

Finance and Public Administration Committee
National Performance Framework: Ambitions into Action

Scottish Enterprise is please to submit the evidence below to the committee in relation to their inquiry and we look forward to discussing it with them on 10 May.

To what extent do the National Outcomes shape how your organisation works?

The National Outcomes relating to the Economy and Fair Work and Business, and their associated indicators, cover the majority of our work, as we set out below in linking our activity to the NPF. There is a common thread running from National Performance Outcomes through annual Programmes for Government and ministerial letters of guidance to Scottish Enterprise's 3-year framework and annual business plans.

The National Performance Framework influences our economic analysis and scanning activity (as it did the evidence paper that underpins the National Strategy for Economic Transformation), particularly in relation to where Scotland performs well and where it lags compared to other comparable countries.

How do you know which National Outcomes your organisation contributes towards? How do you demonstrate this to your organisation and more widely to others?

Scottish Enterprise has proactively mapped our business plan activities to National Performance Objectives/Indicators. This comes in three forms. (1) direct contributions where our own measures around living wage jobs, R&D, exporting, and greenhouse gas emissions directly line up with a NPF indicator. (2) Broad contribution where our measures are key drivers of the NPF outcome, such as increasing productivity or economic growth. (3) Indirect contributions, where our activity will play a role in improving the indicator but the pathways to change are more indirect.

These links are demonstrated through our Business Plan Performance Measurement Framework, where our six published outcomes relate directly to a number of NPF Outcomes and Indicators. Our published measures and tracking measures tie up with the NPF as indicated above and the full list of NPF indicators that are either directly or indirectly affected by our work is included in the Annex.

How empowered is your organisation to do something different (should it wish) to achieve the National Outcomes relevant to you?

As a Non-Departmental Public Body, Scottish Enterprise has sufficient operational independence to adopt a performance management framework which helps monitor economic impact and the contribution we make to the overall goals of the National Performance Framework.

This flexibility has enabled Scottish Enterprise to adapt and respond to the changing economic circumstances due to Brexit, Covid and climate change.

How is your organisation held to account for how your actions and decisions impact on the National Outcomes?

Scottish Enterprise's objectives and our business plan measures are agreed as part of our strategic planning process. This process involves both our independent Board and the Cabinet Secretary for Finance and the Economy.

The Scottish Enterprise Annual Report and Accounts which, among other things, sets out our performance against our indicators and milestones, is laid before the Scottish Parliament each year in the Autumn.

How are the National Outcomes reflected in everyday decision taking? When it comes to spending priorities or providing funding to others, what role do the National Outcomes play?

All Scottish Enterprise projects at appraisal, approval and evaluation stage are reviewed against our Project Lifecycle Framework. The National Outcomes are reflected in this framework and therefore all projects need to demonstrate contribution to the National Performance Framework via our own measures and the National Indicators.

To what extent do you work collaboratively with other organisations in delivering the National Outcomes relevant to you?

Scottish Enterprise works alongside partners across the public and private sector to deliver a stronger and fairer Scottish economy. This is true both at national level, with our enterprise agency partners in particular, and at regional level, contributing to the city and regional growth deals.

National Objectives	National Indicators Most Relevant to Scottish Enterprise	Scottish Enterprise Activities (<u>examples</u>) & Business Plan Performance Outcome Measures
Economy	Productivity	Supporting businesses to adopt drivers of productivity e.g. innovation, exporting, investment, efficiency, etc Measure: Planned capital investment
	International exporting	Supporting businesses to explore and enter new markets Measure: Planned international exports
	Economic growth	Supporting business and sector jobs and sales growth
	Carbon footprint	Sustainability and efficiency support; support to develop new opportunities such as Just Transition, Hydrogen economy, etc Measure: Estimated CO2e savings
	Greenhouse gas emissions	
	Spend on R&D	Supporting business R&D and innovation investment, building innovation assets Measure: Planned R&D & innovation investment
	Entrepreneurial activity	Early stage, high growth entrepreneurship support, access to finance (risk capital etc) Measure: Growth funding raised by businesses
Fair Work and Business	The number of businesses	Early stage, high growth entrepreneurship support.
	High growth businesses	Supporting established businesses to grow
	Innovative businesses	Supporting businesses to introduce new products, services and processes
	Economic participation	Attracting inward investment projects and jobs, supporting, supporting Scottish business growth Measure: Planned jobs paying at least the real living wage
	Employees on the living wage	
	Pay gap	Supporting businesses to adopt fair, innovative and transformative work approaches (including Fair Work First criteria)
	Contractually secure work	
	Employee voice	

	Gender balance in organisations	
Environment	Energy from renewable sources	Support to develop new opportunities such as Just Transition, Hydrogen economy, etc Measure: Estimated CO2e savings
	Waste generated	Efficiency and sustainability support to businesses, including Scottish Manufacturing Advisory Services
Education	Workplace learning	Supporting businesses to adopt fair, innovative and transformative work approaches (including Fair Work First criteria)
	Skills underutilisation	
Culture	Growth in the cultural economy	Support to creative industries sector and businesses
	People working in arts and culture	
International	Scotland's reputation	Supporting businesses to connect with international businesses leaders (GlobalScot), promoting Scotland internationally to attract investment etc (e.g. SDI overseas offices)
	International networks	
	Scotland's population	Supporting businesses to attract talent, incl Talent Scotland
Health	Work related ill health	Supporting businesses to adopt fair, innovative and transformative work approaches