

# Finance and Public Administration Committee

5th Meeting, 2021 (Session 6), Tuesday 21  
September 2021

## National Performance Framework

### Purpose

1. The purpose of this paper is to provide background information to inform the Committee's evidence session with John Swinney MSP, the Deputy First Minister and Cabinet Secretary for Covid Recovery on the National Performance Framework.

### The National Performance Framework

#### Origins

2. In the first session of the parliament, the Finance Committee investigated the idea of [outcome budgeting](#), and in 2007 the Scottish Government introduced a new outcomes-based National Performance Framework which, it considered, would underpin most of what it does. Part of the [impetus for this](#) was a desire to move away from a focus on inputs (for example budgets for the police) and outputs (for example numbers of police officers) and focus more on outcomes (for example reductions in crime and safer neighbourhoods). It was also part of an attempt to go *beyond GDP*, and provide [a more holistic set of measures of Scotland's social progress and wellbeing](#) (based on an assessment of *what matters* to people).

3. The overall purpose of the National Performance Framework is currently to:

- create a more successful country
- give opportunities to all people living in Scotland
- increase the wellbeing of people living in Scotland
- create sustainable and inclusive growth
- reduce inequalities and give equal importance to economic, environmental and social progress

4. In June 2008, the Government launched [Scotland Performs](#), a website designed to present information on how Scotland is performing against the range of indicators and targets outlined in the NPF. The Government billed the NPF as a "10-year vision" for Scotland, with the original Framework centred around the [Government's purpose](#). This was supported by 11 "purpose targets", 5 "strategic objectives" and 55 "national indicators".

5. When the NPF first appeared [it was hailed](#) as a "world-leading example of a wellbeing approach to government". Expectations were high, with [Oxfam telling the Parliament's Finance Committee in 2011](#) that through the NPF-

“Scotland can develop the most coherent and forward-thinking framework for orientating and evaluating public policy in accordance with social, environmental and economic prosperity.”

6. The NPF was refreshed in 2011 and again in 2016 to reflect lessons learned from across the Scottish Government and its partner organisations since 2007.

## Reviewing the National Performance Framework

7. The [Community Empowerment \(Scotland\) Act 2015](#) includes a requirement for National Outcomes to be produced, following consultation; a requirement that they are reviewed every five years; and that Scottish Ministers report on progress in achieving their aims. The National Outcomes are next due for review in 2023.

8. The Act gives the Scottish Parliament 40 calendar days to consider proposed revisions to the National Outcomes and the efficacy of the consultation process. After the expiry of the consultation period, the Scottish Government has the option to further revise the National Outcomes based on the consultation response from the Parliament.

9. During the first review in 2018, the Government also took the opportunity to change the structure of the NPF and implement a series of other changes. Some [changes seen in the refresh](#) included

- Removal of all (time limited) purpose targets [as explained in this SPICe blog](#). As confirmed by the [Chief Economist to the Session 5 Scottish Parliament's Economy, Jobs and Fair Work Committee](#) this removal was because the NPF “is about continuous improvement”.
- A more simplified structure: The Government argued that the old version was overly complex, with people finding it difficult “to understand the relationship between the different layers of the NPF and wanted a simpler and more accessible framework”. The new version includes a revised Purpose, 11 National Outcomes and 81 National Indicators which feed into the Outcomes.
- A simplified presentation on the website (including removal of some technical notes and explanations)
- Links made between NPF and the [UN Sustainable Development Goals](#): the new NPF makes links between the new National Outcomes and their contribution to the [UN's Sustainable Development Goals](#) (SDGs). The UK Government signed up to the SDGs in 2015 and the Scottish Government committed to implementing them through its National Performance Framework.



## Parliamentary Scrutiny

10. As part of the process of consulting the Parliament on the review of the NPF, the Session 5 Local Government and Communities (LGC) Committee was appointed as lead Committee and during the consultation period (the Act specifies 40 days) it sought views from a wide range of relevant Committees. Its views and those of the relevant Committees were [reported to Parliament on 15 May 2018](#) and then debated in Parliament.

