Finance and Public Administration Committee 15th Meeting, 2022 (Session 6), Tuesday 17 May 2022

National Performance Framework: Ambitions into Action

Purpose

- 1. The Committee is invited to take evidence from the following witnesses in relation to its inquiry on the National Performance Framework: Ambitions into Action:
 - Dr Max French, Lecturer in Systems Leadership at Newcastle Business School, Northumbria University,
 - Dr Ian Elliott, Senior Lecturer in Public Leadership and Management at Northumbria University and Honorary Chair of the UK Joint University Council, and
 - Jennifer Wallace, Director, Carnegie UK.
- 2. Written submissions from the witnesses are attached at Annexe A. All 38 written submissions can be accessed on the <u>Committee's inquiry page</u>. A summary of views produced by SPICe is provided at Annexe B¹.

Background

- 3. According to the Scottish Government, the <u>National Performance Framework</u> (NPF), introduced in 2007, "describes our ambitions, providing a vision for national wellbeing across a range of economic, social and environmental factors". It sets out the "strategic outcomes which collectively describe the kind of Scotland in which people would like to live and guides the decisions and actions of national and local government". The NPF states that "to achieve the outcomes, the NPF aims to get everyone in Scotland to work together, including national and local government, businesses, voluntary organisations, and people living in Scotland". There are 11 national outcomes, which are measured for progress against 81 national indicators. SPICe produces a monthly snapshot of how Scotland is performing against these indicators, the latest version of which was published on <u>9 May 2022</u>.
- 4. Part 1 of the Community Empowerment (Scotland) Act 2015³ requires the outcomes in the NPF to be reviewed every five years, with the next review due to begin later this year and conclude in 2023. This Committee is expected to be the

¹ A written submission from the Auditor General for Scotland was received on 12 May, after the summary of views was produced. This submission is published on the inquiry web page.

² <u>National Performance Framework Alignment - A changing nation: how Scotland will thrive in a digital world - gov.scot (www.gov.scot)</u>

³ Community Empowerment (Scotland) Act: summary - gov.scot (www.gov.scot)

lead committee for that work, although other committees will also have an interest in any changes proposed to the outcomes relevant to their remit.

- 5. Previous work by the Committee has raised questions over the extent to which the NPF is used to shape policymaking, spending choices and priorities. In its Pre-Budget Report, published on 5 November 2021, the Committee pointed to the upcoming review of the national outcomes as an opportunity to "reposition the NPF at the heart of government planning, from which all priorities and plans should flow". It went on to ask the Scottish Government to consider how the NPF could be more closely linked to budget planning. A response to this specific question is outstanding.
- 6. The Auditor General for Scotland's blog on 'Christie 10 years on', published on 7 September 2021, raised issues around accountability and delivery. It argued that "Scotland is suffering from a "major implementation gap between policy ambitions and delivery on the ground". He suggested that "there's a mismatch between the Scotlish Government's vision of a more successful Scotland where poverty is reduced, and economic growth is sustainable and how we assess public sector performance", adding "I am not convinced that public sector leaders really feel accountable for delivering change".
- 7. Since creation of the NPF in 2007, Scotland's fiscal arrangements have changed considerably, with further devolution of powers, shared funding arrangements (City and Region Deals), and replacement EU funds (UK Shared Prosperity Fund, Community Renewal Fund and Levelling Up Fund) passed directly to local authorities. While public sector bodies, including local authorities, are required under the 2015 Act to have regard to the national outcomes in carrying out their functions, the Act does not apply to governance structures for City and Region Deals or replacement EU funds.
- 8. When asked whether Scottish Government priorities, such as the NPF, are considered in decisions on targeting replacement EU funds, the Secretary of State for Levelling Up, Housing and Communities, during evidence to the Committee on 24 February 2022, said that "we will take the Scottish Government's priorities into account, because we want to reach agreement wherever possible". He added that, where UK and Scottish Government priorities differ, resolution to the satisfaction of both governments, "ideally would be done through open, regular dialogue and honesty on our part about where we might diverge".

National Performance Framework: Ambitions into Action

- 9. The Committee's inquiry into the <u>National Performance Framework: Ambitions into Action</u>, which was launched on 1 March, aims to establish how the NPF and national outcomes shape Scottish Government policy aims and spending decisions, and in turn, how this drives delivery at national and local level. It is therefore looking at the processes, structures, cultures and behaviours that support delivery of the NPF, rather than the outcomes themselves, which will be the subject of the Scottish Government's statutory review to start later this year.
- 10. The Committee's call for views, which closed on 14 April, sought to establish:

- the extent to which the national outcomes shape how organisations work,
- awareness around which national outcomes organisations contribute to,
- the level of empowerment for organisations to try something novel to achieve relevant national outcomes,
- where accountability lies for actions and decisions that impact on the national outcomes,
- if and how national outcomes are reflected in everyday decision-taking, including on spending priorities and provision of funding to others,
- whether organisations need to demonstrate how they contribute to delivery of the national outcomes in order to secure public funding
- where the national outcomes sit within a range of priorities and demands on bodies.
- the extent of collaboration across organisations to deliver national outcomes, and
- areas of good practice, improvement and practices that work less well.
- The Committee held its first evidence session in relation to the inquiry on 29 March, hearing from representatives of the Scottish Leaders Action Group on its report on Improving Accountability and Incentives to deliver the NPF outcomes and live the values. The panel told the Committee that "the current status of accountability against the NPF is patchy" and "there is not yet a golden thread that provides consistent end-to-end accountability for delivery of the NPF outcomes". They stated that "typically, the NPF is not actively used to shape scrutiny, provide sponsorship, undertake commissioning of work or shape the allocation of funding". The panel went on to suggest that the barriers to delivering an effective system of accountability are: "behavioural, structural, procedural, financial and political". However, their main message was one of empowerment, arguing that "all leaders can act now". They highlighted that Scottish Government sponsor teams, auditors/regulators, political leadership, and parliamentary and local government committees have a particularly important role to play in "reinforcing behavioural change". Finally, the panel argued that the Scottish Parliament and its committees could look to further improve its scrutiny of progress towards delivering the national outcomes
- 12. A SPICe briefing summarising recent Parliamentary scrutiny of the NPF including some good practice examples is provided at Annexe C.
- 13. As well as formal evidence-gathering through a call for written views and oral evidence, the Committee has held three engagement events as part of this inquiry. The first, with senior Scottish Government officials, took place on 3 May, and visits to Dundee and Glasgow followed on 10 May, where Committee Members held discussions with representatives of local authorities, other public bodies, business organisations and the voluntary sector. All three sessions were intended to hear the experiences of participants on how the NPF influences their day-to-day roles and the approaches of their organisations. A note of key issues discussed at the earlier engagement event with Scottish Government officials is attached at Annexe D.

