



OFFICIAL REPORT
AITHISG OIFIGEIL

Finance and Public Administration Committee

Tuesday 29 March 2022

Session 6



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**FINANCE AND PUBLIC ADMINISTRATION COMMITTEE
12th Meeting 2022, Session 6**

CONVENER

Kenneth Gibson (Cunninghame North) (SNP)

DEPUTY CONVENER

*Daniel Johnson (Edinburgh Southern) (Lab)

COMMITTEE MEMBERS

*Ross Greer (West Scotland) (Green)

*Douglas Lumsden (North East Scotland) (Con)

*John Mason (Glasgow Shettleston) (SNP)

*Liz Smith (Mid Scotland and Fife) (Con)

*Michelle Thomson (Falkirk East) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP) (Committee Substitute)

Anna Fowlie (Scottish Leaders Forum)

Jennifer Henderson (Scottish Leaders Forum)

CLERK TO THE COMMITTEE

Joanne McNaughton

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Finance and Public Administration Committee

Tuesday 29 March 2022

[The Deputy Convener opened the meeting at 10:30]

National Performance Framework

The Deputy Convener (Daniel Johnson): Good morning, and welcome to the 12th meeting in 2022 of the Finance and Public Administration Committee. I am afraid that I must relay the convener's apologies. In his place, I will be chairing the committee meeting. I welcome Dr Alasdair Allan, who is attending remotely in place of the convener. Michelle Thomson is also joining us remotely.

The first item on our agenda is evidence from two members of the Scottish Leaders Forum's accountability and incentives action group in relation to their recent report on the national performance framework. This is incredibly timely for our committee, given that we are embarking on an inquiry into the same matter.

I welcome to this morning's meeting Jennifer Henderson, the keeper and chief executive of the Registers of Scotland, and Anna Fowle, the chief executive of the Scottish Council for Voluntary Organisations. Both are here in their capacity as participants in the Scottish Leaders Forum's accountability and incentives action group—which is a very pithy and succinct title, if I might say so. I welcome you both to the meeting and invite Ms Henderson to make a short opening statement.

Jennifer Henderson (Scottish Leaders Forum): Thank you. We welcome the opportunity to appear before the committee today to discuss the work that we have been involved in as part of a Scottish Leaders Forum action group that was set up to examine how accountability and incentives for the delivery of the national outcomes and the national performance framework could be improved. Our action group included representatives from across the public service landscape, and, as part of our work, we have engaged with a wide cross-section of public service leaders. We found that there is no consistent approach to holding organisations to account for their role in delivering the national outcomes. Nevertheless, many organisational leaders do seek to show how they are contributing, because—and I quote a colleague whom we spoke to—"It is the right thing to do, even if no one asks me to do it."

We concluded that organisational leaders are the key to improving accountability for the national outcomes. If all organisational leaders reflect on whether they could do more to show how their organisation contributes to the national outcomes, and if they conclude they could do more and make a change that achieves that, that will underpin a robust system of accountability.

We identified that there are four types of organisation that could contribute to a consistent system of accountability for the national outcomes: those organisations that shape the NPF itself; those that enable, through commissioning or funding, activities that could contribute to the NPF; those that deliver activities that could contribute to the NPF; and those that scrutinise the activities that could contribute to the NPF. When we talk about organisations that scrutinise, we include the role of the Parliament.

We explored the role of the ADKAR model of change in supporting individual behaviour change in leaders of those organisations. Our many conversations with leaders have raised awareness of why accountability for the national outcomes matters and have created desire in many colleagues to consider whether they could do more to contribute to an effective system of accountability. We have developed a series of good practice one-pagers to give organisations more knowledge of how they could be more accountable or hold others to account more effectively, and we have developed a maturity matrix to help organisations to develop their ability to deliver against the national outcomes. We have also engaged with organisations—particularly those that scrutinise the work of others—to discuss the importance of reinforcing good behaviours in relation to accountability.

We recently published our initial report on the work that we have completed to date and delivered a series of round-table and one-to-one discussions in order to share our conclusions and obtain buy-in for our recommendations. We believe that we have created positive engagement around the need to create greater accountability for the delivery of the national outcomes and an understanding among leaders across the public service spectrum that they can make a personal contribution to delivering that improvement.

We plan to continue our work by identifying and documenting specific good practice examples, to bring to life the elements in our one-pagers and our maturity matrix, which we hope will further inspire leaders to take action.

We are very grateful for the opportunity to discuss our work with you today, and we hope that our report is a useful contribution to your inquiry. We look forward to answering your questions.

Anna, is there anything that you wish to add?

Anna Fowlie (Scottish Leaders Forum): No. I am quite happy with that, Jennifer. Thank you.

The Deputy Convener: Thank you very much for that opening statement. I will begin by asking a couple of questions before opening up the discussion to colleagues.

