

# Building a Better Scotland

Spending Proposals 2003-2006: What the money buys



Healthy Scotland

Prosperous Scotland

Safer Scotland

Caring Scotland

Smart Scotland

Opportunity Scotland

Sustainable Scotland



SCOTTISH EXECUTIVE

Making it work together

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# FOREWORD

By First Minister and Deputy First Minister

## Building a Better Scotland

Growing our economy and increasing opportunities in our communities. Inspiring our young people and realising our aspirations for Scotland. Improving our public services and safeguarding our environment. These are the ambitions that have shaped our spending proposals for the next three years.

Our plans outlined within this document for growth in the economy and in increasing the opportunities for all our people will deliver substantial improvements across the whole of Scotland.

Young people will have a much wider range of choices available to them than ever before, including 25,000 Modern Apprenticeships and the option to be supported in staying on at school with Education Maintenance Allowances available across the country. Older people will enjoy more support and there will be new initiatives on central heating and to reduce the number of households who suffer from fuel poverty by almost a third.

In health, we will treat more people better, faster. We will train 10,000 nurses and midwives and increase the number of NHS consultants by 600. Improving the health service is for the first time matched by our determination to improve the nation's health. So we also set out a programme of health improvement, focused particularly on young people.

Pupils, teachers and parents will benefit from a dramatic investment in our schools and teaching, including more than 300 new or refurbished schools.

In all of our communities, people will enjoy improved public services and better safety and security. Action will be taken to reduce serious violent crime, increase the seizure of illegal drugs, and reduce the number of persistent young offenders.

Taken together, our proposals will help to meet our ambitions for growing the economy. New jobs will be created in construction industries associated with our new schools, hospitals and transport investment. More importantly, we are making the improvements in infrastructure, in training, in tourism, in science, in skills, in research and development and in enterprise that will support businesses, make them more competitive and help the economy to grow. We are laying the foundations for continuing economic prosperity in the longer term.

But a growing economy also means that we have to grow the opportunities that exist within our communities. We need to make sure that everyone in Scotland has a fair chance to play their part in realising the ambitions for our country. Our spending proposals prioritise investment in young people and the opportunities available to them. Our plans work to close opportunity gaps across Scotland.

However, our investments cannot be made at any cost. We must make sure in all that we do that we are safeguarding our environment for the future. That is why you will find a commitment to sustainable development running throughout all of our spending proposals, backed up by specific environmental improvement initiatives and ambitious plans to improve the quality of life for all, long into the future.

One of the earliest benefits that our communities will experience as a direct result of our proposals will be better public services. Patients, pupils, passengers, and parents will enjoy improvements inspired by government investment and secured by a commitment to reform, innovation and modernisation.

Efficient and effective public services are the bedrock of secure and strong communities with opportunities for all. And these vibrant communities, in turn, are the essential ingredients in growing our economy and encouraging further investment in the long term.

These proposals build on the progress that Scotland has made since the Scottish Parliament was established and take the next critical steps to reverse the decades of under-investment that preceded it.

Our spending proposals will ensure that we can all build a better Scotland.



A handwritten signature in black ink, appearing to read 'Jack McConnell'.

Jack McConnell MSP  
First Minister



A handwritten signature in black ink, appearing to read 'Jim Wallace'.

Jim Wallace MSP  
Deputy First Minister

# FOREWORD

By Minister for Finance and Public Services

In this report we set out our plans for investing in Scotland over the next three years. By 2005-06, public spending in Scotland will be over £4 billion higher than in 2002-03. This is a huge investment in every aspect of Scottish life.

As Minister for Finance and Public Services, I have a duty to make sure that every pound is spent wisely and meets Scotland's priorities. Throughout the Spending Review, I have been supported in the Spending Strategy Group by Ross Finnie and Peter Peacock and by the staff of the Scottish Executive. We have laid the basis for an improved framework of financial and performance management. My guiding principle is to make sure our resources are aimed explicitly at making a real difference to what matters in the daily lives of the people of Scotland. We will rigorously pursue our goals over the period of the Spending Review.

For each aspect of government presented in this report we set out our high-level aims and objectives so everyone can understand the policy goals we are pursuing. Moreover, we lay out in broad terms a set of targets for each, which are the results we want to achieve as a result of this Spending Review.

We are committing ourselves to ensuring that our spending delivers a major impact in improving the quality of life in Scotland.

I am clear that achieving the aims, objectives and targets set out here means first class delivery of public services across the board – in central government, local government, the health service and other public organisations. We must all aim for the most exacting standards and highest quality of performance. To build on the Spending Review – and set out not only what we intend to deliver, but how we intend to go about doing so, and how we will rigorously appraise and measure what we do – I have put in place arrangements to report regularly on progress against our targets and what steps we are taking to meet them.

The new approach set out in this report represents the start of a new financial and performance regime for the Executive. It will increase the efficiency of our spending, enhance the way we report our finances and performance to the public, and above all ensure that our spending has maximum impact in meeting our priorities. In effect these plans will hold us to account to the people of Scotland.

The Spending Plans set out below represent a major investment in our future infrastructure, our young people, and our quality of life.



A handwritten signature in cursive script that reads "Andy Kerr".

Andy Kerr MSP  
Minister for Finance and Public Services

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# INTRODUCTION

## Building a Better Scotland

*Building a Better Scotland* outlines our strategy to improve the lives of all the people of Scotland. It describes how resources will be allocated in order to achieve the Executive's priorities. This introductory chapter sets out:

- a **vision** for a better Scotland, outlining the key improvements we intend to deliver for the people of Scotland;
- a set of priorities, based on the **five people's priorities for action** – health, education, crime, transport and jobs – and **two cross-cutting themes** – closing the opportunity gap and sustainable development;
- **key service delivery targets** to ensure improvements in public services happen; and
- a statement of how we will allocate our **resources** to ensure our spending will help achieve better outcomes through better service delivery by focusing on our key priorities.

1. We are laying the foundations for a better Scotland. A Scotland which is prosperous and ambitious. A Scotland where everyone can benefit from the opportunities available, to build a successful, sustainable and healthy life for themselves, their families and their communities. A fairer Scotland, founded on the values of equality and non-discrimination, in which everyone can achieve their full potential and no one is excluded. A Scotland whose modern, dynamic welcoming society defines the image we present to the world.

2. We are clear about what we want for Scotland. A Scotland which is healthier, with lower crime, improved attainment in schools, effective transport services and of course employment for all. Achievement of our desired outcomes will in part depend on others, not just the Executive. We will work with partners in the UK Government, Scottish local government, the public sector, the business community, trade unions and the voluntary sector to help make change happen. The Executive can, and should, lead by example, delivering on its own commitments. To gauge our performance, we have, where possible, described measures of those outcomes and set targets for them – to allow you to see for yourself whether we are delivering on our commitments.

3. We have identified **five priorities for action** – health, education, crime, transport and jobs. This Spending Review has ensured that our resources are allocated to deliver in these areas. In addition, we recognise the threads running across these priorities, and we have established **cross-cutting themes** on closing the opportunity gap and sustainable development. These are the issues that matter most to the people of Scotland, and they form the basis for all of our work.

4. Effective public services and good government are essential if these results are to be achieved. Recognising this, we have placed strong emphasis on **delivering better public services**. To improve the quality of life for everyone in Scotland, whether in our towns and cities or in rural areas, we will target our efforts on improving public services. It is important that the money going into public services produces the improvements that matter to people – like shorter waiting times in the NHS. This depends not only on the amount of money but on how it is used. We have a duty to ensure we deliver best value for every penny of public money we spend.

5. The critical role of delivery on the ground is played by our partners in our schools, the health service, the police and so on. It is those on the frontline who deliver the services that meet people's needs. We are committed to the highest possible standards in public services, and continuing the shared goal of reform and modernisation is therefore central to the achievement of our vision.

6. A summary of the key outcomes we have set for Scotland between now and 2006 is set out in the following table. The full targets are set out in the appropriate section below, and further details of the measurement and monitoring of these targets will be published shortly.

## Building a Better Scotland

	Health	Education	Crime	Transport	Jobs
Aims	<i>To build a healthy, caring Scotland</i>	<i>To give every child and young person the best possible start in life</i>	<i>To create a safer and fairer Scotland</i>	<i>To promote an accessible Scotland</i>	<i>To create a highly skilled, learning, earning, connected Scotland</i>
Objectives	<p>To work towards a step change in life expectancy for Scots</p> <p>To enable Scots to enjoy a healthy life</p>	<p>To maximise achievement and attainment</p> <p>To ensure all children and young people are safe and do not threaten the safety of others</p> <p>To reduce crime and disorder committed by young people</p> <p>To promote inclusion and equality</p>	To reduce crime, especially violent crime	<p>To reduce congestion</p> <p>To improve access to public transport</p> <p>To promote more sustainable modes of transport</p> <p>To improve road safety</p>	<p>To raise Scotland's long-term sustainable growth rate</p> <p>To improve the skills base of Scotland</p> <p>To boost science and increase innovation</p> <p>To support a sustainable tourism sector</p>
Measured by	<p>Reductions in death from coronary heart disease</p> <p>Reductions in death from cancer</p> <p>Reductions in death from strokes</p> <p>Reductions in smoking</p> <p>Reductions in heavy drinking</p>	<p>Increases in the proportion of pupils achieving expected levels of attainment in primary and secondary schools</p> <p>Reductions in the proportion of pupils failing to reach key levels of attainment at P7, S4 and S6</p> <p>Increases in the number of vulnerable children receiving a package of integrated support</p>	<p>Reductions in violent crime</p> <p>Reductions in the number of persistent young offenders</p> <p>Reductions in fear of crime, or seriousness of worry about crime</p>	<p>Increases in rail passenger journeys</p> <p>Increases in local bus passenger journeys</p> <p>Reductions in congestion on our busiest roads</p> <p>Reductions in serious and fatal road accident casualties</p>	<p>Increases in business research and development in Scotland</p> <p>Increases in productivity in Scottish industry</p> <p>Increases in number of people in employment undertaking training</p> <p>Increases in proportion of graduates in our workforce</p> <p>Increases in academic and industry ventures</p>



7. In order to change Scotland for the better, these Spending Plans will allow us to **invest in infrastructure**. We will deliver major improvements through:

- new and refurbished hospitals with the latest in information technology;
- the biggest school building plan for a century;
- investment in housing through stock transfer and the Central Heating Programme; and
- improvements in road and rail infrastructure.

8. We are **investing in our children and young people** through improvements in teaching in our schools and by ensuring that school education better equips our young people for the world of work and enterprise. There is also increased support for children and families, especially in the crucial early years. The extension of Education Maintenance Allowances will ensure more young people stay on at school to build confidence and raise attainment. Once they have left school we are extending the highly successful Modern Apprenticeships scheme to ensure over 25,000 places are available to help close the opportunity gap and contribute to improving productivity across Scotland. A key part of our work to improve public health will focus on young people.

9. We are improving the **quality of life** of Scots by enabling local authorities to target more resources on what matters locally – better schools, well maintained roads, environmental improvements. We will help regenerate communities by making them better places to live and work, and we will continue to tackle crime, including youth and drug-related crime and anti-social behaviour, to create safer communities across Scotland.

### **Our priorities for action – health**

10. We aim to improve Scotland's health, and our health service. We recognise that Scotland has an unacceptably poor health record. The most disadvantaged in Scotland's communities are also those with the most unhealthy lifestyles and the poorest health, hampering their efforts to improve their own situation. That is why we are prioritising health improvement, with a major increase in spending on public health across the Executive.

11. Following the Spending Review, the health and community care budget will increase significantly, with all the additional money available to Scotland as a consequence of increased UK health spending being spent on improving the nation's health and the NHS in Scotland. By 2005-06 this will mean record levels of investment in Scotland's health – keeping our health provision at European levels.

12. While we can be justly proud of the National Health Service, we recognise the need to continue to reform and modernise in order to provide the service that we expect and deserve. The record increases in funding for the NHS provide an exceptional opportunity to modernise the health service and to make Scotland a healthier country.

## Our priorities for action – education

13. We aim to give all Scotland's children the best start in life. Access to education and training is the key to unlocking their potential so that all of our children and young people leave full-time education with the skills, knowledge and motivation they need to find employment and live fruitful and rewarding lives. That is why we are investing in our young people to raise attainment and achievement – for example, by improving the quality of teaching and the fabric of our schools. We will continue to support the National Priorities in Education. We will continue to deliver better pay and conditions through the National Agreement, in partnership with local authorities and teachers. Our Public Private Partnership plans will deliver the biggest ever investment in Scottish schools. The new community schools approach and improved school meals will ensure that all pupils across Scotland can benefit from improved health and integration.

14. A child's potential, rather than background or postcode, must be what determines his or her future. Improving life chances for all will require additional support for children and young people with special educational needs, vulnerable children and those with disabilities. We will continue to invest in integrated children's services, ensuring that children and young people receive the support they need. In doing this, we will continue to bring together our policies on education, health and social justice to ensure maximum impact.

## Our priorities for action – crime

15. Our aim is to make Scotland a safer and fairer place. Crime and the fear of crime impact heavily on us all, but particularly on the disadvantaged and vulnerable in our communities. If we are to build stronger, more confident communities, then we must make them safer and make them **feel** safer. That means tackling violence – especially drug-related offences – swiftly and effectively, making our streets safer. Our Ten-Point Action Plan to reduce youth crime will explore the potential for fast-track children's hearings for young persistent offenders, develop proposals for increasing the involvement of parents in preventing their child's offending and will identify the potential for a youth court for persistent and serious young offenders.

