This briefing focuses on the National Performance Framework and Scotland Performs, the Scottish Government’s outcomes-based system of measuring and reporting on its performance.

The National Performance Framework was “refreshed” in December 2011, and this briefing first summarises the different levels in the framework following the refresh. It then goes on to discuss some key issues with the system - linking expenditure to performance and reporting to the Parliament. Finally, it assesses the Government’s performance through detailed examination of the Purpose Targets, National Indicators and National Outcomes.

An annexe contains a “snapshot” of the Scotland Performs information as of 3 February 2012. The Financial Scrutiny Unit intends to publish an update of this information on a regular basis.
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EXECUTIVE SUMMARY

At the start of the third Session of the Scottish Parliament, as part of the 2007 Spending Review, the Scottish Government introduced a new outcomes-based National Performance Framework (NPF) to underpin the delivery of its agenda. In June 2008, the Government launched Scotland Performs, a website designed to present information on how Scotland is performing against the range of indicators and targets outlined in the NPF.

The NPF and Scotland Performs are based on the outcomes-based model used by the Commonwealth of Virginia in the United States, and is part of a world-wide movement towards using outcomes to measure performance, as opposed to measuring inputs or outputs. In December 2011, the Government published its first “refresh” of the NPF.

The refreshed NPF contains five levels—

- The Purpose – sets out the direction and ambition for Scotland;
- The 11 Purpose Targets – high level targets that show progress towards the Purpose;
- The 5 Strategic Objectives – describe where the Scottish Government will focus its actions;
- The 16 National Outcomes – describe what the Scottish Government wishes to achieve over the years to 2017; and
- The 50 National Indicators – enable the Government to track its progress towards the Purpose and the National Outcomes.

The main changes in the refresh were to expand the National Indicator set from 45 to 50 and to add an additional outcome on older people.

There are a number of measures and sources used to measure performance against the National Indicators and Purpose Targets. Measures used include rates, percentages, indices and simple counts, among a small number of more complex measures. The sources for the data are mainly Scottish Government, but do include others. Thresholds are set for each indicator and target to represent what constitutes the ‘stable’ position. Performance is assessed by measuring change between the latest two dates that data is available, rather than a longer term view. The time period between each data point varies across indicators and targets, meaning the latest performance assessment for different indicators can relate to different time periods. Performance is denoted by arrows against each indicator showing whether performance has improved, maintained or worsened.

The “next step” beyond using outcomes to measure government performance is moving to “outcome budgeting”. Although progress has been mixed across different jurisdictions, some countries are moving towards a system of linking expenditure to performance, including in the State of Virginia, USA, the system used as the model for Scotland Performs.

However, the information presented in Scotland Performs is predominantly about assessing performance and does not make an explicit link to the level of expenditure used in relation to performance. There is also no link between the Government’s spending plans, as set out in spending reviews and draft budgets, and the intended impact spending will have on future performance.
The Scottish Government does not formally report to the Parliament on its performance, seeing Scotland Performs as an on-going report. In Virginia, there is a duty on the Council on Virginia’s Future to produce an annual report on its performance and its progress against long-term objectives. Although there are no plans for an annual reporting mechanism under the Scottish system, the Government has agreed that, prior to the next UK Spending Review, it will consider the options “for provision to the Parliament of an assessment of its performance and its updated indicative spending priorities for the rest of the parliamentary session.” In the meantime however the Financial Scrutiny unit in SPICe will now start to provide a regular update on the results from Scotland Performs through publication of a regular SPICe briefing.

Annexe A of this briefing sets out the Government’s performance, as at 3 February 2012, against each of the Purpose Targets and National Indicators, including those Indicators that have been removed at the refresh. It also highlights when the most recent data is available for each target/indicator and the measure used to track progress.

At 3 February 2012, in terms of the 11 Purpose Targets, six are showing “performance improving” arrows and five are showing “performance maintaining” arrows. Of the 50 indicators, 8 are listed as “performance worsening”, 22 are listed as “performance maintaining”, 17 are listed as “performance improving” and 3 are listed as “data being collected”.

Looking to the future, the outcomes based approach set out in the NPF to support delivery of public services in Scotland is evolving. The Government continues to learn and seeks to improve the model, including its performance measures.
INTRODUCTION AND BACKGROUND

At the start of the third Session of the Scottish Parliament, as part of the 2007 Spending Review (Scottish Government 2007), the Scottish Government introduced a new outcomes-based National Performance Framework (NPF) to underpin the delivery of its agenda. It consisted of a single over-arching Purpose and five Strategic Objectives, supported by 15 National Outcomes and 45 National Indicators. In June 2008, the Scottish Government launched Scotland Performs (Scottish Government 2012b), a website designed to present information on how Scotland is performing against the range of indicators outlined in the National Performance Framework. It is based on the outcomes-based model used by the Commonwealth of Virginia in the United States.

In December 2011, the Government published its first “refresh” of the NPF, which mainly changed the National Indicator set and added a new National Outcome but retained the Strategic Objectives, Purpose and the remaining Outcomes. This briefing concentrates on the NPF following the refresh, although also includes analysis of indicators that are no longer in the NPF. However, before looking at the detail of the refreshed NPF, it provides some additional background information on the general approach the Government has taken, and how it fits with trends across the world.

AN OUTCOMES-BASED APPROACH

There has been a world-wide move in recent years towards using outcomes, rather than inputs or outputs, to measure the performance of governments. In January 2006, the World Bank published Moving from Outputs to Outcomes: Practical Advice from Governments Around the World (World Bank 2006) which examined international experience in moving towards a focus on outcomes. The report states that—

“Until recently, the performance of public sector programs, and of their managers, has been judged largely on inputs, activities, and outputs. This approach, however, has come into question. One of the major factors behind many reform initiatives is a concern that government too often is preoccupied with process and following rules, and it is not clear what benefits are actually arising from public sector expenditures and activities.”

In correspondence to the Finance Committee, the Scottish Government confirmed that its own National Performance Framework can be seen in this wider context—

“There is broad international consensus that an outcomes based approach is the correct approach to the provision of public services and a growing body of international literature relating to outcomes-based approaches.” (Halliday, R. 2011)

PERFORMANCE BUDGETING

Moving beyond an outcomes-based approach to measuring government performance is the concept of “budgeting for outcomes” or “performance budgeting”. This involves directly linking spending decisions to outcomes. As a concept, this is not a new one – indeed the OECD states that it “has existed in one form or another since the first Hoover Commission in the United States recommended it in 1949” (OECD 2005). Across different jurisdictions, performance budgeting is subject to a wide variety of interpretations and definitions—

- Broadly, it can be defined as any budget that presents information on what governments have done or expect to do with the money provided. In this case it can simply refer to presenting performance information as part of the budget documentation or to a budget classification in which spending is divided by groups of outputs or outcomes.
• However, a **strict definition** would be a form of budgeting that relates funds allocated to measurable results. These results are measured in the form of outputs and/or outcomes. Resources can be related to results either in a direct or indirect manner—

  o **Direct linkages** involve the allocation of resources directly and explicitly linked to units of performance. Spending can therefore be based on a formula/contract with specific performance or activity indicators. This form of performance budgeting is used only rarely.

  o **Indirect linkages** mean targets being actively used to inform budget decisions, along with other information. Performance information is very important in the decision-making process but it does not necessarily determine the amount of resources allocated. (OECD 2005)

The extent to which the Scottish Government’s NPF can be described as “performance budgeting” under these different definitions is discussed in the section of this briefing on Reporting.

**LIMITS OF AN OUTCOMES-BASED APPROACH AND PERFORMANCE BUDGETING**

Despite the enthusiasm for using an outcomes approach both in Scotland and across the world, there are a number of limitations on any such system that it is important to take note of. Briefly, some key challenges and limitations are—

• **External factors** – clearly not everything which affects an outcome or an indicator can be controlled or even influenced by the Government, e.g. any outcome on growing the economy will be affected by issues such as business confidence and the world economy.

• **Not everything can be measured** – some services, which provide a specific service, are easier to measure than those that supply complex services like education and health.

• **Limitations on data** – there will always be limits on the amount and type of data that can be collected, and the amount of effort and time that can be put into collecting accurate and timely information.
The National Performance Framework

Overall Structure of the NPF

There are five different levels to the NPF, shown in Figure 1 below.