Overall, I think that it is a very useful report. It is quite refreshing to see a report that makes proactive suggestions in a relatively concise manner. I thank you for that. It struck me, when reading it, that it reflects a half-full version of the world, as opposed to a half-empty one, in that it talks about what could happen and how your organisations could contribute more. However, I wonder whether you should be having to think about those things, given that the national performance framework is a creature of Government that has set out how it wants to measure itself, with policy being guided by it. The fact that you are suggesting that it is not doing that, especially given that your organisations are largely fulfilling functions of Government through various mechanisms, including contractual mechanisms. It suggests that the Government is not using the national performance framework as a means of conducting that engagement and as a yardstick for its interactions with your members and the organisations that you work with. Is that a fair assessment?

Anna Fowlie: That is a fair assessment, but it is not just about the Government. I would argue that the NPF is not a creature of Government but Scotland's national performance framework. It was adopted with cross-party support, and it is supported by the Convention of Scottish Local Authorities and local government. So, although what you say is true, all the rest of the system is in the same space—we use it sometimes, but we do not use it as the powerful tool that it could be to hold organisations to account.

Your point about the report reflecting a glass half full is quite interesting, because a lot of people who read it did not feel that way. They felt originally that it was quite critical, although it is really not. It is about how we can improve, and we are saying that everybody could play a part in that. We could all do things differently, but the people who ask the questions, such as you guys, are the ones who hold the key.

Jennifer Henderson: I will add to what Anna has said. In my experience, the national outcomes frame the work when you set out to do it, but, very quickly, you are held to account for the specific inputs and outputs that you have specified and the golden thread of asking whether those inputs and outputs are making a difference to the outcomes starts to get lost. It collapses into the very specific

targets instead of continuing to track through whether it is all adding up to the intended outcomes.

The Deputy Convener: I will delve into that a bit more. One of the reasons why we do not invoke the national performance framework in Parliament that much is that it is not referred to very often in the guidance that is set out by ministers, in the legislation when bodies are brought into being or, indeed, in the regular reporting by way of ministerial statements or the budget. Although I accept your point that the Parliament could use it, it is ultimately the Government that has set the framework and that invokes it. It is less likely that the rest of us will use it voluntarily. Do you agree with that assessment?

Jennifer Henderson: Our finding was that you want to create a virtuous circle and it does not matter where you start.

I can give an example from my own organisation. We say how we support the national performance framework in our corporate documentation, but we are not really asked about it, so no one takes the opportunity of that having been put out there to ask about it. In other organisations, their auditors will look at whether they are achieving the outcomes, but, if that is not stated in their corporate documentation, it is hard to make the link.

Our finding was that it does not matter where you start. If everybody can capitalise on where there is an opportunity to use the hook of the national performance framework and the national outcomes in asking questions of organisations, we can start to build a virtuous circle in which that language is used more commonly.

The Deputy Convener: I have a final question. I take the broad view that, if things are useful, they get used. If, as you are saying, the national performance framework is not being used as much as it could be used, is that a reflection of the content of the framework? Does there need to be a re-examination of whether those are the right measures providing the right insights? If the framework was useful and insightful, surely your colleagues and our colleagues in the Parliament would be using it much more.

Anna Fowlie: That is an interesting point. I think that it is too hard to use, because it does not contain numbers or very precise things that you can make precise points about. It will be a missed opportunity if, when the national performance framework is reviewed in the coming months, we focus on rewriting the outcomes rather than on thinking about how we achieve them. It is easy to rewrite the words; Scotland is good at that, particularly civil servants. It would be quite nice if we moved past that and thought about

implementation, to get past the implementation gap.

The Deputy Convener: Ms Henderson, do you have anything to add?

Jennifer Henderson: I agree with Anna. Nobody disagrees that the ambition that is set out in the national performance framework represents a fantastic ambition for Scotland. The issue is about organisations being able to make a connection between the specific outputs they are delivering and the difference that they are making.

Many organisations can very clearly link themselves to one of the national outcomes, but the challenge for organisations should be to think holistically about what they are doing across all 11 outcomes. Are they contributing the maximum that they could to each of them, not just hanging their hat on the one that they most obviously are making a difference to? We would achieve a real shift across the country, in delivering that set of outcomes, if everybody doubled down on working out how they can maximise their contribution.

The Deputy Convener: The point about measurability is very important. I believe that colleagues will come back on that.

I now hand over to John Mason.

John Mason (Glasgow Shettleston) (SNP): I confess that I am not aware of the Scottish Leaders Forum and exactly how it came about or what it is for. I note that the third sector is included, but the private sector generally is not. Can you give me some clarification on that?

Anna Fowle: I am a member of the leadership group for the Scottish Leaders Forum, which has been around for a very long time—probably at least 20 years—but it is quite amorphous. Basically, it comprises the leaders of most public service organisations across Scotland. Originally, it covered just the public sector, and then it expanded to include the voluntary sector. We are currently in discussion about how we could include the private sector, without the forum becoming unwieldy. It is a group of people who used to meet regularly but who also come together in different groups to do different things. The action group that Jennifer and I are involved in is one for which anyone who is interested can sign up. It is quite an amorphous group—in a way, that is the joy of it—but it needs more business involvement.