16. Two years ago, we made a commitment to increase police officer numbers to record levels by 2002. We delivered on that commitment and our aim is to maintain frontline officer numbers at present levels. Within that total, we will continue to increase the numbers of police officers dedicated to working on drugs trafficking. We will also continue with our agenda to modernise the police service by, for example, encouraging Best Value and securing greater efficiency in common police services. The recently negotiated pay and conditions package for federated ranks (those from constables to chief inspectors) will also play an important part in the reform process.

17. Making Scotland safer means faster prosecutions and more support for the victims of crime. But it also means working with offenders, particularly the young, to reduce re-offending, and tackling the links between deprivation, drug misuse and crime.

## **Our priorities for action – transport**

18. Our aim is an accessible Scotland, with a modern, efficient and sustainable transport system. We all need fast and convenient access to services, particularly those whose transport options may be more limited, including those living in disadvantaged and rural areas. Our businesses need their people, goods and services to be able to travel easily and cheaply across Scotland and out to markets elsewhere. But our transport system must also be sustainable, minimising the impact on our environment.

19. Better, more accessible transport services will allow communities across Scotland to play their part in the country's prosperity, while improving their access to goods and services. The Integrated Transport Fund is the core of our additional support to new public transport ventures which, alongside improvements to the road network such as the A8 and A80 upgrades, will help improve access both within and between our cities and rural areas. Our programme of concessionary fares offers help to those who need it most.

## **Our priorities for action – jobs**

21. Our aim is a highly skilled, learning, earning, connected Scotland. We recognise that we need to do more to match the economic performance of our major competitors. If we are to build a Scotland that provides opportunity for all, and provides high quality public services for those who need them, then we must build a smart, successful Scotland. It also means helping those in the most disadvantaged communities, who can face the greatest challenge in finding work, to find employment. We will make the improvements in infrastructure, in training, in science, in skills, in research and development and in enterprise that will support businesses, make them more competitive and help the economy to grow. As part of that, there will be a significant boost in science spending as a result of the Review.

22. We must ensure that everyone has access to the skills and training that are vital in a modern economy, and that access to further and higher education and training makes lifelong learning a reality for all. We must ensure that entrepreneurship, innovation and ambition are encouraged and rewarded, and that more business growth is encouraged. We must ensure that lone parents in particular have access to good quality, affordable childcare, to enable them to take up education, training and job opportunities. We will extend Education Maintenance Allowances to cover all of Scotland and we will launch an initiative on Education for Work and Enterprise.

23. Our jobs agenda is of course much wider than the work of Enterprise and Lifelong Learning. Business representatives continually cite improved transport and infrastructure links as their top priority, and we have responded in this Review by significantly increasing our investment in these areas. We are also investing in our young people to ensure our education system is attuned to enterprise. And we are promoting tourism, culture and sport. Tourism supports nearly 200,000 jobs in Scotland, contributing £4 billion to the economy. It is a particularly vital source of jobs in many rural and remote areas of Scotland. We will support the sector by implementing the Tourism Framework for Action. We will do this by marketing Scotland as a "must visit" tourism destination through VisitScotland and increasing the resources available to Historic Scotland, the largest operator of paid visitor attractions in Scotland. We will also introduce and fund a new Major Events Strategy, aimed at attracting additional visitors to Scotland throughout the country and throughout the year. If we are successful in our bid with Ireland to host the Euro 2008 Football Championships, we will fund the additional infrastructure needed to host this major event. This would provide a unique

opportunity to promote all aspects of Scotland to a world-wide audience as well as providing new jobs. The creative and cultural sector employs 100,000 people, contributes £5 billion to our economy each year, and the digital media area is likely to grow by 30% over the next five years. Sport is also a significant and growing employer and contributes £1 billion to the economy. We are taking forward a range of actions to support these sectors under the National Cultural Strategy and *Sport 21* respectively.

## Delivering Better Services

24. Achieving our goals requires effective public services and good government. We need responsive public services, firmly focused on the needs of those who use them, which ensure that those who need the most help receive the most help, in a way that meets their needs and expectations. We must have well-run, cost-effective and innovative public services that improve standards while minimising costs and bureaucracy.

## Investing for the Future

Better public services depend on having modern, efficient infrastructure in place – delivering the new buildings necessary for innovative service delivery, making sure our roads and other capital assets are properly maintained, investing for the future.

We have already delivered the largest ever hospital building programme, and announced our plans to deliver the biggest school modernisation programme Scotland has ever seen. The Glasgow Stock Transfer will deliver over £1.5 billion of investment over the next 11 years, and transform the lives of tenants and their communities. This Spending Review builds on that investment, including increased funding for the new Integrated Transport Fund to make sure we can deliver a transport infrastructure fit for the demands of the 21st century, and a significant increase in support for waste infrastructure to meet our demanding new recycling targets. Full details of our investment strategy will be published later in the year.

Throughout the Spending Review we have concentrated on delivering best value for money. This means choosing the most appropriate means of investment for each individual case whether through PPP, direct investment, or supporting others to invest on our behalf. We remain determined to further improve methods of delivery and continue to learn from best practice.

25. Effective local government is crucial to the delivery of better services for Scotland's communities. To enable local authorities to focus their efforts on delivery, we have provided the stability of three-year financial settlements. And we are giving them new powers and freedoms: to take action to improve the well-being of their areas; to work together with other agencies; and to invest more in improving services. We will also reinforce Best Value in local authorities by a new statutory duty requiring the pursuit of continuous improvement across all their activities.

26. Those who deliver public services need clear service delivery objectives to work towards and clear targets by which their performance can be measured. The objectives and targets for our five delivery priorities – health, education, crime, transport and jobs – set out over the page will help to ensure high quality and effective delivery across Scotland.

## Improving Public Services Objectives and Targets

	Health	Education	Crime	Transport	Jobs
Objectives	<p>To minimise waiting at each stage of care</p> <p>To improve the patient's experience of NHS services</p> <p>To deliver integrated community care services prioritising those members of society who are in greatest need</p>	<p>To put children, young people and their families first</p> <p>To establish an effective framework for learning</p> <p>To promote inclusion and equality</p>	<p>To maintain front line police numbers</p> <p>To improve public confidence in the justice system</p> <p>To reduce offending</p>	<p>To ensure we have a safe, integrated, effective and efficient transport system</p> <p>To maintain and enhance the lifeline links</p>	<p>To encourage and support lifelong learning by widening access to skills opportunities and improving the quality and effectiveness of further and higher education within Scotland</p>
Measured by	<p>Ensuring speedy access to a member of a primary care team</p> <p>Improving waiting times for outpatient appointments</p> <p>Limiting the maximum wait for urgent referral for all cancer cases</p> <p>Ensuring no patients wait more than six months for inpatient or day case treatment</p> <p>Improving standards of cleaning and infection control</p> <p>Improving quality of care services</p>	<p>Implementing <i>A Teaching Profession for the 21st Century</i></p> <p>Providing 300 either new or substantially refurbished schools</p> <p>Rolling out the new community school and health promoting school approach across every education authority and over time to every school</p>	<p>Increasing seizures of Class A drugs</p> <p>Enforcing the law on drugs, and tackling the drugs/crime link</p> <p>Providing 6,300 prisoner places</p> <p>Increasing the number of prison programmes and approved activities by 40%</p> <p>Increasing availability of community disposals</p> <p>Sustaining improvements in court case times</p> <p>Increasing availability of support for victims</p>	<p>Increasing the quality and quantity of lifeline ferry services</p> <p>Improving passenger information through Traveline Scotland</p> <p>Improving trunk road maintenance</p> <p>Achieving at least 1.5 million visits to Transport Direct portal per annum by 2006</p> <p>Increasing air passenger numbers passing through airports operated by Highlands and Islands Airports Limited</p>	<p>Increasing provision of Modern Apprenticeships</p> <p>Increasing the number of people in employment undertaking training</p>

## Closing the Opportunity Gap

27. Across all of our priorities, our aim is to close the opportunity gap between the most disadvantaged and the average for Scotland. **Everything** we do, every policy we introduce, every decision we make will be measured against success in closing the gap, to ensure that we live in a society founded on fairness, equality and opportunity.

## Closing the Opportunity Gap Objectives<sup>1</sup>

Health	Education	Crime	Transport	Jobs
To work towards a step change in life expectancy for Scots, particularly disadvantaged members of the community, including children and older people	To close the gap in educational achievement between the most disadvantaged children and young people and the average, and promote equality, inclusion and diversity	To reduce crime, particularly violent and drug-related crime and housebreaking, which disproportionately affects disadvantaged areas	To reduce social exclusion by making public transport easier to use, and helping vulnerable and disadvantaged people to access services, employment and leisure opportunities	To close the opportunity gap on employment and learning, breaking the cycle of poverty and working to break down barriers faced by the most disadvantaged

Note

1. How we will measure progress on closing the opportunity gap is set out on page 40.

28. Scotland must be a society of strong, inclusive communities, a society where child poverty is a thing of the past, a society where everyone, young or old, whatever their circumstances, can live with dignity. We will tackle discrimination and inequality and improve the access to services of disadvantaged groups by working to mainstream equality across the Executive and the public sector. This document sets out how we will deploy our resources to achieve these aims.

## Closing the Opportunity Gap in Scotland

This Spending Review has enabled us to make major commitments to achieving social justice by:

- providing the opportunity for childcare places for parents in disadvantaged areas to help them enter or re-enter the employment market;
- improving the quality of housing that social tenants live in by investing in further stock transfers and housing improvements;
- supporting the provision of alternative accommodation to replace Glasgow's outdated homeless hostels;
- tackling anti-social behaviour by investing in neighbourhood wardens and other local initiatives;
- improving programmes in secure accommodation to help reduce offending and to ensure each young person in secure accommodation can achieve their potential when they leave;

- making a statutory debt arrangement scheme available to all eligible people burdened with multiple debt;
- working to secure public confidence, including that of ethnic minorities, in the prosecution system;
- supporting lone parents. Delivering responsive services – early years intervention, childcare, access to further and higher education, removing barriers to work;
- investing in the educational attainment of looked after children and supporting these young people when they leave care;
- ensuring that at least 15,000 vulnerable children under five, every looked after child, every pupil with special educational needs and every child on the child protection register has an integrated package of health, care and education support which meets their needs;
- reducing the gap between the average attendance levels in schools serving areas of high and low deprivation by 10% by 2006, and by another 10% by 2008;
- increasing the nutritional value and presentation of school meals and increase take-up, especially among pupils eligible for a free school meal;
- supporting disadvantaged students and providing additional funding for child care for these students;
- extending the Education Maintenance Allowance to all of Scotland – ensuring that children from low income families are able to stay on in education beyond age 16;
- providing training for young people to give them skills to enter the workforce and increasing the number of Modern Apprenticeships to over 25,000, targeting under-represented groups;
- improving access to services in rural Scotland and maintaining sustainable communities;
- introducing free off-peak bus travel for elderly people and those with a disability – making it easier for them to travel, improving their quality of life;
- improving access to cultural and sporting events and activities;
- improving access to public services and information through the Modernising Government Fund. New technology, such as smart cards, will reduce the stigma from making use of services such as free school meals; and
- targeting the proceeds of illegal activities such as drug-related crime, which has a major impact in disadvantaged communities.

## Sustainable Development

29. Across the whole work of the Executive, our aim is to promote sustainable development, combining economic progress with social and environmental justice. Our policies and service delivery will have regard to the overarching priority areas of resource use, energy and travel. This commitment extends across and beyond the five priority areas, and will also contribute directly to the achievement of targets within the priority areas, for instance by promoting more sustainable and healthier lifestyles.

30. At present, disadvantaged communities suffer further because they live in a poor environment. Our commitment to environmental justice means cleaner, healthier neighbourhoods, improving quality of life, and tackling crime.

## Building a Sustainable Scotland

This Spending Review has enabled us to make major commitments to sustainable development in Scotland across the Executive, including:

- increasing the amount of waste collected by local authorities which is recycled or composted to 25%;
- building sustainable development into the major school building and refurbishment programme;
- developing education for sustainable development across the curriculum, including initiatives like the Sustainable Secondary Schools Initiative and Eco-Schools;
- investing in new social housing to promote sustainable development through the use of renewable materials, better insulation to reduce carbon dioxide emissions, maximising the development of brownfield sites and better land use planning to reduce travel to work distance;
- building sustainable development into the Glasgow Stock Transfer and other transfers to ensure that our investment produces homes that are warm, dry, energy efficient, safe and secure;
- setting high performance standards for central heating installed under the Central Heating Programme;
- inviting a team of independent consultants to assess eight priority business areas in Enterprise and Lifelong Learning for their impact on sustainable development. As a result of this work we are looking at how to take forward, for example:
  - sustainable development in further and higher education;
  - ways in which the Enterprise Networks can measure progress towards sustainable development; and
  - using Regional Selective Assistance to encourage resource use planning.
- working with the Enterprise Networks to promote growth in clean technology sectors including renewable energy and energy efficiency;
- helping tourist businesses become more sustainable through the VisitScotland Green Tourism Business Scheme, and access funds for energy-efficient heating systems or waste recycling through the Clean Energy Demonstration Scheme and Loan Action Scotland;



- managing sustainable forests: Scotland's national forests were among the first in the world to win internationally-recognised independent sustainability certification;
- supporting the further development of the Greencode Environmental Management Tool and NHSScotland's good record on energy efficiency;
- delivering better public transport for all sectors of the community, reducing both resource use and the need to travel unsustainably;
- Modernising Government Fund projects helping to reduce or eliminate the need to travel to access public information, advice or services, for example through contact centres, "one-stop shops" and video conferencing; and
- promoting sustainable development in the built environment through the Executive's architecture policy – nearly half of UK carbon dioxide emissions are from buildings.

## Spending Plans

31. We have made major innovations in the presentation of this document. We report our aims and targets, and what we see as the major service delivery objectives and service delivery targets. All of this is done for a reason – to set out to the public what we want to achieve through our spending and to explain how this will be delivered. We want our expenditure to have maximum impact. We have made a clear commitment to expressing what our spending will achieve and the differences it will make to the lives of the people of Scotland.