Witnesses' written evidence

- 14. As referred to above, written submissions from the three witnesses are provided in full at Annexe A, and a SPICe summary of written evidence is at Annexe B.
- 15. In his written submission, Dr Ian Elliott, who has been conducting research into the NPF since 2016, noted that, in the early years, "the significant development, centred around adaptive leadership and public value, helped to instil a commitment to a more strategic approach to government across directorates". However, the "moves to widen the scope of the strategic approach from a 'whole-of-government' to 'whole-of-society' approach without increased investment, particularly in learning and development activities, have placed a greater pressure on the aspiration to be a strategic state". He added that "the administrative leadership and clear vision that were present in the initial development of the NPF have diminished over time".
- 16. However, Dr Max French, who has also produced academic research into the NPF, suggested that "there is little evidence the NPF has been meaningfully incorporated into organisational routines within those organisations (public and non-profit), or in changing decisions, promoting learning or altering policies". Drawing on approaches in Scotland, Wales and Northern Ireland, he argues that a mix of 'hard power' (coercion, voluntary contributions and economic incentives) and 'soft power' (influence, persuasion and options framing) strategies are needed "to maximise implementation of outcomes". He lists a set of recommendations using a mix of hard and soft power strategies, including new statutory requirements on public bodies, deepening accountability, and rebranding the NPF to 'Scotland's National Wellbeing Framework'.
- 17. Carnegie UK, with its long-standing research and policy interest in the NPF, argues that "audit and scrutiny bodies have ... been slow to incorporate the national outcomes into their work" and sees a possible Wellbeing and Future Generations Commissioner as "one mechanism to address the weaknesses in the current structures". It goes on to say that the processes for embedding the national outcomes in Scotland "are also weak", noting for example that neither the Scottish Public Finance Manual nor the Scottish Procurement Policy Handbook have been updated to refer to the current national outcomes. It argues that these structural and process issues need to be addressed, along with cultures within delivery organisations, rather than the focus only being on "creating an outcomes-based culture".

Next steps

18. At its next meeting on 24 May, the Committee will continue taking evidence in relation to this inquiry from a panel of local authority representatives, followed by a round-table session involving a range of bodies involved in delivery of the NPF.

Committee Clerking Team May 2022

ANNEXE A

Written Submission from Dr Ian Elliott

I am a Senior Lecturer in Public Leadership and Management at Northumbria University and current Honorary Chair of the UK Joint University Council. My research interests centre particularly on the concept of the strategic state.

I have been conducting research into the National Performance Framework since 2016 looking at the establishment, development and impact of the NPF over time. My research is qualitative and longitudinal in approach and has been conducted over two key stages.

The fieldwork for the first stage took place in 2016 and included 10 interviews with current and former leaders from the Scottish Government up to and including Permanent Secretary level. The focus of this stage was the initial development of the National Performance Framework including associated activities such as the restructuring of the Scottish Government and leadership development.

The second stage of fieldwork started in 2020 and is ongoing (delayed due to the Covid-19 pandemic). To date I have completed 9 interviews with leaders both within and outwith the Scottish Government. The focus of this stage has been around developments since 2016 including the refresh in 2018.

The first stage of my research was published in Public Money and Management in 2020. In this article I explain the initial rationale for the NPF, how it was developed, and what impact it had. These impacts were found to be primarily in relation to the internal workings and organisational culture of the Scottish government. In particular, the significant investment in leadership development, centred around adaptive leadership and public value, helped to instil a commitment to a more strategic approach to government across directorates. I argue that this reflects the characteristics of a strategic state. Key success factors were found to be 1) a supportive political environment; 2) strong administrative leadership and 3) a clear vision for change.

The second stage of the research is ongoing. However, initial findings have identified some of the challenges inherent in developing a strategic state even in the context of a relatively small polity. In particular it is found that the moves to widen the scope of the strategic approach from a 'whole-of-government' to 'whole-of-society' approach without increased investment, particularly in learning and development activities, have placed greater pressure on the aspiration to be a strategic state. There are challenges around capacity and capability – in relation to workforce planning, talent management and broader education, training and development. The lack of learning opportunities is no more evident than in the higher education sector where there is

currently only one MPA program and one MPP program across Scotland. This is in comparison to around 6 MPA and MPP programs in both the US States of Minnesota and South Carolina (both with equivalent population sizes to Scotland). Finally, the administrative leadership and clear vision that were present in the initial development of the NPF have diminished over time.

Written Submission from Dr Max French

I am a Lecturer in Systems Leadership at Newcastle Business School, Northumbria University with a research focus on performance management and leadership approaches in complex and multi-actor settings⁴. In this submission I draw on my recent academic research into the implementation of the NPF, and in particular draw upon the two articles described below:

- 1. An article⁵ published in 2021 in the International Journal of Public Sector Management comparing the design and implementation strategies of the NPF, the UN SDGs in Agenda 2030, and Western Australia's Alliance to End Homelessness, drawing on interviews with key Scottish Government officials.
- 2. A comparative analysis⁶ of the implementation of wellbeing outcome frameworks in Scotland, Wales and Northern Ireland between 2016-2022 (with co-author Jennifer Wallace, Director, Carnegie UK Trust). This article draws from 34 interviews with devolved government officials and leaders of relevant external organisations and is the first systematic comparative analysis of the implementation of national wellbeing frameworks. This is available as a pre-print, and is currently undergoing academic peer review.

I am happy to provide further information to the Committee if helpful.

The NPF has achieved limited (but improving) implementation success

As decades of performance management scholarship makes clear, what gets measured does not by itself get done⁷. New measurement frameworks need dedicated implementation strategies to encourage the adoption of new measures, the incorporation of new organisational routines (e.g. planning, budgeting or performance reviews), and to motivate staff and organisations to actively use performance information in strategic, learning and decision making processes.

⁴ French, M. (2021). Two experiments in outcome-based governance. Stanford Social Innovation Review, 20(4). https://doi.org/10.48558/bpph-5535

French, M., Lowe, T., Wilson, R., Rhodes, M.-L., & Hawkins, M. (2021). Managing the complexity of outcomes: A new approach to performance measurement and management. In D. Blackman (Ed.), Handbook on Performance Management in the Public Sector (pp. 111–128). Edward Elgar Publishing. https://doi.org/10.4337/9781789901207.00014

⁵ French, M., & Mollinger-Sahba, A. (2021). Making performance management relevant in complex and interinstitutional contexts: Using outcomes as performance attractors. International Journal of Public Sector Management, 34(3), 377–391. https://doi.org/10.1108/IJPSM-03-2020-0071

⁶ French, M. and Wallace, J. (2022) Working paper. Performance management for systemic problems: the enabling role of soft power. Working paper: Northumbria University.

