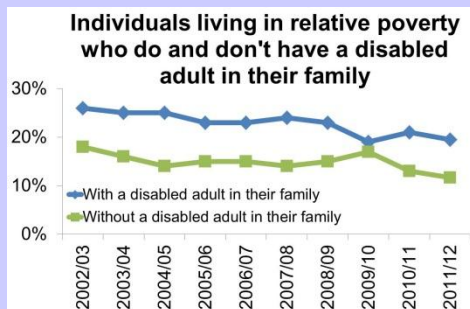
**Male and female school leavers in positive destinations**



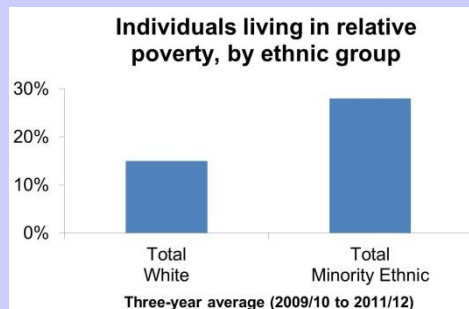
The gap between male and female school leavers going into positive destinations has narrowed slightly in recent years.

# Equal Opportunities Committee – Appendix

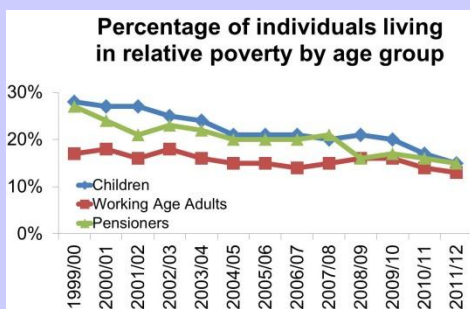
## Reduce the proportion of individuals living in poverty



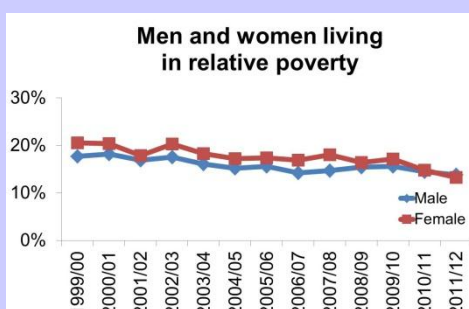
Generally, a greater percentage of people in a family with a disabled adult are in relative poverty compared to people in a family without a disabled adult.



Significantly more people living in relative poverty are members of minority ethnic groups compared to those from white ethnic groups.

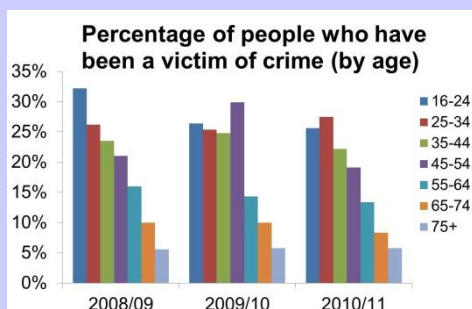


There has been a decrease in the percentage of individuals living in relative poverty across the age groups.



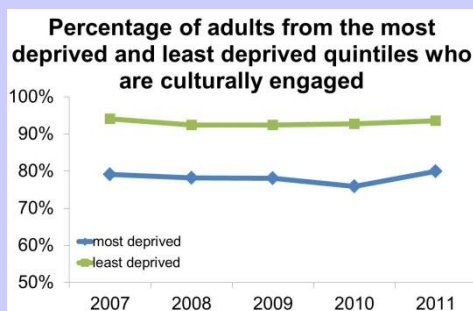
The small gap between men and women living in poverty has remained roughly consistent over the years available.

## Reduce crime victimisation rates

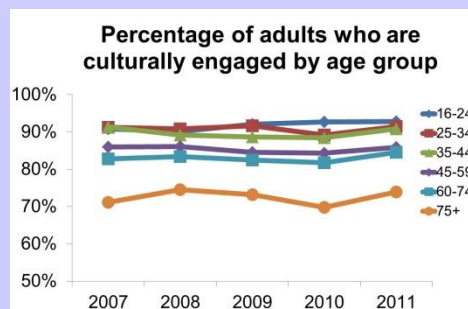


In general, younger adults (under 55) are more likely to be victims of crime than older adults.

## Increase cultural engagement

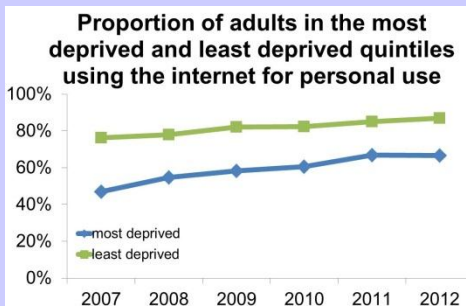


Adults in the more deprived areas consistently participate less in cultural activities than those in less deprived areas.

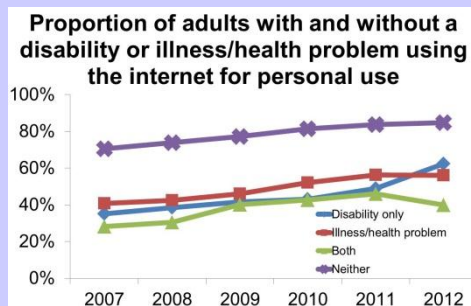


Levels of cultural engagement tend to decline with increasing age.

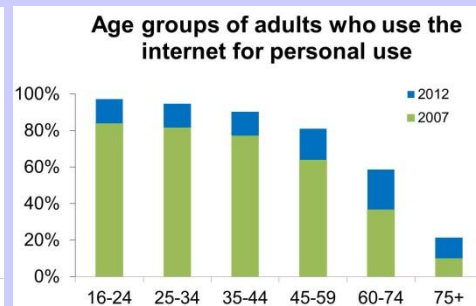
## Widen use of the internet



Although there was a slight decrease in internet usage among those in the most deprived areas between 2011 and 2012, the more deprived areas have seen the largest increases in internet usage over the last four years.



Adults with a disability, illness or health problem are less likely to use the internet for personal use than the rest of the population.