32. As we move forward into the new spending period, this emphasis on making clear linkages between our spending and our priorities will become ever stronger, ensuring that our resources are focused more and more tightly on delivering positive change for the people of Scotland.

33. The tables opposite and on page 14 set out the overall allocations made for each portfolio for the years 2002–03 to 2005–06 for TME (total managed expenditure) in both cash and real terms. We present the material by portfolio since that is the way in which Parliamentary authority for expenditure is sought. Of course, there are many issues that cut across portfolio boundaries. Some, such as closing the opportunity gap and sustainable development, need to be addressed across the whole Executive. Others require several portfolios to work together. For example, new resources to tackle youth crime have been split between the Education and Young People, Social Justice and Justice Portfolios. There are special Ministerial and official arrangements to make sure these cross-cutting issues are tackled in a joined-up way. Several of the most important cross-cutting issues are highlighted in boxes throughout the document, bringing together the contributions from the relevant portfolios and reporting the targets and outcomes portfolios are jointly responsible for delivering.

34. These are firm three-year plans that will not be re-opened until the next Spending Review. For the first time, all numbers in this Spending Review are presented on a full resource basis, which affects the balance between what is shown in DEL (Departmental Expenditure Limits) and AME (Annually Managed Expenditure). This means that the numbers shown for 2002-03 will not be identical to those shown in this year's Annual Expenditure Report (AER). The new basis gives a more accurate assessment of the rate at which resources – in particular capital assets – are being used.

35. The following chapters then set out in more detail what these allocations mean – showing portfolio by portfolio what we will be investing in and what we will deliver in return. Where spending is shown as increasing, for example, by £10/20/30 million, this means that spending in 2003-04 will increase by £10 million, spending in 2004-05 by £20 million, and spending in 2005-06 by £30 million. All spending figures are given in cash terms unless otherwise indicated. More detailed financial information for each portfolio will be included in the detailed Draft Budget Document later in the autumn, which will also include a full reconciliation between the AER and the full resource numbers.

## Total Managed Expenditure by Portfolio

£m	2002-03 Plans	2003-04 New Plans	2004-05 New Plans	2005-06 New Plans
Justice	742	773	807	832
Crown Office and Procurator Fiscal Service	63	87	90	92
Education and Young People	219	283	349	368
Tourism, Culture and Sport	199	209	235	254
Health and Community Care	6,596	7,292	7,881	8,586
Social Justice	800	839	921	945
Enterprise, Lifelong Learning and Transport	3,324	3,606	3,798	4,030
Environment and Rural Development	1,089	1,140	1,162	1,189
Finance and Public Services	7,532	8,217	8,589	9,076
Administration	236	242	249	257
Scottish Parliament and Audit Scotland	150	137	88	88
Contingency Fund	20	29	42	142
<b>Total</b>	<b>20,972</b>	<b>22,854</b>	<b>24,210</b>	<b>25,857</b>

## Total Managed Expenditure by Portfolio in Real Terms at 2002-03 Prices

£m	2002-03 Plans	2003-04 New Plans	2004-05 New Plans	2005-06 New Plans	Average Increase
Justice	742	754	768	772	1.3%
Crown Office and Procurator Fiscal Service	63	85	85	86	10.7%
Education and Young People	219	276	332	342	16.0%
Tourism, Culture and Sport	199	203	223	235	5.8%
Health and Community Care	6,596	7,114	7,501	7,972	6.5%
Social Justice	800	818	877	878	3.1%
Enterprise, Lifelong Learning and Transport	3,324	3,518	3,615	3,742	4.0%
Environment and Rural Development	1,089	1,112	1,106	1,105	0.5%
Finance and Public Services	7,532	8,016	8,176	8,428	3.8%
Administration	236	236	237	238	0.3%
Scottish Parliament and Audit Scotland	150	134	84	82	(-18.2)%
Contingency Fund	20	28	40	131	
<b>Total</b>	<b>20,976</b>	<b>22,296</b>	<b>23,044</b>	<b>24,011</b>	<b>4.6%</b>

# JUSTICE

To create a safer and fairer Scotland

We have made significant progress – overall crime is going down, whilst detection rates are going up, and we have taken steps to create a more efficient, open and accountable justice system. But further investment is needed to tackle violent crime and drugs and to make our streets safer.

Our key objectives for the Spending Review period are set out below. We will focus our resources on:

- maintaining the capacity of the police and fire services;
- improving the effectiveness of services;
- non-custodial programmes that reduce re-offending and a 40% increase in prison rehabilitation programmes;
- enabling prisons to cope with the rising prison population;
- creating more modern court services; and
- better access to justice.

## Tackling Drugs in Scotland

Expenditure on tackling Scotland's drugs problem is driven by the commitments in our Drugs Strategy *Tackling Drugs in Scotland – Action in Partnership* and our Action Plan *Protecting our Future*. We have also published a range of very demanding targets, for example:

- reduce the proportion of young people under 25 reporting use of heroin by 25% by 2005;
- reduce the proportion of drug misusers who inject by 20% by 2005;
- increase the number of drug seizures by 25% by 2004; and
- reduce the total number of drug-related deaths by at least 25% by 2005.

We have recognised from the outset that we must adopt a joined-up approach across portfolios and involve partners at local level. We have established the Scottish Drug Enforcement Agency, which is working with our police forces to stifle the availability of drugs in our communities. Seizures of the drugs which cause the most harm are at record levels, but there is scope to do more. Within the criminal justice system, we are supporting a 40% increase in rehabilitation programmes for prisoners, along with innovative community disposals such as Drug Testing and Treatment Orders and Drug Courts, aimed at breaking the vicious circle of drug misuse and offending. Neighbourhood Wardens will work alongside the police to identify and resolve the concerns of communities.

We must protect our young people from drugs, and provide them and their parents with information and sources of advice and help. Our "Know the Score" communications work is helping to provide people with factual information about drugs, and details of where help can be obtained locally. We support a wide range of projects designed to guide young people away from drugs into healthy and positive lifestyles. New community schools will provide a further boost, as will investment in sports and our wider work to improve public health. Our Youth Crime Initiative will help to tackle those young people who do get involved in drug misuse, and associated criminal and anti-social behaviour, and make communities safer places to live. Our integrated and inclusive approach to Scotland's drug problems, backed by record levels of investment, is already delivering real benefits to communities across Scotland.

## OBJECTIVES AND TARGETS

<b>OBJECTIVE 1 To make Scotland a place where people are safer, and feel safer</b>		
Target	1	Further reduction in serious violent crime. The Scottish Police Service agreed a target in March 2002 to reduce serious violent crime by 5% by 2004. A new target involving a further reduction will be agreed for 2006.
Target	2	Increase seizures of Class A drugs. The Scottish Police Service already has a target to increase such seizures by 25% by 2004. A new target will be agreed for 2006.
Target	3	Reduce fear of crime, or seriousness of worry about crime. Measures will be contained in the next Scottish Crime Survey due in 2004.
<b>OBJECTIVE 2 To have a fair and more efficient justice system that commands the confidence of its customers and the public</b>		
Target	4	85% of summary cases completed in 20 weeks of first calling in the Sheriff Court by 2005-06.
Target	5	Increase the percentage of those victims who want support having been offered or successfully sought that support by 12% by 2006.
<b>OBJECTIVE 3 To reduce offending and provide more and more effective non-custodial penalties</b>		
Target	6	Provide 6,300 prisoner places by 2005-06.
Target	7	Increase the number of prison rehabilitation programmes and approved activities by 40% to 1,500 by 2005-06.
Target	8	Provide capacity for 17,000 community disposals by 2005-06, focusing on priority groups such as women, young people and drug users.
Target	9	Accreditation Panel in place by 2003 to improve quality of community programmes with at least three offending programmes developed for accreditation by 2004-05.
<b>OBJECTIVE 4 To make Scotland fairer through a modern, efficient and user-friendly/accessible civil justice system</b>		
Target	10	Increasing the number of people getting access to justice through legal aid and other means by 5% (20,000) over the Spending Review period.
Target	11	To make a statutory debt arrangement scheme accessible to everyone burdened by multiple debt who is eligible to participate by the end of 2005-06.

## What we will do

Over the Spending Review period we will:

- provide an additional £37/89/146 million for a new pay structure for federated ranks (those between constables and chief inspectors);
- make available an additional £9/24/38 million to take forward the delivery of a modern and efficient fire service as set out in our Policy Consultation Paper *The Scottish Fire Service of the Future*;
- invest a further £25 million to support the roll-out in Scotland of Airwave, the new digital radio communication system (to replace analogue systems) being adopted by police forces throughout the UK;
- provide an additional £2/12/11 million for other centrally-funded police services to assist in the fight against crime, including training, IT and national security initiatives and a replacement of the Livescan fingerprint recognition system, which captures and stores fingerprints electronically and transmits them to the central records at the Scottish Criminal Records Office;
- invest an additional £15 million to provide 6,300 prisoner places in line with the Executive's Prisons Estates Review. Over the Spending Review period, there will be a 40% increase in rehabilitation programmes and approved activities in prison;
- support community justice services with an additional £4/6/10 million, including funding for a further phased rollout of Drug Testing and Treatment Orders, and better resettlement for prisoners at the end of their sentence;
- make available an additional £0/1/1 million to roll out the Witness Service to the High Court and to improve support services for child witnesses;
- invest a further £2/8/6 million in the Supreme and Sheriff Courts to improve service delivery and increase access to justice. This will support the use of new technology to enable the public to access courts electronically and provide for video links between courts and prisons. Other investment in technology will enable serious and complex criminal cases to proceed more quickly and facilitate the exchange of information between the courts, Crown Office and police; and
- make available a further £5/6/9 million for legal aid, to help make Scotland fairer by supporting wider access to justice.

## Spending Plans

£m	2002-03 Plans	2003-04 New Plans	2004-05 New Plans	2005-06 New Plans
Criminal Injuries Compensation Authority	28	28	28	28
Community Justice Services <sup>1</sup>	67	80	83	88
Fire Central Government	7	8	8	8
Legal Aid <sup>2</sup>	138	147	148	151
Miscellaneous	24	23	24	24
Police Central Government	79	83	104	106
Scottish Prison Service <sup>3</sup>	301	299	299	314
Scottish Courts Service	69	71	77	75
Courts Group (incl. Judicial Salaries)	25	30	30	32
Accountant in Bankruptcy	4	5	6	6
<b>Total</b>	<b>742</b>	<b>773</b>	<b>807</b>	<b>832</b>
Police Grant <sup>4</sup>	404	437	463	492
Civil Defence Grant	1	1	1	1
Police LA Capital	30	26	31	31
Fire LA Capital	23	24	24	24
<b>Justice support to Local Authorities</b>	<b>458</b>	<b>488</b>	<b>519</b>	<b>548</b>
Police GAE <sup>5</sup>	824	883	935	992
Fire GAE <sup>5</sup>	212	232	247	261

### Notes

1. Includes provision of £3.5/4.25/5.25 million for Youth Crime.
2. The figures reflect the move to record Scottish Executive NDPBs on a resource basis. Included within the legal aid baseline is £3 million for 2002-03 and £7 million from 2003-04 onwards to cover this change. The cash provision available to the Scottish Legal Aid Board for the Spending Review period is £140/141/144 million.
3. The fall in SPS provision between 2002-03 and 2003-04 is due to the inclusion of impairment costs, which amount to £35 million in 2002-03 and £18 million in 2003-04. If impairment costs are excluded, SPS's provision rises from £266 million in 2002-03 to £281 million in 2003-04.
4. Police Grant, which forms part of the Justice budget, is derived from Police GAE – which is accounted for in the Local Government Spending Plans table.
5. Programmes form part of the Justice portfolio, but are accounted for in the Local Government Spending Plans table.

# CROWN OFFICE AND PROCURATOR FISCAL SERVICE

To provide an independent, modern prosecution service which is committed to professional excellence, pursues cases fairly and consistently in the public interest and is responsive to the public's needs

The Crown Office and Procurator Fiscal Service provides the sole public prosecuting authority in Scotland; investigates sudden deaths and, where appropriate, conducts public inquiries; and investigates independently all complaints of criminal conduct by police officers.

We are determined to address public and parliamentary concern about the quality and effectiveness of public prosecution in Scotland. The Reports by Sir Anthony Campbell and Dr Raj Jandoo into the unsuccessful prosecutions in the murder of Surjit Singh Chhokar identified a number of failures in the way the case was handled. We are committed to responding to those criticisms.

As part of our efforts to reduce crime and the fear of crime, we will:

- improve the delivery of justice by ensuring timely, efficient and effective investigation and prosecution of crime – so that victims can be sure that crimes do not go unpunished;
- secure public confidence, including that of ethnic minorities, in the prosecution system – making the justice system more accessible and more responsive;
- give priority to the prosecution of serious crime, including drugs trafficking and persistent offenders – making Scotland's streets safer, and feel safer;
- provide services which meet the information needs of victims, witnesses and next of kin, in co-operation with other agencies – treating the victims of crime with dignity; and
- provide thorough, timely, and independent investigation of complaints of criminal conduct by police officers – ensuring accountable and responsive policing.

## Modernisation and Reform

The Pryce/Dyer Report on the Planning, Allocation and Management of Resources within the Crown Office and Procurator Fiscal Service identified insufficient resources and weaknesses in management as key problems facing the Department.

We are implementing the recommendations of the Report and a Chief Executive has been appointed to lead the reform process. The Procurator Fiscal Service has been restructured into 11 geographical areas, each managed by an Area Procurator Fiscal with full management and budgetary responsibility. Recruitment of Area Business Managers and a strengthened management team to support them is in progress. Additional lawyers and fiscal assistants are being recruited. Improvements to corporate management functions are being made. A new Management Board to direct strategic planning and resource allocation – with representation from the key corporate functions and the senior legal management – has started operating.

