



Leadership, Collective Responsibility and Delivering the National Outcomes

Improving accountability and incentives to deliver the National Performance Framework
Outcomes and live the values

Contents

Foreword	2
Acknowledgement	3
Purpose and scope	4
Conclusion and Next Steps	10
Annex A	11
Annex B	13
Accountability against the NPF	13
Annex C	16
Barriers to accountability against the NPF	16
Annex D Different types of organisations	22

Delivery Organisation	22
Scrutiny organisation	23
Enabling organisation	25

Foreword

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.

We are delighted that the working group has kept going through the challenges of the last 20 months and their work is more important than ever – it is clear that delivering the COVID recovery strategy will require all Scottish leaders to focus collectively on how they can work together to deliver the national outcomes. In many ways the starting point is now harder – inequalities have been exacerbated, individuals, communities and organisations have faced tough emotional, physical and practical challenges. But there are also great examples of communities pulling together, businesses adapting and organisations pulling

together behind common purpose. As leaders right across Scotland consider their approach to recovery, we all need to seize this opportunity to focus on the outcomes we're aiming to improve and the best role we can each play in "team Scotland".

The conclusions and recommendations in this succinct report, symbolised by the honeycomb design chosen to represent collective responsibility, sustainability, and circularity, are relevant to everyone who has a leadership role anywhere in Scotland. We hope that reading this report will motivate you to take forward some of the recommended actions and changes.

The most fundamental message in this report is one of empowerment – YOU can act now. The system is far from perfect, but you don't need to wait for the system to be fixed to make a difference. Competing issues may still get in the way but, if enough leaders in different parts of the system undertake even one recommended action, you will find allies in surprising places and support from people in different roles to achieve in a shared endeavour.

We hope this report will inspire you to renew your commitment to leading, and working collectively, to deliver the national outcomes. Together, we can make the difference, and together we *will* create a more successful country with opportunities for all of Scotland to flourish.

Paul Johnston and Sally Loudon, SLF Co-chairs

Acknowledgement

We would like to acknowledge the dedication and commitment of past and present members of the SLF Incentives & Accountability Action Group that led to this report which examines how accountability for delivery of the [National Performance Framework](#) (NPF) outcomes can be improved.

Member	Organisation
Jennie Barugh	Formerly Director of Performance and Strategic Outcomes, Scottish Government
Jennifer Henderson	Chief Executive, Registers of Scotland
Allan Campbell	Head of Research and Financial Scrutiny, Scottish Parliament

Angiolina Foster	Formerly Chief Executive, NHS24
Anna Fowlie	Chief Executive, SCVO
Antony Clark	Interim Director of Performance Audit & Best Value, Audit Scotland
Callum Thomson	Group Head of Scrutiny, Scottish Parliament
Donella Steel	Director of Finance and Corporate Services, Historic Environment Scotland
Fraser McKinlay	Formerly Director of Performance Audit & Best Value, Audit Scotland
Jane O'Donnell	Formerly Director of Policy, COSLA
Nicola Dickie	Director of People Policy, COSLA
Stephanie Phillips	Director of Service Delivery, NHS 24
Vicky Bibby	Director of Strategic Planning and Performance, Public Health Scotland
Nicola Constable	<i>Action Group Support Coordinator</i>

If you would like any further information on this report or the work of the Action Group please contact: Nicola Constable, email nconstable@audit-scotland.gov.uk

Purpose and scope

This document summarises the conclusions of work commissioned by the Scottish Leaders Forum, to examine how accountability for delivery of the National Performance Framework ([NPF](#)) outcomes can be improved. The work was undertaken by a small group of colleagues, drawn from organisations across the Scottish Leaders Forum. More information on the background and scope of our work can be found at [Annex A](#).

What is the current problem and what would good look like?

Our work has concluded that the current status of accountability against the NPF is 'patchy'. From our analysis, we can see that many delivery organisations do talk about the NPF in their corporate documents, but not all. Where they do, it is usually in the context of the individual contribution they make rather than how they work collaboratively with others to deliver one or more national outcome. In addition, we can see that, typically, the NPF is not actively used to shape scrutiny, provide sponsorship, undertake commissioning of work or shape the allocation of funding. Put simply, 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. Having said that, there are already some great examples of good practice from individual organisations and, in some cases, groups of organisations, but there is not yet a golden thread that provides consistent end to end accountability for delivery of the NPF outcomes.

‘Good’ accountability is also not an end in itself. An effective framework for accountability is fundamentally about ensuring that what needs to be delivered is delivered and that it is meeting the needs of people and communities. Each organisation within the system (NPF stewards, deliverers, enablers, and scrutinisers) has the potential to play a vital role in facilitating an effective accountability framework. Such a framework should strengthen incentives right across the system to focus on the impact that organisations’ actions have on outcomes for people in Scotland and would be consistent with the Christie Commission principles. This means there needs to be more than just a focus on holding organisations to account for delivering the right things; there also needs to be an articulation of what success looks like in delivering the outcomes in the NPF. We need to be clear about how the NPF shapes organisational priorities, legislation and budgets. You can read more about our conclusions on the current situation and what good would look like at [Annex B](#).

Why does it matter?

The NPF is the expression of the Scotland we collectively want to be. It has broad, cross sector support. It describes a country that embraces equality, inclusion, and wellbeing as the drivers for a socially just economy. The NPF outcomes are ambitious, and the Scottish approach is internationally recognised. Achieving, or even making progress towards achieving the outcomes, will make a big difference to the life chances of all our citizens.

What are the barriers to solving the problem?

The barriers to delivering an effective system of accountability are behavioural, structural, procedural, financial, and political. Leaders across public services have told us that they feel held to account for many different, potentially competing, demands. Within this context, there is a danger that 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. You can read more about our conclusions for each of these barriers in [Annex C](#).

Where should we start to improve accountability?

We have concluded that delivering improvement to how accountability against the NPF operates needs to be recognised as a change requiring proactive action. Whilst all the barriers identified need to be addressed to optimise the system of accountability, some of these would be significant and complex changes that cannot be implemented quickly.