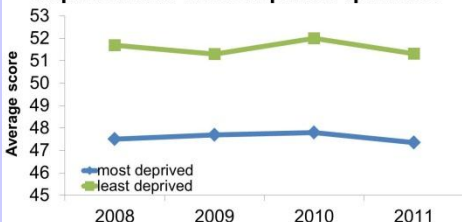


Over the five years to 2012 all age groups have seen increases in the proportion of people using the internet for personal use. The greatest increase has been among those aged 45-74 while the smallest increase has been in the 75+ age group.

# Equal Opportunities Committee – Appendix

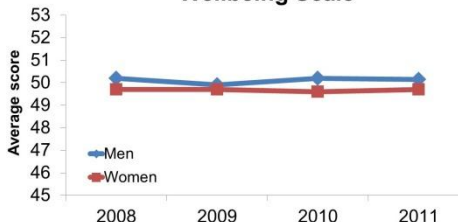
## Improve mental wellbeing

**Scores on the Warwick Edinburgh Mental Wellbeing Scale for adults from the most deprived and least deprived quintiles**



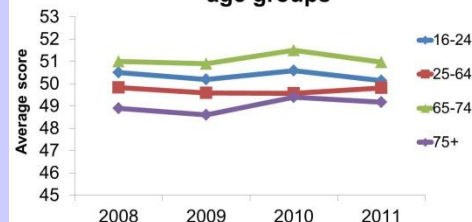
The poorest mental wellbeing is in the most deprived areas, with the highest mental wellbeing in the least deprived areas.

**Men and women's scores on the Warwick-Edinburgh Mental Wellbeing Scale**



Men's mental wellbeing scores are generally higher than women's.

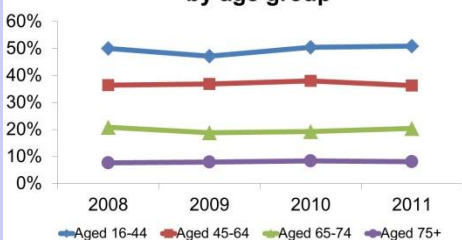
**Scores on the Warwick Edinburgh Mental Wellbeing Scale for different age groups**



People aged 65-74 consistently have the highest mental wellbeing scores.

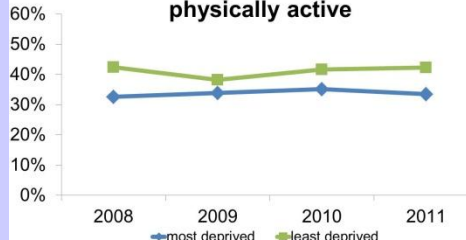
## Increase physical activity

**Adults who are physically active by age group**



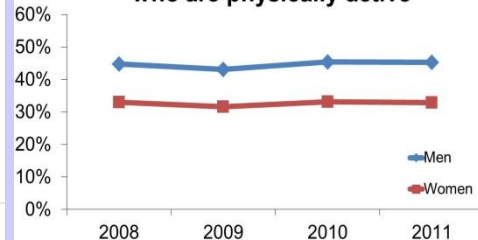
Around half of 16-44 year olds meet the physical activity recommendations, compared to less than one in ten of those aged 75+.

**Adults from the most deprived and least deprived quintiles who are physically active**



Levels of physical activity among adults in the most deprived areas have remained about the same in recent years, while the trend for adults in less deprived areas has fluctuated over time.

**Percentages of men and women who are physically active**



A higher proportion of men than women meet the physical activity recommendations.

The following National Performance Framework indicators have been selected as relevant to the Infrastructure and Capital Investment Committee for the purposes of the Draft Budget Consultation Period.

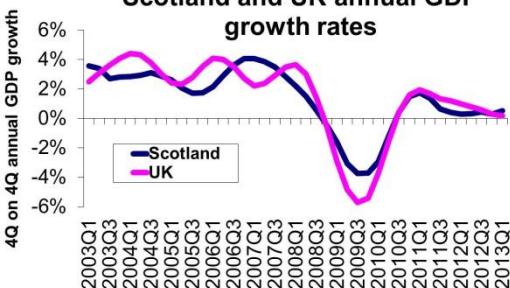
- The report overleaf shows current performance on these indicators as at 11 September 2013.
- The hyperlinks below take you to the Scotland Performs website for the latest information on each indicator.

- [To raise the GDP growth rate to the UK level by 2011](#)
- [To match the growth rate of the small independent EU countries by 2017](#)
- [To reduce emissions over the period to 2011 / To reduce emissions by 80 percent by 2050](#)
- [Increase renewable electricity production](#)
- [Reduce deaths on Scotland's roads](#)
- [Improve access to suitable housing options to those in housing need](#)
- [Improve digital infrastructure](#)
- [To rank in the top quartile for productivity against key trading partners in the OECD by 2017](#)
- [To maintain our position on labour market participation as the top performing country in the UK](#)
- [Reduce traffic congestion](#)
- [Increase the proportion of journeys to work by public or active transport](#)
- [Improve the state of Scotland's historic sites](#)
- [To narrow the gap in participation between Scotland's best and worst performing regions by 2017](#)
- [Increase the number of new homes](#)
- [Increase people's use of Scotland's outdoors](#)
- [Reduce Scotland's carbon footprint](#)

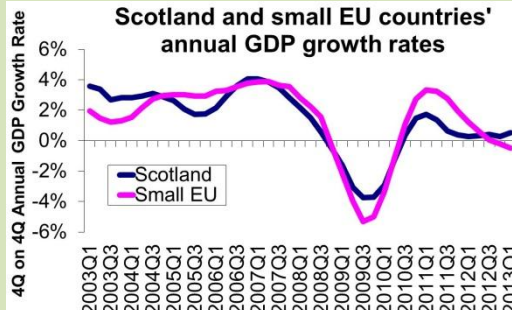


## Performance improving

**Scotland and UK annual GDP growth rates**



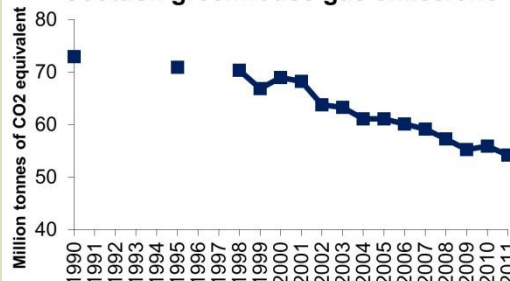
**Scotland and small EU countries' annual GDP growth rates**



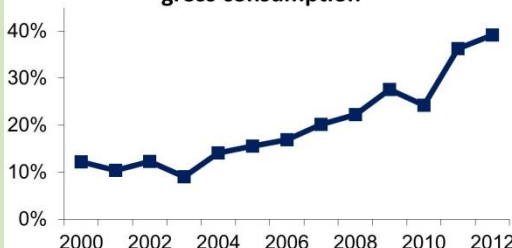
Annual GDP growth in the last quarter was slightly higher in Scotland compared to the UK.