**Figure 1: Overall structure of the NPF**

- **Purpose** – sets out the direction and ambition for Scotland
- **11 Purpose Targets** – high level targets that show progress towards the Purpose
- **5 Strategic Objectives** – describe where the Scottish Government will focus its actions
- **16 National Outcomes** – describe what the Scottish Government wishes to achieve over the years to 2017
- **50 National Indicators** – enable the Government to track its progress towards the Purpose and the National Outcomes

The NPF is a complex cross-cutting matrix, rather than a simple linear system, with many of the parts in the framework relating to a range of other parts. For example, the National Outcome, “We live longer, healthier lives” contributes to all five Strategic Objectives, and is linked to 20 of the 50 National Indicators.
THE PURPOSE AND ASSOCIATED TARGETS

The Government’s Purpose was first set out in the 2007 Spending Review, and has remained unchanged since. The Purpose is—

“to focus government activity and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.”

Supporting the Purpose are 11 “high level purpose targets”, which sit under seven separate headings, as set out in Table 1 below. The Government’s progress on the targets is set out in Annexe A of this briefing, along with progress on the National Indicators, and information on the extent of any time lags in data collection.

Table 1: Purpose Targets

<table>
<thead>
<tr>
<th>Heading</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Growth</td>
<td>1. To raise the GDP growth rate to the UK level by 2011</td>
</tr>
<tr>
<td></td>
<td>2. To match the GDP growth rate of the small independent EU countries by 2017</td>
</tr>
<tr>
<td>2. Productivity</td>
<td>3. To rank in the top quartile for productivity against our key trading partners in the OECD by 2017</td>
</tr>
<tr>
<td>3. Participation</td>
<td>4. To maintain our position on labour market participation as the top performing country in the UK</td>
</tr>
<tr>
<td></td>
<td>5. To close the gap with the top five OECD economies by 2017</td>
</tr>
<tr>
<td>4. Population</td>
<td>6. To match average European (EU15) population growth over the period from 2007 to 2017</td>
</tr>
<tr>
<td></td>
<td>7. Supported by increased healthy life expectancy in Scotland over the period from 2007 to 2017</td>
</tr>
<tr>
<td>5. Solidarity</td>
<td>8. To increase overall income and the proportion of income earned by the three lowest income deciles as a group by 2017</td>
</tr>
<tr>
<td>6. Cohesion</td>
<td>9. To narrow the gap in participation between Scotland's best and worst performing regions by 2017</td>
</tr>
<tr>
<td>7. Sustainability</td>
<td>10. To reduce emissions over the period to 2011</td>
</tr>
<tr>
<td></td>
<td>11. To reduce emissions by 80 percent by 2050</td>
</tr>
</tbody>
</table>

The Government has also constructed a “Purpose Framework”, under which the Productivity, Population and Population targets are seen as “supply side growth drivers” and the Solidarity, Cohesion and Sustainability targets are seen as “characteristics of growth and long term drivers”. The Purpose Framework is presented in Figure 2 below.
THE GOVERNMENT ECONOMIC STRATEGY AND ITS STRATEGIC PRIORITIES

The Government has reaffirmed its commitment to the Purpose in a range of publications since its introduction, including in its updated Government Economic Strategy (GES) (Scottish Government 2011d), published in September 2011. The latest GES represents a continuation of the previous strategy, which was published in November 2007, rather than a significant change in direction. The Scottish Government states that this is in recognition of the benefits of continuity, although it does concede that this economic strategy is being presented in economic circumstances that are markedly different from those in 2007. According to the Scotland Performs website—

“The GES sets out the measures that we are taking to deliver the Purpose, accelerate recovery, and develop a more resilient and adaptable economy.

By building a more dynamic and faster growing economy we will increase prosperity, be better placed to tackle Scotland's health and social challenges, and establish a fairer and more equal society. Sustainability is vital if we are to nurture our environment and ensure that future generations can enjoy a better quality of life.

The Purpose is supported by a set of ambitious targets which focus on the drivers of sustainable economic growth and ensure that growth is shared and sustainable. These targets form part of our outcome based National Performance Framework and set the direction and ambition of our Government Economic Strategy.”
The GES contains its own six “strategic priorities”, which are different to the Purpose Targets and previously mentioned Strategic Objectives. The six strategic priorities do not appear in Scotland Performs, although the GES states that “our policies and resources will continue to be aligned toward them in order to deliver” the Purpose. Of the six priorities, five are identical to those in the previous Strategy. These are—

- Supportive Business Environment;
- Learning, Skills and Well-being;
- Infrastructure Development and Place;
- Effective Government; and
- Equity.

There is also a new strategic priority—

- Transition to a Low Carbon Economy;

The SPICe Briefing on the Government Economic Strategy (Hudson 2011) contains a more detailed discussion of the six “strategic priorities”.

It is not clear from Scotland Performs or the GES exactly how the strategic priorities in the GES fit into the wider NPF, beyond the statement that the priorities “represent the broad policy levers that shape the drivers of growth – Productivity, Participation and Population and the desired characteristics of growth – Solidarity, Cohesion and Sustainability” (Scottish Government 2011d).

THE STRATEGIC OBJECTIVES

Sitting below the Purpose and its associated targets in the NPF are the five Strategic Objectives (distinct from the “strategic priorities” in the GES). These were first set out in the 2007 Spending Review and have remained unchanged since then. Scotland Performs states that they “underpin our Purpose and describe the kind of Scotland we want to live in”. The Strategic Objectives are shown in Figure 3 below.

**Figure 3: Strategic Objectives**

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wealthier and Fairer</td>
<td>Enable businesses and people to increase their wealth and more people to share fairly in that wealth.</td>
</tr>
<tr>
<td>Safer and Stronger</td>
<td>Help local communities to flourish, becoming stronger, safer place to live, offering improved opportunities and a better quality of life.</td>
</tr>
<tr>
<td>Smarter</td>
<td>Expand opportunities for Scots to succeed from nurture through to life long learning ensuring higher and more widely shared achievements.</td>
</tr>
<tr>
<td>Greener</td>
<td>Improve Scotland’s natural and built environment and the sustainable use and enjoyment of it.</td>
</tr>
<tr>
<td>Healthier</td>
<td>Help people to sustain and improve their health, especially in disadvantaged communities, ensuring better, local and faster access to health care.</td>
</tr>
</tbody>
</table>
THE NATIONAL OUTCOMES

Below the Strategic Objectives sit 16 National Outcomes. Following the 2011 refresh, there is an additional outcome, on older people, but this apart, the National Outcomes are identical to those in the original NPF. According to Scotland Performs, the National Outcomes—

“describe what the Government wants to achieve over the next ten years, articulating more fully this Government's Purpose. They help to sharpen the focus of government, enable our priorities to be clearly understood and provide a clear structure for delivery. By achieving these outcomes together, we will make Scotland a better place to live and a more prosperous and successful country.”

The National Outcomes are shown in Figure 4 below.

**Figure 4: National Outcomes**

- We live in a Scotland that is the most attractive place for doing business in Europe.
- We realise our full economic potential with more and better employment opportunities for our people.
- We are better educated, more skilled and more successful, renowned for our research and innovation.
- Our young people are successful learners, confident individuals, effective contributors and responsible citizens.
- Our children have the best start in life and are ready to succeed.
- We live longer, healthier lives.
- We have tackled the significant inequalities in Scottish society.
- We have improved the life chances for children, young people and families at risk.
- We live our lives safe from crime, disorder and danger.
- We live in well-designed, sustainable places where we are able to access the amenities and services we need.
- We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others.
- We value and enjoy our built and natural environment and protect it and enhance it for future generations.
- We take pride in a strong, fair and inclusive national identity.
- We reduce the local and global environmental impact of our consumption and production.
- Our people are able to maintain their independence as they get older and are able to access appropriate support when they need it (new outcome).
- Our public services are high quality, continually improving, efficient and responsive to local people’s needs.
The additional outcome on older people was added in response to Lord Sutherland’s Independent Review of Free Personal and Nursing Care in Scotland (Scottish Government 2008), which recommended that the Government establish clear national priorities and outcomes for older people in the NPF.

