Deputy First Minister and Cabinet Secretary for Economy and Gaelic Leas Phrìomh Mhinistear agus Rùnaire a' Chaibineit airson Eaconamaidh agus Gàidhlig Kate Forbes MSP Ceit Fhoirbheis BPA



**Kenneth Gibson MSP** 

Convener
Finance and Public Administration Committee

By email: FPA.committee@parliament.scot

14th January 2025

Dear Kenneth,

## SCOTTISH GOVERNMENT RESPONSE TO THE FINANCE AND PUBLIC ADMINISTRATION COMMITTEE ON 'THE REPORT ON THE NATIONAL PERFORMANCE FRAMEWORK: REVIEW OF NATIONAL OUTCOMES'

Thank you to the Committee for your Report on the National Performance Framework: Review of National Outcomes.

I have carefully considered the points raised by the Committee and a detailed response is set out in the annex to this letter.

May I take this opportunity to acknowledge the considerable work conducted by the committee during its inquiry into the statutory review of the National Outcomes which form part of the National Performance Framework (NPF). As I said in the Chamber, during the debate on 8 January, I am encouraged by the range of feedback and views, because this demonstrates the NPF's value as a means for all of Scotland's actors and agencies to debate and to challenge the collective progress that we are making as a nation.

I am pleased that the inquiry has concluded that "the NPF remains an important agreed vision of the type of place Scotland should aspire to be" and I welcome the many recommendations focused on action and improvement.

As I said in the Chamber, we now have a great opportunity to rethink and reform the National Performance Framework. By taking the time to do this properly, I hope we can support the development and implementation of a stronger, more strategic and impactful framework that more accurately reflects Scotland's context and circumstances. The committee's report provides an extremely useful contribution to the evidence base on which to build this change.

I agree with you that the Scottish Government must provide strong leadership for the NPF. However, we will not be able to deliver this change on our own. Therefore, an immediate priority will be to engage stakeholders and partners, including the NPF Expert Advisory Group, to provide advice on the scale and scope of reform.

I commit to keeping Parliament updated as we progress this work and I look forward to the committee's continued interest and input.

Yours sincerely,

**KATE FORBES** 

## SCOTTISH GOVERNMENT RESPONSE TO THE FINANCE AND PUBLIC ADMINISTRATION COMMITTEE ON THE REPORT ON THE NATIONAL PERFORMANCE FRAMEWORK: REVIEW OF NATIONAL OUTCOMES

FPAC recommendation	Scottish Government response
[9] The Committee welcomes the Scottish	We have noted this recommendation and agree to consider requests for longer timescales
Government's agreement to a longer timescale	beyond the 40 days provided for in legislation in future reviews of the National Outcomes.
for undertaking Parliamentary consultation than	
the 40 days provided for in legislation. We	
recommend that this consensual approach to	
agreeing the consultation timescale is adopted	
for future reviews of the National Outcomes.	
[20] We request that the Scottish Government	We have written to all Committees who undertook scrutiny to acknowledge their feedback
responds to each of the Committees which	and recommendations and will now consider these fully as we take the time to develop a
undertook scrutiny including on how their	stronger and more impactful National Performance Framework, of which the National
recommendations and comments have	Outcomes are part.
informed the final National Outcomes.	
[35] Reflecting upon the proposed change in	We note your acknowledgement of the rationale for the proposed change in the purpose of
purpose for the NPF we acknowledge the	the NPF to a more simplified focus on wellbeing and agree it may aid greater understanding
rationale underpinning this change. The	with organisations and citizens.
proposed simplified focus on wellbeing may	
also resonate more and support its greater	
understanding with organisations and citizens.	
[37] We invite the Scottish Government to	We accept this recommendation and will consider seeking views on a name change for the
consider also seeking views on a name change	NPF as part of our consultation plans for improved implementation, guidance and the
for the 'NPF' as part of its consultation plans for	development of National Indicators.
improved implementation, guidance and the	
development of National Indicators.	
[53] We agree with witnesses that there	In previous speeches, the First Minister has been clear that his priorities are interconnected
appears to be a mismatch between the focus of	and that "Scotland would best be served by a robust, resilient wellbeing economy. One that
the First Minister's priority on economic growth	