Annual GDP growth in the last quarter was slightly higher in Scotland compared to the small EU countries.

**Scottish greenhouse gas emissions**



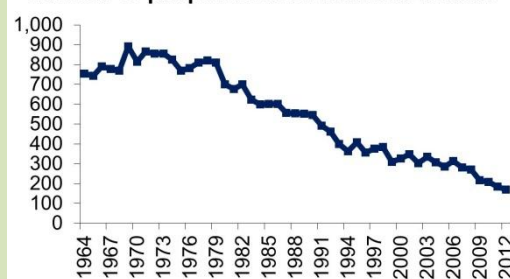
**Electricity generated by renewables as a % of gross consumption**



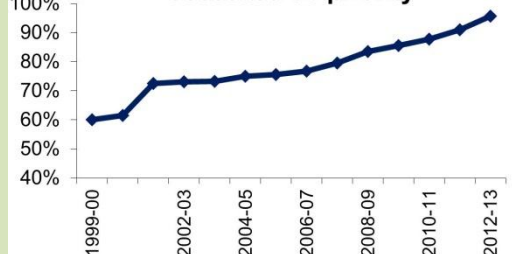
Scottish greenhouse gas emissions have generally been decreasing over the past decade.

The proportion of Scotland's electricity generated from renewable sources has been increasing fairly steadily since 2004.

**Number of people killed on Scotland's roads**



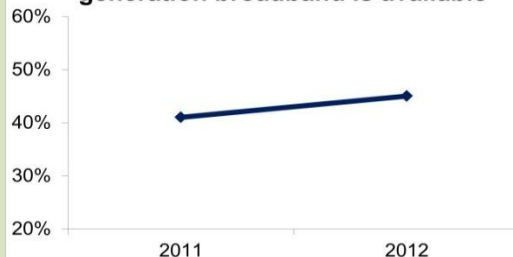
**Percentage of homeless households assessed as priority**



The number of people killed on Scotland's roads has fallen continuously for the past several years, as part of a long term downward trend.

Since December 2012, all unintentionally homeless households have been entitled to settled accommodation.

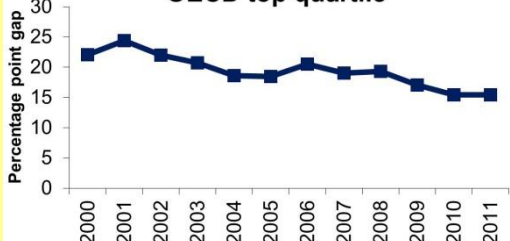
**Percentage of addresses where next generation broadband is available**



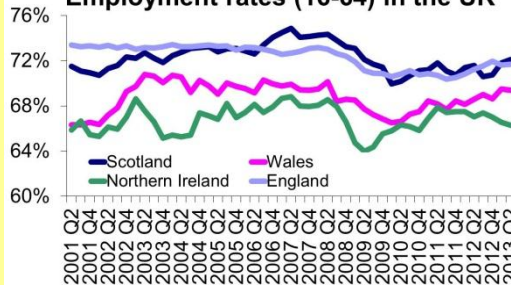
Next generation broadband is available at more premises in 2012 than in 2011.

## Performance maintaining

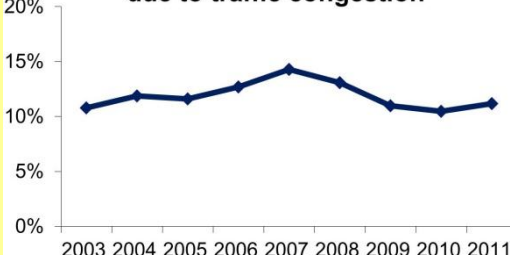
**Gap between Scottish productivity and the lowest ranked country in the OECD top quartile**



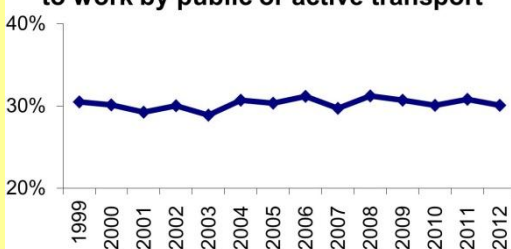
**Employment rates (16-64) in the UK**



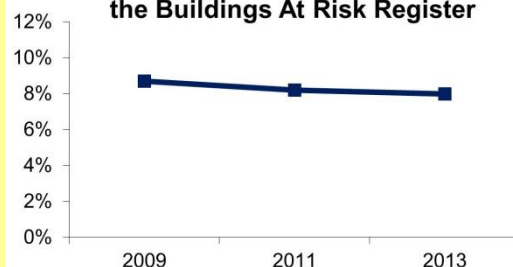
**Percentage of journeys delayed due to traffic congestion**



**Percentage of adults who usually travel to work by public or active transport**



**Percentage of A-listed buildings on the Buildings At Risk Register**



The productivity gap between Scotland and the lowest ranked country in the OECD top quartile has decreased over the past decade, but with no substantial change between 2010 and 2011.

Scotland's employment rate fell below England's in the last two quarters of 2012, but the trend over the past few years is for rates in the UK to be highest in Scotland.

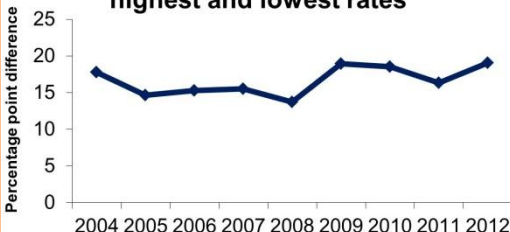
Journeys perceived to have been delayed due to traffic congestion have remained about the same in the last two years (after declining from 2007).

