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Keeping the Faith in an Uncertain World:

Scotland's National Performance Framework

Introduction

Kindness and Government – really? Well today I want to talk about the role and values of Government (including kindness) in an uncertain world. Because there are probably very few of you who would deny that we live in volatile, uncertain, complex and ambiguous times – a VUCA environment, to use the term coined by the US military 30 years ago.

And such circumstances raise questions about the role and response of Government – not just what should Governments do, but how they should do it.

Now, I don't need to remind this audience that these are questions as old as the concept of government itself. And I don't intend to give you a lecture on the philosophy or history of government - there are others here who could do that far better than I!

But the answers to those questions – of the what, and the how, of Government – are about time and place, about circumstances and culture – all the contextual conditions if you like.

The Scottish Context

So, unsurprisingly, I'd like to root a perspective on those questions in the recent and current Scottish context, one dominated by constitutional and economic upheaval.

Over the last twenty years, we have seen: a referendum on devolution in 1997, leading to the establishment of the Scottish Parliament in 1999.

We have seen the development of coalition governments, followed by the rise of the Scottish National Party; bringing them into government for the first time in 2007, where they have

remained for the last 11 years - firstly as a minority administration, then as a majority, and now as a minority government again.

We've seen a referendum on Scottish Independence (with a turnout of 84.6%, including 81% of socio-economic group D/E and 75% of 16 and 17 year olds) and resulting in a relatively narrow 55:45 split against independence. We've seen changes at Westminster, and the referendum on exiting the EU, which has played out very differently in Scotland to many parts of England, in particular. We've been through the economic crisis of 2008 and a slow and fragile recovery.

Underneath these seismic changes have been other tectonic shifts, that are perhaps even more significant – geopolitical shifts, demographic and intergenerational change, climate change, and the pace of technological and scientific development.

Alongside these changes, as in other countries, there are continuing and deeply entrenched economic and social inequalities that restrict the life chances of too many of Scotland's people.

It is worth remembering that for some people, and for some sectors of the population, life has always been 'VUCA'.

The Government response

How should Government – at whatever level – respond to these shifts and ongoing challenges?

A traditional Government response has always been what we might loosely call “crisis management” – developing responses that enable us to support politicians and leaders as they seek to navigate their way through the constitutional and economic labyrinth, or developing responses that support individuals and businesses as they hit their own crisis situations.

But another Government response is about responding to structural shifts by developing and following a clear vision of both the what and the how. What are the outcomes we want to see? What are the partnerships, the relationships, the policies and actions that will take us there? What are the values that we need to hold close on our journey? (and do they include kindness) And what does the evidence tell us about our progress or success?

In Scotland, the answers to these questions have been pulled together into a single construct, which we've called the National Performance Framework, and which we have been working with for the past ten years. It saw a major refresh earlier this year, launched at a very successful international conference in Edinburgh. This refresh involved widespread

engagement with the public and stakeholder organisations - all focusing on the Scotland people wanted to see.

The National Performance Framework

Quite simply, a focus on outcomes – and the National Performance Framework - has changed how we do Government in Scotland - in policy terms, in partnership working, and in the leadership, management, and culture of our organisation.

At one level, the National Performance Framework is simply a colourful picture (either a cog or a flower, according to your preference!) that brings together a clear statement of our Purpose, a description of the medium to long term outcomes that we want to see (eleven of them now), and indicators that will help us know if we're moving in the right direction. The latest iteration also sets out our values, and that is an important part of the “how”.

(And when I say “our” Purpose, the outcomes “we” want to see, and “our” values, I don't just mean the Scottish Government's. For the past ten years that might have been true, but we are now seeking to evolve a much more ambitious '*all of Scotland*' approach. I'll come back to that point later.)

But the NPF is, and has to be, much more than just a picture on the wall. A quick summary of the early changes that we put in place might serve to bring out some of the real shifts in thinking and approach that have helped to make the Framework real.