with the focus of the proposed National Outcomes on the wellbeing economy....We recommend that the Scottish Government addresses this perceived mismatch in the final National Outcomes along with a similar issue related to the 'reduce poverty' proposed National Outcome (paragraph [120])

promotes economic and social equality and decarbonises our communities. One that values the health and the happiness of its people, as much as their productivity".

The Deputy First Minister acknowledged in the Parliamentary debate on 8 January 2025 the importance of economic growth and re-iterated that it is a government priority, but not at any cost.

We note the Committees recommendation and will consider this issue as part of our plans to develop a stronger and more impactful NPF.

[55] All government (national and local) policies, strategies and legislation should explicitly set out how each will deliver on specific National Outcomes, their expected/intended impact on those Outcomes and approaches to monitoring and evaluation.

We agree with this aim and will consider this as part of our plans for improved implementation and guidance. We are committed to a collaborative and participative approach to implementation planning and consultation which will require collective action across local and national government, the third sector, and business.

**[67]** It is regrettable that the consultation approach adopted by the Scottish Government to this review did not provide greater participatory approaches with citizens to explore these potential consequences. Such an approach might have provided the "significant support" sought by the Cabinet Secretary in relation to the optimal number of Outcomes that should be proposed.

We note this feedback on the consultation approach and will listen carefully to the NPF Expert Advisory Group and Technical Advisory Group in supporting us to identify any gaps. We commit to looking again at the National Outcomes and NPF in a whole system way, including the number of Outcomes, and will consider all of the evidence gathered as part of the review to inform our decision making.

[68] Regardless of the number of National Outcomes finally decided upon by the Scottish Government, what is clear to us is that the interlinkages and co-dependences between them are also important, particularly for those considering the potential trade-offs when using

We agree with this aim and will consider this as part of our plans for improved implementation and guidance. We are committed to a collaborative and participative approach to implementation planning and consultation which will require collective action across local and national government, the third sector, and business.

the National Outcomes to shape policy and spending decisions. We therefore recommend that the implementation plan should set out how those using the NPF should navigate that complexity and consider potential trade-offs when making decisions. We are committed to a collaborative and participative approach to the design and delivery of **[69]** Given Committee's the public our National Outcomes. The process to develop and deliver an implementation plan, to bring administration remit we also seek clarification our National Outcomes to life, will require collective action across local and national from the Scottish Government of how the National Outcomes recognise the importance of government, the third sector, and business. a thriving democracy that enables participation, as well as partnership working, as highlighted in evidence to us. [70] Alongside the proposed We will consider this recommendation as part of our development of improved National Outcomes are proposed extended definitions implementation and guidance. However, the Scottish Government's intent through the reform which "provide context" and which update the we have committed to undertaking is to achieve broader alignment between policy and 'vision' set out for each current National strategy (via the PfG), funding (via the Scottish Budget), and the National Outcomes which Outcome. We seek clarification from the requires to be well understood within government, to inform decision making, and outwith Scottish Government as to how it intends these government, to enable public understanding and accountability. extended definitions to be used in decisionmaking, for example, are they intended to drive decision-making or provide a guide to the range of outcomes each National Outcome might encompass? [83] In relation to the work underway as part of The Scottish Government welcomes stakeholder input from a range of external the Equality Evidence Strategy and within the organisations, academia and interest groups, in many different formats. The level of Scottish Government, we seek: engagement will be proportional to the task and resources available. confirmation of the extent to which the We regularly engage external stakeholders when they have a particular interest in a project. series of intersectionality reviews will For instance, with the recently published Intersectional Evidence Review exploring the involve stakeholders representing a

range of external organisations, academia and interest groups.

 an update, by November 2025, on the progress of this work towards providing intersectional information as part of the reporting on progress with the National Outcomes. Experiences of Minority Ethnic Women, research from a range of external sources was analysed, and relevant stakeholders provided valuable feedback on drafts reports. A similar approach will be taken with future Intersectional Evidence Reviews.