However, there are actions that leaders (at all levels) of individual organisations can take to improve the current situation. As there are already many examples of good practice, leaders can be confident that it is possible to do things differently within the confines of the

current system in relation to how they think about, and demonstrate accountability for, progressing NPF outcomes. Crucially, if enough leaders make some small individual changes then this change in collective approach can start to change the accountability system they all work within.

We therefore conclude that starting with asking individual leaders to consider what action they can take, within the role they hold, will be the most expedient way of making a rapid improvement. It will also be the catalyst to unlocking the energy required to undertake potentially more complex procedural or structural changes (if indeed these are still needed once the benefits of behavioural change across the whole system have been realised).

How can leaders be empowered to change?

We need to recognise the change we are seeking to make is a change to individual behaviours. First and foremost, it is the leaders, including the political leaders, in the various organisations that need to feel empowered to do something different if the system of accountability is to shift. It has therefore been useful to consider the change approach for those leaders.

Change in an individual is achieved when:

- There is a level of dissatisfaction with the status quo.
- The (post-change) end state is desirable.
- The change is achievable - i.e. individuals have knowledge of the steps required, risk and disruption are minimised.

And the combination of the three factors above outweighs the perceived 'cost' of the change.

The requirements to achieve a shift in individual behaviours (of those being held to account, those setting the expectations of what should be delivered, and those doing the holding to account) can be thought of through the lens of the ADKAR®¹ model. It is by using this model we can achieve some insight into the actions that could be taken next to move this work forward.

- **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?

¹ Prosci developed the ADKAR model. For more information, please visit [The Prosci ADKAR® Model | Prosci](#)

- **Reinforcement:** Are the behaviours of those who are demonstrating their accountability against the NPF being positively reinforced?

The reinforcement aspect is particularly important to incentivise leaders to engage. Without it, the desire to engage will only be intrinsically driven, whereas the reinforcement aspect creates an extrinsic motivation as well.

How can we take the action required?

- **Awareness:** More work is needed to raise awareness of the importance of accountability against the NPF. Organisations will always have a range of things they are accountable for. A shift in mindset from viewing the NPF as 'yet another thing' to be accountable/hold others to account for, to embedding it at the core of all their decisions will put the NPF on a different level from other accountabilities. This is something we plan to progress through engagement on this report and we hope that, as the message spreads, this can become a much wider conversation.
 - **Desire:** Creating the motivation for leaders to do more to be accountable for their role in the delivery against the NPF should partially flow from greater awareness and self-motivation to *do the right thing*, but there is also the opportunity to create a motivation inspired by others. If other leaders within the system start to make the changes required, or those who are already examples of good practice can be more clearly highlighted, others can be motivated to follow suit. The concept of 'leaders' and 'first followers' will be important here as a route to create a critical mass for action, enabling a tipping point to be reached. Beyond this tipping point, those who have not embraced the change become increasingly exposed as visible exceptions to the newly established cultural norm of 'the way things are done around here'. This is truly a case of 'the whole is greater than the sum of the parts', by creating a virtuous circle, once enough leaders make a small change, the system itself will start to change, which in turn will make it easier for further positive changes to emerge.
-
- **Knowledge:** As part of the first phase of our work we have produced a series of one-pagers that describe, for the leaders of the types of organisations involved, (i.e. [delivery organisations](#), [scrutiny organisations \(including the political element\)](#) 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. These are attached at [Annex D](#). It is important to recognise that any organisation can create a virtuous circle if they make the change first. For example, a delivery organisation that more clearly identifies how they plan to deliver against the NPF outcomes in their corporate documents, makes it more straightforward for a scrutiny organisation to review their progress against this aim. Similarly, an enabling organisation that clearly commissions work with the NPF outcomes in mind, is more likely to incentivise delivery organisations to articulate how the work they plan to do meets the NPF outcomes in their business case, bid or funding application. It is also important to note that some organisations will be both delivery and enabling organisations and can therefore consider adopting the actions identified for both types of organisation in the way they deliver these different aspects of their role.

- **Ability:** We have developed a maturity matrix 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. An initial version of this matrix is included at Figure 1 below. We will develop this further during our next phase of work (including considering the potential to produce a digital 'check-up' tool). We anticipate that this will give all organisations something realistic that they can aim to achieve in the short term, whatever their current level of maturity, and an idea of what they can aim to progress towards in the longer term. We fully acknowledge that different organisations operate in different circumstances, have different challenges and will have different constraints that may limit how far and how fast they can seek to make any changes. We offer the maturity matrix simply as a mechanism to enable organisations to consider where they are, and whether there is anything, however small, that they have the capacity to start to do differently to begin to nudge towards a different approach to their contribution to delivering the national outcomes.
- **Reinforcement:** Some of the organisations and individuals involved will have a particularly important role to play in reinforcing the behaviour change, e.g. Scottish Government sponsor teams, auditors/regulators, political leadership and parliamentary/local government committees. Reinforcing and rewarding those 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. As noted under 'knowledge' above, part of the reinforcement should come naturally when, in response to an organisation that has moved first and shifted its approach, other organisations also shift their behaviour as it has become easier for them to do so.

N/A	Stage 1 Basic	Stage 2 Progressing	Stage 3 Advanced	Stage 4 Leading Edge
Extent of NPF focus	Mention of contributing to the NPF in terms of the role of the organisation	Clarity on a national outcome that the organisation contributes to	Clarity on multiple NPF outcomes that the organisation contributes to	Clarity on how the organisation both contributes in its own right and enables others to meet NPF outcomes
Leadership Involvement	Limited leadership involvement or commitment	Leaders have goals and responsibility for NPF outcomes	Leaders are held accountable for delivery against NPF outcomes	Leaders work collaboratively across organisational boundaries to deliver NPF outcomes
Collaboration	Organisation works alone to deliver its contribution to the NPF	Organisation shares knowledge and information with other organisations who are delivering to the same NPF outcomes	Organisation engages with others to co-ordinate individual activities to deliver against NPF outcomes	Organisation works in partnership with others to deliver NPF outcomes
Measurement	Input measures	Output and input measures	Outcome measures, supported by input and output metrics that are in service of those outcomes	Outcome and value measures supported by input and output metrics that are in service of those outcomes
Budgets	Budgets allocated on basis of baseline plus/minus %	Budgets allocated with knowledge of the outcomes they will contribute to in general terms	Budgets allocated on basis of likely impact on outcomes	Budgets additionally shared with other organisations
Approach	Reactive approach	Purpose-driven approach	Transformational approach	Sustainable approach

Figure 1: Proposed NPF Accountability Maturity Matrix

Conclusion and Next Steps

The work undertaken in investigating and developing this report has cemented the view of those involved that inspiring a change in individual leaders' behaviour is the key to improving accountability against the NPF. This change will be the catalyst to unlocking a far greater level of maturity in how organisations in all roles (delivery, enabling, scrutinising and political) approach ensuring the delivery of the NPF outcomes.

