

Finance and Public Administration Committee

12th Meeting, 2022 (Session 6), Tuesday 29
March 2022

National Performance Framework: Ambitions into Action

Purpose

1. The Committee is invited to take evidence from the following participants of the Scottish Leaders' Forum (SLF) Action Group on Accountability and Incentives, in relation to its recent report on [Improving Accountability and Incentives to Deliver the National Performance Framework Outcomes and Live the Values](#):

- Jennifer Henderson, Keeper and Chief Executive of the Registers of Scotland, and
- Anna Fowlie, Chief Executive, Scottish Council for Voluntary Organisations.

2. Both witnesses are appearing in their capacity as participants in the Action Group's work.

Background

3. This session is intended to 'set the scene' for, and inform, the Committee's inquiry on the National Performance Framework (NPF): Actions into Ambitions. The Committee is currently gathering views through [a call for evidence](#), which closes on 14 April. The inquiry looks to establish how the NPF influences policy development, priorities, and spending decisions, and consider the adequacy of the processes, systems, cultures and behaviours in place to support NPF delivery.

4. In a SPICe guest blog¹ on the SLF Action Group's report, the joint chairs² set out their "hopes that this report will be of particular interest to the Committee as it undertakes this work". In its report, the Group suggests that its conclusions "have a potentially very broad audience", as it has "reflected on the complex pattern of service delivery to deliver improved outcomes in partnership with others that underpins the Scottish approach to public service reform". This evidence session may therefore also inform the Committee's wider work on public administration and public service reform.

¹ [Guest blog: The National Performance Framework – new report on accountability and incentives – SPICe Spotlight | Solas air SPICe \(spice-spotlight.scot\)](#)

² At the time, Jennifer Henderson and Jennie Barugh were joint chairs of the SLF Action Group, however, Ms Barugh from the Scottish Government, has since moved positions and no longer sits on the Group.

5. This paper should be read alongside the SPICe guest blog referred to above, which provides a helpful summary of the report and is attached as Annexe A.

Report

6. The Action Group was created from representatives of various public service organisations from the Scottish Leaders' Forum³, to

- examine the current status of accountability against the NPF,
- identify what 'good' would look like,
- identify the barriers currently in place that are preventing improvement,
- identify the change needed to deliver improvement, and
- examine examples of good practice to draw lessons that can be shared more widely".

7. Its report identifies four types of organisations that contribute to ensuring effective accountability in relation to the NPF. These are: the Scottish Government and COSLA as the 'design authority', and organisations which 'deliver', 'enable', and 'scrutinise' the NPF. It argues that—

“If all four types of organisation engaged effectively with the NPF as a tool to support them in defining, shaping, delivering and scrutinising work, then it has the possibility of creating a virtuous circle where a focus on ensuring the delivery of the outcomes of the NPF is truly embedded in the organisational cultures, approaches and individual activities of all organisations involved”.

8. The report concludes that the “current status of accountability against the NPF is ‘patchy’”, and “there is not yet a golden thread that provides consistent end to end accountability for delivery of the NPF outcomes”. It goes on to explain that “typically, the NPF is not actively used to shape scrutiny, provide sponsorship, undertake commissioning of work or shape the allocation of funding”. It adds that, where delivery bodies do refer to the NPF in their corporate documents, the tendency is to mention individual contributions rather than how they work collaboratively with other organisations to contribute to achieving national outcomes.

9. The barriers to delivering an effective system of accountability are described in the report as being “behavioural, structural, procedural, financial and political”, with leaders currently feeling they are being held to account for many different, potentially competing, demands. The joint chairs suggest in the SPICe guest blog that, “although we set out some significant barriers, the most fundamental message in this report is empowerment – all leaders can act now”. The report goes further in suggesting that “once leaders make a small change, the system itself will start to change, which in turn makes it easier for further positive changes to emerge”. It indicates that certain organisations and individuals, such as Scottish Government sponsor teams, auditors/regulators, political leadership and parliamentary/local government committees, have a particularly important role to play in “reinforcing the behavioural change”. It goes on to argue that “reinforcing and rewarding those

³ [Scottish Leaders Forum – Supporting Leaders in Scotland](#)

organisations who have set out how they deliver against the NPF, making it easier to be held to account for that delivery, will play significantly into incentivising and motivating those leaders involved in delivery to engage willingly in the accountability process”.