The Report concluded that the Department needs to radically improve its core business processes and this is the aim of the Future Office System IT project. The System is designed to enable the marking and processing of cases to be undertaken almost entirely on computer instead of the existing intensively paper-based system. It will improve case throughput and enable faster communication with criminal justice partners.



## OBJECTIVES AND TARGETS

<b>OBJECTIVE 1</b>		
<b>To improve the delivery of justice by timely, efficient and effective investigation and prosecution of crime</b>		
Target	1	To agree by December 2002, targets covering the progress of cases through the criminal justice system.
Target	2	To take action in 75% of crime reports within six weeks by 31 March 2005 and within five weeks by 31 March 2006.
<b>OBJECTIVE 2</b>		
<b>To secure public confidence, including that of ethnic minorities, in the prosecution system</b>		
Target	3	To conduct a public survey to monitor trends in public confidence in the prosecution service, commencing in 2003-04, with improvement targets to be implemented by 31 March 2004.
Target	4	The new Inspectorate to conduct an independent review and report on the prosecution of racial crime to be published by 31 December 2005 and recommendations to be implemented during the following Spending Review period.
<b>OBJECTIVE 3</b>		
<b>To give priority to the prosecution of serious crime, including drugs trafficking and persistent offenders</b>		
Target	5	To implement recommendations of Quality and Practice Review Unit review of High Court prosecution relating to investigation and preparation of High Court cases by 31 March 2005 and implement fully those relating to the management of High Court cases at Court, which will be relevant to the review by Lord Bony, in the next Spending Review period.
Target	6	To serve indictments in 80% of Sheriff and Jury cases that involve bail within nine months of first appearance on petition by 31 March 2005.
<b>OBJECTIVE 4</b>		
<b>To provide services which meet the information needs of victims, witnesses and next of kin, in co-operation with other agencies</b>		
Target	7	To communicate court bail decisions within 24 hours to 90% of victims in cases in which the accused has appeared from custody.
Target	8	To develop a customer service satisfaction survey for the Victim Information and Advice Service by 31 March 2004 and achieve 85% satisfaction levels amongst those surveyed by 31 March 2005.
<b>OBJECTIVE 5</b>		
<b>To ensure that all deaths reported to the Procurator Fiscal are investigated appropriately and speedily</b>		
Target	9	In deaths which require further investigation, to conclude investigation and advise next of kin of outcome within 12 weeks in 60% of cases by 31 March 2006.

**OBJECTIVE 6 To provide thorough, timely, and independent investigation of complaints of criminal conduct by police officers**

- Target 10 (a) to complete investigation of complaints of criminal conduct by police officers and advise complainer of outcome within 10 weeks of report to Procurator Fiscal in 60% of cases and within 12 weeks in 90% of cases by 31 March 2006; and
- (b) to achieve a 100% approval level of the quality of investigation and decision making in a random selection of complaints against the police cases examined annually by the Inspectorate by 31 March 2006.

**What we will do**

We are committed to implementing the recommendations of recent reviews into the performance of the justice system. During the next three years we will:

- make better use of existing resources in the prosecution of serious crime;
- set up a criminal confiscation and a civil recovery unit to investigate and recover drugs and fraud proceeds;
- develop further the Victim Information and Advice Service to improve the confidence of victims and next of kin;
- further improve the way racist crime is handled; and
- work with others in the criminal justice system to improve the way in which cases are progressed through the system to minimise the distress for victims and witnesses.

**Spending Plans**

£m	2002-03 Plans	2003-04 New Plans	2004-05 New Plans	2005-06 New Plans
Solemn	21.4	33.0	34.4	35.7
Summary	28.3	36.2	36.7	37.4
Victim Information and Advice Service	1	1.2	1.2	1.3
Inspection	0	0	0.2	0.4
Investigation of Deaths	2.4	3.3	3.4	3.5
Complaints against Police	0.8	0.8	0.8	0.9
Non-Court	8.8	12.1	12.4	12.6
Other	0.3	0.4	0.4	0.4
<b>Total</b>	<b>63.1</b>	<b>87.1</b>	<b>89.6</b>	<b>92.1</b>

# EDUCATION AND YOUNG PEOPLE

To give every child and young person the best possible start in life

We want to give every child and young person in Scotland the best possible start in life. Helping our children realise their potential is the key to giving them a sense of self-fulfilment and equipping them well for their future.

Our schools, and all the services that support children, families and young people, play a vital part in unlocking the potential of our children. That is why, in these spending plans, we are investing significant additional resources in school education and children's services, to: provide for the full implementation of the agreement on teachers' pay and conditions; expand support for children and families, especially those in difficult circumstances and with very young children; and carry forward the substantial investment we are making in school buildings and in childcare. We have incorporated the National Priorities in Education as well as working closely to identify common priorities with other portfolios. For example investment in:

- new community schools, school meals and early intervention will support the development of a healthy Scotland;
- childcare will widen access for parents to employment and training opportunities;
- youth justice, including tackling persistent young offenders, will help create a safer and fairer Scotland;
- children and young people with special educational needs and disability to improve their life chances and help build a caring Scotland; and
- educational attainment of looked after children and supporting these young people when they leave care will help close the opportunity gap for this disadvantaged group.

## Tackling Youth Crime

The Executive has launched a Ten-Point Action Plan to tackle youth crime in Scotland. The Action Plan recognises the strength of the existing youth justice system and identifies areas for further improvement, in particular combating persistent offenders, enhancing community safety and improving the effectiveness of the system. Key elements include a pilot of specialist Children's Hearings to fast-track persistent offenders under 16, a Youth Court feasibility project and fast-tracking for persistent offenders aged 16 and 17, spreading best practice for community-based projects, reconfiguring the secure accommodation estate and using voluntary measures to enhance parental responsibility.

We have already announced an additional £15 million for this year in order to make a tangible difference as soon as possible. The Spending Review allocates a further £8/24/33 million to drive forward the Action Plan. Ministers and officials are working with key external players – including the police, local authorities, victims groups and voluntary sector – to ensure we meet the targets we have set ourselves to reduce the number of persistent young offenders.

## OBJECTIVES AND TARGETS

### OBJECTIVE 1 Closing the opportunity gap by: putting children and young people and their families first; ensuring they are safe and do not threaten the safety of others; promoting equality, inclusion and diversity; and developing values and citizenship

- |        |   |  |
|--------|---|--|
| Target | 1 | By 2006, ensure that at least 15,000 vulnerable children under five, every looked after child, every pupil with special educational needs and every child on the child protection register have an integrated package of health, care and education support which meets their needs. |
| Target | 2 | By 2006, the number of persistent young offenders will be 10% less than in 2000-01.  |
| Target | 3 | By 2006, reduce the gap between the average attendance levels in schools serving areas of high and low deprivation by 10%, and by another 10% by 2008.   |
| Target | 4 | By 2006, increase the nutritional value and presentation of school meals and increase take-up, especially among pupils eligible for a free school meal.  |

### OBJECTIVE 2 Building capacity by: establishing an effective framework for learning; investing in infrastructure; and ensuring the workforce has the capacity to deliver high quality services

- |        |   |   |
|--------|---|---|
| Target | 5 | Full implementation of the national agreement on teachers' pay and conditions ( <i>A Teaching Profession for the 21st Century</i> ) by 2006.    |
| Target | 6 | Provision of a modern, high quality learning environment through the completion of 200 either new or substantially refurbished schools by 2006. |
| Target | 7 | Rollout of the new community school and health promoting school approach across every local authority by 2006 and to every school by 2007.      |

### OBJECTIVE 3 Ensuring Excellence by: maximising achievement and attainment; and providing a basis for Learning for Life

- |        |   |  |
|--------|---|--|
| Target | 8 | Increase by at least 5% the proportion of pupils achieving expected 5-14 levels relevant to their stage in primary and secondary school, and at least five passes at SCQF level 5 (or better) by the end of S6, by 2006. |
| Target | 9 | Reduce by at least 15% the proportion of pupils failing to reach level C in P7, level D in S2, and five passes at SCQF level 4 (or better) by the end of S6, by 2006.  |

## What we will do

We are determined to deliver real improvement in our schools and the services we provide to children and young people. Over the Spending Review period we will:

- make the largest ever investment in the physical school infrastructure. The first stage of the new school building programme (announced in June 2002) represents a £1.15 billion package of investment. It will involve the building or refurbishment of an additional 200 schools by 2006 and a further 100 schools by 2008-09;
- invest £10/25/25 million in improving the quality of life in our schools;
- make agreed funding available for the continued implementation of the teachers' pay agreement, including implementation of the Chartered Teacher programme;
- provide additional resources to fund the rollout of the new community school approach to all schools in Scotland by 2006-07;
- invest an additional £4.3/17.8/19.3 million in integrated children's services, mainly through the Changing Children's Services Fund, as well as investing an additional £3/13.3/13.3 million in social work training and child protection. We will work together with Health and Social Justice to promote more effective joint working across service providers, including the voluntary sector;
- continue to support early years intervention by providing an additional £6.6/29/54.9 million through Sure Start Scotland and the childcare strategy, complementing investment into childcare by the Social Justice portfolio, and forming part of our wider cross-cutting initiative to improve public health;
- we will take account of the recommendations of the expert panel on school meals to increase the nutritional value, presentation and take up of school meals in order to improve children's health as part of our wider cross-cutting initiative on public health;
- commit £2.5/9/10.5 million to the improved throughcare and after care of looked after children and to improve the educational attainment of looked after children;
- provide an additional £1.1/19/21 million to further improve inclusion and access to education for pupils with special educational needs and disabilities;
- continue to fund measures (£10 million annually) to promote a positive ethos and improve discipline in schools. Additional funds will provide auxiliary support staff and home-links workers for secondary schools;
- provide continued funding to assist the Scottish Qualifications Authority (SQA) in continuing its reforms; and
- provide increased support of £4.7/5.7/6.7 million for the Children's Hearing System.

## Spending Plans

£m	2002-03 Plans	2003-04 New Plans	2004-05 New Plans	2005-06 New Plans
Schools	145.7	187.4	212.9	222.1
Children and Young People	63.0	82.5	115.7	125.7
Social Work Training	10.3	13.2	20.2	20.2
<b>Total</b>	<b>219.0</b>	<b>283.1</b>	<b>348.8</b>	<b>368.0</b>
Specific Grants <sup>1</sup>	189.9	139.6	149.9	239.9

### Note

1. From 2003-04 onwards, £64 million in each year has been transferred from Specific Grants to Local Authority Revenue Support Grant following a review of the Excellence Fund.

# TOURISM, CULTURE AND SPORT

To enhance everyone's quality of life in Scotland through widening participation in sport and culture and building on a successful and sustainable tourism sector to create jobs and opportunity across Scotland

Tourism, culture and sport have a crucial role to play in building vibrant, confident and healthy communities.

## *Tourism*

Tourism supports nearly 200,000 jobs in Scotland, contributing £4 billion a year to the economy. It is also a vital source of income and jobs for many communities, including many in rural areas. We are determined to provide strong support to one of the major employment sectors in Scotland by:

- continuing to invest in the quality of the Scottish tourism product, and in marketing it successfully to potential visitors, in order to make Scotland a "must visit" destination;
- conserving Scotland's historic landmarks for both tourists and the Scottish people – generating and sustaining jobs, supporting local communities; and
- supporting and bidding for world class sporting and cultural events, such as the successful bid for Ryder Cup 2014 – generating tourism and jobs for Scotland, and giving Scots the opportunity to take part in world class events.

## *Culture*

Our culture and heritage are central to how we see ourselves and how others see us. We are determined to promote the widest possible participation in cultural life in Scotland, bringing real benefits for communities and individuals. We are:

- promoting cultural activities in deprived communities in Scotland – generating self-confidence and economic benefits and the chance to learn new skills;
- supporting Gaelic language and culture – helping to strengthen and maintain the Gaelic community;
- supporting the widest possible range of cultural and heritage activities – giving everybody access to a better quality of life; and
- improving the provision of cultural activity in schools – investing in the future self-confidence, skills and creativity of our children.

## *Sport*

We are committed to generating wider opportunities to participate in sport – particularly in schools, amongst under-represented communities and in deprived areas. The benefits of wider participation in sport and physical activity have been demonstrated to improve health, develop self-confidence and skills, and improve quality of life. Recognising those benefits, we will:

- continue to invest in the *Sport 21* agenda – making sport widely available to all; and
- support the provision of sport in schools – giving children a healthy start in life, improving their health and their opportunities later in life.