Furthermore, our work has concluded that there are some very simple steps that leaders in all these organisations can take to move towards a different approach. There are already examples of good practice where this is happening, that other organisations can draw from as motivation and inspiration. Everyone can do something right now that will make a difference.

The proposed next steps will be focused on engagement on the initial conclusions to build understanding around them and motivate leaders of organisations to take them on, as appropriate for them. We also intend 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.

Annex A

Purpose of the work

1. To identify:
 - a. How greater collective accountability for delivery against the NPF could be achieved.
 - b. How all organisations that can contribute to achieving the NPF outcomes are incentivised to do so.

Background and requirement for the work

2. The [NPF](#) is for all of Scotland. It aims to create a more successful country; give opportunities to all people living in Scotland; increase the wellbeing of people living in Scotland; create sustainable and inclusive growth; reduce inequalities and give equal importance to economic, environmental, and social progress. To achieve this purpose the NPF sets out 'national outcomes' and measures progress against 'national indicators'.
3. The NPF aims to get everyone in Scotland to work together to deliver the NPF outcomes. This includes national and local government, businesses, voluntary organisations; and people living in Scotland.
4. Effective working together requires good systems of accountability and the right incentives. Our work has therefore explored how these aspects can be enhanced in order to underpin the delivery of the NPF outcomes.

Approach

5. Following discussions at recent Scottish Leaders Forum events, and an agreement that it would be meaningful and appropriate to look at how accountability and incentives against the NPF and the NPF outcomes could be improved, a small grouping of colleagues from a variety of public service organisations have met over the last year to:
 - a. examine the current status of accountability against the NPF
 - b. identify what good would look like
 - c. identify the barriers currently in place that are preventing improvement
 - d. identify the change needed to deliver improvement
 - e. examine examples of good practice to draw lessons that can be shared more widely.
6. In the course of our work, we have also asked ourselves what, beyond a more robust mechanism for being held to account, would incentivise leaders within relevant organisations to use the NPF effectively to set priorities for action, drive collaboration and measure performance.

Scope

7. Within our work we have 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 and delivery. For this reason, the conclusions of this work have a potentially very broad audience. In the first instance the conclusions drawn from this work are intended for consideration by the leaders who participate in the Scottish Leaders Forum. This includes many organisations (public, private and third sector) which carry out public functions and which must have regard to the NPF outcomes in line with the Community Empowerment Act (2015). However, delivery of the NPF outcomes is certainly not the sole preserve of organisations who carry out public functions, and therefore there is the potential for a wide range of other organisations² to reflect on our conclusions in relation to their contribution to the NPF outcomes.

² Other organisations who have the potential to contribute to the delivery of the NPF and its outcomes include a broad community of service provider (public, private and third sector), infrastructure and capability providers.

Annex B

Accountability against the NPF

What is the current status of accountability against the NPF?

1. In a word the current status of accountability against the NPF can be described as 'patchy'. There is no current golden thread that provides consistent end to end accountability for delivery of the NPF outcomes. There are some excellent examples of public service organisations, parliamentary scrutiny, audit activity and organisational governance ensuring that, at every stage in the process - from planning to delivery to reviewing - outcomes and impact is at the heart of the debate. But even here the ability to hold organisations to account in a collective manner for their joint success is limited. Equally at the other end of the spectrum there are examples of public service organisations who most definitely do (or should) contribute to one or more of the NPF outcomes where there is no or very limited evidence that it is a core part of their planning and delivery, and the scrutiny mechanisms to which they are subject also make no or very little reference to challenging their contribution towards a national outcome.

What would 'good' accountability against the NPF look like?

2. 'Good' accountability is not an end in itself. An effective mechanism for accountability is fundamentally about ensuring that what needs to be delivered is delivered and that it is meeting the needs of service users. All organisations involved are ultimately accountable to the citizens of Scotland. Good accountability systems should also have an improvement focus; support learning and continuous improvement (based on things such as user feedback) that future delivery can be further enhanced. This improvement focus is a key incentive for organisations to engage willingly in the accountability process – by seeing it as a genuine opportunity to be supported in improving performance, and thereby being better placed to make a more effective contribution in the future. Mastery is a great personal motivator for leaders – they want to be better at their jobs and for their organisations to perform to the best of their ability, delivering the best possible service for their customers. If the accountability process can support this, it will create a virtuous circle.
3. Our work has clearly identified that implementing an effective approach to accountability for delivery against the NPF outcomes is a system-wide issue. Each organisation within the system has a clear role to play in facilitating an effective accountability framework. Put in simple terms there are four 'types' of organisation that contribute to ensuring effective accountability.
 - The Scottish Government and COSLA in their role as the design authority of the NPF. They can play a key role in ensuring that the design is conducive to good accountability and appropriate incentives – and thereby make it easy for other types of organisation to operate effectively within the system.
 - Organisations who deliver activities that contribute to elements of the NPF.

- Organisations who enable the activities to be undertaken (e.g. providing finance, developing policy).
 - Organisations (including political structures) who scrutinise the effectiveness of the performance being achieved by organisations.
4. 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 the organisations involved. It is also important to ensure that this approach works in harmony with other lines of accountability that organisations will have – for example councils are accountable to their communities as part of the democratic process. It will not be helpful if there is a tension between what an organisation is being held to account for delivering in NPF/national outcome terms and what they are being held to account for delivering through other processes. The diagram shown at Figure 2 below illustrates the interconnected activities that shape contribution to the NPF outcomes.