John Mason: That is helpful, because we are talking about leadership in Scotland, and there is clearly leadership outside the public sector and the voluntary sector. I get that.

I will follow up the convener's line of questioning. I have always wondered, and continue to wonder, whether some things are just too vague. I know that when you go down the

levels you get a bit more detail, but let me give an example.

One of the 11 national outcomes is:

“We are healthy and active”.

I do not see anyone around the table—indeed, there is probably no one in Scotland—saying, “Oh, that is a bad aim. We should not be healthy or active.” Obviously, everyone wants that outcome to be achieved, but people do not talk about it, or at least they do not talk about it in relation to the national performance framework; they just say that we should be healthy and active or whatever. Is there a fundamental problem that the outcomes are too vague?

Jennifer Henderson: You are right that there is a question about how you would measure levels of healthiness or activity, but I think that our point about accountability, on which our work focused, is whether every organisation that receives public money in Scotland is thinking about its role in helping make people healthy and active. For example, are organisations thinking about their active travel policy, so that when staff come back to the office, they are being encouraged to come to work in an active manner, rather than drive? Are organisations thinking about their role in supporting the health of their employees and so on?

10:45

Our point is that every organisation—not just organisations that have an overt role in delivering activities or in delivering part of the health system—could play a part in delivering that national outcome. If everybody thought about being accountable for their contribution to that outcome, you would start to move the dial. You are right to ask how you would measure when you had got there. However, I do not know whether you would measure that, because the national performance framework is about continuous improvement. That is the point—people could always be more healthy and more active. In our work, we are interested in how everybody demonstrates that they are contributing to moving towards that outcome.

John Mason: I take the point that we could start anywhere in the circle and, if one or two people start referring more often to the national framework and so on, other people will catch on.

I was a bit surprised that the Parliament came out in a positive light. The Scottish Parliament information centre said:

“There are some good examples across all categories of organisation, not least in the work of parliamentary committees”.

Much as I respect SPICe, I have sat on a lot of parliamentary committees that have never—or hardly ever—mentioned the NPF.

Figure 3, on page 15 of your report, says:

“Parliamentary scrutiny recognises and values individuals and collective (whole system delivery).”

Where do we go in Parliament? Do you have any advice for us? Should we be using the words “national performance framework” a bit more in order to raise awareness?

Anna Fowlie: I think there is a bit of that. We have colleagues from the Parliament in the action group and they have been very active in what they have been doing. That is very much welcomed, because that cross-system engagement is good.

I come back to what Daniel Johnson said about ministers not leading with those points. It could be interesting if Opposition politicians or others led with questions such as “What is happening on this outcome?” Ministers would not be prepared to answer such questions, and you might get more engagement.

It is not so much about dropping in the words—although I think that that would be a good start—as it is about asking questions such as “How are you contributing to every child growing up loved and respected? What is this bit of work going to do to achieve that?” That would be a good start.

John Mason: I have a question about where the NPF is working, or not working, and you might want to praise somebody, but might not want to embarrass somebody else. Can you give us good or bad examples of where you feel progress is being made, or where somebody is doing it well, whether that is a council, a health board, the Scottish Council for Voluntary Organisations or whatever?

Anna Fowlie: Collecting good case examples is the next stage. One that I commend is Public Health Scotland, because all its senior staff have accountability for the national performance framework built into their performance appraisal, for example, and the board regularly asks questions about the national outcomes. Public Health Scotland is a new organisation and it has been set up with that approach in mind, and it is much harder for longer-standing or more traditional organisations to do that. That is one example that I would point to as at least making a start.

John Mason: You do not want to give me a bad example.

Anna Fowlie: No.

John Mason: Okay.

Finally, I want to touch on the ideal, in terms of where we are going. Figure 1 on page 9 of the report talks about budgets. I quite like the idea of having a “Basic” level, then “Progressing” and “Advanced”, and then the ideal, which is called the “Leading Edge”. It mentions

“Budgets additionally shared with other organisations”.

In other words, the leading edge organisations work so closely together that they share their budgets. That is quite an aspiration. Is it practical? Is it happening? Can it happen?

Jennifer Henderson: I should probably explain the origin of the maturity matrix on page 9. When we started doing this work, we set out a very clear statement answering the question, “Ideally where would you like to get to?” A number of the leaders we talked to said that that was quite demoralising because they felt that they were a long way off and asked for stepping stones. We worked up the maturity matrix as an idea. Everybody was somewhere on the matrix and each organisation could benchmark itself, asking, for example, “Where are we against the maturity matrix? What would it take to move one step up on any of the lines? Is it about being more effective with our budget and thinking about how we allocate it?”