Moynihan, D. P. (2008). The dynamics of performance management: Constructing information and reform. Georgetown University Press.

Pollitt, C., Harrison, S., Dowswell, G., Jerak-Zuiderent, S., & Bal, R. (2010). Performance Regimes in Health Care: Institutions, Critical Junctures and the Logic of Escalation in England and the Netherlands. Evaluation, 16(1), 13–29. https://doi.org/10.1177/1356389009350026

Radin, B. A. (2006). Challenging the Performance Movement: Accountability, Complexity, and Democratic Values. Georgetown University Press.

My second article describes how wellbeing frameworks' implementation outcomes should be assessed across two dimensions: their breadth (the range of external autonomous actors associating or adopting the framework) and their depth (their vertical integration into organisational functions). We find Scotland's implementation outcomes lag behind those of Wales in both breadth and depth. Wales's Wellbeing Goals, Indicators and Objectives have been more quickly entrenched in central government functions and better incorporated by external statutory agencies. Scotland also trails Northern Ireland (despite the three-year collapse of the latter's Executive) in certain key areas, for instance, we find a stronger incorporation of Northern Ireland's wellbeing outcomes and indicators within its 11 Community Planning Partnerships and in the reporting procedures of government departments.

The purpose of this research is not to position Scotland as a laggard, and indeed it highlights some key comparative advantages. Scotland features the broadest range of external agencies who have voluntarily adopted and signed up to the NPF, and the most significant usage of National Indicators in parliamentary scrutiny. Instead, the article seeks to draw learning from all three nations into a broader practical basis for achieving better implementation outcomes.

Soft, hard and smart power strategies for implementing national wellbeing frameworks

Drawing from the theory of power developed by American political scientist Joseph Nye, we argue practice has tended to follow one of two strategies: a 'hard power' strategy, relying on coercion, obligation and economic incentives, or a 'soft power' strategy, attracting others' voluntary contributions by shaping their preferences and using influence, persuasion and options framing.

Northern Ireland has pursued the strongest 'hard power' strategy, making use of its civil service organisational hierarchy and some key elements of the Outcomes-Based Accountability methodology. This was effective in creating new organisational routines for planning and reviewing progress based on its (draft) national indicators. It was less effective however in motivating civil servants to use performance information for learning or behaviour change since it was treated as an exercise in compliance rather than improvement. Additionally, it created significant internal opposition since the measures and methodology was imposed rather than cocreated, and anxieties around accountability were exacerbated by the technical problems around measurement and attribution endemic to outcome-based working⁸. Interviewees suggested that the 2017 collapse of the Northern Ireland Executive was taken as an opportunity to disengage with the outcome-based approach, and has created enduring internal opposition to re-establishing the approach following the latest draft Programme for Government.

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⁸ French, M., Lowe, T., Wilson, R., Rhodes, M.-L., & Hawkins, M. (2021). Managing the complexity of outcomes: A new approach to performance measurement and management. In D. Blackman (Ed.), Handbook on Performance Management in the Public Sector (pp. 111–128). Edward Elgar Publishing. https://doi.org/10.4337/9781789901207.00014

Scotland has most clearly pursued a soft power strategy. Within the Scottish Government, a strategy of distributed leadership and relational working has produced a patchy implementation profile (more so than Wales or Northern Ireland), with Scotland the last for example to meaningfully integrate its wellbeing framework with the Programme for Government and Spending Review. Senior civil servants were appointed 'champions' for outcomes, rather than accountable owners as in Northern Ireland, but departmental responsibility for NPF outcomes and indicators has been slow to emerge. Branding, external communication and awareness raising strategies have produced the most successful national approach in motivating other (public and non-profit) organisations to voluntarily adopt, sign-up or buy-in to the NPF. But there is little evidence the NPF has been meaningfully incorporated into organisational routines within those organisations, or in changing decisions, promoting learning or altering policies.

Our conclusion from this comparative analysis is that implementation outcomes are maximised when both soft and hard power approaches are strategically combined in mutually reinforcing combinations - what Nye called 'Smart Power'. Wales has achieved this in various ways to achieve the strongest (though many would argue, still patchy) implementation outcomes:

- The resonance and moral significance of Wales's Future Generations agenda, coupled with the relational work and alliance building in support of this (soft power), created a willingness to accept and support new statutory duties and accountability relationships in the Well-being of Future Generations (Wales) Act 2015 (hard power) rather than passively resist them
- Strong statutory duties enforced new routines of wellbeing assessments, objective setting and planning amongst public bodies including Welsh Government departments (hard power). This created a demand for tools, support and methods to help them fulfil those duties, and an openness to the guidance, persuasion and influence provided most clearly by the Office of the Future Generations Commissioner (soft power).
- Independent statutory organisations (Audit Wales and the Future Generations Commissioner) could use either soft power approaches (e.g. support, encouragement, critical engagement) or hard power approaches (e.g. challenge, threats to use statutory review powers, naming and shaming), responding to the receptiveness of any particular public body or government area. In practice hard powers rarely needed to be resorted to.

A smart power approach to translating 'ambitions to action' for the NPF

The conclusion to draw from this research is not a need to transition the NPF from a soft to a hard power strategy. Rather it is to develop both power strategies in tandem and ensure they work to reinforce rather than undermine one another. The latter

outcome is a distinct possibility: using economic incentives can crowd out intrinsic motivation for improvement; relying on payment-by-results or outcomes-based accountability methods risk promoting gaming behaviours; and unsupported acts of coercion can weaken the legitimacy of performance frameworks. A focus on 'smart power' could encompass a vast number of strategic actions, though drawing from indications from my research, a small selection could involve:

Soft power strategies

- Continue to build public support and collective ownership for the NPF as Scotland's (not just the Scottish Government's) wellbeing framework. e.g. resourcing an external governance board with responsibility for custodianship involving varied expertise and lived experience in its membership.
- Rebrand the NPF as the Scotland's National Wellbeing Framework, tapping into public and civil society support for a governance focus on collective and intergenerational wellbeing.
- Resource a dedicated implementation team to develop tailored guidance, 'how to guides' and other shortcuts to help target actors meaningfully embed the NPF in their work
- Create new cross-boundary learning forums and national events to bring together good practice and share learning.
- Make Scotland Performs tell interesting, galvanising stories which capture the public interest and communicate its values, rather than merely list statistics
- Monitor and demonstrate implementation (perhaps using the 'breadth and depth' framework developed in my comparative research) to monitor progress, demonstrate momentum and generate a desire for participation.