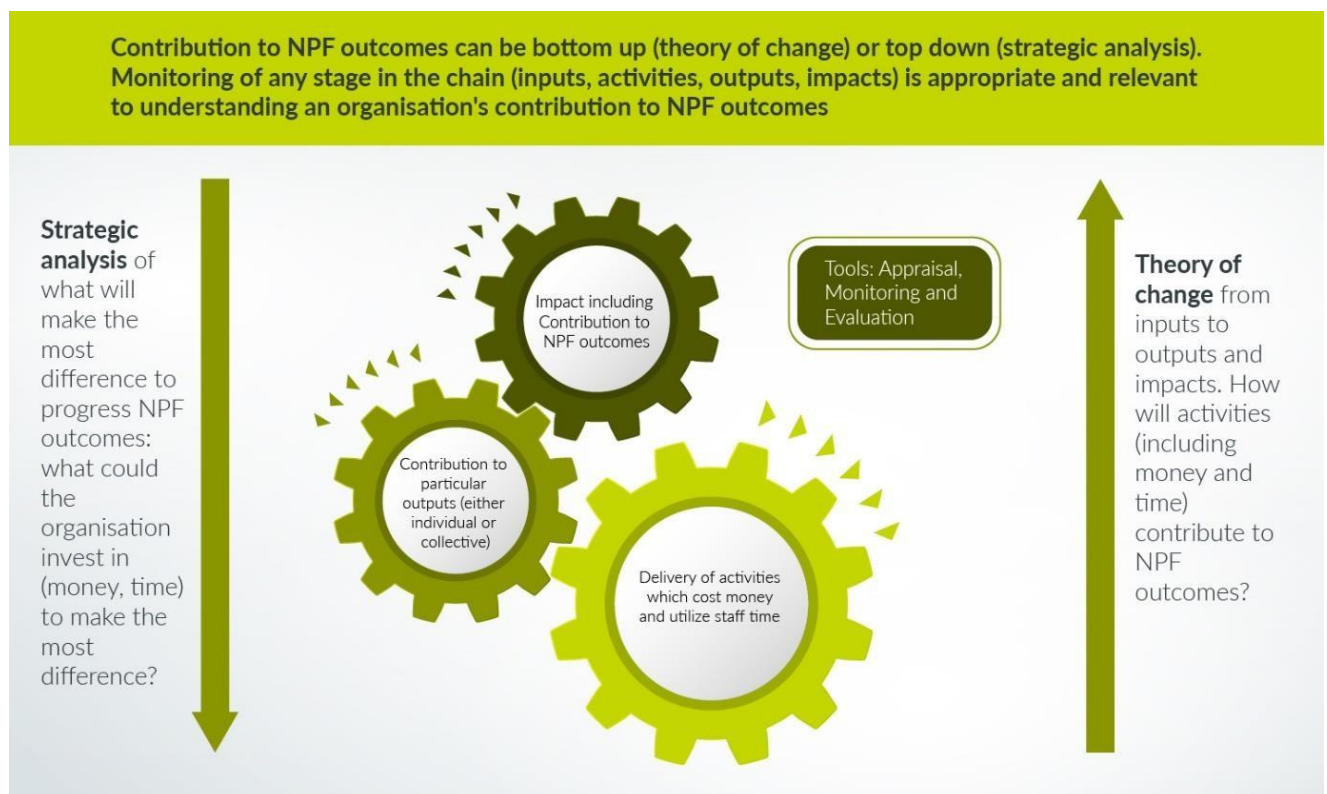


Figure 2: Interconnected activities shaping contribution to NPF outcomes

5. As part of our work we have developed a 'driver' diagram, shown below at Figure 3, that shows just some of the many elements that need to come together to underpin effective delivery against the NPF.
6. An effective system of accountability will encourage and enable these positive drivers to be in place.