You are probably right about the leading edge: getting to the point of genuinely sharing budgets across organisations is something that would need to be worked up to. As we have said, one type of organisation that needs to think about making a change is the organisations that do the budget allocation and set how the budget system works. If a lot of organisations were sitting at the advanced stage, there could be a discussion at that point about how the budget system allows people to say that the best way in which they can deliver their work is to work collaboratively with a different organisation. They would then need a way of allocating some of their budget to that organisation and would ask how they could make that happen. That would lead to that final step. It is probably not that practical yet, but it could become something that is practical as people move towards it, because it becomes the logical next step.

More generally, when we were doing the work, we started with a mindset that asked whether this is about changing the system. We thought that it could be about that, although that is very hard. However, if you change the mindset of the leaders within the system, the system will start to change because the people who make the decisions about how the system and the processes within it work want to do something slightly different. They think, “This bit of the system is not working. I am going to figure out how to make a change.” That is how we think that we reach a point at which everybody is at the leading edge: we have the right set of

people working on moving the system very gradually. I hope that that makes sense.

John Mason: It does. We could spend a lot longer on this, but I will leave it there, convener.

Liz Smith (Mid Scotland and Fife) (Con): Ms Henderson, it is not just about how the system is working; it is also about the scrutiny of the system. Given what you and Ms Fowlie have said this morning, do you think that there are processes within the Parliament that could be changed to assist additional scrutiny? I agree with Mr Mason, in that I do not think that the issue has been mentioned at all in the committees that I have sat on in my 16 years in the Parliament. That suggests to me either that it is irrelevant or that it is too complex and people do not understand it.

To follow up Mr Mason's question, do you think that there are procedures within the Parliament, and in the committee structure in particular, that could change to enhance scrutiny?

Anna Fowlie: Yes, I do. Parliamentary committees will scrutinise outputs and inputs, and that is absolutely right; there is a lot of merit in doing that. However, the next step is to ask, "What do those outputs and inputs contribute to? What difference are they making?" Some people would use a cliché—the "so what?" question—to describe that, but I would say "and therefore": we did this, this and this, and therefore that happened. The theory of change must underpin, whether overtly or not, legislation and policy. For example, if we are going to legislate, set guidance or fund something and say that we are going to do this, this and this, we need to say that we expect that to happen at the other end.

I think that parliamentary committees, scrutiny bodies and local authorities focus on the inputs and outputs and do not quite get to the "and therefore" part, which would close that loop.

Liz Smith: That is a very interesting point. Would any move towards longer-term spending—moving from a one-year budget to, potentially, a three-year budget—enhance our ability to scrutinise a bit better the effectiveness of spending in different areas? Let us be honest: this is all about money. Would that help?

Anna Fowlie: I think that it would help immensely across a range of things in all parts of the system. It would mean that, whichever part of the system we are talking about, people would not have to spend such a high proportion of their time monitoring, thinking about things over and over again and preparing for the next year and the year after that. You will not be surprised to hear that that is particularly true for our voluntary sector, but it affects everybody. A lot of people are doing a lot of reprocessing of things; they would not have to do that if they had a longer timeframe to work in.

They could be thinking much more about the longer term and able to focus on the collective, rather than the individual things that they are seeking funding for or producing guidance on.

Liz Smith: Ms Henderson, you said in your opening remarks that there were people on the Leaders Forum who operate the national performance framework and who felt that that was a good thing to do, even if nobody asked them about it. If people are not being asked about it, does something need to happen to ensure that the public are more aware of the framework and what it means? If so, how would you do that? I do not think that people in the street would have a clue what the national performance framework was if you asked them.

Jennifer Henderson: It is interesting. You will have probably observed in our report that we use the language of the national performance framework and the language of the national outcomes slightly interchangeably. I imagine that most of the public have not heard of the national performance framework, and I would not necessarily think that people have heard of the national outcomes. However, I think that the language of the national outcomes would resonate with people. If you ran through the 11 things that the national performance framework is trying to deliver, many people in Scotland would say, "Yes—that's the country I want to live in."

You were just discussing with Anna the way in which scrutiny happens and whether all the public money is being spent as effectively as possible to get to this point. That is exactly the sort of thing that the public are interested in. It is about how we help make that link between legislation, policy and the way the money is spent, and then the "so what?" question: is it making a difference the lives of the people of Scotland? I imagine that that is what the people in Scotland care about. Being able to explain how the national outcomes are genuinely being achieved is how I think you would get the engagement.

Liz Smith: I have a final point on the structures of the Parliament and enhancing scrutiny. Is there a case to be made, as has been made in several years past in the Parliament, that a finance bill accompanying the budget process would be helpful? That would give more and enhanced opportunities to scrutinise exactly where money has gone and how well it has been spent?

Anna Fowlie: I do not think that we have thought about that particularly. That is why we value Audit Scotland's role on the group. However, I see what you mean. I cannot answer the question, but I think that that is partly the purpose of Audit Scotland's involvement.