11. Legislation only requires the Government to consult on the National Outcomes, so the Parliament neither accepted nor rejected the new NPF structure, layout or content.

12. Some similar themes arose across the Committee reports including:

- **Application across the public sector:** The NPF applies across the public sector as “a Scotland wide performance framework and a platform for

collaboration which means that progress can only be delivered through working in partnership.” As highlighted in [this paper from Audit Scotland](#) there are inherent challenges in delivering an outcome based approach. For example, it is difficult to separate out what impact public services have on outcomes, as many factors are outside the direct control of the public sector. However, effective joined up working, early planning, and an understanding of the evidence, and its gaps, all help. Other challenges include identifying and tracking what contributions the activities and expenditure of individual public bodies make towards delivering the NPF outcomes as well as identifying how the NPF has shaped public sector policy making and budget setting.

[Responding](#) on how it will be embedded across the public sector the then Cabinet Secretary for Finance and Constitution, Derek Mackay MSP, explained that “The Scottish Government will work with its public sector partners to raise awareness of the NPF ambition, to exchange best practice for delivering outcomes and devise a system of reporting which is fit for purpose and ensures joint buy in”

- **Linking budget to outcomes.** A key recommendation of the Budget Process Review Group is that “public bodies should consistently set out how they plan to contribute towards specific national outcomes in the NPF in their published corporate and business plans. Where possible, this should also include links to planned spending, the specific outputs that are expected and how these contribute to national outcomes.” In 2019 SPICe published a [Blog on linking the NPF to budgets](#) which highlighted a number of challenges including how to read across from the NPF outcomes to the policy areas identified in the Scottish budget and how to understand the Scottish Government’s role in delivery of the national outcomes.
- **Measurement and reporting:** In determining how to evaluate progress made against the 11 National Outcomes, 81 performance indicators are used. A number of Committees recognised the challenges the Scottish Government faced in providing a sufficient number of indicators which meaningfully identify real progress in meeting the National Outcomes. One concern was whether indicators at a national level might mask issues in specific locations whilst others highlighted the challenge in ensuring consistency in the way data is collected across Scotland by individual public bodies but also across time as new performance measures are developed. The Scottish Government advised the criteria used for assessing the suitability of indicators was as follows:
  - technical assessment – consistency of data;
  - meaningfulness;
  - ability to measure progress against outcomes;
  - consistent with UN SDG indicators;
  - ability to describe progress for different equality groups and area based inequalities;

and

- feasibility and affordability of data gathering.

There are however some gaps in the data. Responding to the ECCLR Committee in June 2018 [the then Cabinet Secretary for Finance and Constitution explained](#) that “A small number of indicators have yet to be developed. The starting point for the review of indicators was which are the right measures not necessarily the things we can measure immediately, however, the aim is for all indicators to have data within 2 years. Details of new indicator development will be given on the Scotland Performs website when they have an agreed definition, source of data and then when the data is available.”

[As of August 2021, of 81 indicators](#), seven were “in development” (for example to measure childhood resilience or to measure trust in public organisations), and for a further four indicators, an assessment of performance could not yet be confirmed (due to limited data). Annex A sets out an overview, produced by SPICe, of the performance against each of the 11 National Outcomes as measured by the identified indicators.

- **Scrutiny approach** – A number of Committees’ commented that the 40 day period for scrutiny limited their ability to take in depth scrutiny. Responding to the LGC Committee the Cabinet Secretary for Finance and the Constitution explained that, whilst the Act set the consultation period, “ahead of the next review of National Outcomes under the Community Empowerment Act, the Government will review arrangements for consulting Parliament.” Responding to concerns that the consultation in future should provide for greater civic participation<sup>1</sup> the Cabinet Secretary explained that “we will learn from how this review went and have the ambition to be even more comprehensive in stakeholder engagement in the next review of National Outcomes.”