The proportion of adults who usually travel to work by public or active transport has remained about the same for the last decade.

The percentage of Scotland's category A-listed historic buildings on the Buildings At Risk Register fell between 2009 & 2011, and has remained about the same level in 2013.

## Performance worsening

**Difference in employment rates between the three local authority areas with the highest and lowest rates**



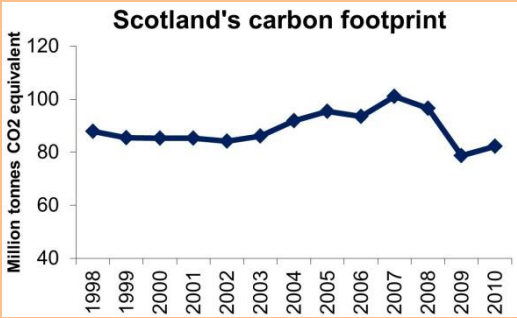
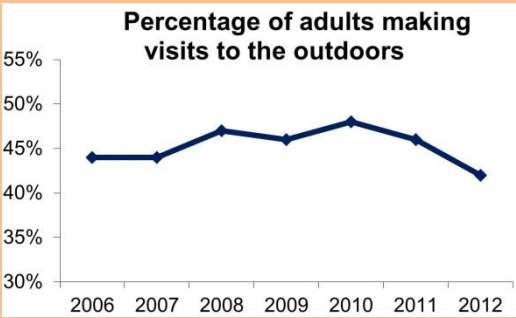
**Annual new housing supply**



The gap in employment rates between the three local authorities with highest and lowest rates widened in 2012 compared to 2011, due to the employment rate falling in the lowest performing areas.

Since 2008, there has been a decline in total annual new housing supply, due to a marked fall in the number of private rather than social new builds.

Performance worsening



The percentage of adults making at least one weekly visit to the outdoors has decreased for the past two years.

Scotland's carbon footprint increased in the last year, after declining from the peak in 2007.

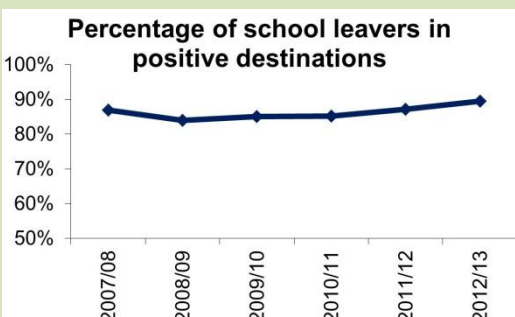
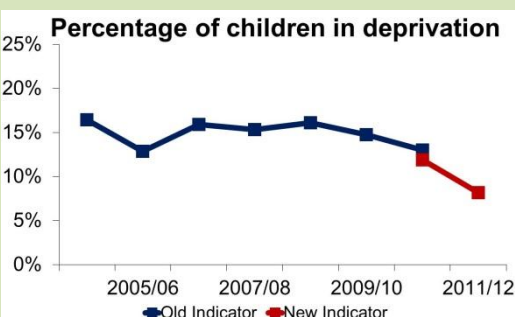
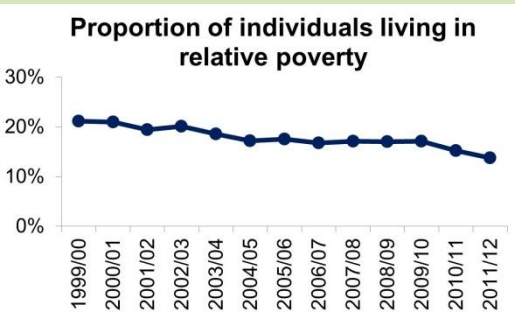
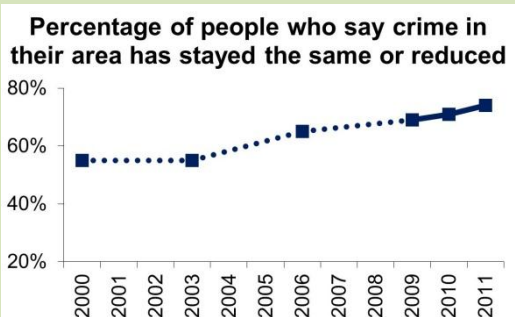
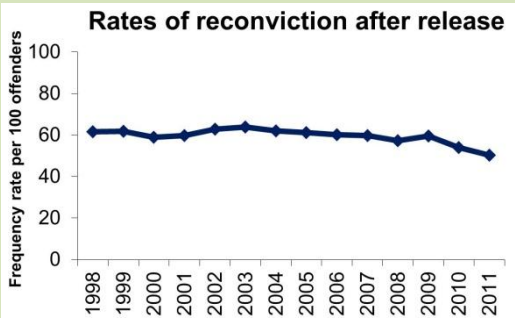
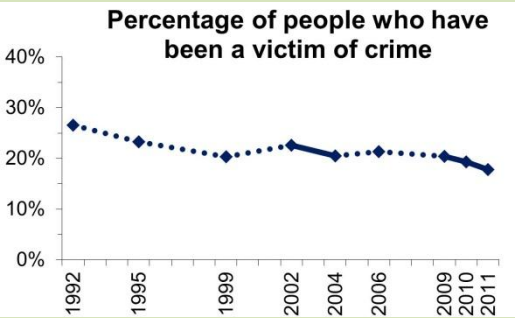
**The following National Performance Framework indicators have been selected as relevant to the Justice Committee for the purposes of the Draft Budget Consultation Period.**

- The report overleaf shows current performance on these indicators as at 11 September 2013.
- The hyperlinks below take you to the Scotland Performs website for the latest information on each indicator.

- [Reduce crime victimisation rates](#)
- [Reduce reconviction rates](#)
- [Improve people's perceptions about the crime rate in their area](#)
- [Reduce the proportion of individuals living in poverty](#)
- [Reduce children's deprivation](#)
- [Increase the proportion of young people in learning, training or work](#)
- [Reduce alcohol related hospital admissions](#)
- [Reduce the number of individuals with problem drug use](#)



## Performance improving



The percentage of people who have been a victim of crime has fallen in recent years, continuing a generally downward trend.