THE NATIONAL INDICATORS

The National Indicators enable the Government to track progress towards the achievement of the National Outcomes, and therefore the delivery of the Purpose. In the original version of the NPF there were 45 indicators, expanding to 50 in the refreshed NPF. Scotland Performs notes that—

“Indicators have been chosen to show how we are progressing on the range of Outcomes. Wherever possible we have selected Indicators that come from existing datasets to allow us to understand progress and trends over time.

The 50 indicators do not provide comprehensive measurement of every activity undertaken to achieve the Outcomes and Purpose. Instead they are a carefully chosen set which we believe most clearly shows progress towards the achievement of a more successful and prosperous Scotland.”

The full list of 50 indicators is included in Annexe A of this briefing, along with information on the Government’s progress, how each indicator is measured, and the level of data time lag for each indicator. Of the 50 indicators—

- 29 have been retained with the same measures;
- Nine have been retained with “improvements to definitions”; and
- There are 12 new indicators.

Seven National Indicators have been removed from the original list of 45. According to Scotland Performs, these indicators “either relate to targets that have been delivered or have been replaced by more suitable measures of progress towards the National Outcomes”.

This section of the briefing concentrates on the changes made to the Indicator Set in the 2011 refresh.

Changes to the National Indicators

At the launch of the refresh, the Government set out the detailed reasons behind the inclusion of each new indicator in Changes to the National Performance Framework (Scottish Government 2011a). The changes themselves are set out below, and the reasons behind the new and removed National Indicators are reproduced as Annexe B to this briefing.

The 12 new indicators are below in Figure 5.

Figure 5: the New National Indicators

- Improve **digital infrastructure**
- Improve levels of **education attainment**
- Increase the proportion of babies with a **healthy birth weight**
• Increase **physical activity**
• Reduce **deaths on Scotland’s roads**
• Improve the **responsiveness of public services**
• Reduce **children’s deprivation**
• Widen **use of the internet**
• Increase **cultural engagement**
• Improve **end of life care**
• Reduce **pre-mature mortality**
• Improve **self-assessed general health**

The seven indicators that have been removed are below in Figure 6.

**Figure 6: the Removed National Indicators**

• Improve **public sector efficiency** through the generation of 2% cash releasing efficiency savings per annum
• Reduce the number of Scottish **public bodies** by 25% by 2011
• Increase the **social economy turnover**
• Increase **healthy life expectancy** at birth in the most deprived areas
• Reduce mortality from **coronary heart disease** among the under 75s in deprived areas
• Achieve annual milestones for reducing **inpatient or day case waiting times** culminating in the delivery of an 18 week referral to treatment time from December 2011
• Increase the percentage of **criminal cases** dealt with within 26 weeks by 3 percentage points by 2011

The nine indicators where definitions have been improved are shown in Figure 7 below.

**Figure 7: National Indicators with “improvements to definitions”**

• Increase the **number of businesses** (previously 'Increase the business start-up rate')
• Increase **exports** (previously 'Grow exports at a faster average rate than GDP')
• Increase the proportion of **healthy weight children** (previously 'Reduce the rate of increase in the proportion of children with their body mass index outwith a healthy range by 2018')
• Reduce **emergency admissions to hospital** (previously 'Reduce the proportion of people aged 65 and over admitted as emergency inpatients two or more times over a single year')
• Improve support for people with **care needs** (previously 'Increase the percentage of people aged 65 and over with high levels of care needs who are cared for at home')

• Reduce **reconviction rates** (previously 'Reduce overall reconviction rates by 2 percentage points by 2011')

• Improve people's perceptions of their **neighbourhood** (previously 'Increase the percentage of adults who rate their neighbourhood as a good place to live')

• Reduce Scotland's **carbon footprint** (previously 'Reduce overall ecological footprint')

• Reduce **waste generated** (previously 'Reduce to 1.32 million tonnes of waste sent to landfill by 2010')

Further information on the indicators that have changed can be found via the Scotland Performs website.

**Methodology behind the refresh of the National Indicators**

Scotland Performs sets out the criteria used by the Government in reviewing the National Indicators. These are outlined in Table 2 below.

**Table 2: Factors used when assessing the National Indicator Set**

<table>
<thead>
<tr>
<th>Factor/criteria</th>
<th>Action taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy Relevance</td>
<td>“Each existing National Indicator was assessed to ensure it remained relevant to Scottish Government policy priorities. Consideration was given to new indicators where the coverage of policy areas could be improved.”</td>
</tr>
<tr>
<td>Outcome measures</td>
<td>“As the NPF is an outcomes focussed framework (as opposed to inputs, processes and outputs) we looked to adapt existing indicators, or introduce new indicators, to ensure the National Indicator Set better measures outcomes. A small number of indicators were replaced by more suitable outcomes focussed indicators.”</td>
</tr>
<tr>
<td>Wellbeing</td>
<td>“Consideration was given to the growing interest in wellbeing, following from the Stiglitz-Sen-Fitoussi agenda (Sarkozy Commission) and the subsequent report from the Carnegie Trust (“More than GDP: Measuring What Matters”). The refreshed NPF continues to provide a range of indicators that, when taken together, provide an overall picture of individual and societal wellbeing in Scotland. It retains many of the previous indicators of subjective wellbeing, including mental wellbeing, satisfaction with neighbourhood, and perception of local crime rate, and adds a new subjective measure of self-assessed general health. It also retains many of the more objective indicators that measure societal wellbeing beyond GDP, such as poverty, housing, crime victimisation, biodiversity and renewables, and adds several new indicators such as children’s deprivation and cultural engagement.”</td>
</tr>
<tr>
<td>Simplification</td>
<td>“We have looked to simplify the wording of indicators to improve understanding and accessibility for a wide range of users. For example ‘60% of school children in primary 1 will have no signs of...”</td>
</tr>
</tbody>
</table>
Preventative spending: “Consideration was given to how indicators reflected the move towards more preventive spending, and whether there were more appropriate indicators available. For example, ‘increase the proportion of babies with a healthy birth weight’ is a measure of maternal health behaviours and is associated with poor health outcomes in infancy, childhood and across the whole life course.”

Source: Changes to the National Performance Framework (Scottish Government 2011a)

The “wellbeing” criteria set out in Table 2 states that the Report by the Commission on the Measurement of Economic Performance and Social Progress (Stiglitz, Sen and Fitoussi 2009) and the Carnegie Trust report, More than GDP: Measuring What Matters (Carnegie UK Trust 2011) have been considered when refreshing the National Indicators. The Carnegie Trust report recognised that Scotland Performs was a “significant development” and that the framework could be a “building block to help Scotland go beyond GDP”. The report went on to make a series of recommendations on how the Scottish Government could apply the recommendations in the Stiglitz report to Scotland. Further discussion of both reports and other issues around GDP can be found in the SPICe Briefing on Alternatives to GDP (Wakefield 2011).

Scotland Performs does not set out in detail how the refresh was done and who was involved. The Government has confirmed that—

“Ministers set the Purpose, Strategic Objectives and National Outcomes. They asked officials to develop National Indicators which enable us to track progress towards the achievement of our National Outcomes and ultimately the delivery of the Purpose. National Indicators were developed and chosen by analysts from across Scottish Government and a number of organisations across the Scottish Public Sector. The Scottish Government’s Performance Board, chaired by the Director General Health and Social Care - one of three delivery boards collectively responsible for driving forward key parts of the business – agreed the refreshed NPF including the National Indicators. The Cabinet then approved the refreshed NPF, including the National Indicator Set.” (Scottish Government 2012a)

This statement, and Government officials’ evidence to the Finance Committee on 11 January 2012 (Scottish Parliament Finance Committee 2012) demonstrates that the refresh of the NPF was a process within the Government/wider public sector and that no wider consultation was conducted with either civic Scotland or the wider public. Officials did note though that the Government was considering a public communications strategy in the future, to explain the framework (Scottish Parliament Finance Committee 2012).

**METHODOLOGY**

There are a number of measures and sources used to measure performance against the National Indicators and Purpose Targets. Measures used include rates, percentages, indices and simple counts, among a small number of more complex measures. The sources for the data are mainly Scottish Government, but do include others (for example UK Government, Historic Scotland, Education Scotland etc.) The Scotland Performs Technical Assessment Group, made up of Scottish Government chief professional officers and senior analysts), have set thresholds for each indicator and target to represent what it constitutes as the ‘stable’ position. Performance is assessed by measuring change between the latest two dates that data
is available rather than a longer term view. The time period between each data point varies across indicators and targets meaning the latest performance assessment for different indicators can relate to different time period. Performance is denoted by arrows against each indicator showing whether performance has improved, maintained or worsened.

