

FINANCE COMMITTEE
DRAFT BUDGET 2014-15
SUBMISSION FROM SCVO

Summary

1. **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.
2. **We believe work should be undertaken to enable society to set out its vision for National Outcomes**, incorporating work already done by others.
3. **SCVO is concerned by the emphasis on economic growth throughout the current Framework.** ‘Sustainable economic growth’ will not address the imbalances in our economy and society, or environmental challenges.
4. **Reducing economic inequality should be prioritised by Scottish and local government.** Doing so will create a more sustainable economy.
5. **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.

Our response

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

An NPF should reflect the priorities of the people of Scotland

7. SCVO strongly believes that an NPF must reflect the priorities of the people of Scotland, ensuring that people are at the heart of decisions made by their elected leaders and officials. This should include the priorities of those who haven’t expressed their opinions at the ballot box – a significant proportion of society.
8. Work should be undertaken to enable society to set out its vision for National Outcomes, building in perspectives from social partners, government (with input from all levels), and ‘reaching out’ initiatives such as the Humankind Index, the Poverty Truth Commission and others.
9. 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 at its level for its performance locally.

10. 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.

Economic equality, not growth

11. As we and many others have said beforeⁱ, we find the emphasis on economic growth throughout the current NPF to be problematic. 'Sustainable economic growth' as an end in itself does not address the imbalances in our economy or society. If instead, economic growth is a means to create a flourishing Scotland, it seems strange that it is this that is prioritised above the social outcomes that we know (from the Humankind Index and other research) matter to the people of Scotland. Unfortunately, this emphasis on economic growth permeates the framework.

12. Instead we feel that the NPF – if it is retained in its current form – and/or future economic strategies should focus on reducing economic inequality. (Whilst two of the eleven Purpose Targets do currently consider economic inequalities, neither of these are currently improving. This compares to the two 'economic growth' Targets, both of which have improved.) We need strategies that strengthen the local, regional and national economies, rather than just focussing on a single strand. Evidence shows that economic inequalities lead to poor economic outcomesⁱⁱ, so by moving away from a promotion of economic growth towards a promotion of economic equality, we will create a more sustainable and prosperous economyⁱⁱⁱ.

13. Furthermore, the pursuit of economic growth has come at a high cost to the environment. In a resource-constrained and climate-constrained world, it is only sensible to ensure that an NPF puts environmental and social prosperity on a par with economic prosperity.

An NPF should only exist if it impacts on policy

14. 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 above – would be to improve the lives of people living in Scotland, it is essential that performance in an NPF actually alters behaviour. Particularly considering the on-going public service reform agenda (self-directed-support, procurement, local government reform), SCVO is concerned that we are yet to see the NPF being used for the purpose of reforming, reflecting and modernising.

15. If the Government were to take on a wider framework as discussed above, it would further be the Government's role to independently assess to what extent the country is meeting the National Outcomes. Either way, we recommend that the Government ensures Government departments use the NPF to inform policy, and that data on the NPF is widely accessible.

Conclusion

16. As discussed above, SCVO strongly believes that an NPF must reflect the priorities of the people of Scotland, and think that work should be undertaken to

enable society to set out its vision for National Outcomes to create a truly representative framework.

17. However, as stated, 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. Before we get into discussions of how the current NPF can be improved, or what it could be replaced with, we should be sure as far as possible that its existence will have a positive impact on people's lives.

18. Whatever happens, the Scottish Government should ensure that it repositions its economic strategy to focus on reducing economic and social inequality and improving environmental sustainability across Scotland, rather than on growth. This will benefit people, the environment, and the economy itself.

About us

19. 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.

20. 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.

21. 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

22. 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.^{iv}

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, Stewart (2011), *The Cost of Inequality: Why Economic Equality is Essential for Recovery*

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

^{iv} 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.