You talk about the public, and I have thought for a very long time that the public discourse in democratic fora must change. The public are constantly thinking about how many police officers we have, how many teachers we have and how many nurses we have. That is all really important, but what contribution does it make to the “and therefore”? That is what you guys ask about because it is what people ask you about. It would be good if we could somehow build up the public discourse to be a bit more informed.

Liz Smith: Certainly—again, in my experience in the Parliament—committees sometimes feel that they do not have an extensive opportunity to scrutinise what has happened with a particular policy. We think that we just do not have the time to do that. The committees are so busy that it would be quite helpful if there was a finance bill to help the process. Thank you for that.

Ross Greer (West Scotland) (Green): I would like to stick with the role of Parliament. I have the impression that we parliamentarians are perhaps a bit less pessimistic about the role that we have collectively played in the NPF.

I am interested in the feedback from the organisations that you spoke to. Did any of them—in particular, those that have made sure that they have embedded the NPF in their practice—refer to the idea that Parliament scrutinising them specifically on that was playing a role in their embedding it successfully?

Jennifer Henderson: No.

Ross Greer: I thought that that would be the case. That is informative. You mentioned a number of organisations that make a clear link between NPF indicators, corporate plans, strategy documents and so on. Not all have done that, but some have.

Of those that have, are there two subgroups—one being those that have genuinely built corporate plans and strategies around NPF outcomes, and the other being those that have come up with corporate plans and strategies and then worked backwards and said, “Somebody needs to go through this and find a couple of indicators that tick these boxes, then include that in the foreword”? If I am categorising them correctly by broadly grouping them into those two types, what was the balance? Of the organisations that included the NPF in their corporate plans, how many had genuinely followed the correct process, as opposed to having worked backwards to tick boxes?

11:00

Jennifer Henderson: I cannot give you numbers, but we tried to follow the trail. If the NPF

was in an organisation’s corporate plan, we went to see what we could find. Many organisations nowadays publish things like board minutes online. We followed through to see whether there was a one-time exercise in which the corporate plan ticked a box on having due regard to the national performance framework, as per the Community Empowerment (Scotland) Act 2015, or the organisation was genuinely using that to inform its decision making. If that was the case, you would expect to see the board minutes reflect conversations about that, and you would expect that organisations’ internal audit processes had looked at it. That was a hard trail to follow.

In the next phase of our work we want to pick up the good examples because—to come back to Ms Smith’s point—there should be a joined-up chain all the way through. It is not the role only of Parliament to do the scrutiny at the end. It should be the case that boards are scrutinising, internal audit is scrutinising, external audit is scrutinising and organisations are making changes as they go. That is in order to be constantly course correcting to ensure that how they are spending money is delivering best in terms of outcomes. Within that process, Parliament clearly has a role in reviewing.

It should not be the case that the corporate plan and Parliament are the two ends of the chain with nothing in between. Good practice examples will be in organisations in which there is a chain that joins them up. They will be able to show that they are using the national performance framework in their decision-making in terms of how they will change their work programme seeing whether they are going in the right direction.

Anna Fowlie: Not everyone reports to Parliament. We are focusing a bit on Parliament because we are here. However, the forum includes local authority and voluntary sector membership, and the voluntary sector is not scrutinised particularly by Parliament. Sometimes we might be, but it is more likely that it will be done by a funder or by bodies’ own boards. We do not report to anybody apart from occasionally to the Office of the Scottish Charity Regulator. Council officers report to councillors; obviously, Mr Lumsden is very experienced in that.

We are focusing on the role of Parliament today because we are here, but there is a scrutiny role for councillors and, in the voluntary sector, for boards and funders, in particular. We have never been asked how all the grants that we get from various people contribute to national outcomes.

Ross Greer: Given that we have established this morning that Parliament needs to step up its work, are there any local authorities that you can highlight as being particularly strong examples of embedding the work. I ask that particularly in

relation to democratic scrutiny. Is there a local authority where the elected members are engaged in making sure that embedding the NPF is guiding their work and the work of their partners?

Anna Fowlie: We have not got there yet. I am confident there will be some such bodies, but we have not reached that point yet.

Jennifer Henderson: We have had good engagement from a number of local authorities. I referred to round-table sessions that ran when we finished our report and we were socialising it. We got a number of local authority chief executives along and they were very engaged. We are due to follow up with a couple of them in order to try to pick up from what they are doing examples that follow what we think people should be doing.

Ross Greer: I should say that I am sure Aberdeen City Council is absolutely nailing it. Mr Lumsden can confirm that later on. *[Laughter.]*

Jennifer Henderson made an interesting point a moment ago about the role of corporate boards. I have mentioned in committee a few times that there seems, particularly in the public sector in Scotland, to be quite a wide spectrum of understanding among board members about the role of the board of a public body. Is the role about scrutinising policy, decision making, strategic direction setting and so on, or is it purely about corporate governance, including human resources practices and so on? Did you find, among the board members to whom you spoke, a wide spectrum of opinion about their role in the process, or is there some consistency—whether good or bad?

