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Finance and Public Administration Committee
Scottish Parliament

BY EMAIL to fpa.committee@parliament.scot

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.

Carnegie United Kingdom Trust

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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 Scottish 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 [budgeting for children's wellbeing](#) 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



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