The idea of measuring cumulative progress against an established baseline over a long term period was rejected when Scotland Performs was first launched as—

- “Baselines vary considerably making it difficult for users to see clearly what is being measured;
- There are lags in recording and for a significant number of indicators measured change would be dominated by earlier years and often by pre-2007 change; and
- Baselines were selected to reflect the position at or before the change in administration whereas for measuring cumulative change for other purposes other considerations would come into play such as the cyclical pattern in the economy.” (Scottish Government 2010)

However, since June 2009, a ‘current status’ section has been added to each indicators page showing cumulative changes (where applicable) as updates to the relevant indicators are made. These changes are designed to supplement information shown elsewhere but do not determine the direction of the performance arrow.

The methodology used in determining performance against each of the indicators and targets is described further in technical notes published on the Scotland Performs website. The disclosure of notes has two aims: “to provide sufficient public accountability on the robustness of the measurement issues, and to ensure a shared understanding of the details of the Indicators and Targets”(Scottish Government 2012b). The technical notes provide details on definitions; evidence and data sources; baseline and past trends; data ownership and quality assurance; and future issues which may impact performance.

PERFORMANCE BUDGETING

As highlighted in the introductory section of this briefing, internationally it is recognised that the “next step” beyond using outcomes to measure government performance is moving to “outcome budgeting” (OECD 2005). Linking the spending plans in budgets to performance/outcomes has been an issue for both the current Scottish Government and previous administrations. This section of the briefing first looks at the extent this has been achieved internationally, and then looks more closely at both the Scottish NPF and the Virginia Performs system.

INTERNATIONAL EXPERIENCE

In 2005, OECD member countries were surveyed to ascertain the extent to which performance information was linked to budget documentation. At that stage—

- 72% of countries include non-financial performance data in their budget documentation.
- In 44% of countries, these data are available for more than three-quarters of programmes.
- In 71% of countries, performance data include performance targets although there is a wide variation in terms of programme coverage.
- In 65% of countries, these results are included in the main budget documents and/or the annual financial documents. (OECD 2005)
However, although some OECD countries have actively attempted to integrate performance targets into the overall budget process, the OECD states that—

“very few can be said to be carrying out “real” performance budgeting. This means including performance information in budget documentation and linking expenditure to outcome/output targets, reporting performance against these targets and using the information to make decisions on future resource allocation. Using this strict definition, performance budgeting is very rare.”

More specifically—

- 46% of countries either do not link expenditure to targets or only do so for a few programmes.
- 35% of countries reported that they link expenditure to some targets.
- Only 18% of countries reported that they specifically link expenditure to all or most of their output or outcome targets.

A mixed picture also emerges with regard to the use of performance results in determining budget allocations – 41% of OECD member countries reported that it was “not common” for politicians to use performance measures in any decision making. (OECD 2005)

**VIRGINIA PERFORMS – PERFORMANCE BUDGETING PROJECT**

Within the states of the USA, according to the PEW Centre on the States, an independent, non-profit non-governmental organisation—

“Twenty-five states used some form of performance budgeting for at least part of their budget, according to the National Association of State Budget Officers (NASBO). Furthermore, 22 state legislatures report using performance measures to varying degrees in their budget decision making.” (PEW Centre on the States 2012)

As mentioned in the introduction to this briefing, the Scottish Government’s system is based primarily on the Virginia Performs system (Commonwealth of Virginia 2012a), operated in the state of Virginia. The Virginia Performs system is similar in many respects to the Scottish system, although has been operating for a longer period, and therefore its data collection and presentation systems are more developed.

The Virginia system also recognises that, as many public services are driven or seriously affected by forces outside their control, the performance data that Virginia Performs produces can only ever be one input into the decision-making progress (Council on Virginia’s Future 2012). To show this, the system assesses “State influence” – i.e. whether the policies and actions of the State itself will have “significant” or “limited” influence on the performance measure. This is shown on the main “scorecard” page alongside the arrows illustrating performance.

In terms of linking budgets to outcomes, Virginia is currently in the final stages of deploying a new, more integrated technology platform for performance-based budgeting and strategic planning. The Performance Budgeting Project website states that—

“the goal of this project is to replace the variety of systems, databases, spreadsheets, and documents that currently support strategic planning and budgeting in the Commonwealth. The new fully integrated, web-based system will streamline existing
COVA strategic planning and budgeting functionality and provide modernized features."
(Commonwealth of Virginia 2012b)

THE SCOTTISH NPF

The information presented in Scotland Performs is predominantly about assessing performance and does not make an explicit link to the level of expenditure used in relation to performance. There is also no link between the Government’s spending plans, as set out in spending reviews and draft budgets, and the intended impact spending will have on future performance. Throughout the third session of the Parliament, the Finance Committee regularly raised this issue in its annual reports on the draft budget (Finance Committee 2010).

Both the GES and the Programme for Government (Scottish Government 2011b) emphasise that the NPF is fully integrated into the Government’s spending plans. However, in its report on the Spending Review 2011 and Draft Budget 2012-13, the Session 4 Finance Committee—

“finds it surprising that the spending review 2011 does not mention the NPF or the five strategic objectives which the previous Scottish Government has realigned to deliver. The Committee notes that there is some mention of the national outcomes within the portfolio chapters but it is unclear how this correlates with the strategic chapters of the spending review 2011.” (Finance Committee 2011)

The Commission on the Future Delivery of Public Services questioned whether the NPF was fully integrated across the public sector, stating that—

“In recent years there have been efforts to encourage an 'outcomes-based approach' among public service organisations, including the Scottish Government's introduction of the National Performance Framework in 2007. Our evidence suggests, however, that the wider system of governance and organisation of public services still does not fully embrace this approach.”(Christie, C. et al 2011)

The Finance Committee raised a series of questions for the Government in its report, including asking how the NPF was integrated into the Government’s spending plans. The Government responded that—

“The National Performance Framework represents a common vision for the whole Scottish public sector and, as such, is fully integrated with our spending plans. With the entire public sector aligned behind a single framework, spending decisions made by Scottish Government and our delivery partners are all aimed to deliver the common set of outcomes. This encourages a partnership approach and joint working across sectors to deliver successful outcomes. A consistent reference to the National Performance Framework is important as some outcomes will take a longer period to achieve.” (Swinney, J 2012)

Although clearly a challenging task, it appears that some jurisdictions are at least moving towards a system of outcome budgeting, including Virginia, which has been used as a model for the Scottish system. From the recent refresh of the NPF it is not clear to what extent the Scottish Government is intent on developing its own outcome budgeting systems in future.
REPORTING

SCOTTISH GOVERNMENT VIEW

Another issue raised consistently by the Finance Committee during Session 3 was that the Government does not formally report to the Parliament on its performance. During the Session, the Committee asked the Government on a number of occasions why it did not formally report on the information in Scotland Performs, but noted that “the Government did not appear to accept a need for such a reporting mechanism.” (Scottish Parliament Finance Committee 2009)

The then Cabinet Secretary for Finance and Sustainable Growth, John Swinney MSP, said that information on Scotland Performs shows where things are getting better or more difficult and that, “The information is publicly available any day of the week on the website, so anyone can observe the progress that the Government is making.” (Scottish Parliament Finance Committee 2009)

In the revised Written Agreement between the Finance Committee and the Scottish Government on the Budget Process in Session 4 of the Scottish Parliament (Scottish Parliament Finance Committee 2011c) the Finance Committee and the Government have agreed that the next Budget Strategy Phase of the Budget Process will take place in the spring prior to the next UK Spending Review, to—

“allow the Parliament to scrutinise the progress which the SG is making in delivering its own targets through its spending priorities and to take a strategic overview of the public finances around the mid-point of the current Parliament.”

To support this process, the Government has—

“agreed to consider in consultation with the Finance Committee the options for provision to the Parliament of an assessment of its performance and its updated indicative spending priorities for the rest of the parliamentary session.”

It is not clear from the Written Agreement what form this assessment will take, and if it will attempt to link performance to expenditure. Dates for the next UK Spending Review have not yet been confirmed, although the current Spending Review sets plans to 2014-15.