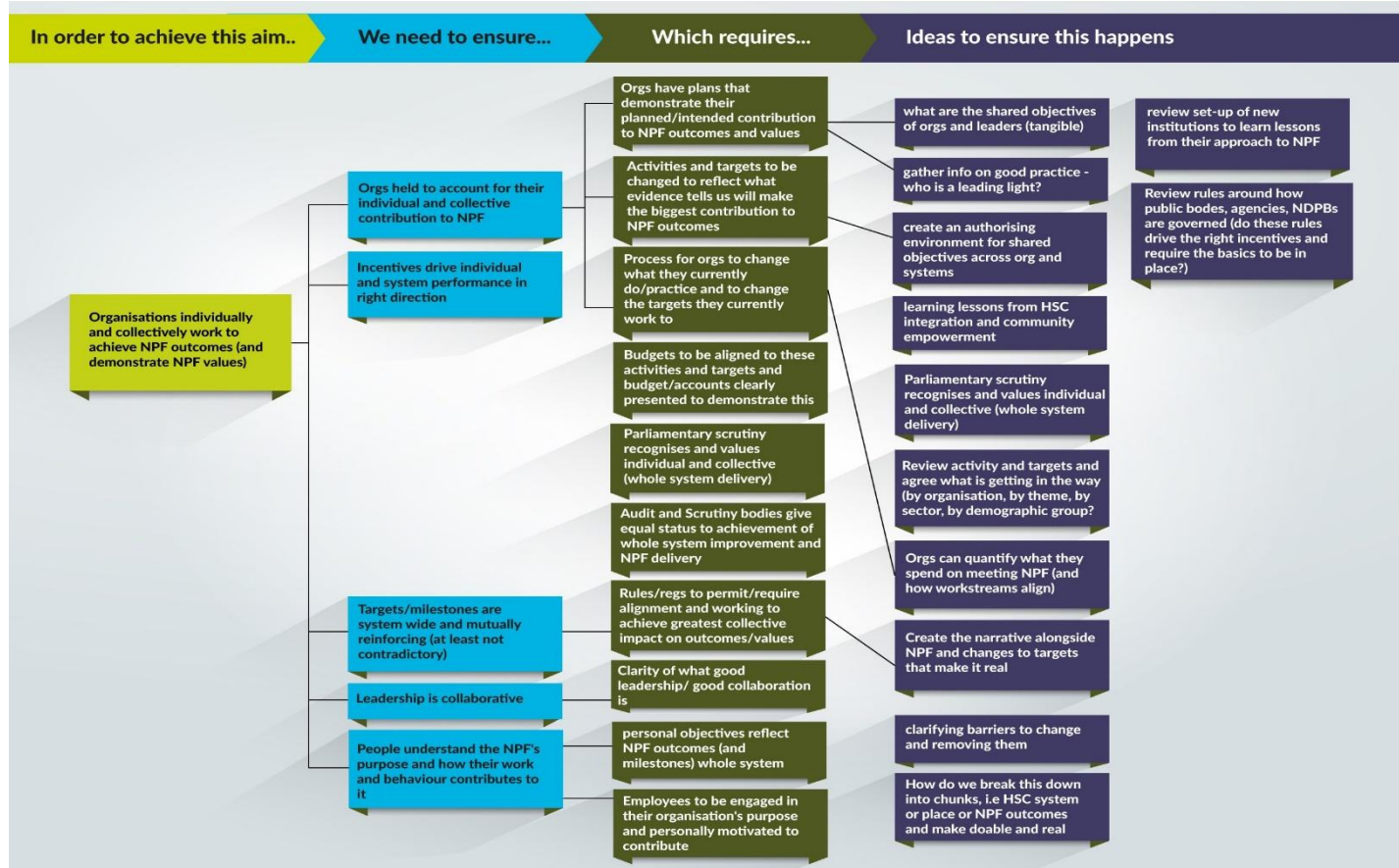


Figure 3: Elements that underpin effective delivery against the NPF

Annex C

Barriers to accountability against the NPF

1. In the course of our work, we have identified several barriers that currently make delivering an effective system of accountability against the NPF more challenging. These can be summarised as:

- **Behavioural:** the NPF is not consistently embedded in the day-to-day thinking and actions of most public service leaders. It is therefore not second nature for leaders to challenge and question on a regular basis how their organisation is contributing to the NPF and to strive to deliver more effectively against its outcomes.
- **Structural:** effective delivery of the NPF outcomes requires cross-organisational collaboration and coordination across organisational boundaries. Whilst there is undoubtedly more that organisations themselves can do to improve how they deliver and contribute individually against the NPF, the step-change in achieving the outcomes requires organisations to work together. Current approaches to accountability place much emphasis on the accountability of a lead individual responsible for the performance of their organisation. The diagrams at the end of this annex illustrate the different structures for accountability that exist in central government, local government and the third sector.

The current system of accountability does little to encourage cross-organisational working and holding individuals to account for their role in ensuring their organisation contributes to the performance of a collection of organisations. This is further complicated by the myriad of different accountability structures, where individual organisations report into different structures, are scrutinised by different bodies, and may even have more than one axis of accountability depending on the nature of their organisational construct and the particular framework they operate within. There is also limited emphasis placed on the values in the NPF – organisations will usually have their own statements of organisational values with limited reference to how these relate to the NPF values.

It is also true to say that, in general, organisations place greater emphasis on describing “**what**” is delivered rather than “**how**” it is achieved. Money also matters; how budget processes work, nationally and locally can often run counter to taking a rounded outcome-based approach. Making a shift towards long-term outcomes might require budget shifts from one organisation or sector to another.

The structural issues also extend to incentives - there aren't many incentives yet in play that actively support a shift towards longer-term outcomes. Such incentives do exist, are generally quite siloed and favour shorter-term delivery. These barriers are also reflected in the way in which much external scrutiny operates which in many cases still focuses on the performance of an individual organisation rather than how partners are working together to deliver improved outcomes.

- **Procedural:** current procedures (such as budgeting processes, audit processes etc) do not make significant use of the NPF and therefore there is little incentive for leaders within organisations to focus significant attention on it. The diagram at Figure 4 below illustrates the various components that would need to be in place to address the structural issues.



Figure 4: Components of the structural issues

- **Political:** the NPF is not routinely embedded in political scrutiny such as the work of parliamentary committees, or councils' equivalents. The lack of political challenge on the NPF outcomes or the elements of the NPF, means it naturally gets less focus in the short-term than monitoring and reporting on service-specific factors. There is also a key contribution that Ministers can make - asking their officials/public bodies how they are accountable for the NPF outcomes, will drive a shift to ensuring the leaders of those organisations have a very real incentive to focus on the NPF and their contribution to it.

Appendix 1: Figures to illustrate different accountability structures:

These diagrams are intended to provide an illustration of the complexity of the accountability landscape. We fully acknowledge that they are simplifications of what exists in practice for individual organisations, who will have additional or slightly different accountabilities to those shown. It is also important to note that some organisations will fulfil more than one role, and will be working simultaneously in different parts of the

complex accountability system. These diagrams have not been included to invite a review of the current complex system, but simply to reinforce the point that seeking to change the system of accountability in isolation as a solution to improving accountability for delivery of the NPF isn't the right place to start.