Hard power strategies

- Introduce new statutory requirements for public bodies to specify and reflect on their contribution story to the range of National Outcomes and Indicators.
 With respect to the statutory settlement with local government, work to agree a unified and simplified reporting framework across public bodies
- Appoint and resource an independent scrutiny organisation (Audit Scotland and/or a new Future Generations Commissioner) to deepen accountability and show the Scottish Government 'walks the talk' on the NPF
- Establish new screening processes (perhaps with a statutory basis) based on the NPF for new legislation, procurement and investment decisions, and publish the results of these.
- Work with other public agencies to harmonise NPF indicators with various existing measurement frameworks in the public sector (e.g. NHS Scotland, Improvement Service).
- Work to align career incentives and performance reviews around contribution to the NPF's indicators and values, while avoiding naïve linear accountabilities between indicator movement and performance.

The rest of my research can be found open access at: https://researchportal.northumbria.ac.uk/en/persons/max-french/publications/

Written Submission from Carnegie UK

Dear Mr Gibson

National Performance Framework: Ambitions into Action

Carnegie UK has a long-standing research and policy interest in the National Performance Framework. For more than ten years we have hosted roundtables, conducted research, and advocated for the framework publicly.

Given this background, we were delighted to hear about the Committee's inquiry. As an independent foundation, we do not provide public services and found the specific questions in the consultation survey difficult to respond to. We would therefore like to take the opportunity to provide the Finance and Public Administration Committee with our reflection on the current structures, processes, and cultures as a whole.

Structures

The National Outcomes have a statutory role in Scotland; public bodies are required to have regard to them. Despite this, we have found ourselves repeatedly having to ask policymakers how their policies relate to the National Outcomes. While there are some sectors and Directorates where the National Outcomes are more visibly embedded, there are many places where other statutory duties or non-legislative frameworks are seen to take precedence. It is simply not clear to many within and outside Scottish Government that the National Outcomes sit atop, or guide, the myriad of policy frameworks currently in use.

Audit and scrutiny bodies have also been slow to incorporate the National Outcomes into their work, though Audit Scotland has been making progress in this field more recently. As you know, the existence of a strong agency in Wales (the Future Generation Commissioner) and their relationship with Audit Wales (where they collaborate to make best use of each set of statutory powers) has been influential in shifting practice. We very much welcome the discussions about a Wellbeing and Future Generations Commissioner for Scotland and see this as one mechanism to address the weaknesses in the current structures.

We believe that now is the right time to reassert the role of the National Outcomes, and their relevance to the recovery from the pandemic and Scotland's pursuit of the Sustainable Development Goals, and to create a strong advocate with powers and duties to ensure their prominence in policy development and delivery.

Processes

Processes for embedding the National Outcomes in Scotland are weak, compared to other governments which have adopted a wellbeing framework. Scotland's Public Finance Manual has not been updated since implementation of the National Outcomes and still refers to the non-statutory purpose targets from the previous non-statutory framework (see annex 2 in the pre-expenditure checklist). This continues to accord a superior status to economic outcomes, rather than the balanced approach of the 2018 National Outcomes and Indicators. In addition, the Public Finance Manual refers to the Treasury Green Book, which uses traditional New Public Management cost-benefit analysis, rather than developing a Scottish approach to public finance that moves public spending away from siloed-models to a whole of government approach. Similarly, the Scottish Procurement Policy Handbook has not been updated since 2008, and as such the section on value for money does not include any reference to the National Outcomes.

Lack of implementation in processes can be seen elsewhere in the system – for example the core explanations of how different types of outcomes (personal, programme and population) can come together into a whole of government model were co-produced under What Works Scotland but were not then adopted into Scotlish Government policy. Scotland does not have an equivalent of the UK Magenta, Aqua or Orange books to locate this knowledge in.

Finally, our exploration of <u>budgeting for children's wellbeing</u> found that policy assessment against the National Outcomes was post-hoc rather than being the foundational analysis from which proposals were considered. The assumptions used to justify spending were also difficult to access from outside government and we made comments about the openness and transparency of the process of setting Scotland's budget that may be of interest to the Committee.

Cultures

There is much attention paid in Scotland to creating an outcomes focused culture, and while we do not disagree with this, we hope that the above examples on structure and process show that the key issue cannot be reduced to one of culture within delivery organisations. Our engagement with those working to improve outcomes for the people of Scotland continually reinforces our evidence that people genuinely want to make a difference.

There are however cultures that work against outcomes across Scotland. Our work on a culture of kindness in health and social care in Scotland reinforced to us how the use of targets for performance management can have unintended consequences. At a system-level, this adds up to a culture that protects the service, and crucially its reputation, over the wellbeing of staff and the public. We would add that the media plays a role in influencing the culture of public services, but we are not aware of any proactive work to inform journalists of the change that the Scottish

Government wishes to make away from a focus on inputs and outputs, and towards being held to account for outcomes and system-change through the NPF.

We would be pleased to attend a Committee session to provide further evidence and reflections on the NPF.

Yours sincerely

Jennifer Wallace Director Carnegie UK

SPICe The Information Centre An t-lonad Fiosrachaidh

Finance and Public Administration Committee 15th Meeting, 2022 (Session 6), Tuesday 17 May 2022

National Performance Framework: Ambitions into action – summary of written evidence

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Introduction

The Committee launched its call for written evidence on 1 March 2022, which received 37 written submissions. All submissions can be accessed on the Committee's webpages. This paper provides a high-level summary of the key themes to emerge from the written evidence received by the original closing date. It is structured according to the questions asked. First though it picks out some overall comments made by some respondents, which did not fit under the specified questions.

Overall comments

In terms of overall comments on the NPF and the Committee's inquiry, both **Dr Ian Elliot** and **Dr Max French** from Northumbria University highlighted their research in this area. Max French discussed his work on implementation, and around the concept of a "hard power" versus "soft power" strategy for implementing performance frameworks. Ian Elliot highlighted his work on the "strategic state" (using the NPF as an example) and the challenge of moving from a "whole-of-government" to "whole-of-society" approach (something discussed in the Committee's evidence session with the Scottish Leaders Forum). The Committee will be able to discuss both academics' work in the upcoming evidence session.

Carnegie also made some overall comments, stating that "While there are some sectors and Directorates where the National Outcomes are more visibly embedded, there are many places where other statutory duties or non-legislative frameworks are seen to take precedence. It is simply not clear to many within and outside Scottish Government that the National Outcomes sit atop, or guide, the myriad of policy frameworks currently in use." Carnegie also noted that both the Scottish Public Finance Manual and Procurement Policy Handbook had not been updated with the most recent NPF incarnation.