The early journey

When the Scottish National Party came into power in 2007 it was as a minority government wanting to establish strong, competent, government. Their vision for Scotland was shared ownership of a common good. A focus on long term, joined up, outcomes chimed well with this ambition. The National Performance Framework set out a vision of national wellbeing for Scotland, and enabled us to chart progress towards this vision through a range of social, environmental, and economic indicators.

Other change flowed. We renegotiated the Scottish Government's relationship with our key delivery partners – including all 32 of Scotland's local authorities who signed a historic Concordat agreement, and who were released from ring fenced funding as a result.

Scottish Government policy-making changed. We learned how to construct logic models to chart our way towards outcomes and developed evidence-based, strategic, platforms for

cross-cutting policy making. We all learned the difference between inputs, outputs, and genuine outcomes. Our statisticians and analysts ensured technical reliability and assurance, and a degree of independence, by establishing a basket of indicators. And progress and data on the national outcomes was available for everyone in an open and transparent manner, through the “Scotland Performs” website.

But we needed cultural and behavioural change too. We removed departments - the whole organisation was now responsible for delivering outcomes. As civil servants, we had to be prepared to lose control over some things (scary!) and to share the risks of success and failure with our partners (unnatural!). We had to commit to authentic partnership working and to collaborative leadership, both inside and outside of government. As one senior civil servant of that time said: “if you go into a meeting with local government colleagues, and then raise your eyebrows the minute they’ve left the room – it isn’t partnership working”.....

We ran a massive education programme for senior officials. And we established the Scottish Leaders’ Forum so all of Scotland’s public, higher education, police, fire, and third sector most senior leadership came together as a force for change and outcomes. They still do.

The current position

At the time, Whitehall described what we were doing as the “Scottish Experiment”. But it is now very much the way we do business – part of the Scottish Approach, not the Scottish Experiment.

The NPF is here to stay, and one of the reasons I can say that with confidence is that it is now underpinned by statute. The Community Empowerment (Scotland) Act 2015 places a duty on Scottish Ministers – now and in the future - to consult on, develop, and publish National Outcomes for Scotland and to review them every five years. While the NPF might have been seen as an innovation of one political party when it was introduced, it is now firmly embedded in Government processes and procedures.

More than that, the NPF has been accepted across the political spectrum. There is genuine cross-party political support both for the concept of an outcomes-based approach and for the specific outcomes in the NPF. And the legislation does two other important things. It places a duty on public authorities to have regard to the national outcomes in carrying out their functions, and it requires local community planning partnerships to set local outcomes that are consistent with national outcomes.

This means that we're already beginning to see a line of sight (a golden thread, if you like) from cross-party political vision to practical implementation, at both national and local level. But this could all easily fall into being a mere tick-box exercise. For the NPF to evolve into not just a "whole of government" approach but into a 'whole of Scotland' approach requires contributions from all parts of society to make the vision set out a reality. This means real partnership working is absolutely critical to delivering the outcome.

What else has changed?

At an international level, this refreshed Framework now reflects SG commitment to Human Rights and the United Nations Sustainable Development Goals, (SDG's) and that's an important part both of working with civic Scotland and with giving us a clear deadline of 2030, to help inject urgency into what we are doing. Focusing on outcomes is not only the right thing to do - it is the necessary thing to do. The NPF and the SDGs are natural allies, seeking to encourage the transformational change required to achieve the necessary social, economic and environmental improvements.

The National Performance Framework has already led to different policy choices. The past 10 years have deepened our understanding of important connections between economic growth and public health, between the economy and the significance of strong attachment and nurture in the early years of children.

For example, our new National Outcome for children and young people is intentionally bold - setting the challenge to ensure that young people grow up not only with equal opportunities, but feeling loved, safe, and respected. This is, as you will appreciate, quite a change of style from the traditional government document! (And may I say quite a change for many traditional civil servants too!)

So why have we included love in public policy development, and how will we measure our success?

Well, we have the evidence, and have heard directly from young people, that feeling loved matters. It is a predictor of better outcomes, and of a greater sense of inclusion.