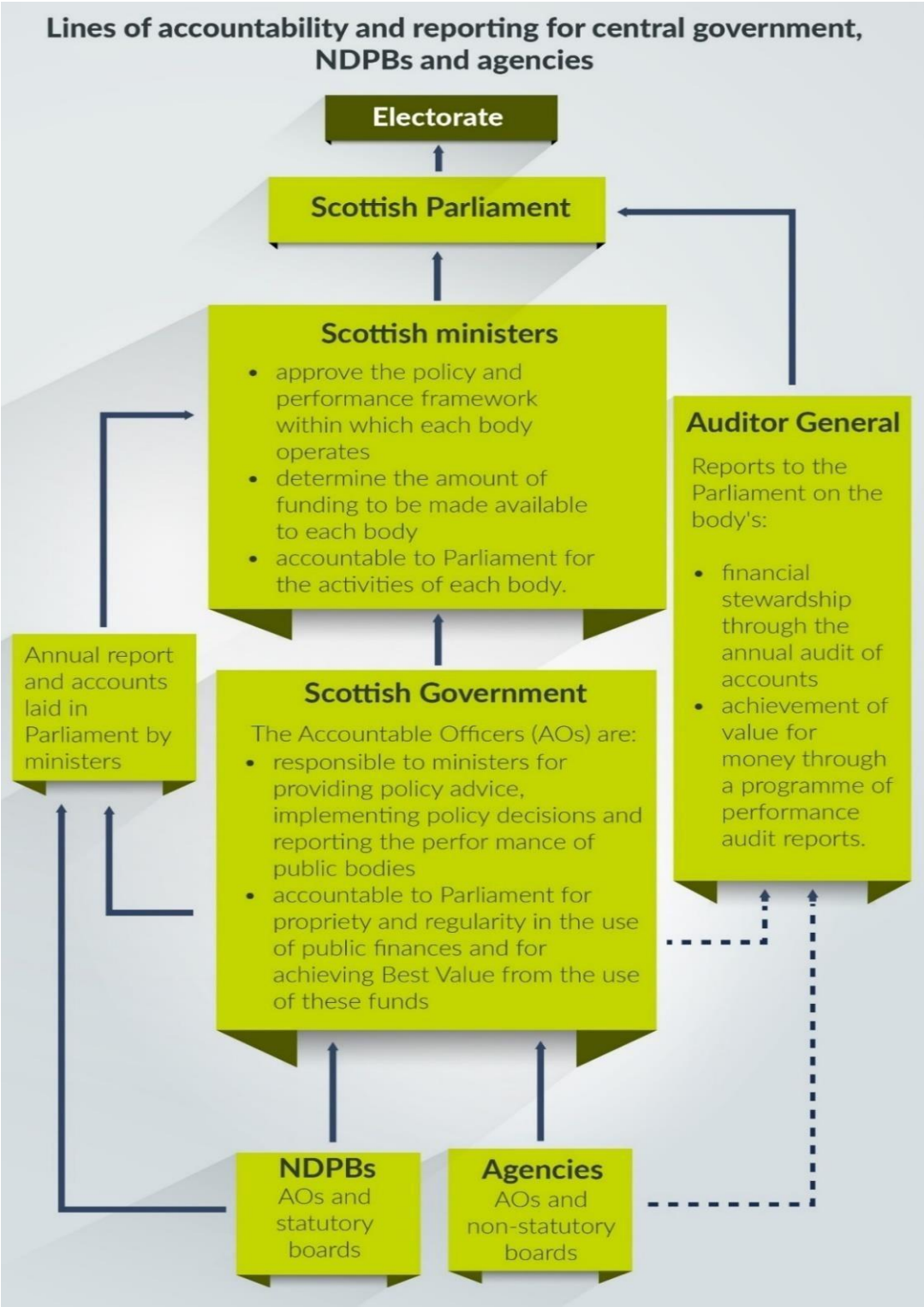


Figure 5: Central government/NDPBs/Agency accountability



Figure 6: Local authority accountability

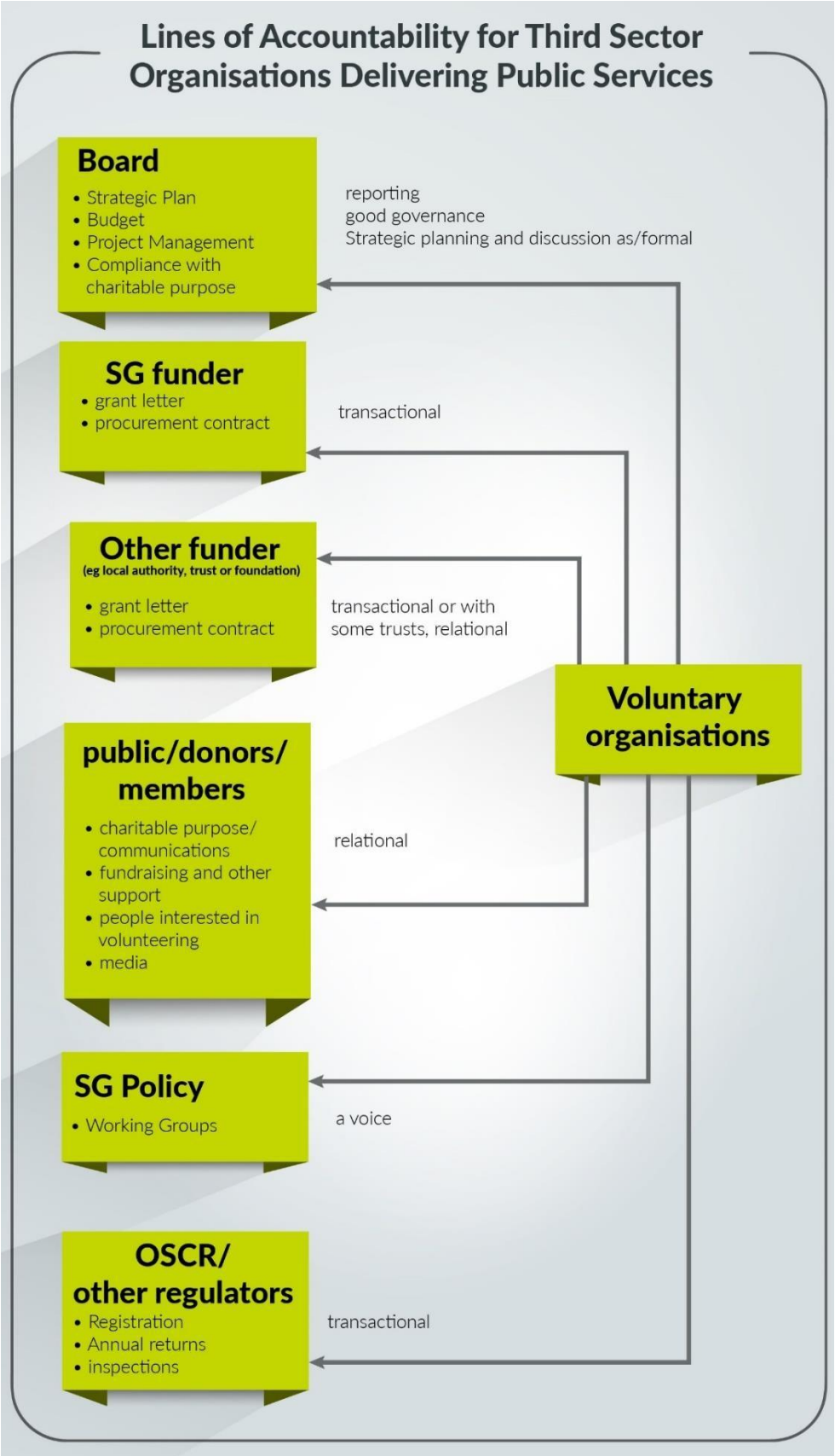


Figure 7: Third sector accountability

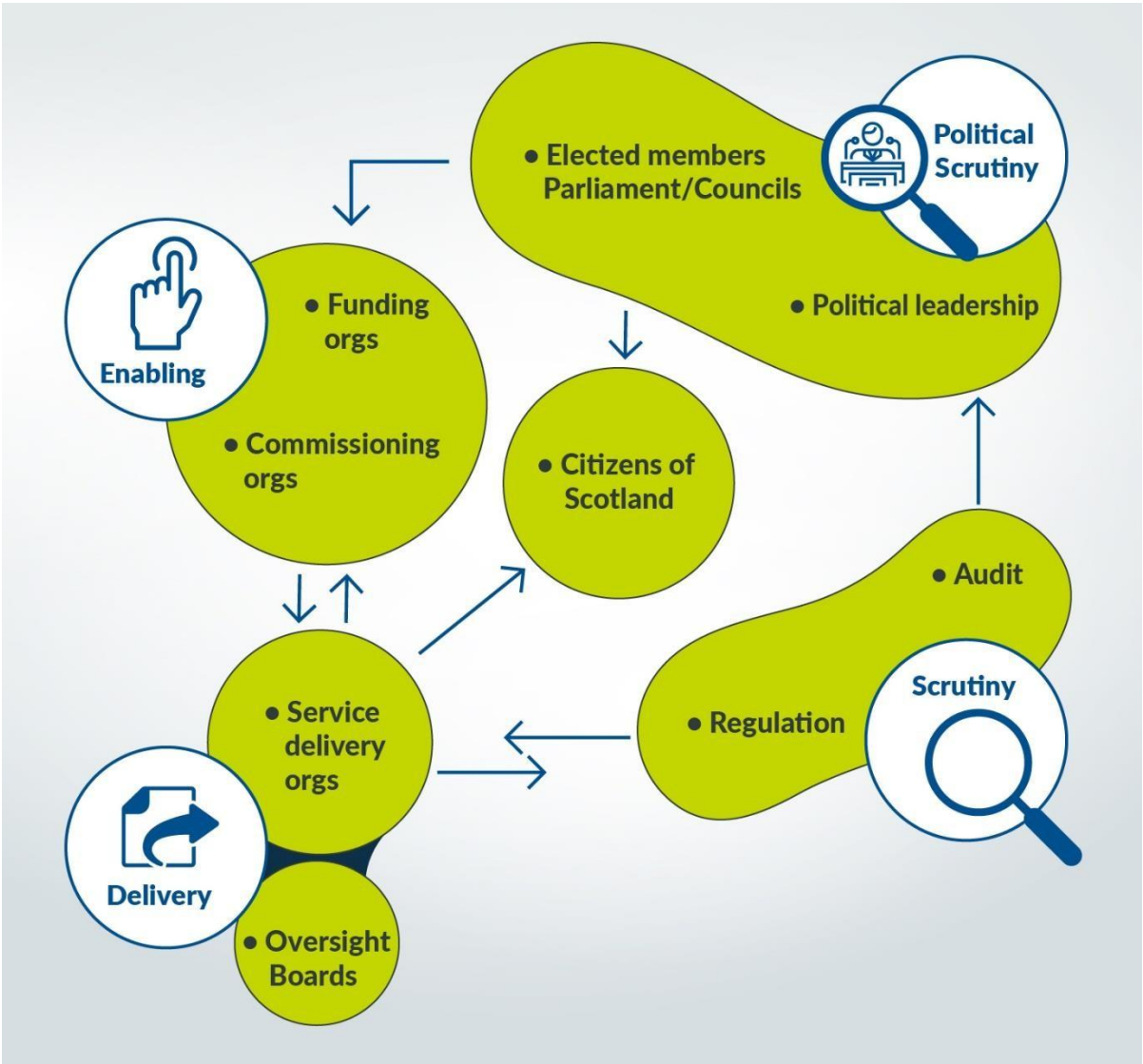


Figure 8: A summary overview of accountability

Annex D Different types of organisations

Delivery Organisation

A delivery organisation can enhance its accountability against the NPF in the following ways:

Contribution:

- Corporate documents reference the NPF.
- Corporate documents are explicit about which NPF outcomes the organisation contributes to.
- Corporate documents have clear statements of what the organisation is doing to contribute to each relevant national outcome.
- Corporate documents provide measurable key performance indicators that can be used to measure progress against activities that contribute to NPF outcomes.

Collaboration:

- Organisations identify their individual contribution to the NPF.
- Organisations identify how their contributions complement those of others, being clear about their own contribution in the context of the wider objectives of a collective endeavour.
- Organisations identify how they will undertake collaborative activities with others to deliver NPF outcomes.

Individual performance:

- The Chief Executive has delivery against the NPF as an objective within their annual performance review.
- Senior leaders within the organisation have delivery against the NPF as an objective within their annual performance review.
- All colleagues within the organisation can articulate how their work contributes to the delivery of the NPF.

Governance:

- Organisations use their internal accountability mechanism to review their own performance against the NPF.

- The benefits of any proposed organisational change include an explanation of how the change will improve the organisation's contribution to the NPF outcomes.

Reporting:

- Organisations are transparent in their corporate publications about how they are contributing to the NPF and how they are performing against key activities/deliverables which contribute to the NPF outcomes

However, it is important to note that these principles for delivery organisations will only ever work truly effectively if similar principles are also applied to all the organisations that ensure effective accountability. The system is symbiotic – a positive move towards greater accountability in one part of the system needs to be reciprocated from the other parts of the system in order to reinforce and sustain the change. The biggest incentive for all leaders in the various parts of the system to engage will be that supporting greater accountability is valued by the other parts of the system.