Similar to this, the **Scottish Council for Voluntary Organisations (SCVO)** provided a detailed submission, calling for visible policy coherence, effective accountability mechanisms and inclusive participation, and suggested a number of ways in which the Committee's inquiry could look into these issues.

The **Equality and Human Rights Commission (EHRC)** suggested that "Better equality outcomes, linked to and informed by the National Performance Framework, would therefore enable better focus on the inequalities that people face every day." Linked, the **Scottish Sports Association** highlighted that there is "an absence of value and monitoring placed on cross-cutting interventions" (i.e. Sport and physical activity are measured and monitored against "health") and so the current national outcomes "underrepresents the impact that is being made."

Finally, the **Scottish Public Service Ombudsman** (SPSO) raised the issue of "the specific position of parliamentary-supported organisations and scrutiny organisations in relation to the National Outcomes."

Responses to specific questions

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

Almost all submissions responded to this question, many in some detail. From a local government perspective, **COSLA**, who are joint signatories to the NPF, noted that "The outcomes set out in the NPF have considerable influence over the way COSLA works." However, evidence from individual local authorities was mixed as to the extent to which the National Outcomes shape the way they work.

Fife Council stated that the National Outcomes were reflected in their range of corporate planning documents and so "they have therefore played a key role on shaping the work of the Council and the Partnership." Similarly, North Ayrshire Council stated that the National Outcomes influence the Council's plan and therefore "It forms part of the 'Golden Thread' linking national outcomes through to each employee's daily activities." Aberdeenshire and East Renfrewshire Councils both made similar points. However, the Highland Council stated that "They shape the organisation where there is alignment with the role of local government or community planning. The main focus is on data returns to the Scottish Government which will feed key indicators within the framework." Stirling Council noted that while the National Outcomes were in its Local Outcomes Improvement Plan (LOIP), "We do not currently refer to the National Performance Framework in reference to decision making."

Public Health Scotland (PHS) noted that "the national outcomes – as qualitative statements of what we want Scotland to look like – are important but not as influential as the outcome indicators –the quantitative measures of Scotland's performance in these areas—which underpin them." PHS also stated that "we come across bodies who do not plan against the national performance framework's outcomes or outcome indicators."

Other public bodies, including **Nature Scot**, **Bòrd na Gàidhlig, Scottish Enterprise**, **Registers of Scotland (RoS)**, **Revenue Scotland**, and **Scottish Water** all noted that the National Outcomes influenced and informed corporate strategies and business plans etc and gave examples of how this worked in practice. For example, RoS stated that "Within the boundaries of what we need to deliver to comply with our statutory role, the National Outcomes provide an important element of shaping decisions around how we deliver."

Third sector bodies responding to the consultation were generally positive about the extent to which the National Outcomes played a part in how their organisation (and sectors) worked. For example, **Children in Scotland** highlighted its Manifesto for 2021-26 and the close alignment with the outcome related to children and young people. **Oxfam Scotland** noted that uses them "as a lever to encourage the Scotlish Government, and all political parties, to implement aligned policy and

spending decisions." **Volunteer Scotland** stated that it "has aligned our own strategic outcomes with those detailed in the Volunteering for All framework, which is in itself mapped to the National Outcomes." The **Wise Group** noted that "The National Outcomes align extremely closely with our work, especially with regards to our work on innovation within the economy and alleviating poverty" and explained this in some detail.

Citizens Advice Scotland (CAS) stated that "While the language of our charitable aims, drawn from our Articles of Association, differs from the language of the National Outcomes, the two are broadly aligned." Finally, the SDG network noted that "the alignment between the National Outcomes and the SDGs is not fully developed and needs further thinking to ensure meaningful engagement with the National Outcomes by organisations who have adopted the SDGs as their own framework for action."

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

A range of organisations considered this question. Many public bodies were clear as to their own contribution, but made a number of suggestions for improvements.

The **Scottish Human Rights Commission (SHRC)** noted that "there are aspects of all the National Outcomes that have relevance to human rights" but that "This is not currently understood, nor presented within the narrative of the NPF." **PHS** noted that it used its "strategy map" to demonstrate this, but that "Currently, public bodies effectively self-select which outcomes they are contributing towards. This allows them to opt out, identify their own outcomes, or measure different things." **Scottish Enterprise** gave a detailed account of the three forms of contribution it makes – direct contributions, broad contribution and indirect contributions.

Generally local authorities again set out the clear linkages through their LOIPs and other strategic planning documents. **East Renfrewshire Council** described its own exercise mapping the NPF indicators to its own local set of indicators, where "Although there were no direct matches between the Council's strategic indicator set in terms of definition and source, around half of the indicators were similar. The remaining indicators in our set have been identified as they are meaningful at a local level." **The Highland Council** stated that "Within the public sector there is no emphasis or requirement to frame strategic plans around the National Outcomes. The Council has mapped its key priorities and measures to the framework so is aware of where there is alignment."

The **Open University** stated that it had "mapped our work against the National Performance Framework as we developed our prospectus Skills + Scotland for the 2021-26 session of the Scottish Parliament. We used this to produce our four key themes."

Oxfam Scotland noted that while "much of Oxfam's work aligns most closely to the National Outcome on Poverty [....] our work also links to several other Outcomes, including, but not limited to: Economy; Fair Work and Business; Environment;

Human Rights; and International." **CAS** helpfully provided a map of their work to the National Outcomes.

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

Submissions here tended to go a little beyond the National Outcomes but most felt empowered to some degree, albeit funding constraints were frequently mentioned. For example, **PHS** stated that "We were commissioned to do things differently and do different things to achieve progress on these outcomes. Our ability to do this is somewhat constrained by our funding model. 38% of our funding is non-recurring and originates from different Scottish Government policy teams. The nature of the funding makes it harder for us to do different things or do things differently in these areas towards national outcomes. Reducing the proportion of our funding from non-recurring sources would enable us to take more effective action to improve health and reduce health inequalities."

Scottish Water stated that it "is empowered to achieve the National Outcomes relevant to us through the Water Sector Vision; the cocreation of our Strategic Plan with sector stakeholders including the Scottish Government; and the endorsement of our Strategic Plan by customers." Similarly, Scottish Enterprise noted that it has "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." And RoS explained that it "has significant choice about how we work to fulfil our statutory function and we can therefore ensure we are, wherever possible, meeting the expectations of the national outcomes as part of our work."