Reconviction rates decreased in the last two years, reverting to a longer term downward trend.

The percentage of people who perceive crime to have stayed the same or reduced in their area continues to increase.

The proportion of individuals living in relative poverty has decreased in the last two years, after remaining essentially unchanged for several years.

The proportion of children living in deprivation has decreased in 2012.

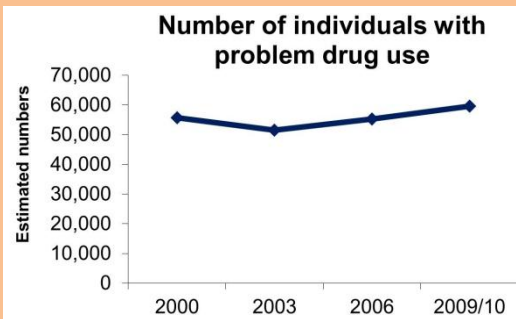
The proportion of school leavers in positive destinations has increased over the last four years.

## Performance maintaining



The rate of alcohol related hospital admissions remained largely unchanged in 2011/12 after decreasing from a peak in 2008.

## Performance worsening



The estimated number of individuals with problem drug use has increased in recent years.

# Local Government and Regeneration Committee

The following National Performance Framework indicators have been selected as relevant to the Local Government and Regeneration Committee for the purposes of the Draft Budget Consultation Period.

- The report overleaf shows current performance on these indicators as at 11 September 2013.
- The hyperlinks below take you to the Scotland Performs website for the latest information on each indicator.

- [Improve access to suitable housing options for those in housing need](#)

- [Improve children's services](#)

- [Increase the proportion of young people in learning, training or work](#)

- [Improve the skill profile of the population](#)

- [Reduce the proportion of individuals living in poverty](#)

- [Reduce children's deprivation](#)

- [Improve people's perceptions about the crime rate in their area](#)

- [Reduce reconviction rates](#)

- [Increase the number of businesses](#)

- [Increase cultural engagement](#)

- [Reduce waste generated](#)

- [Reduce deaths on Scotland's roads](#)

- [Increase the proportion of pre-school centres receiving positive inspection reports](#)

- [Increase the proportion of schools receiving positive inspection reports](#)

- [Improve levels of educational attainment](#)

- [Reduce traffic congestion](#)

- [Increase the proportion of journeys to work by public or active transport](#)

- [Increase physical activity](#)

- [Improve support for people with care needs](#)

- [Improve the responsiveness of public services](#)

- [Improve people's perceptions of the quality of public services](#)

- [Improve people's perceptions of their neighbourhood](#)

- [Reduce the number of individuals with problem drug use](#)

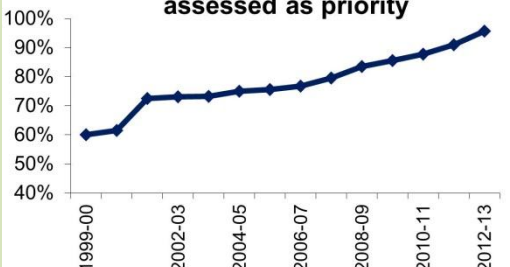
- [Increase the number of new homes](#)

- [Reduce Scotland's carbon footprint](#)

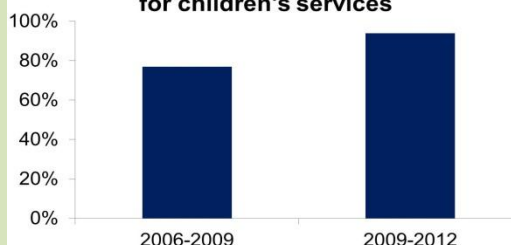


## Performance improving

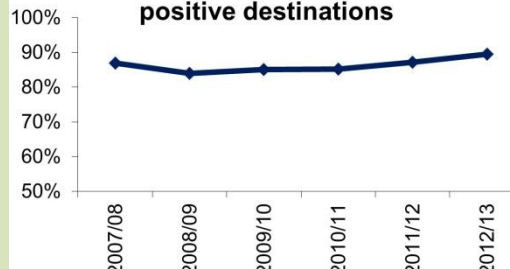
**Percentage of homeless households assessed as priority**



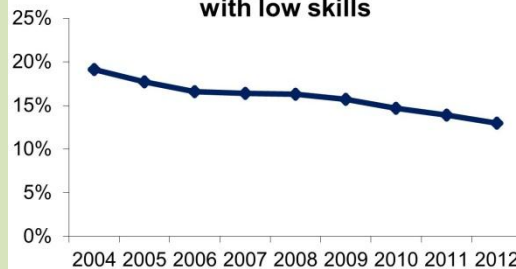
**Percentage of local authorities receiving positive inspection reports for children's services**



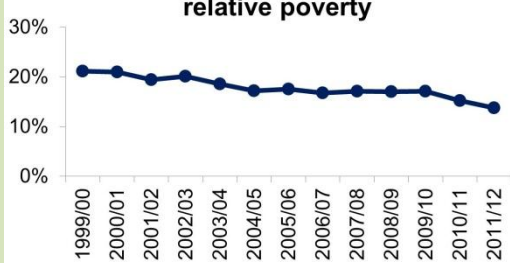
**Percentage of school leavers in positive destinations**



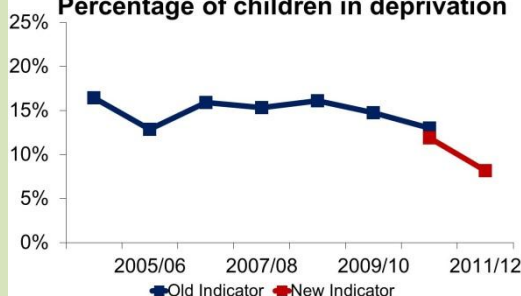
**Percentage of the population with low skills**



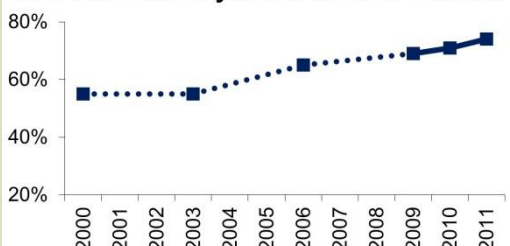
**Proportion of individuals living in relative poverty**



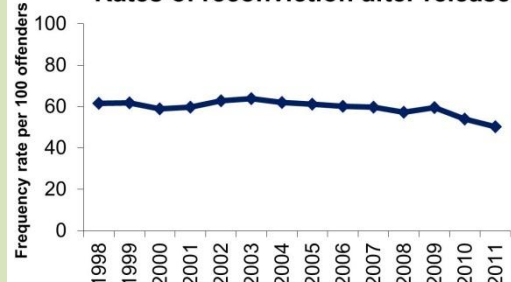
**Percentage of children in deprivation**



**Percentage of people who say crime in their area has stayed the same or reduced**



**Rates of reconviction after release**



Since December 2012, all unintentionally homeless households have been entitled to settled accommodation.