## OBJECTIVES AND TARGETS

<b>OBJECTIVE 1</b>			<b>To ensure that everyone of all ages has the opportunity to take part in a variety of cultural and sporting activities</b>
Target	1	By 2006, increase the numbers taking part in cultural events and activities supported by bodies funded by the Executive by 3% and the numbers taking part in sport to 70% of adults.	
Target	2	To increase the number of children in Gaelic-medium education by at least 5% each year on the 2003-04 figure.	
<b>OBJECTIVE 2</b>			<b>To support social inclusion by ensuring the widest possible involvement in cultural, social and sporting opportunities</b>
Target	3	By 2006, increase the numbers of under-represented groups, especially children and young people, taking part in cultural and sporting activity by 5%.	
Target	4	By 2006, increase the number of cultural and sporting programmes in areas of economic and social disadvantage and the number of partners engaged in supporting these programmes by 10%.	
<b>OBJECTIVE 3</b>			<b>To promote a high standard of conservation of historic buildings and to promote the highest standards of contemporary building</b>
Target	5	To raise the standards of, and increase investment in, the conservation and sustainable development of historic buildings by completing condition surveys by 2005-06 for all properties looked after by Historic Scotland and using Historic Scotland funding to promote increased investment from other bodies in conserving historic buildings.	
<b>OBJECTIVE 4</b>			<b>To generate jobs and wealth for Scotland by assisting young people to be creative and enterprising, and by promoting and developing the tourism, cultural and sporting sectors of the economy</b>
Target	6	To establish a method by 2004 to assess the contribution of tourism and the creative and cultural industries to the Scottish economy, and to identify how this contribution could be increased.	
<b>OBJECTIVE 5</b>			<b>To develop Scotland's tourism potential through Historic Scotland and VisitScotland, and in partnership with all relevant bodies</b>
Target	7	To restore visitor numbers and spending to the levels before the foot and mouth disease outbreak and the September 11 terrorism attack by 2004; and to set new targets for subsequent years at that time.	
Target	8	By 2005, have 75% of accommodation bookable through the internet.	
<b>OBJECTIVE 6</b>			<b>To promote excellence in sport and culture</b>
Target	9	By 2006, increase the number of Scots achieving success in key sports and events from the position in 2000.	
Target	10	To develop by 2003-04 the means of identifying the number of Scottish world class artists, companies and institutions, and to set targets for 2006 in light of this.	



## What we will do

To secure the real benefits that wider participation in tourism, culture and sport will bring for all Scots, over the Spending Review period we will:

- increase in each year (£1/2/3 million) the money spent on marketing Scotland as a tourist destination for both Scots and visitors – promoting Scotland around the world with benefits for tourism, and also for jobs and exports;
- increase by £2.5 million in 2004-05 and £4.7 million in 2005-06 our direct funding of Historic Scotland, who look after some of Scotland's top historical landmarks, including world class attractions such as Edinburgh Castle and Skara Brae – sustaining jobs, generating economic benefits across the country;
- support a new Major Events Strategy to be launched later this year aimed at making Scotland one of the top major events venues in the world by 2015 – promoting Scotland as a world class location;
- provide the resources to support the costs of stadiums and other related work necessary if the joint Scotland/Ireland bid for Euro 2008 is successful – a tremendous opportunity to attract additional visitors to Scotland and to put Scotland on the global stage;
- increase our support (£0/3.85/6.95 million) for cultural activities across Scotland – to widen participation, particularly in deprived areas, and to foster world class activity;
- make an additional £1/1/1.5 million available for Gaelic-medium education and for the new Gaelic Development Agency/Bòrd Gàidhlig na h-Alba – supporting a vibrant Gaelic culture;
- provide continuing funding to the School Cultural Co-ordinator Programme – improving the quality of children and young people's education and improving their skills and creativity;
- support music tuition for children – to widen access and improve their quality of life;
- support a School Sports Development Officer in every secondary school (£0/4/4 million) – increasing participation in school sport and links with the community, improving our young people's health and self-confidence – as part of our wider cross-cutting initiative to improve public health;
- expand the Active Primary School Programme (£2/6/8 million) – involving children in sport from a young age, improving their health and opportunities in later life – as part of our wider cross-cutting initiative to improve public health;
- provide support for a national indoor sports facility – helping to build on Scotland's sporting achievements;
- support the development of world class Scottish sports people as role models for our children, and as a source of national pride; and
- give all children the opportunity to play golf by the age of nine, and work with the SFA to provide additional support for the development of youth football.

## Spending Plans

£m	2002-03 Plans	2003-04 New Plans	2004-05 New Plans	2005-06 New Plans
Tourism, Culture and Sport	199	209	235	254
Euro 2008 <sup>1</sup>	0	1	1	14

### Note

1. The Euro 2008 funding is held within the central contingencies fund and will be released to the Tourism, Culture and Sport portfolio if the joint Scotland/Ireland bid for the Euro 2008 Championship is successful. The resources for mounting the Euro 2008 bid are being met from the 2002-03 baseline funding shown above.

# HEALTH AND COMMUNITY CARE

To improve the health and quality of life of people in Scotland and deliver integrated community care services, making sure there is support and protection for those members of society who are in greatest need

A society's willingness to improve the health of its population and its capacity to provide high quality care for its sick and vulnerable is a clear test of its aspirations towards fairness and compassion. If Scotland is to pass that test, we must ensure that we provide the best health care that we can – swift, effective and centred on the needs of the patient.

We are working to improve health and to revitalise the National Health Service and community care services in Scotland. New initiatives are being developed to create a step change in improving health. We are taking a comprehensive approach that draws together activity across the whole range of the Executive's responsibilities and focuses on closing the opportunity gap through: improving the future health of children and young people; delivering integrated community care services to improve the quality of life of those needing assistance; delivering health improvements to disadvantaged people of all ages; and closing the health gap between the most disadvantaged and the average for Scotland, and between those in rural and urban areas.

The health and community care budget will increase over the next three years by £280 million, £869 million and £1574 million, with these additional resources being focused on improving the nation's health and the health service. By 2005-06 these record levels of investment will deliver planned expenditure of £8.6 billion – keeping Scotland's health provision at European levels. These record levels of funding for the NHS provide an exceptional opportunity to reform and modernise the health service in Scotland to ensure it provides the service we deserve.

This investment will make real improvements in Scotland's health, improvements that will:

- meet growing demand for health services – providing fairer access to more services locally, adopting medical advances and meeting the expectations of patients;
- develop and improve primary care services and improve access to dental care;
- reduce waiting times for outpatient, inpatient or day case treatment – particularly for the most serious cases and for those who need help most;
- reduce delayed discharges from hospital into the community – helping to reduce waiting by freeing up hospital beds;
- reflect changes in medical and technological advance – modernising the services we provide, improving the quality of care;
- provide new drugs where clinically appropriate;
- secure a more flexible workforce – equipping them to deliver a more patient-focused service;
- improve the recruitment and retention of front line staff;
- deliver visible improvements in care for patients, for example in the clinical priority areas of cancer, coronary heart disease and mental health;
- invest in buildings and information technology – improving the infrastructure supporting our health services;

- make patients' experience of the NHS better through use of technology – giving them access to better treatment, more advice, information and assistance; and
- improve services for older people – providing them with community care, easing their access to services, improving their quality of life.

## **Improving the Health of the People of Scotland**

Our health as individuals and as a nation is determined by a complex interaction of different factors – physical, social, environmental, as well as personal. Health improvement is an issue that impacts on the economy, education and social justice. Many of our policies and agendas already recognise the potential for contributing towards a step-change in Scotland's health. Our intention is to increase this impact by better co-ordination and focusing action in a new way.

We are more than doubling the money allocated specifically to health improvement as we are determined to change our historical position on health. This is a long-term challenge and we are focusing additional resources of £23/50/100 million across the Executive on improving our health by supporting, for example:

- integrated early years action building on the childcare strategy;
- expanding the Active Primary Schools Programme and supporting a School Sports Development Officer in every secondary school to raise the level of physical activity for school children;
- implement the recommendations of the school meals expert panel, in particular improving the nutritional content; and
- improving mental well-being across Scotland and action to reduce the rate of suicide.

These are in addition to many other health improvement initiatives that will form part of this co-ordinated approach, including, for example, additional resources for reducing alcohol problems across Scotland, encouraging more people to stop smoking and promoting healthy eating. More details are set out in the relevant portfolio chapters.

## OBJECTIVES AND TARGETS

<b>OBJECTIVE 1</b> Work towards a step change in life expectancy for Scots, particularly disadvantaged members of the community, including children and older people		
Target	1	Achieve a 50% reduction in death from coronary heart disease in people under 75 between 1995 and 2010.
Target	2	Achieve a 20% reduction in death from cancer in people under 75 between 1995 and 2010.
Target	3	Achieve a 50% reduction in death from cerebrovascular disease (stroke) in people under 75 between 1995 and 2010.
Target	4	Achieve a reduction in smoking from 35% to 33% between 1995 and 2005 and to 31% by 2010.
Target	5	Achieve a reduction in the incidence of adults exceeding weekly drinking limits for men from 33% to 31% between 1995 and 2005 and to 29% by 2010 and for women from 13% to 12% between 1995 and 2005 and to 11% by 2010.
<b>OBJECTIVE 2</b> Ensure that health care providers provide swift and appropriate access to health care, covering primary, community and acute care		
Target	6	Ensure access to a member of a primary care team within 48 hours.
Target	7	No patient should wait longer than six months for a new outpatient appointment by 2006.
Target	8	Ensure that maximum wait from urgent referral to treatment for all cancer cases is no more than two months by 2005.
Target	9	No patient should wait more than six months for inpatient or day case treatment by 31 December 2005.
<b>OBJECTIVE 3</b> Improve the patient's experience of the services provided by the NHS		
Target	10	Develop a national framework for improving the quality of clinical care by April 2004.
Target	11	All hospitals to have made significant progress towards the Clinical Standards Board for Scotland standards on infection control and clean hospitals by April 2003 and to make further progress each year thereafter.
<b>OBJECTIVE 4</b> Improve services for older people, at home and in care settings		
Target	12	Progressively enable more older people to live and be cared for in their own homes in each year to March 2006.
Target	13	Ensure by 2005 that all those with unmet need for free personal care are identified and receive the services they need.

## What we will do

Over the Spending Review period we will:

- create a Centre for Change and Innovation to support the drive for reform within NHSScotland;
- invest in improving the treatment of coronary heart disease, stroke, cancer and mental illness, utilising the latest technologies;
- make provision to treat additional hospital cases as outpatients, day cases or inpatients;
- train 10,000 nurses and midwives – an additional 1,500 – and increase the total number of NHS consultants by 600 – ensuring that Scotland has the staff it needs to provide high quality healthcare;
- invest at least £750 million in buildings and IT – building modern and pleasant hospitals and primary care facilities, improving patients' experience of the NHS;
- invest £20 million a year to provide 1,000 community places for people leaving hospital – reducing waiting times imposed by delayed discharges;
- spend £125 million a year on personal and nursing care for the elderly – improving their quality of life;
- roll out NHS 24 across the country – giving swift access to advice and assistance, particularly in remote areas;
- invest at least £36 million to modernise and improve GP and dental facilities – improving access for those who need it most, making primary care more effective and efficient;
- fund measures to improve the recruitment and retention of NHS frontline staff – allowing large increases in staffing levels; and
- develop a wider role for nurses to get the full benefit of their skills and enabling release of doctors to focus where their skills are needed.

## Food Standards Agency Scotland

*To be trusted as Scotland's most reliable source of advice and information about food, to protect and improve the safety of the food people eat, and to help people to choose a healthy diet.*

We will deliver a measurable increase in public confidence in the way food safety and standards are managed in Scotland. We will make sure that issues of public concern are debated openly and that our advice and information is freely available.

One of our key goals is to reduce food-borne illness in Scotland, contributing to a 20% reduction across the UK by 2006. We will deliver a national food hygiene campaign, implement our Hazard Analysis and Critical Control Point (HACCP) strategy across food businesses and undertake research into various food-borne pathogens. We are committed to improving the effectiveness of food law enforcement, which plays a crucial role in protecting the public, ensuring that food imports consistently meet our standards and guaranteeing that the food we purchase is what it claims to be.

Providing consumers with clear and accurate information is essential to enable them to make informed choices about their diet. To improve food labelling we will support international negotiations and work with food manufacturers and retailers to improve information on a voluntary basis. Our Scottish Nutrition Strategy will focus on a partnership-based approach, supporting the Scottish Diet Action Plan. We will work to deliver long-term improvements in diet and nutrition, education forming an important part of making sure that the public, and children in particular, have access to information and practical food and cooking skills.

## Spending Plans

£m	2002-03 Plans	2003-04 New Plans	2004-05 New Plans	2005-06 New Plans
Hospital, Community and Family Health Services	6,442.4	7,178.5	7,760.2	8,421.9
Other Health Services	139.5	94.7	98.6	141.4
Community Care	8.8	12.5	12.5	12.5
Food Standards Agency	5.5	6.1	9.6	9.7
<b>Total</b>	<b>6,596.2</b>	<b>7,291.8</b>	<b>7,880.9</b>	<b>8,585.5</b>
Mental Illness Specific Grant	13.3	13.3	13.3	13.3

# ENTERPRISE AND LIFELONG LEARNING

To create a highly skilled, learning, earning, connected Scotland

Economic success is a pre-requisite for building first class public services, social justice, and a Scotland full of opportunity. Scotland's future economic success depends on the people of Scotland, their knowledge, understanding, creativity and enterprise.

We have embarked on a medium-term strategy towards building Scottish science and skills. Since 1999, we have focused the work of the Enterprise Networks through *A Smart, Successful Scotland*; taken a range of measures to improve the innovation of our business; and shifted financial support more towards Scottish companies. Through this Spending Review, we set about building on these initiatives and consolidating our strategy. Our objectives for the next three years are set out below.

Virtually all of our expenditure goes towards our objectives on education and jobs, including resources to increase our support to science, innovation and investment. Our objectives here are also supported by the Structural Funds programmes (see chapter on Finance and Public Services). Much of our spending is aimed at closing the opportunity gap in employment and training. As a result of this Spending Review, we will be:

- rolling out Educational Maintenance Allowances;
- extending our Modern Apprenticeship scheme;
- boosting further education spending, which will allow colleges to invest considerably in their facilities and continue to accommodate record numbers of students, including those from the most disadvantaged areas;
- building on initiatives to promote an enterprising culture among our young people; and
- encouraging the commercialisation of scientific research and innovation to raise productivity and economic growth.

## Education for Work and Enterprise

We want all the young people of Scotland to have the best possible experiences of enterprise while still in education, so that they can enrich their learning experiences and contribute to *A Smart, Successful Scotland* as enterprising employees and entrepreneurs. To achieve our vision of a prosperous Scotland with a "can do, will do" attitude, we need to have people who will set up new businesses and make them grow. Our young people need to develop transferable skills and a flexible approach to their working life. Education for Work and Enterprise should be at the core of the curriculum from pre-school right through to age 18. The Spending Review allocation will allow us to address the recommendations made by the Review of Enterprise in Education, which is due to report later this year.