## The impact of COVID on NPF

13. The pandemic has posed challenges. As [this SPICe blog](#) indicates, the NPF, and in particular the data lags in the indicators, mean that it is not the ideal tool for scrutiny of a fast-moving pandemic. The Scottish Government has nevertheless taken [a close look at the "significant and wide ranging" impact the pandemic is having on National Outcomes](#).

14. In this report the Scottish Government concludes that COVID-19 has had a significant impact on all National Outcomes and in some cases, progress will have been “deeply set back.” The report notes that, unsurprisingly,

“the impacts will be largely negative”, but that: “there are differences across the outcomes in terms of the direction of the changes, the depth and severity of impacts, the level of certainty over the effects and the timeframe over which they may occur.”

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<sup>1</sup> The Cabinet Secretary in evidence to the LGC Committee confirmed that, in relation to consultation undertaken as part of the review in 2018, consultation events such as a series of engagement events, community street stalls as well as extensive contributions to the earlier fairer Scotland and healthier Scotland consultations were undertaken.

15. The report also includes [a chapter examining inequalities across the National Outcomes](#). It makes clear that:

“The impacts of the pandemic have been, and are likely to continue to be, borne unequally. Unequal outcomes between different groups already existed pre-COVID, and the effects of the pandemic have worsened this.”

16. The Government also points to its analysis of the “four harms<sup>2</sup>” and that it “monitors and publishes evidence on the direct health, indirect health, economic, and social impacts.” Members may also find the four harms [data dashboard to be a useful tool in tracking the impact of the pandemic](#).

## Governance

17. The NPF is a joint Scottish Government/COSLA product. Formally, COSLA is a co-signatory, though the Scottish Government manages the NPF on a day to day basis. Ministerial Responsibility lies with the [Deputy First Minister](#) and Cabinet Secretary for Covid Recovery.

18. As well as updating the NPF website on a rolling basis, the Scottish Government has produced two annual wellbeing reports, the latest one specifically looking at the impact of COVID-19 (as indicated above). In addition, the Scottish Government’s (internal) Performance Board receives a monthly update on progress on the indicators.

19. An NPF technical Advisory Group advises on the assessment and development of indicators. Technical notes for each indicator describe the source of the data, definitions and the criteria used to assess whether an indicator is improving/maintaining or worsening (for example see the [technical notes for one of the indicators on child wellbeing and happiness](#)). There appears to be no single process for the development of new indicators. Some of the key stakeholder groups for the NPF are the [SDG Network Scotland](#), [the Carnegie Trust](#), [Scottish Leaders Forum](#), and COSLA. A cross party round table on the National Performance Framework has also helped inform the development of the NPF.

## New Developments

20. Some recent new developments related to the NPF include the following.

### Wellbeing and Future Generations Bill

21. One of the [purposes of the NPF](#) is “to increase the wellbeing of the people of Scotland”. The Scottish Government is expected to bring forward legislation, the

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<sup>2</sup> [The Four harms approach](#) is the Scottish Government approach which supports COVID-19 decision taking.

intention being that wellbeing and sustainable development will be at the core of public sector policy decisions. It is understood the Scottish Government is looking at the SNP manifesto commitment (p72) which said an SNP government would:

“Bring forward a Wellbeing and Sustainable Development (Scotland) Bill to make it a statutory requirement for all public bodies and local authorities in Scotland to consider the long-term consequences of their policy decisions on the wellbeing of the people they serve and take full account of the short and long-term sustainable development impact of their decisions.

22. One of the [responsibilities of Minister for Zero Carbon Buildings, Active Travel and Tenants’ Rights Patrick Harvie](#), is “Future Generations Commissioner”. A similarly titled role also exists in Wales as the [Welsh Future Generations Commissioner](#).

23. Under the Well-being of Future Generations (Wales) Act 2015, [statutory guidance is provided](#) for public bodies (including Welsh Ministers) to carry out sustainable development, by which is meant

“the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the well-being goals”.