Jennifer Henderson: I do not think that there is consistency, but that is partly because there are several flavours of board that oversee the variety of public bodies that exist. There are accountability boards where the board is the corporate body, advisory boards and boards that are a mixture. There is a role for organisations in making the national performance framework part of the induction of people who join their boards. We at Registers of Scotland make sure that we tell our board about how we use the national performance framework and so on. I am not sure that that happens everywhere.

There is a role for organisations, such as the public bodies unit, that do a lot of work on inducting board members, in ensuring that the national performance framework and the national outcomes are used by boards. We will see behaviour change happening if new board members are inspired to think that they have a role in asking their organisation—whether they are advisory or accountability board members—how the organisation is working to deliver the NPF outcomes in its spending of public money.

Ross Greer: That is an excellent example of what I was going to ask in my final question. There might be other examples that you wish to give. I am particularly keen that we ensure that the outcome of the process is not just a burst, in the next couple of years, of understanding and enthusiasm for the NPF, then five or 10 years from now, when all the individuals involved have moved on to different positions, we have to start the process all over again. How do we make sure—induction, which you talked about, seems to be the key—that the NPF is embedded permanently in structures and practice, and that there is not just a temporary change in culture, depending on personnel turnover?

Jennifer Henderson: The work that we did identified that there is a tipping point at which the cultural change becomes just the way things are done. You will know that you have got there when people who join boards ask why there is no discussion about national outcomes and so on. If we can involve enough people in enough of the various organisations—people move around within the public sector in Scotland, and take good practice from one organisation to another—the change will become embedded.

The other thing to note about the national performance framework is that it is a long-term set of goals. That is why it is hard for people to maintain a focus on it. That focus is a lot easier with short-term annual inputs and outputs. Longer-term budgeting will help because it will be possible to plan to achieve over several years, rather than just in the year ahead, and you can reach the point at which you can look at what organisations deliver in the long term.

Board members are, for me, custodians and stewards of their organisation for the period they are there. Board members should leave the organisation in a better state than they found it, when they hand the role on to be taken forward. Over a period of board rotations, you should see progress in an organisation, in that it has demonstrably made a difference in terms of contributing to the national outcomes.

Ross Greer: Excellent. Thank you. That is all from me, deputy convener.

Douglas Lumsden (North East Scotland) (Con): It will be no surprise that I am going to ask about local government. Of course, I was new councillor of the year back in 2019, but I do not like to bring it up much, deputy convener. *[Laughter.]*

I will ask about a thing that struck me when I was reading the report. I asked a question on it of the Deputy First Minister, I think last month. Obviously, local authorities have local outcomes improvement plans, and at the national level we

have the NPF. When we are commissioning services at local authority level, one of the first questions to ask is how the services will contribute to the outcomes that we are trying to achieve. That is the golden thread that goes through at local government level—we do not really ask about the NPF.

It is almost as though there are two chains—the Scottish Government chain, which seems to be broken before it gets down to local government, and then there is a chain at local government level. Is that a fair assessment? Have your members mentioned LOIPs not being aligned to the NPF? I guess that the situation is almost like VHS and Betamax: they do the same things, but they are different. How do we combine the two chains?

Anna Fowlie: That is fair. How the NPF all works and dovetails with local government intrigues me. I think that LOIPs probably align with the national performance framework because, as we heard in what has been discussed already, the NPF is so broad. The LOIP in Aberdeen will include how to make people healthier and more active. You might not call it the NPF, but the outcomes will be pretty similar. The LOIP must work at the local level using words that are relevant to the local area. It might not be overt, but if the NPF is embedded, that will only help to achieve the outcomes.

It is intriguing and fascinating to me that you all regard the NPF as a government thing. I will take that away and reflect on it, because the impression that we have is that it is not just a government thing; it is an everybody thing. Maybe we are being naive. I take your point; we need to delve more deeply into that, because it is fascinating—and, hopefully, useful.

Douglas Lumsden: That was useful. It is probably about awareness as well. At the local level, we pushed awareness of the LOIP. Over the past five years, especially at budget time, everyone was quoting the LOIP back at me, so that obviously worked. Everyone knew that if they were looking for funding it had to align with the LOIP. Organisations are maybe not so aware of the NPF locally because they know that the LOIP is there and that they must align with it.

Anna Fowlie: We need to learn from Aberdeen City Council. How did you achieve that in Aberdeen and how can we replicate it at national level? I am not being flippant; I am thinking about that.

Douglas Lumsden: The link between the NPF and the LOIP is broken; organisations that are aware of the LOIP might be less aware of the NPF, at the national level. We should combine them better so that people are aware of both, not

just of one or the other. I do not know how to fix that.

Anna Fowlie: That is a really good point.

Douglas Lumsden: Aberdeen City Council has embedded the LOIP at the start of projects. I think that you mention in your report that it should be embedded right at the start of projects.