This is not without its challenges - what makes one young person feel loved will not be the same as another, and even SG cannot mandate or easily measure love. But what we can do is to track whether young people feel they have meaningful relationships in their lives. And if we take peer relationships as a proxy measure of whether our young people feel

'loved' - we have some work to do. Only 57% of 11, 13 and 15 year-olds reported a high level of peer support.

Among 15 year-olds, this was lower than the international average in the Western developed world, and is only 43% for boys. That means more than half of 15 year old boys in Scotland feel they don't have a good friend they can count on or who can help them out. That worries me – as a civil servant and, quite frankly, as a mother.

When thinking about the NPF it is essential to reflect on 'progress' from a variety of perspectives. As well as a pragmatic focus on individual outcomes, we also need to reflect on progress across the Framework as a whole. It is also important to look below the national level data in order to maintain a focus on addressing inequalities.

At the heart of the NPF is a commitment to reducing inequalities of outcomes, and the belief that Scotland will become a more productive and more prosperous country, if we become a fairer society. There is a growing body of evidence - supported by recent work from the OECD, but also from the World Bank and the IMF - that delivering sustainable growth and addressing long-standing inequalities are reinforcing, not competing, objectives, and that Inclusive Growth can lead to real improvements in the outcomes experienced by those individuals, families and communities with the greatest needs. Sustainable and inclusive economic growth is at the core of the Framework to which every civil servant – indeed every public servant in Scotland – contributes. It means every SG civil servant needs a certain level of economic literacy – the differentiation between purely social and economic policy is blurring. Our work on childcare provision is as much an economic policy as a social one.

Collective Leadership

Remember the video about St Andrew's Day Act of kindness at the beginning of my talk? Well, at the centre of the refreshed NPF are the values of kindness, dignity and compassion. The inclusion of kindness as part of national public policy has attracted a lot of interest, not least as a way of enhancing engagement and trust. So what does that entail?

It means explicitly recognising that kindness has a part to play in delivering public services, alongside (and, importantly, not at the expense of) other important qualities such as fairness and equality. It means that, in a world of artificial intelligence and technological advancement, we retain and enhance our sense of community, our emotional intelligence and our connection to place, And that our national and local policies recognise and reflect that. It means we think carefully about how we measure what we value, even when that is difficult. So the Scottish Household Survey now contains new questions that will tell us the

proportions of people who agree that people are kind to each other in their neighbourhood; of people that we think can be trusted; of people from different backgrounds that get on well together.

And this also demands new approaches, skills and mind-sets from public servants. Of course, we civil servants still need our professional code with its values of objectivity, impartiality, honesty and integrity, and the skills of our craft such as analysis, evidence, and consultation. But we also need tenacity, humility, self-reflection, and a commitment to work with - and invest in - long term partnerships. Heroic leadership simply isn't going to cut it here – we need distributed, open and empowered collaborative leadership. This means recruiting leaders who can see beyond their own immediate and institutional interests to the wider cause. People who can extend beyond mere technical prowess to lead, shape, and effect, real change by working with, and through, others.

And it means leaders who are committed to making Government highly accessible and closer to people in Scotland. That means leaders who listen – who seek out voices which are not traditionally heard. And make that their habit.

As a young person said to me the other day – those of us in public services should just “shut up and listen”. Enough said. In fact, outcomes require us to welcome, encourage and enable challenge. The UK Gov's recent Chilcot findings are applicable to all of us here - they are about embracing challenge, inviting challenge and ensuring that everyone can challenge, including having sufficiently diverse thinking in the room. Outcomes also mean being prepared to admit that we civil servants don't necessarily hold all the answers. This is a tough call for us, given our history and traditions, particularly at a time when staff and the public seek simplicity, and crave certainty.

This also distinguishes the way we work as SG civil servants. We value the strength of personal interaction and shared leadership. We understand the need to learn together, to share and celebrate successes and to look after each other in tough times. And we do.