24. The Welsh Parliament Public Accounts Committee undertook an inquiry into the [Barriers to the successful Implementation of the Well-Being of Future Generations \(Wales\) Act 2015](#) (and reported in March 2021).

## Programme for Government

25. On Tuesday 7 September 2021, the First Minister [set out the new Programme for Government for 2021-22](#) (known as “the PFG”) in a statement to the Parliament. In its Programme for Government publication [A Fairer, Greener Scotland](#), the Scottish Government explains that “This Programme for Government focuses on how we will lead Scotland out of the pandemic. But it is also steered by the longer-term vision in the National Performance Framework.”

26. In a chapter on outcomes and equalities the Scottish Government explain that although the COVID-19 pandemic has impact unequally, the NPF has promoting equality at its heart and it is therefore essential to ensuring “that all of Scotland can flourish through increased wellbeing, and sustainable and inclusive economic growth”.

27. The Scottish Government also explains that “a just transition to net zero is at the heart of its efforts.” The Scottish Government established the independent Just Transition Commission (JTC) in 2019, to provide advice on how to apply just transition principles in Scotland. In relation to the [JTC report recommendation](#) that “we must move beyond GDP as the only measure of national progress” the Scottish Government responded that “We will further develop the use of our National Performance Framework through the upcoming review of National Outcomes and through consultation on a Wellbeing and Sustainable Development Bill.”

28. SPICe have published a [blog summarising the Programme for Government](#).

29. In addition, on 8 July 2021, the [Cabinet Secretary for Finance and the Economy wrote to the Committee](#) confirming it has now commenced work across Government to support a potential multi-year Resource Spending Review concluding in the autumn. The Cabinet Secretary explained that the process, timetable and outlook “will be contingent on what the UK Government ends up doing in terms of its own Spending Review”.

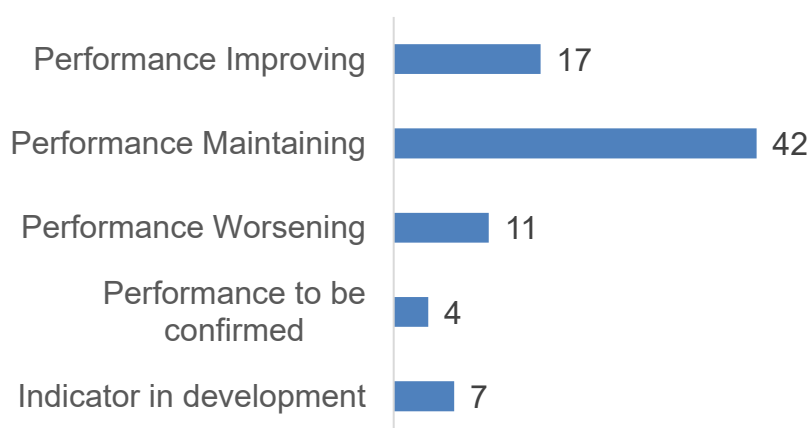
Finance and Public Administration Committee Clerking Team  
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## Performance against the National Outcomes

Performance is assessed on [81 National Indicators](#) covering many aspects of life in Scotland. Scottish government analysts (“independently of Ministers”) assess whether performance for each of these indicators is improving, maintaining or worsening based on the change between the **last two data points** of an indicator. More information on each of the national indicators is also available online.

As at 31 August 2021 the [overall performance of the National Indicators was as follows](#):



Source: Scottish Government website

### Performance status of indicators by National Outcome

The following table, produced by SPICe, breaks down how the indicators are performing within each National Outcome. Some indicators are still in development, and some have only one data point.