The way I read the situation is that it is almost as though it is measured how a project has aligned with the NPF at the end, as opposed to the question being asked right at the start how it will achieve the outcomes of the NPF. Do you have any ideas about how we could change that?

Anna Fowlie: That goes back to what we have been saying about chipping away and incrementally and gradually introducing questions from internal auditors, council committees, parliamentary committees, scrutiny bodies or funders. I keep harping on about funders, because they are most relevant to the voluntary sector. Gradually chipping away and asking questions will produce a culture shift.

Douglas Lumsden: Should it be quite clear, as soon as there is an application for funding, how it will align with the NPF? Maybe that is something that is also missing, just now.

Anna Fowlie: Absolutely. I would like to avoid the process becoming a tick-box exercise—you described retrofitting things to make them look like they are aligned with the NPF—if we are going to be asking about sustainability, fair work and so on. We do not want a long list of things for which people must retrofit stuff in order to comply with the NPF. They need to buy into the purpose of the NPF.

The Deputy Convener: Thanks very much, Douglas. I believe that Alasdair Allan has a question.

Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP): This may have been covered by others, but we heard that the NPF should be an everybody thing. I am not unwise enough to suggest that the NPF will ever capture the public imagination—I am not sure that would be entirely healthy anyway—but what has come through is the importance of awareness among community-level bodies that are spending or applying for money. Is there anything that the Government could do to express the purpose of all this in terms that more effectively capture the imagination of people at the community level?

Anna Fowlie: Yes, I think that there is. It is an awareness-raising thing for Government but, as we discussed with Mr Lumsden, it is a question of how we make it relevant to those people. It is not a case of saying, “Those people out in the communities need to understand what we are

doing.” It is more about how we can make this relevant to those people and help them to understand their contribution.

I keep thinking about some of the really small organisations that are members of the SCVO, such as village halls and walking or rambling groups. They are all absolutely contributing to the national outcomes, but they do not know that and they may not need to know it. However, whoever is monitoring the national outcomes needs to know that and needs to know how to capture that information. People need to feel part of contributing to a better Scotland, but do they need to know the exact detail of which outcome they are contributing to? I do not know. That might be overcomplicating it. Jennifer, am I wittering there?

11:15

Jennifer Henderson: No, I agree with Anna Fowlie. I think that what is potentially missing is the ability to capture all the contributions that are already happening, because organisations of the type that Anna describes have probably never heard of the national performance framework, probably do not know about the national outcomes and, therefore, do not understand that the thing that they are doing is making that contribution. They are making life better for their community. Scotland is a set of communities and, if life becomes better in every community, life in Scotland becomes better.

To go back to Mr Lumsden’s question, there is a clear link between local outcome improvement plans and the national performance framework—they are all part of the same spectrum. What is making life better for the people of Aberdeen will be a bunch of things that are related to the things that are in the national performance framework. One of our observations in the work that we have done is that the way to deliver the best outcomes might be different in different parts of Scotland. You will not have the same solutions everywhere, which is why local outcome improvement plans are so important. There will also be things that can be improved on a national basis and then, at a sub-level to local, there will be niche community things by which things can become better for individual communities. If you showed anyone in Scotland a set of outcomes, they would be able to say, “Well, I buy into all that and I can say where I think I see that happening locally.”

The Deputy Convener: I do not believe that any members have any further questions, so I will ask one final question myself. I have listened with interest and reflected a little bit on some of the things that were raised by both John Mason and Douglas Lumsden about the structure of the performance framework. I think that John’s observation is that the first level is very broad, but

when you step into it, you get into a very micro level very quickly. When you look at the individual indicators, you see that a lot of them are not just one measurement but several different measurements. They are presented in words and—thinking about what Douglas Lumsden was saying—they are largely outputs rather than inputs.

First, does there need to be more focus, particularly with interactions? It may be obvious where indicators are relevant for Anna Fowlie’s members, but there are very many different indicators that Registers of Scotland, for example, could touch on. It would not necessarily be helpful for an organisation such as Registers of Scotland to look at all of them all at once, so do we need almost to task individual organisations or bits of the Government with looking at particular measures and almost give them a mission?

Thinking about the inputs and outputs perspective, I wonder whether, rather than just thinking about outcomes, we need to think about how we measure change. I wonder whether there needs to be a focus on identifying measures that will change other things, or at least on having a prospectus that says, “We believe that we can change this area by doing X or Y.” For example, in health and wellbeing, it would be about measuring exercise or even the consumption of fruit and vegetables, because those are inputs that will result in the output.

Are those two thoughts ones that your group might consider or regard as welcome?

Jennifer Henderson: One of our other observations is that, if you dive into the national outcomes, everything can become connected to everything else. If you look at one national outcome around poverty, you then find that other outcomes to do with fair work and business clearly have a connection with it. There is a danger that, if you start to carve it up, you miss the idea that the whole of the national performance framework and the national outcomes are all self-reinforcing in some ways.