COSLA noted that there was "potential for, and advantage of, a wide range of different and often innovative paths to be developed through which better outcomes can be achieved." But it went on to state that "the empowerment councils and their partners have in respect of local flexibility to meet local priorities, and in turn contribute to achieving a National Outcome, is often constrained by a national focus on particular 'solutions' coupled with funding which is provided only for those centrally favoured solutions and is often short term in nature." Individual local authorities made similar points. East Ayrshire Council stated that "Current and anticipated financial constraints also make it difficult to fund new ways of working, when all of the available resources are needed to address the immediate challenges facing our local communities." However, East Renfrewshire Council's view was that "Given the high-level nature of the 11 national outcomes (not all are locally relevant) this does enable considerable scope to act across these areas that may contribute to the national outcomes, in particular, in the key policy areas of education, environment, local economy, and supporting communities."

Similar to local authorities, **Children in Scotland** stated that "In line with many other third sector organisations, Children in Scotland experiences a number of barriers and opportunities to 'doing something different'" including a "lack of sustainable funding."

The **Open University** referenced its Outcome Agreement with the Scottish Funding Council, stating that it has "limited flexibility to do something different to achieve our targets. Where we believe that a different approach needs to be taken, we would have a proactive discussion with the SFC to ensure there is a common understanding of why this is required and how it will be achieved."

Finally, **CAS** stated that "If NPF is really going to become more mainstreamed and continuously improved then statutory actors need to embrace new leaner operating models, which will require a greater appetite for risk to complement the necessary and greater empowerment of delivery bodies to take decisions and devolve decisions and functions outwith statutory authorities: in short, it requires more trust. This will require a significant culture change of empowering and devolving responsibility for delivery to other organisations, whilst remaining accountable for scrutinising the delivery of the outcome."

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

This question did not receive as detailed responses as the previous questions. Most organisations explained their regular accountability arrangements and noted that the NPF was part of those. **COSLA** stated that "At the highest level COSLA Convention, supported by COSLA Leaders, accounts for all the actions and decisions taken in its name; for example by Policy Boards. Accountability on all matters, including those which impact on the National Outcomes, is provided to these structures through regular reporting." **RoS** noted that it was "directly accountable to the Scottish Parliament" but that "Specific questioning around the effectiveness with which we contribute to the National Outcomes has not been a direct subject in our annual parliamentary committee appearances, although questions that relate to aspects of the National Outcomes [...] have been asked."

PHS explained that "We are held to account in two main ways: through our board and through our sponsors. Accountability through our board tends to focus mostly on our strategic plan and therefore has the strongest explicit link to the national performance framework. Accountability through our sponsors tends to reflect our performance against their strategic priorities."

The **Royal Town Planning Institute (RPTI)** mentioned its research on "measuring planning outcomes" and that "There needs to be more consistency across the board if we are to make progress towards the National Outcomes."

How are the National Outcomes reflected in everyday decision taking?

Again, detailed responses were more limited to this question, with most submissions highlighting activities covered in other questions that the National Outcomes are more related to strategic than every day decision taking. For example, **CANB** mentioned that "they aren't really present in everyday decision making, but more referenced in strategic programme development decisions on closer to a quarterly or bi-annual basis."

Revenue Scotland stated that "Our business plan and team plans are checked against the objectives set out in the Corporate Plan which in turn is intended to align with the National Outcomes. In this way the work we do is steered by the National Outcomes."

PHS made a number of interesting points, including that "one issue we encounter as an organisation is perceived gaps in the national performance framework. Strengthening how the national performance framework speaks to healthcare access as well as quality and health protection measures such as vaccinations would address this. [...] Another challenge we encounter are different policy agendas. For example, Scotland's public health priorities –jointly agreed by COSLA and Scottish Government – do not neatly join up to the national performance framework."

Most **local authorities** stated that the National Outcomes are not a focus for everyday decision making.

Volunteer Scotland noted that "Given our significant involvement in the development of the Volunteering Action Plan, and our core purpose of supporting individuals and organisations to make a difference through volunteering, the National Outcomes are reflected in a considerable number of our everyday decisions albeit in an indirect way."

When it comes to spending priorities or providing funding to others, what role do the National Outcomes play?

Again, detailed comments were limited on this question. Overall, from the submissions received, it would appear that the National Outcomes do not play a significant role in this. **COSLA** noted that "There needs to be an acceptance that local outcomes, which are developed in the context of driving toward national outcomes, are a proper and valid way to achieve the National Outcomes. It is not clear that that connection is yet fully accepted or embedded, as it should be, across all Scottish Government directorates." In terms of funding to others, **Fife Council** stated that "we do not assess grant awards against their contribution to the National Outcomes directly, nor do we map the awards to the National Outcomes that they contribute to. The focus of our assessment processes is placed on the contribution that is made to the Plan for Fife ambitions and the service plan priorities of the relevant funding service."

Oxfam Scotland noted that "Positively, the Scottish Budget now details the "primary" and "secondary" National Outcomes which spending by different government portfolios is designed to support. While useful, clearer links could be established between each National Outcome and the spending decisions put in place to help achieve them; recognising that progress will also be driven by a range of non-spending decisions."

On a similar theme, **the Sustainable Development Goals (SDG) Network** stated that "In our view, it naturally follows that it will remain highly likely that other organisations or public bodies will not link spending priorities to the National Outcomes and the SDGs if the Scottish Government themselves do not lead by example."

To what extent is any public sector funding you receive contingent upon demonstrating your contribution to delivery of the National Outcomes?

Responses were again limited on this question, with most noting that funding was generally not contingent on delivery of the National Outcomes. **The Open University** noted that "Our core funding is not currently directly contingent upon demonstrating our contribution to the delivery of the National Outcomes as we report using the Outcome Agreement with the SFC [Scottish Funding Council] which is our guiding document." And **Revenue Scotland** said that "Our budget and any public sector funding is not directly linked to us demonstrating our contribution to the National Outcomes. Our primary function is to collect and administer tax revenues to support other organisations to contribute towards the National Outcomes." **PHS** again gave a detailed response, noting the differences between recurring (easy to align to the NPF) and non-recurring (less easy to align) funding.

COSLA noted that "Funding support to work on specific areas across COSLA policy teams is provided, on fixed term bases, by several national organisations and the Scottish Government. Without exception, this work is intended to contribute to the delivery of National Outcomes." Stirling Council explained that "Public Sector funding is largely not contingent on demonstrating delivery of National Outcomes, although there may be specific instances of targeted funding which have conditions aligned with national priorities."

Where do the National Outcomes sit within the range of priorities and demands on your organisation?

Answers to this question often referenced approaches to strategic planning set out for earlier questions. For example, **PHS** stated that "As we have outlined above, the national performance framework's outcome indicators are how we define our strategic priorities: therefore, they are among our top priorities." **COSLA** stated that "the National Outcomes sit at the top level" and most local authorities again explained how the National Outcomes fed into their LOIPs and thus were near the top level.