THE VIRGINIA REPORT

Under the Virginia Performs system, the Council on Virginia’s Future must, under the Code of Virginia—

“develop and submit annually to the General Assembly and the Governor and publish to the public a balanced accountability scorecard containing an assessment of:

- current service performance,
- productivity improvement, and
- progress against long-term objectives.” (Council on Virginia’s Future 2011)

The report “presents a high-level assessment of Virginia’s progress in areas that are important to its quality of life. It is issued annually to help track progress over time, highlight challenges, and provide analytic information for leadership and decision-making.” (Council on Virginia’s Future 2011)
The most recent edition of the report, “The Virginia Report 2011” contains detailed information on Virginia’s performance against all of its performance criteria, and sets out which government agency is responsible for progress against each performance indicator. It also contains details on the productivity of each agency/department and data down to the regions of Virginia.

In its final budget report of Session 3, the Finance Committee highlighted the fact that, under the Virginia Performs system, such a detailed report was produced. In response to why the Scottish Government did not take a similar approach, the Government stated that—

“Scotland Performs provides the very latest information “on how Scotland is doing” and is available to all, in a single place. The Government is providing data in as close to real time as is possible, to give the most up-to-date and transparent account of performance that’s ever been offered to the public and Parliament.

The simplicity and clarity of presentation on Scotland Performs, allows ease of access and improved scrutiny, enabling members of the public to make up their own minds on how government is doing in delivering its objectives. At another level, the website also offers full details of the pre-determined methodologies agreed by professionals, independent of Ministers. This allows for more in-depth and regular scrutiny by professional users and commentators. That is why there are no plans for any traditional style reporting akin to the annual Virginia Report (which the Council on Virginia’s Future is obliged by Statute to present to its General Assembly).” (Swinney, J. 2011)

ASSESSING THE NPF AND SCOTLAND PERFORMS

Annexe A of this briefing sets out the Government’s performance, as at 3 February 2012, against each of the Purpose Targets and National Indicators, including those Indicators that have been removed at the refresh. It also highlights when the most recent data is available for each target/indicator and the measure used to track progress.

As noted on the cover of this briefing, SPICe intends to publish regular updates of this analysis of the Government’s performance, including the information in Annexe A

PURPOSE TARGETS

In terms of the 11 Purpose Targets, at 3 February 2012, six are showing “performance improving” arrows and five are showing “performance maintaining” arrows. While caution should be exercised in interpreting these headline results, this would seem to indicate that the Government is progressing well towards its Purpose. But, it is important to note that there are significant data time lags – only three targets are currently (as at 3 February 2012) backed by data from 2011. The remainder are for 2010 or in some cases 2009. Table 3 in the next section of this briefing illustrates the level of data time lags across the Purpose Targets and National Indicators.

For some targets, there are several possible measures that could reasonably be used to assess performance and the choice of measure potentially has a significant effect on the direction of progress. In these cases the Scottish Government has selected a single measure, which is presented on the Scotland Performs website, but Scotland Performs does not explain why certain measures have been chosen over other potential measures (although most have remained unchanged since 2007). For example, the labour market measure chosen is employment rate, but the unemployment rate, claimant count or the economically active rate could also have been used.
NATIONAL INDICATORS

Overall assessment of revised National Indicators

In terms of the National Indicators, some key trends and issues that arise from the data in Annexe A are discussed below.

First, overall, of the 50 indicators, 8 are listed as “performance worsening”, 22 are listed as “performance maintaining”, 17 are listed as “performance improving” and 3 are listed as “data being collected”. This is presented in Figure 8 below.

Figure 8: National Indicators: Performance Assessment of Indicators, at 3 February 2012

Although half of the indicators are either showing “performance maintaining” or “data being collected”, more than double are listed as “performance improving” compared to those listed as “performance worsening”. Again, although caution must be exercised in using this headline information, the situation is improving in more measures than it is worsening and it could be tentatively concluded that the Government is moving in the right direction overall towards its Purpose and National Outcomes.

In terms of data time lags, overall the indicators appear to have shorter data lags than the Purpose Targets, perhaps because some of the Purpose Targets require international comparison, where data lags are sometimes out of the control of the Scottish Government. Table 3 shows the data time lags of all National Indicators and Purpose Targets.
Table 3: Time periods referred to by latest data point for National Indicators and Purpose Targets, as at 23rd January 2012

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Indicators/Targets</th>
<th>Cumulative total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011/12</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>2010/11</td>
<td>33</td>
<td>40</td>
</tr>
<tr>
<td>2009/10</td>
<td>17</td>
<td>57</td>
</tr>
<tr>
<td>2008/09</td>
<td>1</td>
<td>58</td>
</tr>
<tr>
<td>2007/08</td>
<td>0</td>
<td>58</td>
</tr>
<tr>
<td>2006/07</td>
<td>1</td>
<td>59</td>
</tr>
<tr>
<td>Data being collected</td>
<td>2</td>
<td>61</td>
</tr>
<tr>
<td>Total</td>
<td>61</td>
<td>61</td>
</tr>
</tbody>
</table>

1. Where data covers multiple years the most recent financial year covered by the data is shown.
2. An indicator has been allocated to 2011/12 where the data spans part of the current financial year (e.g. the GDP indicator includes data up to 2011/12 Q2)
3. This entry relates to the 1 year reconviction rate indicator. Whilst the data point refers to those released from custody or given non-custodial sentences in 2008/09, the period captured by the indicator is the 1 year following this i.e. 2009/10.
4. On the Scotland Performs website 3 indicators are shown as 'data being collected'. Of these, the digital infrastructure indicator has 1 data point and this is included in the table under 2011/12.


Overall assessment of previous National Indicators

As previously noted, seven indicators were removed at the refresh on 14 December 2011. The final arrow against their progress is outlined in Annexe A. Two of these are classed as “legacy targets” on Scotland Performs – ‘achieve annual milestones for reducing inpatient or day case waiting times culminating in the delivery of an 18 week referral to treatment time from December 2011’ and ‘reduce the number of Scottish public bodies by 25% by 2011’. The final data needed to assess these targets will only be available in the first half of 2012. However, including performance for the legacy targets, overall four of the removed indicators are showing performance improving, two performance maintaining and one performance worsening.

Criteria for direction of arrows

The direction of arrows are based on the “criteria for recent change” section of each indicator page on Scotland Performs. The Scotland Performs technical notes explain that—

“The vast majority of the arrow methodologies consists of symmetrical thresholds for the level of change that is 'expected' for a 'Performance Improving' or a 'Performance Worsening' arrow - if the recent change in the figures is less than the value of this threshold, a 'Performance Maintaining' arrow is assigned.

In general the following aspects are considered when selecting the threshold for a measure:

- variance in the data;
- medium to long-term trend;
- the change required by the target;
- the scale or the impact of the change;
- how close the figure is to the maximum/minimum value (if appropriate) - i.e. how much scope there is for changes in the figure.

This means that the thresholds are NOT necessarily about the level of change that would be considered statistically significant. This is partly because there are more factors to be taken into account when judging such complex matters - as mentioned above - and partly because a number of National Indicators and Purpose Targets are based on sources for which variance estimates are not available, as they come from administrative data."

(Scotland Performs)

There are a range of different +/- percentage point (and other) changes in the "criteria for recent change" sections of different indicators, some have a threshold as high as +/- 3%, and as low as +/- 0.01%. The reasons for the different levels of threshold between different indicators are not immediately apparent from Scotland Performs. However, the choice of the level of threshold for each indicator has clear implications for the progress against each indicator, and in turn, any assessment of the Government’s overall performance.

LINKS BETWEEN OUTCOMES AND INDICATORS

Each National Outcome is linked to a number of indicators and various indicators are attached to multiple outcomes. Some National Indicators are only linked to one National Outcome, but others are linked to as many as seven different National Outcomes. Outcomes are linked to between three and 20 different National Indicators.

It is not possible to apply an overall performance assessment to the National Outcomes, as each indicator contributing to an outcome would have to be weighted appropriately, i.e. each indicator is not equally important. However, the table below sets out the number of indicators applied to each outcome and within that, the number of indicators with "performance improving" etc. arrows.