Equality Data Improvement Programme (EDIP) Project Board members also provide oversight on activities and actions core to the Equality Evidence Strategy.

Larger-scale pieces of research will often also be informed by research advisory groups form of internal and external members, while development of programmes or strategies are consulted on with the public and external organisations (e.g. equality organisations in the case of the Equality Evidence Strategy).

**[84]** We seek confirmation from the Cabinet Secretary that, for future reviews, a Thematic Gender Review will be published at the same time as the proposed National Outcomes are laid in Parliament.

We note the request for a Thematic Gender Review to be published at the same time as the proposed National Outcomes are laid in Parliament. We will consider future Review processes, looking at the National Outcomes and NPF in a whole system way, and will consider all of the evidence gathered as part of future Reviews to inform decision making.

**[85]** We agree that it is important that the National Indicators can specifically evidence the impact of the National Outcomes on reducing gender and disability inequality.

The ability to disaggregate data and report progress across geographies and groups (such as equality characteristics) is an important criterion in the development of the refreshed indicator set. How we can better disaggregate current indicators will be considered as part of this. The Equality Evidence Strategy 2023-25 sets the vision "to tackle structural and intersectional inequalities of outcomes.". This is being taken forward by multiple analytical areas overseen by the Equality Data Improvement Programme. Future reviews will draw on the improvements in evidencing the impact of the National outcomes on Scotland's people.

[102] National Indicators should not be left for development after the National Outcomes are finalised. We therefore request from the Scottish Government:

Although review of the National Indicators does not fall within the scope of our statutory duty to review the National Outcomes, we want to ensure the indicator set remains fit for purpose and focussed on measuring progress towards the updated National Outcomes.

 An explanation of the reasons why it did not publish draft National Indicators alongside its proposed National Building on the 2018 Review of National Outcomes, this Review primarily considered the National Outcomes. The approach for this review was to separate the processes for development of outcomes and indicators, protecting the time required to develop a robust

Outcomes, as was the case in its first review in 2018  Clarification of the extent to which there will be	indicator set that was fit for purpose, to an agreed development process, with clear governance.
continuity with the data being reported on the new National Outcomes to that previously reported. This could allow progress to be monitored over a longer time frame.	It also meant the consultation responses received through the National Outcomes public and stakeholder consultation in 2023 and Parliamentary call for views during scrutiny of the National Outcomes in 2024 were considered in indicator development.
	Stakeholders have told us that what is measured matters. The National indicator set will be reviewed in line with the reform approach.
	National indicators need to meet data quality requirements to ensure progress can be monitored over time, developed in a participatory way, with stakeholders. Continuity in reporting data is an important consideration in developing national indicators.
[103] We recommend that the Scottish	We accept this recommendation and commit to developing the outcomes and indicators in a
Government consult with relevant sectors on	participatory way, with stakeholders.
the proposed National Indicators and agree with	
them acceptable proxy measures to address	
any data gaps. This participative approach to	
developing the National Indicators reflects the	
ethos that achieving the National Performance	
Framework ambitions is a collective endeavour.	
[103] We recommend that for future reviews	We note this recommendation and commit to developing the outcomes and indicators in a
the Scottish Government consults more widely	participatory way, with stakeholders. We will consider future Review processes so as far as
on the National Indicators and publishes, to the	possible proposed draft Indicators are published as part of the Review Document laid in the
extent possible, proposed draft Indicators as	Scottish Parliament.
part of the Review Document laid in the Scottish	
Parliament.	
[104] We recommend that the implementation	The NPF supports decision-making by bringing together data and reporting systematically
plan includes information on how the data from	and objectively across a range of economic, social and environmental indicators.

the National Indicators should be used to inform Scottish Government and others' decisionmaking. We will consider how National Indicator data should be used to inform decision making within the scope of our development of a stronger and more impactful NPF.