#### **Children and Young People (we grow up loved, safe and respected so that we realise our full potential)**

Child social and physical development	Performance to be confirmed
Child wellbeing and happiness	Performance Maintaining
Children's voices	Performance Improving
Healthy start	Performance Maintaining
Quality of children's services	Performance Maintaining
Children have positive relationships	Performance Maintaining
Child material deprivation	Performance Maintaining

### **Communities (we live in communities that are inclusive, empowers, resilient and safe)**

Perceptions of local area	Performance Maintaining
Loneliness	Only one data point
Perceptions of local crime rate	Performance Maintaining
Community ownership	Performance Improving
Crime victimisation	Performance Maintaining
Places to interact	Performance Worsening
Access to green and blue space	Performance Maintaining
Social capital	Performance Worsening

### **Culture (we are creative and our vibrant and diverse cultures are expressed and enjoyed widely)**

Attendance at cultural events or places of culture	Performance Maintaining
Participation in a cultural activity	Performance Maintaining
Growth in the cultural economy	Performance Worsening
People working in arts and culture	Performance Improving

### **Economy (we have a globally competitive, entrepreneurial, inclusive and sustainable economy)**

Productivity	Performance Maintaining
International exporting	Performance Improving
Economic growth	Performance Worsening
Carbon footprint	Performance Improving
Natural Capital	Performance Maintaining
Greenhouse gas emissions	Performance Improving
Access to superfast broadband	Performance Improving
Spend on research and development	Performance Maintaining
Income inequality	Performance Maintaining
Entrepreneurial activity	Performance Maintaining

**Education (we are well educated, skilled and able to contribute to society)**

Educational attainment	Performance to be confirmed
Confidence of children and young people	Indicator in development
Resilience of children and young people	Indicator in development
Work-place learning	Performance Improving
Engagement in extra-curricular activities	Indicator in development
Young people's participation	Performance Maintaining
Skill profile of the population	Performance Maintaining
Skill shortage vacancies	Performance Improving
Skills underutilisation	Performance Improving

**Environment (we value, enjoy, protect and enhance our environment)**

Visits to the outdoors	Performance Worsening
State of historic sites	Performance Maintaining
Condition of protected nature sites	Performance Maintaining
Energy from renewable sources	Performance Improving
Waste generated	Performance Maintaining
Sustainability of Fish Stocks	Performance Improving
Biodiversity	Performance Maintaining
Clean seas	Performance Maintaining

**Fair Work & Business (we have thriving and innovative businesses, with quality jobs and fair work for everyone)**

The number of businesses	Performance Maintaining
High growth businesses	Performance Worsening
Innovative businesses	Performance Worsening
Economic participation	Performance Improving
Employees on the living wage	Performance Improving
Pay gap	Performance Improving
Contractually secure work	Performance Maintaining
Employee voice	Performance Worsening
Gender balance in organisations	Performance Improving

**Health (we are healthy and active)**

Healthy life expectancy	Performance Maintaining
Mental wellbeing	Performance Maintaining
Healthy weight	Performance Maintaining
Health risk behaviours	Performance Maintaining
Physical activity	Performance Maintaining
Journeys by active travel	Performance Improving
Quality of care experience	Performance Worsening
Work related ill health	Performance Maintaining
Premature Mortality	Performance Maintaining

**Human Rights (we respect and fulfil human rights and live free from discrimination)**

Public services treat people with dignity and respect	Indicator in development
Quality of public services	Performance Maintaining
Influence over local decisions	Performance Worsening
Access to justice	Performance Maintaining

**International (we are open, connected and make a positive contribution internationally)**

A positive experience for people coming to Scotland	Indicator in development
Scotland's reputation	Performance Maintaining
Scotland's Population	Performance Worsening
Trust in public organisations	Indicator in development
International networks	Indicator in development
Contribution of development support to other nations	Performance to be confirmed

**Poverty (we tackle poverty by sharing opportunities, wealth and power more equally)**

Relative poverty after housing costs	Performance Maintaining
Wealth inequality	Performance Maintaining
Cost of living	Performance Maintaining
Unmanageable debt	Performance Maintaining

Persistent poverty  
Satisfaction with housing  
Food insecurity

Performance Maintaining  
Performance Maintaining  
Performance Maintaining

Data extracted from the [Scottish Government website](#): 8 September 2021