Where next?

So where do we go from here?

Let's be clear – the NPF is world leading in its aspiration and comprehensive approach, and that's not just a Scottish assertion but the view of the OECD. However, the OECD also recognises, as do we, that working on the edge means confronting the critical questions/challenges which remain.

For example, in the first instance, we need to further shift our regular work and governance processes towards outcomes, like our annual Programme for Government, or the Budget, or the Spending Review. And we need to create better mechanisms to surface and confront trade-offs and prioritisation processes, more consistency in evaluating what works, and better quantitative and qualitative evidence on our progress.

We also need to recognise that if we are to move to a whole of Scotland approach we need to develop a wider eco-system that is not dependent on central government for its sustainability. That will be a challenge to our traditional patterns of accountability, and where legislation places such clear responsibilities on the Scottish Government to propose and report on national outcomes every five years. But the view of Government as steward or custodian of the NPF – ‘curator’ to use a term of art – can help with that.

We have benefitted from the help of colleagues here at Blavatnik. I’m very grateful to the team here for stimulating and challenging our thinking helping us to think about how to develop a fit-for-purpose accountability system with well-functioning scrutiny mechanisms. We believe these will help us achieve three objectives: firstly increasing the visibility of the line of sight of activities and contributions from the local, to the regional, and the national level (regional governance becoming increasingly relevant in Scotland given the nature of some of our policy and delivery challenges, and collaborative structures such as city region deals). The second objective is to support, and promote, short term decisions being taken with longer term consequences firmly in view. And thirdly, to invest in, and support learning routines focused on improvement and better use of data. Of course, the VUCA consequences of Brexit and its financial, economic and constitutional consequences, could be seen as a real risk to the framework and outcomes approach. But that is the point – we must ensure that we keep the outcome faith – that we don’t allow other events – no matter how seismic, how significant, – to dominate and obscure our outcome and NPF commitment. This includes looking at the impact of and readiness for Brexit through the lens of the NPF – no mean challenge.

Conclusion

In conclusion, let me offer some thoughts about what we have learnt and are continuing to learn about the principles of embedding outcomes,

The first is the need to be open and honest - we don’t have all the answers. And we need to engage genuinely in partnerships, and co-produce solutions to the complex problems with which we’re all grappling. Secondly, we need to recognise that it’s ok to feel uncomfortable,

and that we should not be afraid to experiment and try out new things, even if there is a risk of failure . And thirdly - we need to focus on experience - applying what we know works, including the lived experience of others.

None of this is rocket science, but applying it in a volatile, uncertain, complex and ambiguous world is challenging. It's difficult for teams and individuals. And it's difficult for Government.

So I am focussed on the future capability of the civil service, and indeed the wider public service, in Scotland. Not just our readiness to lead through a range of potentially very different and uncertain futures. But also the fact that, 10 years on, we have five generations working as civil servants – many of our younger colleagues did not help create the National Performance Framework. So we need to keep growing our unit I call values-based culture of outcomes. This requires constant 'gardening' – clearing away undergrowth, tending, pruning, nourishing. We also need to recognise that the challenge ahead is not primarily a technical ask but a behavioural challenge and a reflection of the relationships we nurture.

Let me finish with a personal observation. We are working with a maturing model - there are different ways of measuring success of the outcomes approach. But 10 years on, I believe there is one acid test. The First Minister Nicola Sturgeon often asks citizens in Scotland - what kind of country do we want to be? I believe she can only ask this with authority because she is confident – as future First Ministers will need to be - that the machinery of the Scottish Government and indeed Public Sector can translate the complex answers and responses into real, joined up, public policy, one familiar with the currency and characteristics of outcomes. That means crafting, co-producing and supporting implementation of policy which reflects real people's lives with all the complexities, messiness, risk and interdependency that we know real life entails. If we are to succeed and continue to enable Scotland to flourish with a stronger inclusive economy and improved, national wellbeing then the answer will always be – outcomes.

Thank you.