## OBJECTIVES AND TARGETS

<b>OBJECTIVE 1</b>			<b>Raise the long-term sustainable growth rate of the Scottish Economy</b>
Target	1	Increase business investment in research and development compared to OECD competitors.*	
Target	2	Improve productivity levels in Scottish Industry compared to OECD competitors.*	
<b>OBJECTIVE 2</b>			<b>Influence Scotland's industry towards more sustainable patterns of development</b>
Target	3	Applications for Regional Selective Assistance (RSA) grants of £2 million and over will be assessed against the Executive's sustainable development objectives by 2004.	
<b>OBJECTIVE 3</b>			<b>Improve the skill base of Scotland to be better prepared to meet the demands of the knowledge economy</b>
Target	4	Increase Modern Apprenticeships to over 25,000 in employment and training by 2006, targeting under-represented groups.	
Target	5	Increase the number of people in employment undertaking training.*	
<b>OBJECTIVE 4</b>			<b>Closing the opportunity gap on employment and learning</b>
Target	6	Close the gap in unemployment rates between the worst 10% of areas and the Scottish average by 2006.*	
Target	7	Reduce the proportion of 16-19 year olds not in education, training and employment by 2006.	
Target	8	Increase support to 16-19 year olds from low income families to stay on at school and/or FE college, thereby raising the participation and retention rates of this group by at least 5% by 2007-08.	
<b>OBJECTIVE 5</b>			<b>To encourage and support lifelong learning, widen access to skills opportunities and improve the quality and effectiveness of further and higher education within Scotland</b>
Target	9	Increase graduates as a proportion of the workforce.*	
<b>OBJECTIVE 6</b>			<b>Boost science and increase innovation</b>
Target	10	Assist 150 joint academic and industry ventures by 2006.	

\* These are from *A Smart, Successful Scotland*. The aim is to improve Scotland's performance and move towards the top quartile of OECD countries.

## What we will do

In addition to new funding from the Spending Review, the budget also incorporates changes in the way in which existing budgets will be used. Over the three year period, Scottish Enterprise will achieve savings of approximately £45 million a year from its Business Transformation project – essentially a Best Value approach to using its budget. The expenditure freed up from this will be redirected within that programme to learning and skills, commercialisation of science and innovation and digital connections. Highlands and Islands Enterprise is engaged in a similar business improvement process. We are therefore achieving greater outcomes from the same level of spending. Over the Spending Review period we will:

- invest an additional £0/8/26 million in Educational Maintenance Allowances (EMAs), extending the scheme to cover all of Scotland. Young people from less well-off families will receive a payment each week to encourage them to remain at school and in further education;
- provide a further £5/10/10 million for Modern Apprenticeships (MAs). We will increase the number to over 25,000. MAs have proved successful in combining education with employment: every trainee is in a job.
- provide extra funding of £3/40/78 million to further education, enabling colleges to extend their capacity to deliver the services to the 500,000 people of all ages who use them each year and to improve their facilities;
- provide additional investment in innovation and science. Higher Education will receive a boost of £4/48/82 million, of which £25 million in 2004-05 is to invest in strengthening science and research capacity, rising to £35 million in 2005-06. Alongside this, Scottish Enterprise will take forward its proposals for Intermediary Technology Institutes in order to develop the link between university research and creating high quality sustainable jobs; and
- make available additional funding of £0/3/3.5 million for a new scheme of Individual Learning Accounts.

We have also looked at the spending on Regional Selective Assistance, taking into account expected trends in inward investment projects. Funding will be transferred to other parts of the programme to give a big boost to venture capital for small and growing companies as well as investment in innovation.

## Spending Plans

£m	2002-03 Plans	2003-04 New Plans	2004-05 New Plans	2005-06 New Plans
Student Awards Agency for Scotland	345	362	372	373
Scottish Further Education Funding Council	420	429	466	504
Scottish Higher Education Funding Council	700	726	770	804
Scottish Enterprise	434	445	453	453.5
Highlands and Islands Enterprise	87	93	93	93
Regional Selective Assistance	70	66	66	66
Enterprise and Lifelong Learning Other	66	77	93	120
<b>Total</b>	<b>2,122</b>	<b>2,198</b>	<b>2,313</b>	<b>2,414</b>

# SOCIAL JUSTICE

To make Scotland a good place to live in for everyone

Social justice is an investment in the people of Scotland and is the foundation of our prosperity. We are delivering social justice by improving public services for all, by tackling the social, educational and economic barriers that create inequality and by working to end child poverty and discrimination. We are investing to make every community a safe, attractive place to live, where everyone has the opportunity to make the most of their potential.

Social justice is delivered both through the Social Justice Portfolio and through the activities of other portfolios set out elsewhere in this document. The Social Justice Minister has the key role in working across the Executive to ensure that all we are doing supports our commitment to closing the opportunity gap, both for deprived areas and disadvantaged groups, and our commitment to mainstream equality across the Scottish Executive and the public sector in Scotland.

Using the social justice budget we are regenerating our most deprived communities, for example, by investing in our housing infrastructure. The Glasgow Stock Transfer will transform the lives of thousands of families in Glasgow. Over the next four years we will support further transfers to bring the same benefits of a warm, damp-free and structurally sound home to an additional 70,000 households. At the same time we will increase the housing supply by funding 18,000 new and improved homes for rent and low-cost home ownership and in doing this support sustainable development and offer new opportunities for local employment.

We are improving local services to address the problems of anti-social behaviour, youth crime and the poor quality of the environment through policies that we know make a difference, such as neighbourhood management, wardens and other local initiatives. In taking these forward we are working with communities by putting community engagement at the heart of the regeneration and community planning processes and by delivering services in partnership with other organisations and sectors, including the voluntary sector.

We are also working to tackle the barriers people face that often lead to poverty and inequality. We will work to develop integrated packages of employment support, including childcare, to enable more people to access and maintain employment and so escape poverty for themselves and their families. We will also continue to work to address the problems of financial exclusion.

## OBJECTIVES AND TARGETS

<b>OBJECTIVE 1</b>		<b>Delivering good quality, sustainable and affordable housing for everyone</b>
Target	1	By 2006, increase the supply and quality of Scotland's housing stock by approving 18,000 new and improved homes for social rent and low-cost home ownership.
Target	2	By 2006 reduce the number of houses with poor energy efficiency by 20%.

<b>OBJECTIVE 2 Regenerating our communities</b>		
Target	3	We will demonstrate that we are closing the opportunity gap for disadvantaged communities in respect of key outcomes for education, health, justice, transport, housing and jobs.*
Target	4	By 2006, return to productive use (i.e. for housing, economic or leisure purposes) an additional 100 hectares of vacant or derelict land.
Target	5	By 2006, support local authorities to develop or implement proposals for transferring 70,000 houses to community ownership, subject to the wishes of councils and tenants.
<b>OBJECTIVE 3 Tackling homelessness and providing good quality housing management and support services</b>		
Target	6	By 2006, substantially reduce the number of households becoming homeless more than once in a year.
<b>OBJECTIVE 4 Ending fuel poverty by 2016</b>		
Target	7	All private sector houses occupied by elderly people and all housing associations and local authority houses to have central heating by 2006.
Target	8	By 2006 reduce by 30% the number of households in fuel poverty.
<b>OBJECTIVE 5 Promoting equal opportunities and active citizenship</b>		
Target	9	Increase the opportunities for people to get involved in volunteering and promote equality mainstreaming within the Scottish Executive and across the public sector.

\* We will measure whether we are closing the opportunity gap using a series of indicators based on portfolio targets. In each case, we will compare the outcome in the most disadvantaged areas with the national average to establish the extent of the gap and measure change over time. The baseline year will be 2003-04 and the indicators that we intend to use are:

Education	Children achieving at least basic educational qualifications.
Health	Death from coronary heart disease in people under 75. Mothers who smoke during pregnancy.
Justice	Levels of house-breaking.
Transport	Serious and fatal road accidents involving children. Access to a local bus service.
Housing	Homes with poor energy efficiency.
Jobs	Unemployment rates. 16-19 year olds who are not in education, training or employment. Children in workless households.

## What we will do

We want to improve the lives of Scotland's people by promoting sustainable homes and communities and tackling inequality, poverty and injustice. Over the Spending Review period we will:

- invest £238/248/248 million through the Communities Scotland development programme to fund improvement or replacement of poor housing stock and to provide access to decent and affordable housing for homeless people and those on low to moderate incomes;
- continue to provide £47.5/47.5/47.5 million to support the Central Heating Programme and the Warm Deal so that we can improve domestic energy efficiency and end fuel poverty in Scotland and spend a further £0/5/5 million on central heating targeted on the over 80s to improve a further 4,000 homes by 2006;
- invest in stock transfers by spending £87/107/127 million to improve the quality of housing in Scotland so that a further 70,000 households are able to live in a warm, damp-free and structurally sound home;
- invest £5/15/15 million to support the provision of alternative accommodation and support services to replace Glasgow's outdated homeless hostels, with further investment of £2/5/5 million being made from the health budget;
- continue to deliver area-based regeneration by spending £83/83/83 million through the Social Inclusion Partnership programme and £40/40/40 million through the Better Neighbourhood Services Fund (which is paid for through the Local Government budget);
- work to integrate these area-based programmes with the developing community planning process to embed regeneration activity into local activity;
- tackle anti-social behaviour by investing £0/15/15 million in neighbourhood wardens, support schemes and other local initiatives;
- fund childcare provision in disadvantaged areas by providing £0/10/10 million to help close the employment opportunity gap;
- continue to work with the voluntary sector and volunteering organisations to increase their ability to deliver high quality services to those who need them most;
- invest £0/8/12 million to accelerate the reclamation of vacant and derelict land in Glasgow, North Lanarkshire and Dundee; and
- increase awareness of inequality through campaigns such as the Close the Gap initiative on equal pay for men and women.

## Spending Plans

£m	2002-03 Plans	2003-04 New Plans	2004-05 New Plans	2005-06 New Plans
Delivering Good Quality and Affordable Housing <sup>1</sup>	466	464	484	484
Regenerate our Communities	187	198	242	266
Providing the Services and Support that People Need	23	29	24	24
Tackling Fuel Poverty	38	48	53	53
Tackling Homelessness	31	37	45	45
Promoting a Fairer Society	19	35	45	45
Scottish Homes	26	18	18	18
Housing Support Grant	10	10	10	10
<b>Total</b>	<b>800</b>	<b>839</b>	<b>921</b>	<b>945</b>

### Scotland's Cities

Cities are central to the quality of life and the well-being of Scotland. We are committed to ensuring that our cities are able to exploit to the full their economic potential, and that the benefits of their increased prosperity are shared with the rest of Scotland. Over the last year, we have been reviewing the economic, social and environmental prospects of Aberdeen, Dundee, Edinburgh, Glasgow and Inverness. The review, which will be published next month, has highlighted that:

- our cities are of central importance to the achievement of our ambitions for Scotland;
- the attractiveness of our cities as places to live, learn, work and visit are crucial to their economic and social prospects;
- rapid growth – for example in Aberdeen, Edinburgh and Inverness – needs careful management to maximise the benefits of cities' success; and
- some difficult, long-term problems remain – especially in Glasgow and Dundee.

Our spending plans for the next three years include a range of initiatives of particular significance for Scotland's cities and their wider city regions:

- investment in the infrastructure required to support successful and dynamic city regions (details to follow in the Cities Review report);
- resources to improve quality of life, helping to make all our communities better places to live, by addressing the problems that matter locally;

- additional funding to progress our 10 national transport priorities with particular emphasis on the transport needs of metropolitan areas;
- increased resources to tackle the economic, social and environmental blight of vacant and derelict land in those parts of Scotland with the most extensive inheritance of such land – Glasgow, North Lanarkshire and Dundee;
- progressing further transfers of council housing to community ownership, building on the successful ballot in Glasgow;
- more money for innovation and science, including strengthening research capacity in our universities;
- addressing the skills gap in our cities through increased support for lifelong learning in college and in the workplace; and
- delivering a major events strategy to exploit the potential of Scotland as a location for high profile “must see” sporting and cultural events.



# TRANSPORT

To promote economic growth, social inclusion and sustainable development via a safe, integrated, effective and efficient transport system

An effective transport system is central to a thriving economy and strong communities, giving everybody access to jobs and services and ensuring the easy and sustainable movement of goods and people across Scotland. We have set out in our Transport Delivery Report, *Scotland's Transport – Delivering Improvements*, a comprehensive vision for transport built on the principles of sustainable development. This will address the immediate needs and equip Scotland for the next 25 years.

Recognising that over half the population depend on public transport, we have increased spending on public transport dramatically over the full range of services from bus to rail. We have introduced free off-peak local bus travel for elderly and less able people. Scotland has invested in a high quality road network which is being maintained to a good standard and many important new schemes to improve road safety and reduce congestion have been constructed, reducing pollution and improving communities' health and quality of life.

Our priorities for delivery during the Spending Review period are:

- increasing capacity and services on the rail network in Scotland – encouraging more use of sustainable transport;
- increasing capacity on the rail network in and around Edinburgh – reducing congestion, stimulating the local economy and improving access to services;
- opening up direct access to the rail network for business and to travellers from Scotland's airports – providing the transport links that the economy needs;
- developing an effective, modern 21st century public transport system for Edinburgh, worthy of a capital city;
- addressing the concerns of business and the wider community in and around Aberdeen by fixing Aberdeen's congestion – stimulating the local economy, strengthening the community;
- tackling inter-urban congestion in central Scotland – providing sustainable transport links;
- accessing economic benefits by opening up the Borders area – helping to sustain rural communities and provide better access to services;
- encouraging the use of buses by more of the Scottish population and tackling social exclusion;
- providing travellers with access to customised information – better quality, more accessible services; and
- making it easier to use public transport in Scotland, helping the vulnerable and disadvantaged to make full use of public transport and reach key services.