10. Another [SPICe guest blog, by Dr Ruby Roberts, Research Fellow of Industrial Psychology, Robert Gordon University](#), explores further the psychological factors that can influence people’s response to new ways of working and change, within the context of the Action Group’s report.

11. The Action Group’s report highlights that more work is needed to raise awareness of the importance of accountability against the NPF. It has therefore produced a series of ‘one-pagers’, drawn from examples of good practice, showing ‘what good looks like’ for leaders of the four types of organisations mentioned above. A ‘maturity matrix’ has also been included in the report “to enable organisations to identify their current level of maturity in how they approach delivering the NPF outcomes, and, depending on their current assessment, as a way of identifying how they might progress their approach to accountability against the NPF over time”. This matrix will be developed further during the Group’s next phase of work, which also includes considering the potential to produce a “digital ‘check-up’ tool” and collecting and sharing examples of good practice more widely.

Next steps

12. The Committee’s call for views on its inquiry closes on 14 April. Evidence sessions are planned for May/June, along with informal evidence-gathering from representatives of the four types of organisations set out above.

**Committee Clerks
March 2022**

SPICe guest blog: The National Performance Framework – new report on accountability and incentives

March 11, 2022

On 10 March 2022, [the Scottish Leaders Forum](#) (SLF) [published a report on “Improving accountability and incentives to deliver the National Performance Framework \(NPF\) outcomes and live the values.”](#)

This guest blog, from the joint chairs of the “accountability and incentives” action group of the SLF, sets out some highlights of the report that will hopefully be of use to individual Members and parliamentary committees.

Before looking at the report, the blog provides some background on the NPF and SLF. As with all [guest blogs](#), the thoughts are those of the authors and not those of SPICe or of the Scottish Parliament.

Short history of the NPF and Committee work underway

As part of the 2007 Spending Review, the Scottish Government introduced a new outcomes-based NPF to underpin the delivery of its agenda. The NPF developed over the years from 2007, and the requirement to establish National Outcomes was put into legislation in the Community Empowerment (Scotland) Act 2015. Under this Act, the Scottish Government is required to review its National Outcomes every five years. 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. More information about [the refreshed NPF and how it could be used in budget scrutiny can be found in this 2019 SPICe Briefing](#).

The [revised NPF has a detailed website](#), which includes information on how the NPF works, the outcomes, measuring progress and the UN Sustainable Development Goals. [SPICe also publishes a monthly snapshot of the data](#). The next refresh of the NPF is due in summer 2023, although it is expected that the Scottish Government will begin consultation later in 2022.

This refresh process will conclude with the new set of outcomes being considered by the Parliament. This process will be led by the Finance and Public Administration Committee. In advance of that work, [the Committee has recently launched an inquiry on the NPF, Ambitions into Action](#). The inquiry will look at how the National Outcomes shape Scottish Government policy aims and spending decisions, and in turn, how this drives delivery at national and local level. The Committee is [currently seeking written views, and the call for views is open until 14 April 2022](#). Anna Fowle, Chief Executive of SCVO, and a member of the SLF action group, [has also written a blog on the Committee’s inquiry](#).

It is hoped that this recent report from the SLF will be of particular interest to the Finance and Public Administration Committee as it undertakes this work.

What is the SLF?

The [Scottish Leaders Forum](#) was relaunched in 2019, and describes itself as: “... a collaborative forum of over 300 senior leaders (Chief Executive or equivalent) drawn from across public services, third sector organisations, equality groups, and organisations that are delivering public services.”

A lot of the SLF’s work was paused by the COVID-19 pandemic, but is now starting to pick up again. The work of the SLF is focused on the National Performance Framework, and it runs through [five “action groups”](#). The report discussed in this blog has been the main focus on the Accountability and Incentives Action Group.

The action group report – summary of key points

Origins and purpose

The [action group report can be accessed on the SLF website](#). The remainder of this blog sets out a high level summary.

In the foreword to the report, the chairs of the SLF, Paul Johnston (Director-General Communities in the Scottish Government) and Sally Loudon (Chief Executive of COSLA) state that:

“The report you are now reading has its origins in a Scottish Leaders Forum event in Stirling, where there was a lively discussion about whether we all felt held to account for delivering the national outcomes. The consensus in the room was that competing accountabilities were potentially holding us back and we agreed that setting up a working group to look at this issue would be a positive step to identify what could be done.”

The action group was therefore established to identify:

1. How greater collective accountability for delivery against the NPF could be achieved.
2. How all organisations that can contribute to achieving the NPF outcomes are incentivised to do so.