Table 4: Number of National Indicators linked to the National Outcomes

<table>
<thead>
<tr>
<th>National Outcome</th>
<th>No. of National Indicators attached</th>
<th>No. of performance improving arrows</th>
<th>No. of performance maintaining arrows</th>
<th>No. of performance worsening arrows</th>
<th>No. of indicators with data still being collected</th>
</tr>
</thead>
<tbody>
<tr>
<td>We live in a Scotland that is the most attractive place for doing business in Europe.</td>
<td>5</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>We realise our full economic potential with more and better employment opportunities for our people.</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>We are better educated, more skilled and more successful, renowned for our research and innovation.</td>
<td>9</td>
<td>2</td>
<td>6</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Our young people are successful learners, confident individuals, effective contributors and responsible citizens.</td>
<td>10</td>
<td>3</td>
<td>5</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Our children have the best start in life and are ready to succeed.</td>
<td>10</td>
<td>3</td>
<td>5</td>
<td>2</td>
<td>0</td>
</tr>
</tbody>
</table>
Although the links between outcomes and indicators are set out in Scotland Performs, it does not explain why certain indicators that would seem to be an obvious fit have not been linked to certain outcomes. The Scottish Government has confirmed that it is reviewing the links between the National Outcomes and National Indicators, and that is hopes to update Scotland Performs shortly (Scottish Government 2012a). However, some examples of these inconsistencies are set out below, which may be worthy of further explanation and discussion—

- The Outcome, “We live in a Scotland that is the most attractive place for doing business in Europe” is not linked to any education-themed indicators except for that related to research and development spending. This outcome could logically be linked to, for example “Improve the skill profile of the population”, “Improve levels of educational attainment” and “Increase the proportion of graduates in positive destinations” among others.

- The Outcomes, “Our young people are successful learners, confident individuals, effective contributors and responsible citizens” and “Our children have the best start in life and are ready to succeed” are linked to exactly the same Indicators. However, neither are linked to the indicators, “Increase the proportion of babies with a healthy birth weight” or “Improve levels of educational attainment” which would appear to be directly relevant to attaining these outcomes.
• The Outcome, "We have tackled the significant inequalities in Scottish society" is not linked to the indicators around early years, “Increase the proportion of babies with a healthy birth weight” and “Increase the proportion of pre-school centres receiving positive inspection reports”. This is surprising, given the emphasis on preventative spending/early years by the Government in tackling inequality.

• The Outcome: “We live our lives safe from crime, disorder and danger” is not linked to the indicator “Reduce alcohol related hospital admissions”, nor is it linked to indicators on poverty and deprivation: “Reduce the proportion of individuals living in poverty” and “Reduce children’s deprivation”. In the background information on the Outcome on Scotland Performs, problems with alcohol and deprivation are highlighted as longer-term causes of crime, so it is not clear why these have been omitted.

• The Outcomes: “We live in well-designed, sustainable places where we are able to access the amenities and services we need” and “We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others” are not linked to the outcomes on public services: “Improve people’s perceptions of the quality of public services” and “Improve the responsiveness of public services” despite the prominence given to partnership working and the role of efficient public services in the information on Scotland Performs for both Outcomes.

• The Outcome: “We take pride in a strong, fair and inclusive national identity” is not linked to the three Indicators on the natural environment, “Improve the condition of protected nature sites”, “Increase the abundance of terrestrial breeding birds: biodiversity” and “Improve the state of Scotland’s marine environment”, despite prominent mention of the natural environment and green tourism in the Scotland Performs information.

FUTURE CHALLENGES FOR THE NPF AND SCOTLAND PERFORMS

The outcomes based approach set out in the NPF to support delivery of public services in Scotland is evolving. The Government continues to learn and seeks to improve the model, including its performance measures.

In his letter to stakeholders announcing the launch of the refreshed NPF, the Cabinet Secretary for Finance, Employment and Sustainable Growth stated that the refreshed NPF would be a platform for wider engagement with delivery partners and a key tool to focus and track progress against the Government’s public service reform programme, contributing, in particular to:

• A decisive shift towards prevention

• Greater integration of public services at a local level driven by better partnership, collaboration and effective local delivery

• A sharp focus on improving performance, through greater transparency, innovation and use of digital technology” (Scottish Government 2011a)

In addition, work is being done on “Contributory Outcomes”, where progress could be measured in the short to medium term, which would “help us improve alignment, partnership and collaboration and identify actions which move us towards delivery of the National Outcomes and, ultimately, the Purpose.” The Government is also seeking to develop performance reporting for specific equalities groups which “will help to identify, for example, national delivery may require concerted effort in deprived areas, or where there is a difference in outcome across
different equality characteristics, such as age, disability or ethnicity.” (Scottish Government 2011a)
ANNEXE A: SNAPSHOT OF SCOTLAND PERFORMS

As noted on the cover of this briefing, SPICe intends to publish regular updates of this analysis of the Government’s performance.

Table 5: Performance assessment of Purpose Targets as at 3 February 2012

<table>
<thead>
<tr>
<th>Purpose target</th>
<th>Progress</th>
<th>Time periods referred to by latest data point</th>
</tr>
</thead>
<tbody>
<tr>
<td>To raise the GDP growth rate to the UK level by 2011</td>
<td>↑</td>
<td>2010Q3-2011Q3</td>
</tr>
<tr>
<td>To match the GDP growth rate of the small independent EU countries by 2017</td>
<td>⇔</td>
<td>2010Q3-2011Q3</td>
</tr>
<tr>
<td>To rank in the top quartile for productivity against our key trading partners in the OECD by 2017</td>
<td>⇔</td>
<td></td>
</tr>
<tr>
<td>To maintain our position on labour market participation as the top performing country in the UK</td>
<td>↑</td>
<td>2010Q3-2011Q3</td>
</tr>
<tr>
<td>To close the gap with the top five OECD economies by 2017</td>
<td>↑</td>
<td>2010</td>
</tr>
<tr>
<td>To match average European (EU15) population growth over the period from 2007 to 2017</td>
<td>↑</td>
<td>2009/10</td>
</tr>
<tr>
<td>Supported by increased healthy life expectancy in Scotland over the period from 2007 to 2017</td>
<td>⇔</td>
<td>2010</td>
</tr>
<tr>
<td>To increase overall income and the proportion of income earned by the three lowest income deciles as a group by 2017</td>
<td>⇔</td>
<td>2009/10</td>
</tr>
<tr>
<td>To narrow the gap in participation between Scotland’s best and worst performing regions by 2017</td>
<td>⇔</td>
<td>2010</td>
</tr>
<tr>
<td>To reduce emissions over the period to 2011</td>
<td>↑</td>
<td>2009</td>
</tr>
<tr>
<td>To reduce emissions by 80 percent by 2050</td>
<td>↑</td>
<td>2009</td>
</tr>
</tbody>
</table>
### Table 6: Performance assessment of National Indicators as at 3 February 2012

