

DRAFT BUDGET 2014-15

SUBMISSION FROM THE SCOTTISH COUNCIL FOR VOLUNTARY ORGANISATIONS

Summary

- **SCVO is concerned by the emphasis on economic growth throughout the current Framework.** ‘Sustainable economic growth’ will not address the imbalances in our economy.
- **Reducing economic inequality should be prioritised by Scottish and local government.** Doing so will create a more sustainable economy.
- **We are concerned there are no Indicators that measure changes in economic and societal inequalities across regions and individuals.** Whilst increases in performance overall might be positive, an increase overall can mask large disparities between regions and even an increase of these disparities. **We strongly recommend that this be addressed.**
- **A National Performance Framework should only exist if it actually impacts on policy.** As the point of any NPF would be to improve the lives of people living in Scotland, it is essential that performance in an NPF actually alters spending decisions and strategies.
- **SCVO strongly believes that a National Performance Framework must reflect the priorities of the people of Scotland,** including those who do not vote. Such a framework would enable everyone in society to have a real stake in the outcomes.

Our response

SCVO welcomes this opportunity to respond to the Committee’s call for evidence on the National Performance Framework (NPF), and would like to contribute the following.

Economic equality, not growth

As we and many others have said beforeⁱ, we find that the emphasis on economic growth throughout the current NPF to be problematic. ‘Sustainable economic growth’ as a strategy does not address the imbalances in our economy. Unfortunately, this emphasis on economic growth permeates the framework.

Instead we feel that future economic strategies should focus on reducing economic inequality between regions and individuals¹. Scotland suffers from economic inequalities between, say Aberdeen and Glasgow, and evidence shows that economic inequalities lead to poor economic outcomesⁱⁱ. We need strategies that strengthen the local, regional and national economies, rather than just focussing on a single strand. By moving the NPF and economic strategies away from a promotion of economic growth towards a promotion of economic equality, we will create a more sustainable and prosperous economyⁱⁱⁱ.

¹ Two of the eleven Purpose Targets do currently consider economic inequalities (‘solidarity’ and ‘cohesion’), but neither of these are currently improving. This compares to the two ‘economic growth’ targets, both of which have improved. It is worth noting too that the EET committee in its call for evidence only mentioned the cohesion target once, and solidarity not at all; this compares to the two economic growth targets, which were listed twelve times.

The societal, as well as economic, impact of a geographically balanced economy should not be underestimated. Employment positively impacts on a wide range of wellbeing indicators, including educational attainment, health and crime^{iv}. We are concerned therefore that there are no specific Indicators that measure a change in inequalities between regions or individuals. Whilst increases in performance overall might be positive, such an increase can mask large disparities between regions or individuals, and even an increase in disparities^v. We strongly recommend that a review of the NPF seeks to address this.

An NPF should only exist if it impacts on policy

We are unsure as to whether the NPF has really altered any strategies, policies, or spending decisions, or encouraged people in the public sector to work differently. As the point of any NPF – either in its current guise or as the wider alternative discussed below – would be to improve the lives of people living in Scotland, it is essential that performance in an NPF actually alters behaviour by decision makers – something that is still yet to be evaluated. We are concerned that we are yet to see the NPF being used for the purpose of reforming, reflecting and modernising at both a Scottish and local government level.

An NPF should reflect the priorities of the people of Scotland

SCVO strongly believes that an NPF must reflect the priorities of the people of Scotland, and that work should be undertaken to enable society to set out its vision for National Outcomes. This should include the priorities of those who haven't expressed their opinions at the ballot box – a significant proportion of society.

Given the wide scope of 'wellbeing', any NPF would likely contain outcomes that are the responsibility of all in society. Within such a framework, Scottish Government should be accountable for its performance in contributing to these outcomes, but not accountable for the outcomes themselves. Local government should also be accountable for its performance locally. Such a framework would both encourage all layers of government to consider how their decisions affect the population of Scotland, and enable everyone in society to have a real stake in the outcomes.

Conclusion

As discussed above, the Scottish Government must ensure that it repositions its economic priorities to focus on reducing economic inequality across Scotland, rather than on growth. This will benefit people, the environment, and the economy itself.

Whether or not this is best achieved through the NPF, we do not know. We are unsure whether the NPF has altered strategies, policies, or spending decisions, or encouraged people in the public sector to work differently. Before we get into discussions about the NPF, we should be sure as far as possible that its existence will have a positive impact on people's lives.

Finally, SCVO strongly believes that an NPF must reflect the priorities of the people of Scotland. Work should be undertaken to enable society to set out its vision for National Outcomes to create a truly representative framework.

About us

The Scottish Council for Voluntary Organisations (SCVO) is the national body representing the third sector. There are over 45,000 voluntary organisations in Scotland involving around 137,000 paid staff and approximately 1.2 million volunteers. The sector manages an income of £4.4 billion.

SCVO works in partnership with the third sector in Scotland to advance our shared values and interests. We have over 1300 members who range from individuals and grassroots groups, to Scotland-wide organisations and intermediary bodies.

As the only inclusive representative umbrella organisation for the sector SCVO:

- has the largest Scotland-wide membership from the sector – our 1300 members include charities, community groups, social enterprises and voluntary organisations of all shapes and sizes
- our governance and membership structures are democratic and accountable - with an elected board and policy committee from the sector, we are managed by the sector, for the sector
- brings together organisations and networks connecting across the whole of Scotland

SCVO works to support people to take voluntary action to help themselves and others, and to bring about social change. Our policy is determined by a policy committee elected by our members.^{vi}

Further details about SCVO can be found at www.scvo.org.uk.

References

ⁱ *Revising Scotland's National Performance Framework*, Oxfam <http://www.oxfam.org.uk/our-work/poverty-in-the-uk/~media/0862E084A0E24125AA29E9914EA178F3.ashx>

ⁱⁱ Lansley, S. (2011), *The Cost of Inequality: Why Economic Equality is Essential for Recovery*

ⁱⁱⁱ Stiglitz, J. (2012), *Macroeconomic Fluctuations, Inequality and Human Development*. See also Wilkinson and Pickett (2010), *The Spirit Level: Why Equality is Better for Everyone*.

^{iv} See, for example, West, A. (2007), Benefits 15 (3), *Poverty and Educational Achievement: why do children from low-income families tend to do less well at school?*; Montgomery, S. et al. (1998), *European Journal of Public Health* 8(1): 21-27, *Unemployment, cigarette smoking, alcohol consumption and body weight in young British men*;

The Costs of unemployment, TUC, 2010 <http://www.tuc.org.uk/extras/costsofunemployment.pdf>

^v For more on this, see Stiglitz, J. et al. (2009), *Report by the Commission on the Measurement of Economic Performance and Social Progress*.

^{vi} SCVO's Policy Committee has 24 members elected by SCVO's member organisations who then co-opt up to eight more members primarily to reflect fields of interest which are not otherwise represented. It also includes two ex officio members, the SCVO Convener and Vice Convener.