More local authorities received positive evaluations in child protection inspections in 2009-12 than in the previous period.

The proportion of school leavers in positive destinations has increased over the last four years.

The percentage of the working age population with low skills continues to decline as part of a consistent downward trend.

The proportion of individuals living in relative poverty has decreased in the last two years, after remaining essentially unchanged for several years.

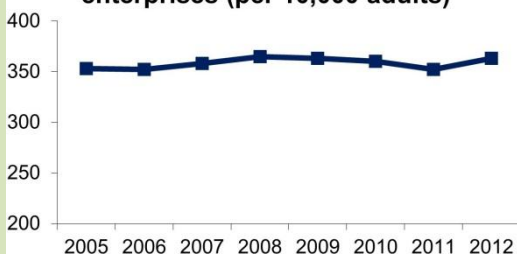
The proportion of children living in deprivation has decreased in 2012.

The percentage of people who perceive crime to have stayed the same or reduced in their area continues to increase.

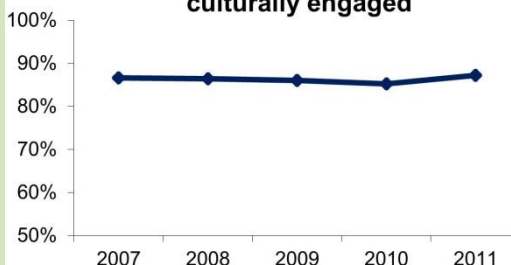
Reconviction rates decreased in the last two years, reverting to a longer term downward trend.

## Performance improving (*continued*)

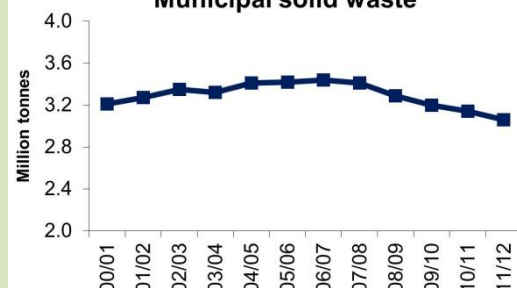
**Number of private sector enterprises (per 10,000 adults)**



**Percentage of adults who are culturally engaged**



**Municipal solid waste**



**Number of people killed on Scotland's roads**



The increase in the number of businesses over the latest year marks a turning point in the previous declining trend experienced since 2008.

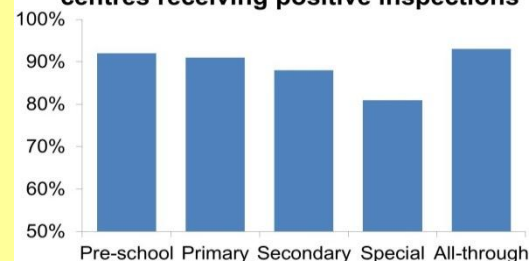
After remaining stable for four years, the percentage of adults participating in a cultural activity increased in 2011.

The amount of municipal solid waste being produced in Scotland has decreased continuously for the past few years.

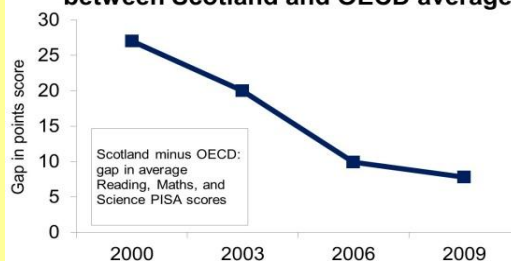
The number of people killed on Scotland's roads has fallen continuously for the past several years, as part of a long term downward trend.

## Performance maintaining

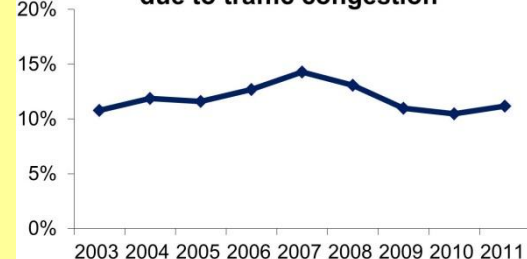
**Percentage of schools and pre-school centres receiving positive inspections**



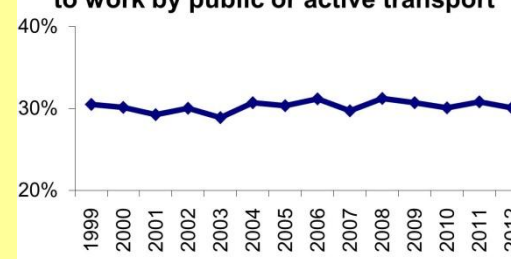
**Gap in educational performance between Scotland and OECD average**



**Percentage of journeys delayed due to traffic congestion**



**Percentage of adults who usually travel to work by public or active transport**



New baseline data shows that 90% of schools and 92% of pre-school centres receive positive inspection reports.

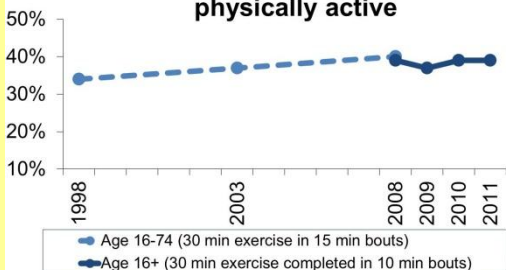
Although Scotland's educational performance is still above the OECD average, the gap narrowed markedly in recent years and has remained the same in 2009.