[119] We invite the Scottish Government to consider how progress towards the UNSDGs can be better and more transparently evidenced through the NPF, especially where there is no equivalent UNSDG such as in relation to gender equality. Our earlier recommendation for a more consultative approach to developing National Indicators should help in this regard.

The Scottish Government reports on Scotland's progress towards the National Outcomes through the National Indicators. Progress towards the National Outcomes is a proxy for progress towards the SDGs due to the alignment between the two.

It is important to note the SDGs are a general, globally applicable framework that is intended to be nationally owned and implemented. Scotland's National Outcomes reflect particular priorities for Scotland.

We commit to developing the outcomes and indicators in a participatory way with stakeholders, to improve alignment of the NPF with the SDGs.

[120] There is a mismatch between the proposed National Outcome to 'reduce poverty' and the UNSDG and the First Minister's priority which each seek to eradicate poverty. We recommend that this mismatch is addressed in the final National Outcomes so as to provide a clearer and more coherent focus for this Outcome.

We will consider this recommendation as part of our plans to develop a stronger and more impactful NPF, that will as suggested by Carnegie UK, to "... deliver change by establishing a unifying agenda and mutual obligations for all Scotland's public bodies and recipients of public funds.

[136] We therefore recommend that the Scottish Government reviews its consultation approaches to the National Outcome reviews undertaken in 2018 and again in 2023, along with the evidence provided during Parliamentary consideration, and establishes minimum consultation standards for subsequent reviews of the National Outcomes. We recommend that, as part of the minimum

The Community Empowerment (Scotland) Act 2015 stipulates the minimal consultation requirements, including its period, consultees, and requirement to consult with and lay a final report in Parliament.

We note this recommendation to review the consultation approach and will listen carefully to the NPF Expert Advisory Group and Technical Advisory Group in supporting us to identify any gaps. We commit to looking again at the National Outcomes and NPF in a whole system way and will consider all of the evidence gathered as part of the review to inform our decision making.

standards for consultation, participatory approaches with citizens should be included along with a requirement to publish disaggregated data on those consulted as part of future reviews. This approach should enable the Scottish Government to better identify any gaps in representation which can then be targeted more effectively in subsequent review consultations. [150] We recommend that the items listed at We have noted these recommendations and will consider them within our approach to paragraph [147] included in the Implementation implementation planning and consultation as part of our commitment to develop a stronger and more impactful NPF. We acknowledge that Government has a visible leadership role to Plan. play in ensuring the NPF is adopted across Scotland and should ensure this is properly reflected in strategy and policy. [171] We seek confirmation from the Scottish We have noted this recommendation and will consider it within our approach to Government that its implementation plan will set implementation planning and consultation as part of our commitment to develop a stronger out how the Scottish Government, Local and more impactful NPF. We acknowledge that Government has a visible leadership role to play in ensuring the NPF is adopted across Scotland and should ensure this is properly Government, and others across Scotland, should evidence how their work specifically reflected in strategy and policy. contributes toward delivering on the National Outcomes. This visibility will be important in ensuring that scrutiny can be more effectively and fairly delivered given the collaboration necessary to deliver the proposed National Outcomes. [172] We request an update from the Scottish The NPF supports decision-making by bringing together data and reporting systematically Government on the redesign of its approach to and objectively across a range of economic, social and environmental indicators. informing performance reporting and monitoring We noted Carnegie UK's oral evidence to FPAC on 17 September that "... aligning budgets to align budget decisions with the PfG and the with national outcomes is not straightforward, and lots of countries that are trying to do that NPF. We also seek confirmation that the are wrestling with it." We agree that there is scope to achieve better alignment of budget

outcomes from this redesigned performance	decisions with the NPF and PfG and this will be considered within the scope of our
reporting will be published.	development of a stronger and more impactful NPF.