The **Open University** provided a detailed response, while noting that they "are currently not an explicit part of our priorities and/or demands", it went on to provide a range of examples of how they contribute to the outcomes. on the economy, it states that "The coronavirus pandemic has seen a strengthening and deepening of our relationships with employers and industry at what has been a challenging time for everyone. We have worked in an agile way to ensure that we provided targeted skills support where it is needed most. Drawing on our unique distance learning model, we have collaborated with partners to roll out support at scale across Scotland."

The Wise Group also stated that "...almost all of our projects have grown up alongside the framework. By committing to go above and beyond, we ensure to bring the expertise gained from our wide ranging services to a cross section of our services, for example bringing energy advice to our justice work."

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

Most organisations responding here indicated that they did work collaboratively at present, and gave useful examples. **Bòrd na Gàidhlig** noted that "We work extensively with other organisations to deliver the National Outcomes. For example, on the Faster Rate of Progress initiative. This brings together a variety of public authorities who are working to support the Gaelic language and those who wish to use it." **RPTI** highlighted "the opportunity for place-based collaboration through the Place Principle. The Scottish Government and COSLA have agreed to adopt the Place Principle to help overcome organisational and sectoral boundaries."

COSLA explained that it "works collaboratively with the panoply of public sector organisations in Scotland, the UK and Internationally in pursuit of the development of public policy which will secure progress toward the National Outcomes. With this in mind, COSLA considers it important to frequently challenge SG and UKG to ensure that policy and legislation that are developed, contribute to the National Outcomes." COSLA gave an example of the Business Gateway National Unit. Individual local authorities highlighted collaboration underway in Community Planning Partnerships. Scottish Water used the "Nature Calls" campaign as an example – "which asks the public to join forces with ourselves and our partners in this - Zero Waste Scotland, the Marine Conservation Society, RZSS, Loch Lomond and the Trossachs National Park, WFF and the Keep Scotland Beautiful Campaign - to avoid sewer blockages, flooding and pollution by binning wipes."

Please share any examples of good practice, areas for improvement or practices that have not worked so well.

A large number of submissions shared examples from their experience, as well as possible areas for improvement. Members may wish to explore examples outlined in submissions from COSLA, Paths for All, East Renfrewshire Council, Stirling Council, Scottish Enterprise, Oxfam Scotland, the SDG Network, and Volunteer Scotland among others.

Allan Campbell, Head of Research and Financial Scrutiny SPICe Research May 2022

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Finance and Public Administration Committee
15th Meeting, 2022 (Session 6), Tuesday, 17 May
National Performance Framework: Ambitions into
action – parliamentary statistics and examples

Introduction

At <u>its evidence session with representatives of the Scottish Leaders Forum (SLF) on 29 March 2022</u>, the Committee discussed parliamentary use of the National Performance Framework (NPF).

This short paper sets out some high-level statistics on use of the NPF in parliamentary business and provides some examples of when the data in the NPF has been used by committees.

Statistics

The chart below shows the number of times that the phrases "National Performance Framework" and "National Outcomes" were used in committee and chamber business throughout all of Session 5, and the first year of Session 6, up to Thursday 5 May 2022.

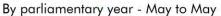
The launch of the parliamentary process on the refreshed national outcomes on 29 March 2018 is highlighted in the chart, which leads to the spike in activity. As would be expected, frequency lowers substantially after the parliamentary process is concluded (marked by the 11 June statement from the First Minister). But overall, levels were higher after the launch of the new outcomes than before. The start of Session 6, and establishment of this committee, also leads to an increase in activity.

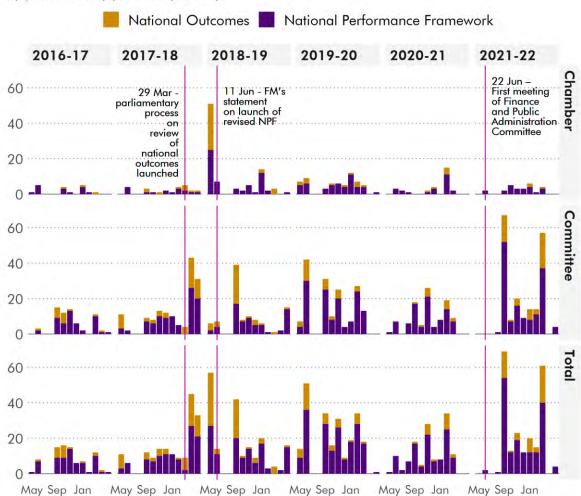
Obviously, this is quite a basic measure of activity. Further searches could be undertaken on different phrases and/or the data can be analysed further to get a breakdown by individual committees, or SPICe could potentially do some more detailed text analysis work on the actual contributions.

It is also important to note, as has come out in the Committee's engagement sessions, that although the words "national performance framework" or "national

outcomes" might not be used, a lot of activity across committees will be focused on the outcomes in the NPF, given the language is so broad, for example "We are healthy and active".

How many times have the National Performance Framework and National Outcomes been mentioned in Parliament





Examples of good practice

The <u>report from the SLF sub-group</u> concluded that "the current status of accountability against the NPF is at best 'patchy." This is also an accurate characterisation of the meaningful use of the NPF in parliamentary business. However, there are a number of recent examples of good practice in the use of the NPF, some of which are set out below.

In its <u>pre-budget report 2020-21</u>, the <u>Session 5 Equalities and Human Rights</u> <u>Committee made the NPF a major focus and source for its work</u>, including requesting that the Scottish Government "increase the funding it provides directly to the third sector and equalities budget lines." The Government <u>indicated in its</u> response that these budget lines would be increased, as requested by the

Committee. The Committee further built on this work by <u>again focusing on the detail</u> of the NPF in its pre-budget work for 2021-22.

The **Session 5 Economy, Energy and Fair Work Committee** also included a number of NPF-focused recommendations <u>in its pre-budget scrutiny work for 2021-</u> 22.

The <u>Session 5 Local Government and Communities Committee</u> conducted postlegislative scrutiny of parts 3 and 5 of the Community Empowerment Act 2015 (participation requests and community asset transfers). SPICe used the data and "performance worsening" arrow in NPF "social capital" indicator to inform briefing to the Committee about the impact of these provisions.

In Session 6 so far, aside from the Finance and Public Administration Committee's obvious interest, we have seen a general increase in use of the NPF and the outcomes in committee sessions, and both the Health, Social Care and Sport Committee and the Net Zero, Energy and Transport Committee have referenced it in recent work.