The report has been published and is accessible to anyone with an interest in these topics.

What does current accountability look like?

It is useful to think about the four categories of organisation involved in accountability against the NPF:

- First, the Scottish Government and COSLA, as the “**design authority**” – this is a key role which shapes a lot of other activity.
- Organisations who **deliver** activities that contribute to elements of the NPF – these organisations will mainly be public bodies delivering services “on the ground”, but also includes many third sector organisations, businesses, social enterprises and community groups.
- Organisations who **enable** the activities to be undertaken (e.g. providing finance, developing policy) – this might again be departments and teams within the Government, or local authorities as well as other organisations who provide funding to others.
- Organisations (including the Parliament and local councils, as well as Audit Scotland and other bodies) who **scrutinise** the effectiveness of the performance being achieved by organisations.

The report concludes that the current status of accountability against the NPF is at best “patchy”. For instance, while many delivery organisations talk about the NPF in their corporate documents, this is usually around the individual contribution they make, rather than how they work collaboratively with others to deliver national outcomes.

In addition, it is clear that the NPF is not always actively used to shape scrutiny, provide sponsorship, undertake commissioning of work or shape the allocation of funding.

So, if organisations are not being asked to consistently account for their role in achieving the national outcomes, it is unsurprising that the NPF is not a significant feature in how most organisations plan and deliver their work. That being said, there are some good examples across all of the categories of organisation, not least in the work of parliamentary committees on, for example, the budget.

What would “good” look like and what are the barriers to success?

So, if the current situation is “patchy”, what would “good” look like? ‘Good’ accountability is, of course, not an end in itself. An effective framework for accountability is about ensuring that what needs to be delivered is delivered and that it is meeting the needs of people and communities.

Our conclusion is that each part of the system can play a role in this – it’s not just for the delivery bodies, for example. If all types of organisation outlined above do this, then this should strengthen incentives right across the system to focus on outcomes.

However, there are range of behavioural, structural, procedural, financial, and political barriers to achieving this.

Leaders across public services have told us that they feel held to account for many different, potentially competing, demands. Therefore, organisations could see the

NPF as ‘yet another thing’ that they are accountable for delivering in addition to their functions, rather than as the rationale for those functions.

Changing behaviours – how can the barriers be overcome?

Although we set out some significant barriers, the most fundamental message in this report is one of empowerment – all leaders can act now. Competing issues may still get in the way but, if enough leaders in different parts of the system undertake even one recommended action, they will find allies in surprising places and support from people in different roles to achieve in a shared endeavour.

We therefore spend a fair amount of time in the report looking at how individuals can be supported and encouraged to make changes themselves. We had a look at change through the “ADKAR® model”, which helps come up with some questions that MSPs and others could consider in looking at the NPF:

- **Awareness:** Do political, organisational and community leaders know why accountability for delivery against the NPF matters?
- **Desire:** Do political, organisational and community leaders want to be accountable/hold others to account for delivery against the NPF?
- **Knowledge:** Do political, organisational and community leaders know how to be accountable/hold others to account against the NPF?
- **Ability:** Do political, organisational and community leaders have the ability to be accountable/hold others to account against the NPF?
- **Reinforcement:** Are the behaviours of those who are demonstrating their accountability against the NPF being positively reinforced? We found that the reinforcement aspect is particularly important to incentivise leaders to engage, and it is here that parliamentary committees potentially have a key role to play.

To make an immediate contribution to “knowledge” the report includes a series of one-pagers that describe, for the leaders of the types of organisations involved, (i.e. delivery organisations, scrutiny organisations and enabling organisations) what good looks like. These one-pagers, drawn from examples of good practice identified during our work, identify the simple actions organisations could take that will make a difference to moving the dial on improving accountability against the NPF.

To complement our thinking on this important aspect of our work, we held a discussion session with academics expert in the NPF and behavioural change. [Ruby Roberts, from Robert Gordon University, has produced a further quest blog, looking at behavioural change.](#)

What happens next?

We hope this report will be a useful catalyst for all organisations to make some changes to improve accountability against the NPF. The SLF sub-group will work to systematically collect examples of good practice so that these can be shared as part

of the next phase of work and provide useful examples that others could consider adopting.

We also hope it will be a useful source of information and insight for parliamentary committees, in particular the Finance and Public Administration Committee, as they come to consider and scrutinise the NPF in the years ahead.

**Jennifer Henderson and Jennie Barugh
Joint Chairs of the SLF Sub Group**