These priorities address our commitment to social justice – enabling large sectors of the population to have access to good services at affordable prices. We also provide essential transport services to rural and island areas communities, who depend heavily on them. They will contribute significantly to progress on reducing the impact of climate change.

## OBJECTIVES AND TARGETS

<b>OBJECTIVE 1</b>		
<b>To promote economic growth by enhancing the effectiveness of the transport network and reducing congestion</b>		
Target	1	Reduce the time taken to undertake trunk road journeys on congested/ heavily trafficked sections of the network by 2006.
Target	2	Achieve best value for money by reducing the proportion of the trunk road network that requires close monitoring to 6% for motorways and 8% for dual carriageways by 2006.
<b>OBJECTIVE 2</b>		
<b>To promote social inclusion by improving access to public transport and by maintaining and enhancing the lifeline links</b>		
Target	3	Traveline Scotland to answer at least 1 million enquiries per annum by 2006; Transport Direct portal to achieve at least 1.5 million visits per annum by 2006; and for performance and output standards to be met.
Target	4	Increase passenger numbers passing through HIAL airports by 5% by 2006.
Target	5	Increase the quality and quantity of lifeline ferry services and ensure 98% of planned sailings actually sail and 98% arrive on time by 2006.
<b>OBJECTIVE 3</b>		
<b>To support sustainable development by promoting more efficient transport networks and more sustainable modes of transport, having regard to the overarching principles of minimising resource use, energy and travel</b>		
Target	6	Increase rail passenger journeys on the Scottish rail network by a further 5% by 2006.
Target	7	Increase local bus passenger journeys by 5% by 2006.
<b>OBJECTIVE 4</b>		
<b>To improve road safety and reduce road accident casualties</b>		
Target	8	Reduce the number of serious and fatal road accident casualties by 40% by 2010 and by 50% for children over the same period, compared with the 1994-98 annual averages.

### What we will do

We are determined to deliver real improvements to Scotland's transport network and over the Spending Review period we will:

- let a new 15 year Scottish passenger rail franchise and deliver our top priority rail projects – investing in the infrastructure the Scottish economy needs;
- invest to develop rail links to Glasgow and Edinburgh Airports – providing better links for business visitors and tourists coming to Scotland;
- begin construction of the final part of the M74 into Glasgow;

- deliver the top priority public transport projects flowing from the Central Scotland Transport Corridor studies – easing congestion and promoting more sustainable transport;
- continue to improve the trunk road network, including the preparation for the A8 and A80 motorway upgrades;
- take forward new contracts for lifeline ferry services – ensuring affordable services for island and remote mainland communities;
- introduce free local off-peak bus travel for elderly people and those with a disability – making it easier for them to travel, improving their quality of life;
- improve and enhance Traveline, and implement Transport Direct – giving everybody access to better information about the transport services they depend on; and
- encourage local authorities to promote through-ticketing on local buses – ensuring that those who rely most on public transport can use it.

## Spending Plans

£m	2002-03 Plans	2003-04 New Plans	2004-05 New Plans	2005-06 New Plans
Rail Services in Scotland <sup>1,2</sup>	181	210	211	211
Clyde and Hebrides Ferry Services <sup>2,3</sup>	31	37	38	38
Highlands and Islands Airports Ltd	28	30	31	31
British Waterways	8	11	11	11
Other Public Transport <sup>4</sup>	166	254	310	414
Motorways and Trunk Roads <sup>5</sup>	788	866	884	911
<b>Total</b>	<b>1,202</b>	<b>1,408</b>	<b>1,485</b>	<b>1,616</b>
Grants to Local Authorities <sup>6</sup>	2	12	12	12

Notes:

1. Includes £31 million for 2003-04, 2004-05 and 2005-06. This is a baseline transfer due from DfT for the reprofiling of the Scottish passenger rail franchise.
2. Figures for 2004-05 and 2005-06 are notional pending the outcome of tendering exercises.
3. Formerly Caledonian MacBrayne.
4. Includes provision for Public Transport Fund previously shown in the Local Government Spending Plans.
5. Motorways & Trunk Roads line includes depreciation charges (classed as DEL) and cost of capital (classed as AME). The split between DEL and AME is as follows:

£m	2002-03	2003-04	2004-05	2005-06
DEL	257	302	304	314
AME	531	564	580	597
<b>Total roads</b>	<b>788</b>	<b>866</b>	<b>884</b>	<b>911</b>

6. This is the provision for Piers & Harbours included within the Local Government Spending Plans. Additional funding for Concessionary Fares is also included within the Local Government Spending Plans on page 55.

# ENVIRONMENT AND RURAL DEVELOPMENT

To increase prosperity and quality of life in rural Scotland and to improve the environment and promote sustainable development throughout Scotland

We are committed to maintaining strong, prosperous communities in rural Scotland and to ensure Scotland's sustainable development. We are determined to improve our record in preserving and enhancing our environment, both in the countryside and in urban areas. Everyone should live in a clean, healthy environment, no matter who they are or where they live, and everyone should have access to Scotland's unique natural heritage.

## *Rural Development*

Around 18% of people in Scotland live in rural areas. We are determined to make sure that they live in sustainable, prosperous communities, with access to the services they need. We have therefore worked to make sure that all of our policies, and particularly the way that services are delivered, are sensitive to the needs of rural communities. We are committed to:

- ensuring that the rural economy continues to provide jobs and opportunities for all – ensuring vibrant and prosperous rural communities;
- ensuring that rural communities have the essential services they need – maintaining and improving the quality of life for rural Scotland;
- ensuring that Scotland's unique woodland and fishing resources are protected and sustainably managed;
- improving access to Scotland's countryside – improving Scotland's health and quality of life;
- encouraging innovative research – supporting our rural agenda and our measures to improve Scotland's health; and
- ensuring that Scotland's diverse farming industry – and the rural communities that depend on it – continues to deliver high quality produce and to benefit from a reformed EU Common Agricultural Policy.

## *Sustainable Development and the Environment*

We are committed to promoting sustainable development in Scotland, and are working to ensure that Scotland's record in this area improves. Our main priority areas are resource use, energy and travel. Delivering sustainable development is a priority across every portfolio, and examples of the action we are taking to ensure sustainable development across the Executive are set out on pages 11 and 12.

We are determined to clean up Scotland's environment, whether in the countryside or in towns and cities. Scotland's treatment of its waste – most notably our dependence on landfill – is one of the key contributors to our poor environmental record. We will deliver a fundamental change in waste management through the National Waste Strategy. The people of Scotland want to do more to improve resource use and contribute to a better environment, but look to us to take the lead. Recent reorganisation of the water industry, together with reviews into the funds required to sustain operations and to deliver legislative commitments, mean that Scottish Water will reduce its dependence on contributions from the Scottish Executive. Resources released will be used to support:

- driving a dramatic increase in recycling and composting – reducing our landfill and making better use of precious resources;
- improving our record on pollution and cleaning up bathing waters – minimising our impact on the environment and improving our quality of life; and
- reducing the risk of flooding in vulnerable areas.

## Working for Rural Communities

Improving the delivery of services to rural communities has been at the heart of our rural development policy over the past three years, and was highlighted as a priority issue in our vision statement, *Rural Scotland: A New Approach*, published in May 2000. We recognise that for many people living in rural Scotland the availability of services locally is a key indicator of the health and well-being of their communities. However, the nature and size of these communities often means that services cannot be delivered in traditional ways, which may affect the range and quality of the services available to these communities. We are taking forward the recommendations of the Scottish National Rural Partnership's report, *Services in Rural Scotland*, which set out how service providers – in the public, private and voluntary sectors – can improve delivery and access to services in rural areas. For example, we are:

- developing a **Rural Community Gateway Website**, which will be up and running early in 2003, to facilitate the sharing of good practice and encourage greater networking across rural communities;
- encouraging rural communities to consider piloting the **Community Mall**, one-stop shop concept;
- producing a report later this autumn **mapping the location of rural services**;
- encouraging more integrated approaches to rural transport, building on the publication of a **Rural Community Transport Good Practice Guide** in July 2001 by funding **two integrated rural transport pilots**; and
- revising the criteria of the **Scottish Rural Partnership Fund** to encourage enhanced service delivery in rural communities.

Rural communities will also benefit from our wider commitment to deliver more effective public services. For example, over the next three years, rural communities will benefit from:

- the **rollout of NHS 24** that will provide a vital first point of contact for those in remote areas seeking medical advice and assistance;
- support for **PPP projects to build new schools** in rural areas;
- investments to **improve and modernise ferry services**, which will help to maintain viable island communities;
- **improvements to airports** in the Highlands and Islands, which will improve the region's connections with the rest of Scotland and further afield, with benefits for tourism and jobs;
- **investments in promoting tourism** and visits to Scotland's unique natural and cultural heritage, a vital source of jobs for many rural communities; and
- **grant support for rural housing**, ensuring good quality, affordable housing in rural areas, helping to maintain rural populations.

## OBJECTIVES AND TARGETS

<b>OBJECTIVE 1</b>		
<b>A modern, effective and publicly-owned water and sewerage industry, unlocking efficiency gains for its owner and delivering the outputs agreed in the Quality and Standards 2 process, within the agreed revenue cap at a fair price for all customers</b>		
Target	1	Improve public water supplies by increasing the compliance rate to at least 985 as measured by the Water Quality 1000 index by 2006.
Target	2	Reduce the number of sewage treatment works not in compliance with consents to less than 45 by 2006.
<b>OBJECTIVE 2</b>		
<b>Conserve and improve the natural heritage of Scotland and everyone's enjoyment of it</b>		
Target	3	Improved public enjoyment and protection of the countryside, measured by increases in numbers of walkers visiting.
<b>OBJECTIVE 3</b>		
<b>Ensure progress towards sustainable management of Scotland's waste and achievement of EU landfill reduction targets by 2010, 2013 and 2020</b>		
Target	4	Increase the amount of waste collected by local authorities which is recycled or composted to 25% by 2006.
Target	5	Reduce landfilling of biodegradable waste collected by local authorities to 1.5 million tonnes by 2006.
<b>OBJECTIVE 4</b>		
<b>A clean and safe environment, tackling climate change and complying with domestic, EU and international standards</b>		
Target	6	Through the introduction of flood prevention measures, 1,850 properties to have their risk of flooding reduced to below 1% by 2006.
Target	7	SEPA to deliver a comprehensive assessment of the state of Scotland's water environment by 2006 and extend its water quality monitoring network by 15% by 2004.
<b>OBJECTIVE 5</b>		
<b>Reduce the opportunity gap by promoting economic development, social justice, better service delivery and sustainable development in rural communities in Scotland</b>		
Target	8	Encourage more sustainable agricultural activity on 13,500 farm businesses in Scotland's remote hills by 2006.
Target	9	Deliver better service provision to rural communities through support for around 80 new rural development projects each year, and funding for three-four joint initiatives a year with other Executive departments or agencies, by 2006.

## What we will do

We are committed to delivering real improvements for rural communities, and to promoting sustainable development across Scotland, combining economic progress with social justice. Over the Spending Review period, we will:

- improve access to the countryside – with benefits for our health and quality of life – by investing an additional £0.5/2.8/4.1 million in improving path networks and management;
- improve the management of the new National Parks – ensuring the sustainable development of rural life in a unique part of Scotland’s natural heritage;
- expand the Scottish Rural Partnership Fund, providing an additional £2.2 million a year from 2004-05 to support innovative projects to provide better facilities and services in rural communities;
- maintain the current, historically high levels of support for agriculture through the Less Favoured Area Scheme, worth over £60 million a year – a key source of direct and indirect employment in some of Scotland’s remotest areas;
- provide an additional £2 million a year from 2003-04 to improve the quality and range of business and other advice available to Scotland’s farmers – encouraging a thriving rural economy, supporting strong and prosperous rural communities;
- implement the Scottish Forestry Strategy, with an additional £4 million resources for recreational and tourist-related facilities, especially in National Parks, and improvements in the natural heritage value of Scotland’s national forests;
- make available an additional £2/2/3 million in domestic funding in support of EU fisheries structural funds to secure sustainable and successful seafishing and aquaculture industries in Scotland;
- maintain a ring-fenced fund of £22.8 million from 2005-06 of UK match-funding to support possible CAP modulation – providing resources for the modernisation and reform of agriculture in Scotland;
- support and encourage innovative research in Scotland’s Agricultural and Biological Research Institutes – promoting excellence and relevance;
- provide a further £0/60/81.5 million through the Strategic Waste Fund for improvement of local authority waste management – implementing area waste plans to increase recycling and composting and reduce landfill. Together with additional resources to be allocated later in the year this will enable local authorities to recycle or compost 25% of the waste they collect by 2006;
- provide a further £6.0/8.3/6.8 million for related waste initiatives, including recycling and market development, waste minimisation, and handling and disposal of fridges and hazardous wastes;
- invest £12.4/4.6/6 million to reduce the level of pollution from farms that ends up in our rivers and clean-up Scotland’s bathing waters to European standards – protecting Scotland’s unique environment, and improving access to our beaches;

- invest a further £3.8/4.5/6.4 million in enhancing our protection of the environment – promoting more sustainable use of our water resources, reducing urban pollution and dramatically improving the information available to the public about pollution in Scotland;
- invest additional resources of £1.8/4.2/4 million to improve flood defences – protecting communities from the damage and disruption caused by flooding; and
- between 2002 and 2006 Scottish Water will invest more than £1.8 billion in our public water and sewerage services to ensure that legislative standards are met.