Allan Campbell, Head of Research and Financial Scrutiny SPICe Research May 2022

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ANNEXE D

National Performance Framework: Ambitions into Action

Note of engagement event with Scottish Government officials

Tuesday 3 May 2022 at the Scottish Parliament

Part 1: grouped discussion

Overall, Scottish Government officials saw the NPF as a useful expression of shared language and values. It is better used to shape and frame longer-term strategies and specific processes, rather than in responding to events that arise on a day-to-day basis.

It was accepted that there was less clarity as to how it is used by the Parliament and outside world for scrutiny, with questions around how leaders are held accountable for delivery of the NPF outcomes.

Committee Members were told that the NPF is used within the Scottish Government. It is used for staff induction and is very much a starting point for staff joining the organisation. One new member of staff said that she was not familiar with NPF prior to joining but is now and finds it very useful and "consciously" draws on it. It is deemed important for the culture of the organisation and is a common 'language' for staff, with one official noting that the "central purpose and values of NPF are something that unites civil service" and that "the benefit is that the NPF is visible, it's something that has been signed up to by everyone".

However, it was recognised that the language is sometimes seen to be intangible for people outwith the organisation.

Participants noted that it was easier to use the NPF to frame the development of longer-term strategies, such as the National Strategy for Economic Transformation, where you can "see the NPF coming through in this plan and delivery". However, officials are "not reaching to the NPF every time a significant issue to deal with arises", such as responding to the situation in Ukraine. The NPF contributes to achieving a balance between long-term endeavours and unique projects; it's useful for thinking beyond the immediate parameters of what officials are doing.

It was acknowledged that the specific indicator measures and targets are not used as extensively as the higher-level purpose and values. Focus is on whether progress is being made against the outcomes. However, national indicators have a role in improving transparency. One participant mentioned that the NPF should be reviewed in cycles, noting it "allows us to check if what we're doing is actually achieving the impact we are seeking".

When asked whether short term pressures, such as a strong political or media focus on issues such as numbers of hospitals beds or police officers for example, hampered the ability to deliver national outcomes, officials said that their advice to Ministers would always be informed by the political context within which decisions were taken, but that the NPF played a really useful role in being able to provide balanced advice.

It was recognised that leaders across public services are "not really held accountable for delivery of the NPF", with one participant suggesting that there may be benefit in the Committee examining in more detail how leaders within the Scottish Government are held to account for delivery of the NPF.

Overall, the NPF supports collaboration within the civil service as outcomes are shared. It also helps to frame discussions within teams. Acting as one unit to deliver the national outcomes encourages staff to "get behind the NPF".

There was a discussion of how the NPF is used for allocating finance through the SG budgeting process. There was an acknowledgement that the NPF is not really used for allocating spending so is not part of the Budget decision-making process within Government.

However, it was recognised that the NPF "flushes out" trade-offs and helps with prioritisation and action on delivering an outcome in one area can also help to achieve an outcome in another.

Officials advised that the NPF does not tend to inhibit risk-taking or innovation. In fact, focusing on outcomes "leaves room for innovation and the ability to try out different things".

Part 2: joint discussion

Participants recognised that they need to think more about how they can "drill down" to delivering the outcomes, with one noting that "the NPF is high level, we need to identify how to get to lower levels and how this is put into the day-to-day practices", and then identify good practice examples. It was noted that officials need a "good 'line of sight" from the high level through to the day to day"; with one criticism being that it "just seems too far away sometimes".

However, it was again noted that the central purpose and values at the heart of the NPF "is something that unites civil servants right across government". The high-level aspirations of the NPF are "valid and worthy", e.g. 'flourishing', 'kindness' and 'wellbeing', providing "a language that we can all get behind". Despite being challenged that the values can be a little vague, the Scottish Government has found, in research, that staff do want to retain those values.

'The Promise' care review report was cited as an example where the values "run right through it". A wellbeing economy monitor is currently being developed, in recognition that GDP alone is not enough of an indicator; and this will be published in the coming months.

The recent 'Best Start, Bright Futures: Tackling Child Poverty Action Plan' was mentioned as an example of collaborative working more widely. This approach to collaboration and learning from lived experience is traceable all the way back to the 2015 Fairer and Healthier Scotland conversations involving around 16,000 people attending engagement events across Scotland, which informed the 2016 Fairer Scotland Action Plan. That plan contained pledges from groups across Scotland and the action to introduce Child Poverty legislation. That legislation in turn led to the development of "Every Child, Every Chance" and more recently "Best Start, Bright Futures".

While there are examples of excellent partnerships across government, local government, and the voluntary and business sectors, it was recognised that more could be done to encourage the business and private sector to contribute to delivery of the NPF. It was suggested that the Committee may have a role in looking at how to encourage greater involvement with these sectors. It was noted that some businesses were "on board" and bring a different approach, with one participant indicating that "there is a developing narrative that this is something for them and in the interests of all of Scotland". The difficulties in framing commercial contracts that reward those who contribute to the NPF was touched on, e.g. in previous tendering exercises, issues such as health and wellbeing of staff, promotion of tourism had been flagged and addressed by those tendering but had not necessarily been included in the original spec/advert.

Participants felt that the concept of the wellbeing economy is not necessarily widely understood by the commercial sector or some businesses. However, through the Business Purpose Commission, the Scottish Government is looking at how Scotland can become known at home and globally for nurturing purposeful businesses which make a positive impact on economic prosperity, social wellbeing and environmental sustainability. It is also working on establishing a Centre for Workplace Transformation to support experimentation in ways of working post-pandemic, including on issues such as hybrid working post-pandemic is an example of where businesses and the third sector etc will need to come together to take this forward.

When asked whether budgetary constraints impact on the NPF, participants noted that there was some impact but "sometimes more money is not the best thing". Financial constraints can focus and optimise delivery where you can "get more bang for your buck".

It was again recognised that the NPF is a long-term approach which contrasts with "short-termism" discussion in the media. The NPF was not necessarily seen as a topic that generates attention. Some felt that perhaps it was not so important that the public knows about the NPF itself, so long as the outcomes and indicators remain relevant and "mirrors the things that Scotland cares about". The cost of living was cited as an example of an indicator that is reported on in the media and of huge relevance to people across Scotland. It was also noted that the Scottish Government is reporting weekly on delivery and so performance can be tracked and evidenced.

Participants referred to good awareness amongst the Scottish Youth Parliament regarding the NPF and that the young people are the pulling force in the direction of wellbeing economy, away from GDP as a definition of a successful country.

On the issue of preventative spend, participants indicated that the NPF allowed this type of longer-term thinking around outcomes.

Again, the question was raised as to how committees and parliamentarians are using the NPF and how they can be encouraged to examine the outcomes in a meaningful way.