Journeys perceived to have been delayed due to traffic congestion have remained about the same in the last two years (after declining from 2007).

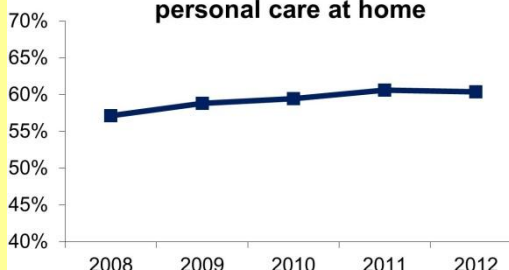
The proportion of adults who usually travel to work by public or active transport has remained about the same for the last decade.

## Performance maintaining (*continued*)

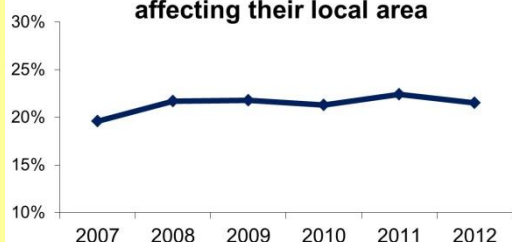
**Percentage of adults who are physically active**



**Percentage of people receiving personal care at home**



**Percentage of people who agree they can influence decisions affecting their local area**



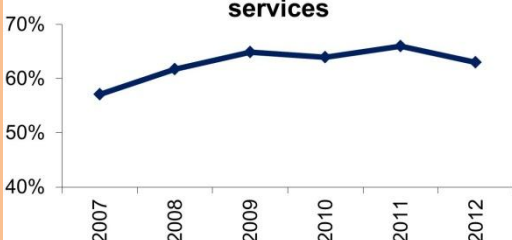
There has been no change in the proportion of adults meeting physical activity recommendations in recent years, although the longer term trend is generally increasing.

After increasing continuously since 2008, the percentage of people receiving personal care at home has remained the same in the last year.

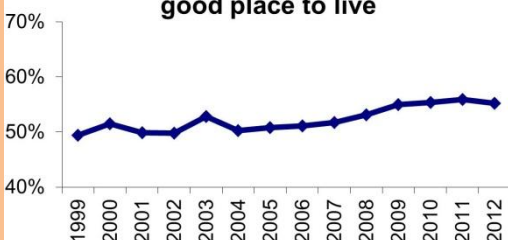
The percentage of people who agree that they can influence decisions affecting their local area stayed about the same in the past year.

## Performance worsening

**Percentage of people who are 'very or fairly' satisfied with local public services**



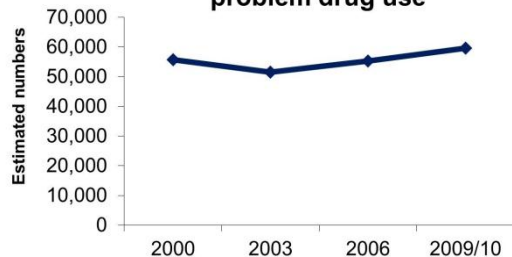
**Percentage of people who rate their neighbourhood as a very good place to live**



After generally improving between 2007 and 2011, the percentage of people who are 'very or fairly' satisfied with local public services has markedly decreased.

The percentage of people who rate their neighbourhood as a very good place to live has declined in the past year, after increasing almost continuously since 2004.

**Number of individuals with problem drug use**



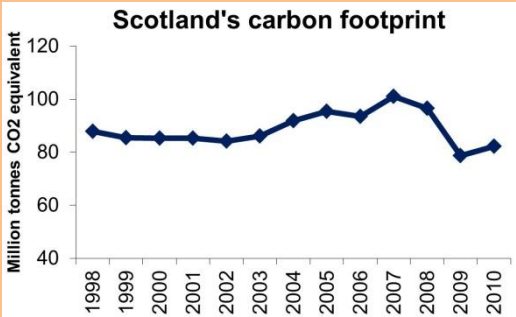
**Annual new housing supply**



The estimated number of individuals with problem drug use has increased in recent years.

Since 2008, there has been a decline in total annual new housing supply, due to a marked fall in the number of private rather than social new builds.

## Performance worsening (*continued*)



Scotland's carbon footprint increased in the last year, after declining from the peak in 2007.

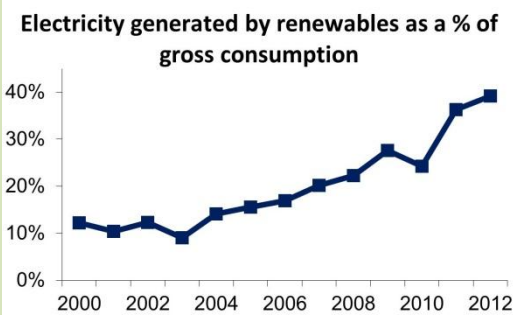
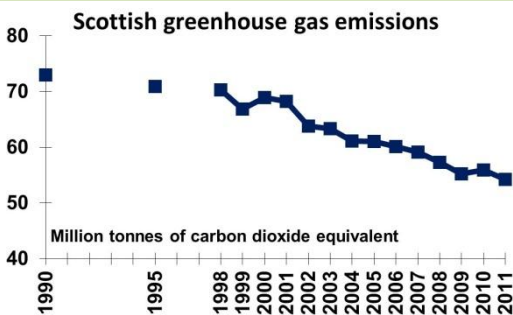
The following National Performance Framework indicators have been selected as relevant to the Rural Affairs, Climate Change and Environment Committee for the purposes of the Draft Budget Consultation Period.

- The report overleaf shows current performance on these indicators as at 11 September 2013.
- The hyperlinks below take you to the Scotland Performs website for the latest information on each indicator.