Scrutiny organisation

External scrutiny bodies have an important role to play as part of the overall network of accountability of public services in Scotland. Their independent reporting on the performance of organisations provides public assurance on the quality and effectiveness of public services and supports improvement through its highlighting of good practice and innovation.

Historically the work of these bodies has tended to focus on the performance of individual organisations or sectors aligned to either Accountable Officer or institutional lines of accountability to Parliament, government, or others.

The way in which external scrutiny operates has evolved over time to reflect the increasingly inter-dependent nature of public services which are now often delivered in partnership with others, across sectors and, in many cases, with significant third sector input. However, external scrutiny based on single organisations (e.g. NHS Boards, Council, NDPB, Agency) or institutions (e.g. schools, hospitals, care homes) remains a legitimate and important feature of much audit, inspection and regulatory activity, given the important role that these units of public service delivery have on service performance and outcomes.

The introduction of the NPF has heightened the importance of external scrutiny taking a longer-term outcomes-based approach to its work, considering how different bodies and agencies work together to address complex cross-cutting issues such as the drive towards prevention, addressing inequalities, supporting sustainable and inclusive growth, and improving wellbeing.

Many audit and inspection approaches are now thematically based and undertaken on a multi-agency basis. But there is still scope to create a clearer line of sight between this work and key NPF outcomes.

Creating this alignment has at times proved challenging as scrutiny bodies have sought to implement these new models of scrutiny alongside their existing statutory commitments (e.g. school inspections) and because the NPF is not used to drive or frame the introduction of new scrutiny regimes. These issues were set out clearly in the [Crerar Review](#) in 2007.

There is widespread agreement amongst scrutiny bodies that moving towards more outcome-focused scrutiny models is the right way forward. The Accounts Commission's strategic scrutiny group has been leading thinking on how further progress may be made in aligning scrutiny activity with the NPF and will be an important partner for the Action Group in taking forward the conclusions and recommendations set out in this report.

That ambition to focus on outcomes is shared with the Scottish Parliament. The [Commission on Parliamentary Reform](#) highlighted the need for a stronger focus on long term outcomes and the strengthening of community voices in the work of the Parliament. This aligns with the spirit of the NPF.

Scrutiny organisations can enhance the promotion of effective accountability against the NPF in the following ways:

- Reflecting relevant NPF outcomes in audit and inspection methodologies.
- Promoting effective partnership working and collaborative leadership within and across sectors in support of key NPF outcomes when undertaking and reporting scrutiny work.
- Reporting on the specific contribution individual organisations and public bodies are making to the delivery of relevant NPF outcomes in audit and inspection reports.
- Reinforcing the importance of shared accountability for outcomes.
- Embedding citizen experience and outcomes more consistently in scrutiny activity.
- Promoting learning and improvement alongside accountability, including placing a stronger focus on highlighting innovation and good practice through their work, particularly where this is having a direct impact on improving outcomes for communities.

Parliamentary scrutiny

Many of the principles set out above can apply to parliamentary scrutiny of the NPF. However, Parliament's unique role, and the specific role of MSPs, is also worth reflecting here. A lot of work went on at official level in the Parliament in Session 5 to increase visibility and use of the NPF as a tool for scrutiny. But while there were some notable successes, the NPF is by no means embedded. And while staff of the Parliament can, of course, advise MSPs and committees on a particular course of action, it is rightly for

Members and Committees to decide on their approach. Taking these points into account, Parliament staff could:

- Continue to promote the NPF as a useful tool for scrutiny.
- Include the NPF in induction materials for new and returning Members.
- Support Members in their role as parliamentarians, including through CPD, to enable impactful scrutiny, including tools to make it easier to hold Government, delivery bodies etc to account for their performance against outcomes and the NPF.

Enabling organisation

An enabling organisation is one which sets strategy or policy to progress NPF outcomes either at a Scotland wide or more local level; or which provides funding to others through provision of core finance, direct contracting, grant-making or any other means.

Many organisations will be enabling organisations, as well as being direct providers of services in their own right. For example, local authorities, Scottish Government, and many Scottish Government agencies.

Setting strategy and policy

- Strategy and policy should include information about their expected/intended impact on NPF outcomes, including approaches to monitoring and evaluation which will allow that contribution to be understood over time.
- Evidence of expected or intended impact is drawn from credible and diverse sources, including evidence about people's lived experiences and impact on wider communities and localities.
- Strategy and policy recognise the underlying drivers of the issues and focuses on prevention.
- Strategy and policy are targeted at those organisations across all sectors whose actions will be most impactful.

Providing Funding

Providing core finance

- Money is allocated based on an understanding of the activities, outputs, and intended impact of the programmes it will fund, including their contribution to the NPF.
- Budgeting processes enable prioritisation choices to be drawn out relative to different NPF related impacts.

SLF - Leadership, Collective Responsibility and Delivering the National Outcomes 26

- Budgeting processes incentivise a focus on value for money in terms of impact and long-term outcomes.
- Funding allocation rewards collaboration as an appropriate approach to delivering outcomes.

Commissioning, procurement and grant giving

- Commissioning, procurement and grant giving is focused on, and aligned with, improving outcomes linked to the NPF.
- Arrangements to support these processes balances cost and value-for-money with wider public value considerations (e.g. human rights and equalities).
- Commissioning plans and strategies are developed in partnership with relevant stakeholders (local communities, providers (including the third sector) and people with lived experiences, where relevant).
- The long-term nature of many NPF outcomes is reflected in commissioning, procurement and grant giving processes.

Oversight and accountability

- Oversight and accountability arrangements focus on NPF outcomes alongside relevant activity and output measures.
- The frequency and nature of reporting is proportionate and risk based.
- Bodies receiving funding are given space to innovate.
- Requirements to provide plans or strategies as a condition of funding are proportionate and flexible to avoid creating new additional burdens on provider bodies.
- Oversight arrangements involve relevant stakeholders (local communities, providers (including the third sector) and people with lived experience, where relevant).