<table>
<thead>
<tr>
<th>National Indicator</th>
<th>Progress</th>
<th>Indicator measure</th>
<th>Last data collection dated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase the number of businesses</td>
<td>↓</td>
<td>The total number of VAT/PAYE registered private sector enterprises in Scotland per 10,000 adults</td>
<td>2010</td>
</tr>
<tr>
<td>Increase exports</td>
<td>⇐</td>
<td>The value of exports to the rest of the world (not including the rest of the UK)</td>
<td>2010</td>
</tr>
<tr>
<td>Improve digital infrastructure</td>
<td>↑</td>
<td>Proportion of residential and non-residential addresses that are within postcodes where next generation broadband is available</td>
<td>One data point available for 2011</td>
</tr>
<tr>
<td>Reduce traffic congestion</td>
<td>⇐</td>
<td>Proportion of driver journeys delayed due to traffic congestion</td>
<td>2010</td>
</tr>
<tr>
<td>Improve Scotland’s reputation</td>
<td>⇐</td>
<td>Scotland’s overall score on the Anholt GfK-Roper Nation Brands Index (NBI)</td>
<td>2010</td>
</tr>
<tr>
<td>Increase research and development spending</td>
<td>↑</td>
<td>Scotland’s Gross Expenditure on Research and Development as a percentage of GDP compared to EU average</td>
<td>2009</td>
</tr>
<tr>
<td>Improve knowledge exchange from university research</td>
<td>⇐</td>
<td>Weighted, inflation-adjusted index of the Scottish Funding Council’s (SFC) Knowledge Transfer Metrics</td>
<td>2009/10</td>
</tr>
<tr>
<td>Improve the skill profile of the population</td>
<td>↑</td>
<td>Proportion of adults aged 16-64 with low or no qualifications (SCQF level 4 or below)</td>
<td>2010</td>
</tr>
<tr>
<td>Increase the proportion of pre-school centres receiving positive inspection reports</td>
<td>⇐</td>
<td>Proportion of pre-school centres receiving positive inspection reports</td>
<td>2008 – 2010</td>
</tr>
<tr>
<td>Increase the proportion of schools receiving positive inspection reports</td>
<td>⇐</td>
<td>Proportion of schools receiving positive inspection reports</td>
<td>2008 – 2010</td>
</tr>
<tr>
<td>Improve levels of educational attainment</td>
<td>⇐</td>
<td>The gap in performance in the Programme for International Student Assessment (PISA) between Scotland and the OECD average</td>
<td>2009</td>
</tr>
<tr>
<td>Increase the proportion of young people in learning, training or work</td>
<td>⇐</td>
<td>Proportion of school leavers who are in a positive destination approximately 9 months after leaving school</td>
<td>2010/11</td>
</tr>
<tr>
<td>Increase the proportion of graduates in positive destinations</td>
<td>↓</td>
<td>Percentage of graduates in positive destinations 6 months after graduating</td>
<td>2009/10</td>
</tr>
<tr>
<td>Improve children’s services</td>
<td>↑</td>
<td>Percentage of local authorities that had a positive evaluation in all reference quality indicators used by the Care Inspectorate in child protection inspections</td>
<td>2009-2011</td>
</tr>
<tr>
<td>Improve children’s dental health</td>
<td>↑</td>
<td>Percentage of children in P1 with no signs of tooth decay</td>
<td>2009/10</td>
</tr>
<tr>
<td>Increase the proportion of babies with a healthy birth weight</td>
<td></td>
<td>The proportion of new born babies with a weight appropriate for gestational age</td>
<td>Data not yet available</td>
</tr>
<tr>
<td>Increase the proportion of healthy weight children</td>
<td>↓</td>
<td>Percentage of children aged 2-15 years whose Body Mass Index lies within a healthy range (between the 5th and 85th percentile of the UK growth reference charts)</td>
<td>2010</td>
</tr>
<tr>
<td>Increase physical activity</td>
<td>↑</td>
<td>The proportion of adults completing 30 minutes of at least moderate exercise 5 days a week</td>
<td>2010</td>
</tr>
<tr>
<td>Goal</td>
<td>Indicator</td>
<td>Measurement</td>
<td>Year</td>
</tr>
<tr>
<td>---------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>Improve self-assessed general health</td>
<td>Percentage of adults who assess their health as very good or good</td>
<td></td>
<td>2010</td>
</tr>
<tr>
<td>Improve mental wellbeing</td>
<td>Mental wellbeing derived from average score on the Warwick-Edinburgh Mental Well-being Scale (WEMWBS) of adults aged 16+ years</td>
<td></td>
<td>2010</td>
</tr>
<tr>
<td>Reduce premature mortality</td>
<td>European Age-Standardised mortality rates per 100,000 for people aged under 75 in Scotland</td>
<td></td>
<td>2010</td>
</tr>
<tr>
<td>Improve end of life care</td>
<td>Percentage of the last 6 months of life which are spent at home or in a community setting</td>
<td></td>
<td>2009/10</td>
</tr>
<tr>
<td>Improve support for people with care needs</td>
<td>The number of adults receiving personal care at home or direct payments for personal care, as a percentage of the total number of adults needing care</td>
<td></td>
<td>2010/11</td>
</tr>
<tr>
<td>Reduce emergency admissions to hospital</td>
<td>Emergency admissions rate (per 100,000 population)</td>
<td></td>
<td>2009/10</td>
</tr>
<tr>
<td>Improve the quality of healthcare experience</td>
<td>Average scores for inpatient survey questions relating to the quality of their healthcare experience</td>
<td></td>
<td>2010/11</td>
</tr>
<tr>
<td>Reduce the percentage of adults who smoke</td>
<td>Proportion of adults aged 16+ years who are current smokers</td>
<td></td>
<td>2010</td>
</tr>
<tr>
<td>Reduce alcohol related hospital admissions</td>
<td>The number of general acute inpatient and day case discharges per 100,000 population with an alcohol-related diagnosis</td>
<td></td>
<td>2009/10</td>
</tr>
<tr>
<td>Reduce the number of individuals with problem drug use</td>
<td>The estimated number of adults who misuse opiates and/or benzodiazepines (including illicit methadone) in Scotland</td>
<td></td>
<td>2009/10</td>
</tr>
<tr>
<td>Improve people's perceptions about the crime rate in their area</td>
<td>Percent of respondents who believe that crime has stayed the same or reduced in the past 2 years in their local area</td>
<td></td>
<td>2010/11</td>
</tr>
<tr>
<td>Reduce reconviction rates</td>
<td>1-year reconviction frequency rate</td>
<td></td>
<td>2008/09</td>
</tr>
<tr>
<td>Reduce crime victimisation rates</td>
<td>Proportion of people in Scotland who have been the victim of one or more crimes in the past year</td>
<td></td>
<td>2010/11</td>
</tr>
<tr>
<td>Reduce deaths on Scotland's roads</td>
<td>The number of people killed in road accidents reported to the police</td>
<td></td>
<td>2010</td>
</tr>
<tr>
<td>Improve people's perceptions of the quality of public services</td>
<td>Percentage of respondents who are fairly or very satisfied with the quality of the following local services: local health services, local schools and public transport.</td>
<td></td>
<td>2010</td>
</tr>
<tr>
<td>Improve the responsiveness of public services</td>
<td>Percentage of respondents who agreed with the statement 'I can influence decisions affecting my local area'</td>
<td></td>
<td>2010</td>
</tr>
<tr>
<td>Reduce the proportion of individuals living in poverty</td>
<td>Proportion of individuals living in private households with an equivalised income of less than 60% of the UK median before housing costs</td>
<td></td>
<td>2009/10</td>
</tr>
<tr>
<td>Reduce children's deprivation</td>
<td>Percentage of children in combined material deprivation (based on a suite of questions in the Family Resources Survey) and low income (below 70% of UK median income)</td>
<td></td>
<td>2009/10</td>
</tr>
<tr>
<td>Improve access to suitable housing options for those in housing need</td>
<td>Percentage of homeless households that are entitled to settled accommodation</td>
<td></td>
<td>2010/11</td>
</tr>
<tr>
<td>Increase the number of new homes</td>
<td>Total additions to the supply of housing, including public and private new house building; conversions of existing buildings to housing use; and refurbishment of dwellings</td>
<td></td>
<td>2010/11</td>
</tr>
<tr>
<td>National Indicator</td>
<td>Progress</td>
<td>Status on Scotland Performs</td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------------------------------------------</td>
<td>----------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Improve public sector efficiency through the generation of 2% cash releasing efficiency savings per annum</td>
<td>↑</td>
<td>The efficiency outturn report for 2010-11 sets out that for the 3rd year of this three year efficiency programme the 2% efficiency savings target has again been achieved.</td>
<td></td>
</tr>
<tr>
<td>Reduce the number of Scottish public bodies by 25% by 2011</td>
<td>↑</td>
<td>There were 145 public bodies in December 2011 (including the Sentencing Council which is on the baseline list but has not yet been brought into being), compared to the baseline value of 199. This represents a total reduction of 54 public bodies, 28 of which are a direct result of the Scottish Government's Simplification Programme.</td>
<td></td>
</tr>
<tr>
<td>Increase the social economy turnover</td>
<td>↑</td>
<td>Social Economy turnover in Scotland was £3.1 billion in 2009, which represents a 3% increase (in real terms) from 2007.</td>
<td></td>
</tr>
<tr>
<td>Increase healthy life expectancy at birth in the most deprived areas</td>
<td>↑</td>
<td>Since 2005/2006 HLE in deprived areas has increased by 0.2 years for men and by 1.5 years for women. HLE for women in deprived areas has increased more than in Scotland as a whole since the baseline period but for men the increase in deprived areas has been less than in Scotland as a whole.</td>
<td></td>
</tr>
<tr>
<td>Reduce mortality from coronary heart disease among the under 75s in deprived areas</td>
<td>Over recent years there has been a downward trend in mortality rates among under 75s in deprived areas. Following a small increase in the rate in 2007, the long term downward trend has continued in 2008, 2009 and 2010.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Achieve annual milestones for reducing inpatient or day case waiting times culminating in the delivery of an 18 week referral to treatment time from December 2011</td>
<td>The latest available information shows that in September 2011 89.8% of patient journeys for which an 18 Weeks Referral To Treatment (18 Weeks RTT) waiting time could be measured were reported as being within 18 weeks. These official statistics have been published since May 2011. In September 2011 the waiting time could be measured for 81.2% of patient journeys.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase the percentage of criminal cases dealt with within 26 weeks by 3 percentage points by 2011</td>
<td>74% of criminal cases were dealt with within 26 weeks in 2010-11, which is a decrease of 3 percentage points since last year but an increase of 8 percentage points since 2006-07.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Table 8: New indicators included in the National Performance Framework