## Spending Plans

£m	2002-03 Plans	2003-04 New Plans	2004-05 New Plans	2005-06 New Plans
Water	285	256	201	207
Natural Heritage	62	65	68	69
Environment Protection and Waste Management	44	73	130	154
Research and Sustainable Action	2	2	2	2
Rural Development	100	110	110	134
Agricultural and Biological Science, and Other Agricultural Services	94	117	133	103
Fisheries	67	49	50	53
Forestry Commission	86	89	91	91
CAP Market Support	349	379	377	377
<b>Total</b>	<b>1,089</b>	<b>1,140</b>	<b>1,162</b>	<b>1,189</b>

### Notes:

CAP Market Support expenditure is classed as Annually Managed Expenditure (AME), is funded entirely by the EU and is settled outside the usual Block arrangements.

RAB accruals resources are classed as AME in 2002-03 but converted to DEL for 2003-04 and future years. The figures above include, for future years, a technical switch of some £18 million of RAB resources scored against Fisheries in 2002-03, to Agricultural and Biological Science and Other Agricultural Services.

Rural Development Plans for 2005-06 include a ring-fenced addition of £22.8 million to provide the match funding which would be needed should it be decided to increase the currently planned rates of modulation of CAP on-farm payments.

The 2005-06 Plan for Agricultural and Biological Science and Other Agricultural Services assumes a receipt of some £15 million from the disposal of the Scottish Agricultural Science Agency's estate at East Craigs, Edinburgh. The Plans for 2004-05 include an additional capital allocation of £15 million in respect of the Agency's relocation to a new site.



# FINANCE AND PUBLIC SERVICES

To improve the delivery of public services and promote local democracy

We will improve the delivery of public services for the benefit of those who use them. We will provide leadership and support for local leaders and managers, and will work with them in the drive for reform and modernisation. We will improve the means by which local authorities, health bodies, non-departmental public bodies and others are financed. Through the effective operation of the European Structural Funds we will support the efforts of public and private bodies to create jobs in disadvantaged areas and improve access to jobs across Scotland.

Over the next three years we will invest more resources in improving local services: we will allocate a further £188/531/827 million to local authorities to enable them to deliver the improvements in education, community care, transport and quality of life set out in this document. We will introduce further reforms to let local leaders lead; and provide direct encouragement and support for innovation and improvement in public services. Our objectives for this Spending Review period are set out below.

This is a forward-looking agenda of investment and reform. We are providing the resources and framework to enable local authorities and other key agencies to invest for the long term and ensure continuous improvement in service delivery and governance.

## OBJECTIVES AND TARGETS

<b>OBJECTIVE 1</b>		<b>To secure, with local government, improvement in local authority services</b>
Target	1	By April 2004, have in place a new framework for monitoring the delivery of local services through Best Value, to ensure all councils are delivering sustained improvements across their service responsibilities.
Target	2	By December 2003, establish with local government a new public service improvement function to help local authorities share best practice and increase joint working to deliver service improvements.
Target	3	Provide local authorities with the stability of three year grant allocations and resources to support existing services and new priority policy initiatives.
Target	4	Establish by 2004-05 a new framework for local authority capital investment, supporting better investment decisions, long-term planning and increased levels of investment in local infrastructure.
<b>OBJECTIVE 2</b>		<b>To secure further progress on the modernisation of local governance</b>
Target	5	By 2006, to have secured a statutory basis for Community Planning and a Power of Well-being, issued accompanying guidance and developed best practice in both and taken appropriate action on renewing local democracy.

<b>OBJECTIVE 3 To secure better public service delivery, including access to information, through a citizen-focused approach</b>		
Target	6	Get all Government services which can feasibly be delivered electronically online by 2005.
Target	7	By 2006, develop a Scottish electronic citizen card available to all citizens, which will give them faster and more convenient access to public information and services.
Target	8	Ensure services are available through broadband technology in the pathfinder areas of South of Scotland and Highlands and Islands by 2004.
<b>OBJECTIVE 4 To equip unemployed people with the skills to secure a job, re-skill the existing workforce or improve the skills base of particular geographic areas through European Structural Funds</b>		
Target	9	By 2006, have awarded project grants to train 38,000 unemployed beneficiaries for employment 12 months after training, and to generate 112,000 qualifications by 2008.
Target	10	By 2006, have awarded project grants to assist 28,000 socially excluded people into employment by 2009.
<b>OBJECTIVE 5 To encourage economic development through the European Structural Funds in areas suffering from industrial decline, rural or urban problems, and areas experiencing difficulty arising from pressure on the fisheries sector</b>		
Target	11	By 2006, have awarded project grants to assist 23,000 existing businesses by 2008.
Target	12	By 2006, have awarded project grants to create 83,000 net jobs by 2009.

## What we will do

In order to modernise governance and improve public service delivery in Scotland, we will:

- build a strong partnership with local authorities to establish joint priorities for improving services;
- increase revenue grant for local authorities by £188/531/827 million over the next three years – securing visible improvements in quality of life, further modernisation of the teaching profession, free personal and nursing care, additional investment in the police and fire services, age equalisation for reduced travel fares, and protecting the services already being provided;
- invest £45 million over the next three years in encouraging services which focus more on the needs of the citizen – securing a multi-functional citizen's smartcard, providing easy access to public information and services;

- invest in upgrading broadband telecommunications for health, schools and local authority services in the two pathfinder areas of the South of Scotland and Highlands and Islands, giving citizens in rural areas better access to information and services;
- establish a pool of external experts from the private and public sectors to help explore fresh approaches to improving services across the public sector;
- reform the control of local authority capital investment, allowing local authorities to increase investment if they can afford it – enabling them to improve services, invest in the future and build new schools and improve local roads;
- legislate to give local authorities a statutory duty of continuous improvement and put in place new performance reporting and audit arrangements – enabling everyone to monitor how their council is performing and how services are improving;
- give local authorities a new power to pursue the well-being of their area and impose a duty of Community Planning on key local partners to work together with their communities to improve services; and
- establish a new public service improvement function to provide support for authorities with information, advice, support and training in order to improve service delivery.

## Quality of Life

We are determined to improve the quality of life of the people of Scotland. As part of this Spending Review we are allocating an additional £180 million over three years to local authorities to bring about real improvements in the quality of people's everyday lives. Local authorities will be able to use this money to make the streets safer and cleaner, to manage parks and open spaces for everyone's benefit and to improve services which matter to everyone. It will enable them to take more effective action to tackle vandalism, graffiti and dog fouling. It will help local leaders to respond to local concerns and take the initiative to improve the environment in which people go about their daily lives.

## Spending Plans

£m	2002-03 Plans	2003-04 New Plans	2004-05 New Plans	2005-06 New Plans
<b>Local Government</b>				
Revenue <sup>1</sup>	6,751.2	7,336.7	7,691.6	8,077.0
Capital <sup>2</sup>	356.7	416.2	423.6	433.4
Bellwin	1.1	1.1	1.1	1.1
Committees, Commissions and Other Expenditure	0.8	1.2	1.5	1.5
<b>Total Local Government Public Services</b>	<b>7,109.8</b>	<b>7,755.2</b>	<b>8,117.8</b>	<b>8,513</b>
Public Sector Reform <sup>3</sup>	–	30	30	100
Modernising Government Fund	15.0	15.0	16.0	16.0
<b>European Structural Funds</b>				
Central Government Expenditure	147	122	95	93
Central Government Support to Local Authorities	52	52	63	56
<b>Scottish Public Pensions Agency</b>	<b>234.3</b>	<b>296.3</b>	<b>326.3</b>	<b>356.3</b>
<b>Total</b>	<b>7,588.1</b>	<b>8,270.5</b>	<b>8,648.1</b>	<b>9,134.3</b>

### Notes

1. The Local Government Revenue Baseline for 2002-03 and 2003-04 includes transfers to/from relevant portfolio chapters of -£25/+30.9 million and various grants from other government departments to allow the numbers to be presented on a consistent basis over the period.
2. Local Government Capital baselines for 2002-03 and 2003-04 exclude £50/60 million of Public Transport Fund and £45/50 million of Non-Housing Revenue Account funding which is included in the transport and social justice tables respectively.
3. Resources earmarked to enable the Executive to respond to opportunities to secure step changes in improved delivery of public services.

# ADMINISTRATION

To be an organisation that supports Ministers effectively, is focused on the efficient delivery of better public services, and is perceived by its stakeholders to be modern and well run

The administration budget covers the costs of running the Scottish Executive. This is primarily staffing and associated costs such as accommodation and training. The aim of the organisation is to support Ministers effectively, with a particular focus on the efficient delivery of better public services.

The organisation has changed dramatically since devolution. Much has been achieved including the delivering of an ambitious legislative programme. We have greatly expanded our programme of policy development, consultation and implementation as part of delivering the Executive's targets as set out in *Programme for Government* and other documents. Despite the growth in output, total spending on administration as a proportion of the total budget has fallen steadily since 1999-00.

We are committed to delivering further improvements over the Spending Review period. We will build on past achievements and strive for continuous improvement in delivering better public services. We are driving forward a plan for continuous improvement through the Changing to Deliver initiative. We will use a comprehensive programme of Best Value reviews to focus on improving the way we work.

We are committed to modernisation and reform and investment in our IT infrastructure is a key priority. As part of our commitment to provide better joined-up public services, we will create an integrated Family History Research Service available on line and at Register House in Edinburgh. We will continue to invest in the development of our staff and modernise key corporate systems like Human Resources and Records Management.

We are committed to promoting equality in our policies and budgets. As an employer, we aim to continue to improve the diversity of the people we employ to better reflect the population of Scotland. Progress has been made in all under-represented areas of our workforce but we recognise that further improvement is needed to help us value and manage Scotland's diversity and to use all of its talents to benefit all sectors of our society.

## OBJECTIVES AND TARGETS

<b>OBJECTIVE 1</b>	<b>To enable Ministers to deliver the Executive's priorities for better public services</b>	
Target	1	Undertake a rolling programme of Best Value reviews, with all departmental activity to be examined by 2006.
<b>OBJECTIVE 2</b>	<b>To ensure that the organisation is accountable and responsive</b>	
Target	2	Deliver continuous improvement in performance on response times for Parliamentary Questions and Ministerial Correspondence, and conform with new Freedom of Information requirements.

<b>OBJECTIVE 3</b>		<b>To ensure that the organisation is modern and efficient, taking full advantage of developments in information technology</b>
Target	3	Implement electronic record and document management system by 2005-06. This will help us meet our commitments and obligations under Freedom of Information; make it easier to share information; and offer more efficient ways of storing and retrieving information.
<b>OBJECTIVE 4</b>		<b>To ensure the organisation is open and diverse</b>
Target	4	By 31 March 2005 increase the percentage of: <ul style="list-style-type: none"> <li>● women in senior positions in the workforce to 48% in Band B, 43% in Band C and 30% in the Senior Civil Service (SCS);</li> <li>● staff from minority ethnic communities in the workforce to 1.7% across the Executive (i.e. SCS and Band C as well as Bands A and B); and</li> <li>● staff with disabilities in the workforce to 5% in Band A, 3.2% in Band B, 1.4% in Band C and 3% across the SCS.</li> </ul>

### What we will do

We have grown the organisation since 1999 to allow us to respond effectively to new challenges and responsibilities. The emphasis for the period ahead will be to prioritise what we do and where necessary reshape the organisation to ensure our resources are aligned with the key delivery priorities. As part of this change agenda we will:

- continue to develop our information systems and technology over the period to 2005-06 in ways that will enable the Executive to meet its electronic service delivery targets. Over the Spending Review period we will invest in two major new IT systems – the electronics records management and human resources intranet projects;
- introduce a rolling programme of Best Value reviews over the next three years. The reviews will:
  - be aimed at identifying whether there are alternative ways of organising and carrying out our work to ensure that it is done both to a higher standard and more efficiently;
  - take into account systematically the views of Ministers, external and internal customers and stakeholders; and
  - consider how work within the Executive impacts on and meshes with the work of others, notably those who have to deliver and implement our policies, what customers think of the service we provide, and how they think it could be improved.
- further reduce the total spending on administration as a proportion of the total budget by 2005-06;
- deliver efficiency savings of £3.7 million a year by 2005-06;

- implement an Environmental Management System (EMS) in a further 12 buildings by December 2003 in order to monitor and ultimately reduce our environmental impact. Revised targets in key areas, like energy consumption, for future years will be included in the next annual report on Greening the Executive;
- set challenging targets to increase the diversity of our workforce covering women in senior positions, staff from minority ethnic communities and staff with disabilities; and
- establish a Scottish Family History Service (SFHS) to provide a “one-stop shop” for research into family history.

## Spending Plans

£m	2002-03 Plans	2003-04 New Plans	2004-05 New Plans	2005-06 New Plans
Administration	218	225	232	239
General Register Office for Scotland	9	8	8	9
National Archives of Scotland	9	9	9	9
Registers of Scotland	This body is self-funding			
<b>Total</b>	<b>236</b>	<b>242</b>	<b>249</b>	<b>257</b>

### Notes:

Our spending on administration also includes the administration costs in our core departments and associated departments:

- the General Register Office for Scotland (GROS) (<http://www.gro-scotland.gov.uk>), which records population information such as census statistics, registers vital events (births, deaths, marriages, divorces and adoptions), and conducts civil marriages;
- the National Archives of Scotland (NAS) (<http://www.nas.gov.uk>), which selects, preserves and makes available the national archives of Scotland, for example government, court and legal, historical and private records; and
- Registers of Scotland (RoS) (<http://www.ros.gov.uk>), which compiles, maintains and provides public access to registers and records relating to rights in land, family agreements, succession, trusts, state appointments, and diligence and sequestration.



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