You are absolutely right that it is impossible for any organisation to go through the outcomes line by line asking, “What do I do?” Most organisations will target and say, “I am predominantly contributing to this outcome and I am thinking about whether I am meeting these indicators, but I am also not missing the opportunity to ensure that, where I can, I am making a broader contribution across as much of the performance framework as I can.”

I am not sure how useful we think it would be to carve up the framework and look at it as a set of individual things.

Anna Fowlie: No, but I think that measuring change is important—in my mind, that gets to the “and therefore”. It is similar to children’s education where, if all that you are doing is measuring exam results, that is not a great indicator. If you measure where somebody started and where they got to, and how much progress they made, that is a far better indicator of the quality of their education or their trajectory into adult life. That was the analogy that was popping into my mind, but measuring change and progress would be a massive step forward. We need to think about who might work out how to do that, rather than us thinking that we can do that.

The Deputy Convener: Yes. I guess that another analogy would be measuring acceleration rather than speed—one is a dynamic measure and one is static.

I have a question from Michelle Thomson, who is travelling, which is why I am relaying it to you. She asks:

“Why has the Scottish Government not mandated all organisations to state exactly how all organisational plans align to the NPF and where possible that funding settlements are predicated on that? Surely this would change behaviours.”

Jennifer Henderson: You could argue that it is mandated in that the Community Empowerment (Scotland) Act 2015 says that all organisations have to “have regard to” the national performance framework and the national outcomes. I suppose that the question is what “have regard to” means.

When you put into the budget process, there is a requirement to specify how your budget is in support of the national outcomes. Our point is about where the follow-through is on all that. As I described to Mr Greer, it is not enough just to set it out, because then it is almost a tick-box exercise. You need to be held to account right the way through the chain to make sure, first, that you are doing it, but, secondly—and to your point, Mr Johnson—that it is making the change that is required. You could be spending money doing some of this stuff and making no change at all, and that is not money well spent. The measurement of the change—the measurement of the rate of acceleration towards the delivery of the indicators and the national outcomes—is the thing that must follow on from an organisation just specifying what it is doing.

As I said in my opening statement, lots of the organisations that we spoke to say that they specify what they do. However, if no one ever asks them about that or asks them whether it is good enough or whether they are making enough progress, just writing it down does not make any difference.

Anna Fowlie: There is also the incentives part of our working group. Nearly everything that we have done and everything that we have talked about has been focused on accountability, because that is where we can see that organisations can make a difference. That goes to Ms Thomson’s question, which is, “How can we make them do this?” If we did not need to “make them” do it—if there was an incentive and we could somehow get people to buy into it and do it willingly—that would be more productive.” We have struggled to work out what the incentives might be, other than not being in front of the Public Audit Committee or not being on the front page of the *Daily Record*, so we are working on that at the moment.

The Deputy Convener: I think that we all prefer carrots to sticks.

Anna Fowlie: Indeed.

The Deputy Convener: I believe that Douglas Lumsden has an additional question.

Douglas Lumsden: Thanks for allowing me back in, convener.

When I was reading Anna Fowlie’s blog last night, this stood out:

“We know that investing time and money in prevention is essential if we are to address poverty, inequality and climate change. We have known it for years, even decades, but we don’t make that important shift because the benefits don’t show up within that electoral cycle and it means moving spend from immediate pressures.”

I agree with that completely, but the Government claims to be taking prevention and early intervention seriously. Do you think that it is not doing enough? What more could it do on prevention?

Anna Fowlie: Prevention is difficult, especially just now in the financial climate that we are in, because to do it you must shift spend, and it is difficult to shift spend from the acute end of things, such as health or justice, into prevention when you still have a pile of people who are ill or in prison. I absolutely think that we need to somehow make that shift. It was in the Christie report, and we are still talking about it now. You can sense my frustration in that, but I think that it is spending to save—we would spend it now to save later. What we are doing at the moment is funding acute services in whatever sector to deal with the problems that are created by not investing in prevention. That might be investing energy and time as well as money, but it is often money. Part of the reason for that is the public discourse that we talked about earlier, in that there are not so many people going to vote or withhold their vote on the basis of prevention; people are much more likely to vote on the basis of immediate priorities that they see in their communities.

Douglas Lumsden: I have a feeling that we do it within silos almost. I keep banging the drum in the committee that spending more on local government can help to save money on health and justice later. However, I guess that is harder for the Government to do, because it might involve shifting resources from one point to another.

Anna Fowlie: Indeed.

The Deputy Convener: Thank you, and with that, unless there are any other questions, I draw the evidence session to a close. Can I thank both Anna Fowlie and Jennifer Henderson hugely for their contribution? I think that it has been a very interesting discussion and there have been a number of themes and issues that we have alighted on that we will certainly follow up in our own inquiry work on the national performance framework. Thank you very much for your contributions.

That concludes the public part of today's meeting. The next item, which will be discussed in private, is consideration of our work programme. We now move into private session.

11:26

Meeting continued in private until 11:52.

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