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Reason for inclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve digital infrastructure</td>
<td>Access to the internet for business is key to developing the economy. A core element of the Digital Strategy for Scotland is to increase uptake of the internet and ensure that next generation broadband is available to all by 2020.</td>
</tr>
<tr>
<td>Improve levels of education attainment</td>
<td>The NPF already contained indicators of the quality of education in Scotland, through measures such as the proportion of school leavers in positive destinations and the proportion of schools, and pre-school centres, receiving positive inspection reports. This new indicator measures the performance of the Scottish school system in an international context. It will be measured using data from the Programme for International Student Assessment (PISA). PISA is an international assessment of student attainment in reading, maths and science at age fifteen. What is particularly valuable is that PISA focuses on testing the knowledge and skills required for participation in society and assessing the extent to which pupils can apply skills gained in school in everyday adult life, thus moving beyond the pupil’s ability to master the school curriculum.</td>
</tr>
<tr>
<td>Increase the proportion of babies with a healthy birth weight</td>
<td>Birth weight is an important indicator of foetal and neonatal health. There is significant evidence of the correlation between maternal health and social circumstances and birth weights which are out with the normal birth weight range. Birth weight that is not within normal ranges also has a strong association with poor health outcomes in infancy, childhood and across the whole life course, including long term conditions such as diabetes and coronary heart disease.</td>
</tr>
<tr>
<td>Increase physical activity</td>
<td>Increasing the proportion of the population meeting physical activity levels is a key legacy aspiration for the Commonwealth Games. There is also a strong health benefit as increases equate to addressing the impact on sedentary lifestyles which can lead to reductions in health issues such as type 2 diabetes, heart disease and blood pressure. There is also emerging evidence that physical activity delivers better outcomes for mild depression than prescribed medication.</td>
</tr>
<tr>
<td>Reduce deaths on Scotland’s roads</td>
<td>Road Safety is an issue that affects everyone in Scotland. We all need to use roads to get around – to school, to work, to the shops. Most of us use the roads every day as drivers, passengers, cyclists and pedestrians and for many people driving is the main part of their job. It is essential therefore to ensure that, as far as possible, we can all use the roads in safety. Road accidents in which people are killed or injured result in high social and economic costs including a devastating impact on families, human pain and suffering, damage to vehicles and property, loss of productivity, demands on the emergency services as well as medical and insurance costs.</td>
</tr>
<tr>
<td>Improve the responsiveness of public services</td>
<td>The quality of public services is crucial in shaping a flourishing, productive and equitable Scotland. Public services have the power to improve people’s quality of life and enhance their opportunities. It is</td>
</tr>
</tbody>
</table>
important, therefore, that they are high quality, efficient, continually improving and responsive to the needs of local people. Responsiveness is a key aspect of the quality of public services, reflecting the extent to which services are designed around the needs of the individual. It relies upon organisations having mechanisms in place for people, particularly users of services, to communicate with service providers and to be heard so that their ideas can go into the redesign of more tailored services.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Reason for being removed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce children's deprivation</td>
<td>Growing up in poverty can have a profound and lasting impact on children’s outcomes – income poverty and material deprivation are strongly associated with poorer outcomes for children. Evidence tells us not only of the cost to individuals, but also of the great cost to society caused by child poverty, and of the economic case for shifting resources into early intervention and prevention.</td>
</tr>
<tr>
<td>Widen use of the internet</td>
<td>The advantages of accessing the internet can have an impact on an individual’s wellbeing, education, financial situation and employment opportunities. Evidence shows that the key group who do not take advantage of the internet in their lives are mainly older people, those who are not employed, those on low incomes and those with a disability or long standing illness. These groups could benefit substantially from being online, for example from cheaper online purchasing, opportunities to keep in touch via social media and Skype, and awareness of employment vacancies.</td>
</tr>
<tr>
<td>Increase cultural engagement</td>
<td>Cultural engagement impacts positively on our general wellbeing and helps to reinforce our resilience in difficult times. Cultural participation is known to bring benefits in learning and education; there is a significant association with good health and satisfaction with life.</td>
</tr>
<tr>
<td>Improve end of life care</td>
<td>The indicator will represent the wishes and choices for patients and their carers and also demonstrate the effectiveness of having a planned approach to end of life care. An increase in this measure will reflect both quality and value through more effective, person centred and efficient end of life care with people being better able to be cared for at home or closer to home with a planned approach to end of life care resulting in less time in an acute hospital setting.</td>
</tr>
<tr>
<td>Reduce pre-mature mortality</td>
<td>Pre-mature mortality – defined as death from all causes, aged under 75 – is an important indicator of the overall health of the population. Scotland has the highest rates of pre-mature mortality in the UK, as well as significant inequalities in pre-mature mortality within Scotland.</td>
</tr>
<tr>
<td>Improve self-assessed general health</td>
<td>Self-assessed health is a useful measure of how individuals regard their own overall health status. It is strongly related to the presence of chronic and acute disease, as well as being a good predictor of hospital admission, mortality and a key marker of health inequalities.</td>
</tr>
</tbody>
</table>

**Table 9: Indicators removed from the National Performance Framework**

**Indicator** | **Reason for being removed**
---|---
**Improve public sector efficiency through the generation of 2% cash releasing efficiency savings per annum** | Improving public sector efficiency is a key part of achieving the National Outcomes and with the Scottish Budget facing significant reductions, we will continue a programme of public service reform, that aims to deliver improved, more effective and efficient services in the coming years. However, recording aggregate efficiency across delivery of all public services is not consistent with understanding the performance against each particular National Outcome, and for this...
| Reason this National Indicator has been removed from the National Indicator Set. Ministers have stated that they expect every public body to deliver efficiency savings of at least 3% in 2011-12 and to report publicly on the actions taken and the results achieved. | Reduce the number of Scottish public bodies by 25% by 2011 | By definition this target is time limited and is a process measure, making it less suitable for inclusion in the National Performance Framework, an outcomes based framework. It has therefore been removed from the National Indicator Set. |
| Increase the social economy turnover | As we move forward with the reform of public services, the Government is committed to engage with the third sector who have a crucial role to play in the design and delivery of public services. We particularly value the contribution of the third sector because of its specialist expertise, its ability to engage with vulnerable groups and its flexible and innovative approach. The National Performance Framework previously contained a National Indicator measuring the social economy turnover. We do not feel, however, that the turnover of the sector fully reflects the extent to which it is contributing to delivery of the National Outcomes and have therefore removed this indicator from the National Performance Framework. |
| Increase healthy life expectancy at birth in the most deprived areas | These two indicators have been replaced by the new ‘Reduce premature mortality’ indicator. See question 18 on why deprivation specific indicators have been removed. |
| Reduce mortality from coronary heart disease among the under 75s in deprived areas | These two indicators have been replaced by the new ‘Reduce premature mortality’ indicator. See question 18 on why deprivation specific indicators have been removed. |
| Increase the percentage of criminal cases dealt with within 26 weeks by 3 percentage points by 2011 | By definition this target is time limited and has been delivered. The percentage of cases completed within 26 weeks increased by 8 percent between 2006/07 and 2010/11. This indicator is also very much a process measure, and while it will still be monitored by SG, is not ideally suited for the NPF, an outcome based framework. |
**SOURCES**


RELATED BRIEFINGS

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SB 11-66 The Government Economic Strategy (376KB pdf) – 14 September 2011

SB 11-63 Alternatives to GDP (844KB pdf) – 7 September 2011

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