- [To reduce emissions over the period to 2011 / To reduce emissions by 80 percent by 2050](#)
- [Increase renewable electricity production](#)
- [Reduce waste generated](#)
- [Reduce traffic congestion](#)
- [Increase the proportion of journeys to work by public or active transport](#)
- [Improve the condition of protected nature sites](#)
- [To narrow the gap in participation between Scotland's best and worst performing regions by 2017](#)
- [Increase the abundance of terrestrial breeding birds: biodiversity](#)
- [Improve the state of Scotland's marine environment](#)
- [Increase people's use of Scotland's outdoors](#)
- [Improve people's perceptions of their neighbourhood](#)
- [To reduce Scotland's carbon footprint](#)



## Performance improving

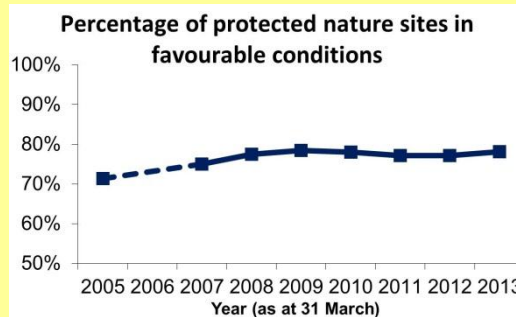
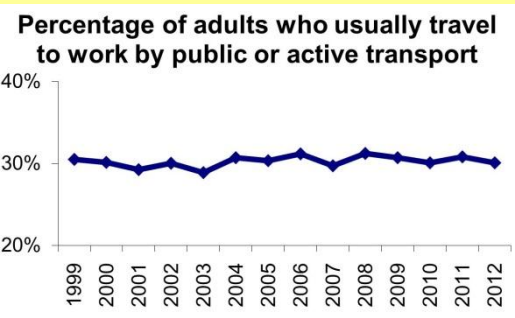
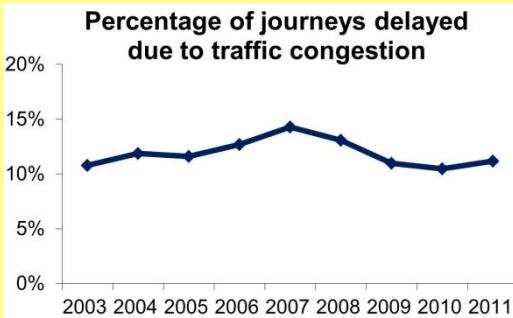


Scottish greenhouse gas emissions have generally been decreasing over the past decade.

The proportion of Scotland's electricity generated from renewable sources has been increasing fairly steadily since 2004.

The amount of municipal solid waste being produced in Scotland has decreased continuously for the past few years.

## Performance maintaining



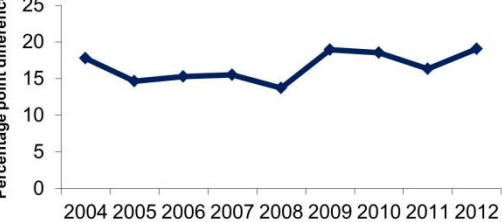
Journeys perceived to have been delayed due to traffic congestion have remained about the same in the last two years (after declining from 2007).

The proportion of adults who usually travel to work by public or active transport has remained about the same for the last decade.

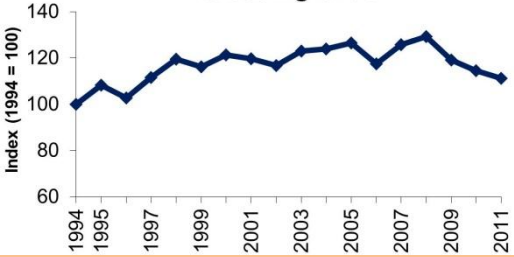
The proportion of nature sites in a favourable condition has remained roughly the same for the last several years.

Performance worsening

Difference in employment rates between the three local authority areas with the highest and lowest rates



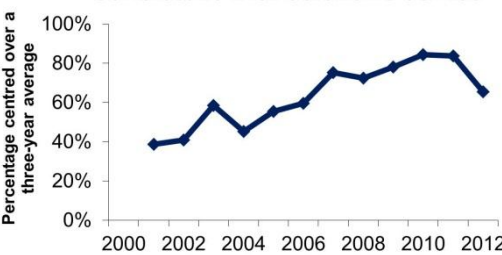
Abundance of terrestrial breeding birds



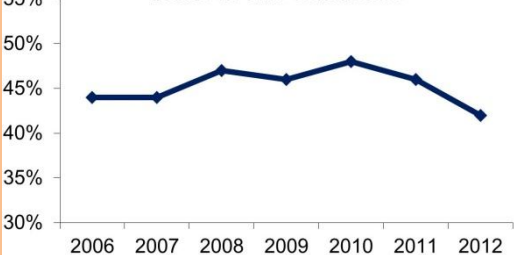
The gap in employment rates between the three local authorities with highest and lowest rates widened in 2012 compared to 2011, due to the employment rate falling in the lowest performing areas.

After peaking in 2008, the index of the abundance of terrestrial breeding birds has decreased in each of the last three years.

Fish stocks where the catch limit is consistent with scientific advice



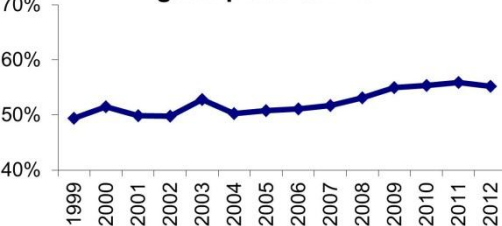
Percentage of adults making visits to the outdoors



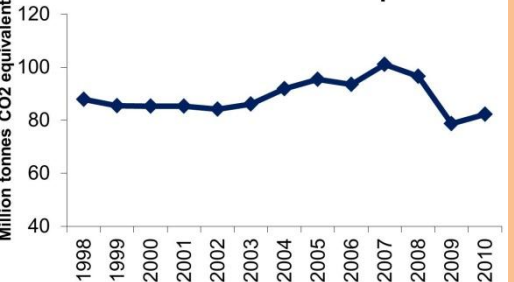
Due to over fishing by third countries, there has been a substantial decrease in the percentage of fish stocks where the catch limit is consistent with scientific guidance.

The percentage of adults making at least one weekly visit to the outdoors has decreased for the past two years.

Percentage of people who rate their neighbourhood as a very good place to live



Scotland's carbon footprint



The percentage of people who rate their neighbourhood as a very good place to live has declined in the past year, after increasing almost continuously since 2004.

Scotland's carbon footprint increased in the last year, after declining from the peak in 2007.