

Strategic Performance Framework

Outline Approach

23rd August 2017

A strategic plan is being developed to support and guide increased collaboration between the Enterprise and Skills agencies in Scotland with a view to maximising the impact that they make on the overall purpose of the Scottish Government - *to create a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.*

The initial plan seeks to set out those areas where the agencies can collaborate more effectively to tackle some of the intractable challenges facing the economy and society, with a view to making the economy more competitive and improve participation in (and the performance of) the labour market.

The principles of inclusive growth are embedded within the Government's purpose and will also permeate through the development of new, collaborative interventions and be evident in the approach to measurement that is adopted.

While the outcomes we are seeking to achieve relate to the improved quality of life and shared prosperity of people in communities right across Scotland, the interventions to be prioritised by the Enterprise and Skills agencies will account for only part of the full range of factors affecting the overall performance of the economy. This will require the logic-model linking activities to impacts to be clearly thought out and fully evidenced, and while we can identify and report on 'indicators' and 'measures', these should be regarded as no more than a representation of progress towards achievement of the overall strategy. Careful analysis and evaluation will be required to generate meaningful evidence to inform future policy priorities and interventions.

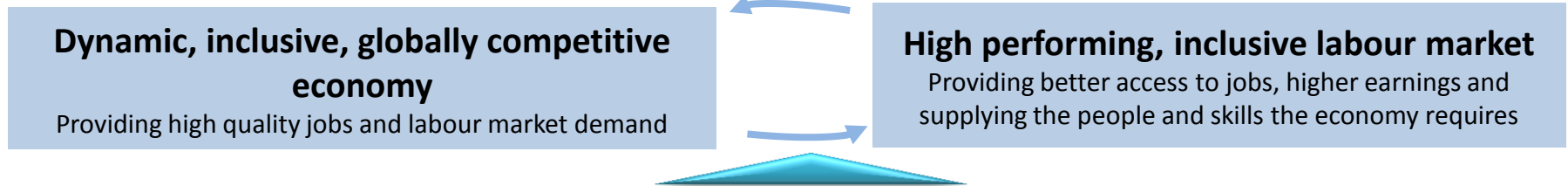
1. The Performance Framework is directly linked to the Strategic Plan; Plan outcomes will form the starting point.
2. The Performance Framework should aim to track:
 - high-level economic performance (tracking indicators), where there is aspiration for improvement against high-level OECD performance
 - outcomes and outputs of greater collaborative working across the agencies
 - Agency-level outcomes and outputs, including an approach to assessing the impact of engagement (with companies and individuals)
3. Performance reporting must not simply be a set of numbers; there will be a requirement for some **interpretation** of the connection between what agencies are doing and the impact on the economic performance of the economy. This will be supported through evaluation activity aligned to the Performance Framework.
4. It is not intended that the chosen measures within the Performance Framework should be used as drivers of actual activity. As with most such systems, the measures can only ever act as proxies for the actual outcomes and therefore the activities should instead be focused on achieving the outcomes, rather than improving the measures.
5. In selecting indicators, consideration will be given to existing measurement frameworks and those in development.

Vision: To make Scotland a more successful country, with opportunities for all to flourish, through increasing sustainable economic growth
Long-term goal: “Scotland to rank amongst the *top quartile* of OECD countries for *productivity, equality & wellbeing and sustainability*”

...working within the strategic frame provided by:



...focussed on the enterprise and skills systems, to achieve:



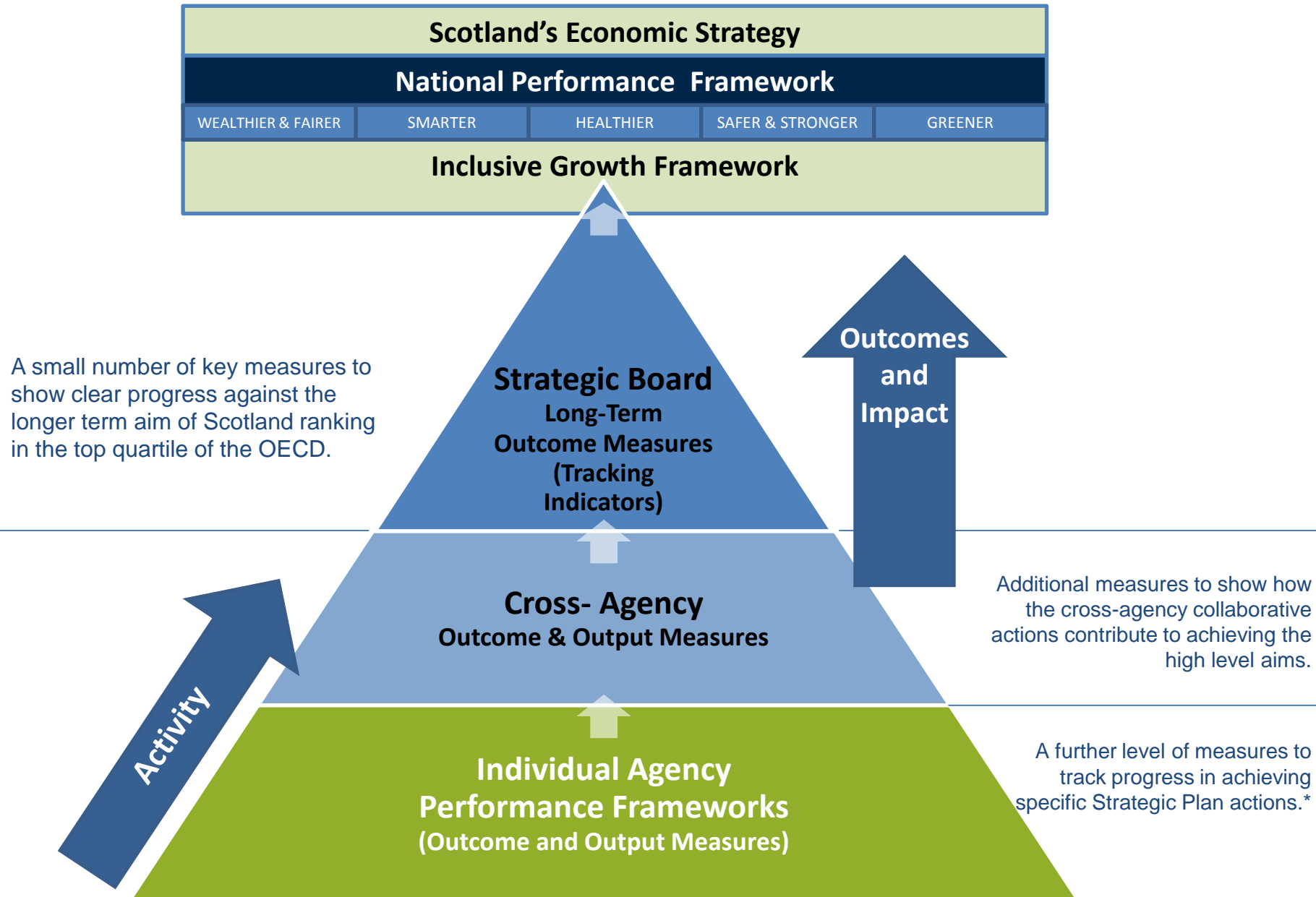
Shaped by the *Drivers of Productivity and Growth*, set out in the Phase 2 Report:



The plan will set out actions to address these drivers in a way that promotes fair work, tackles inequalities across Scotland and generates long term sustainable growth:

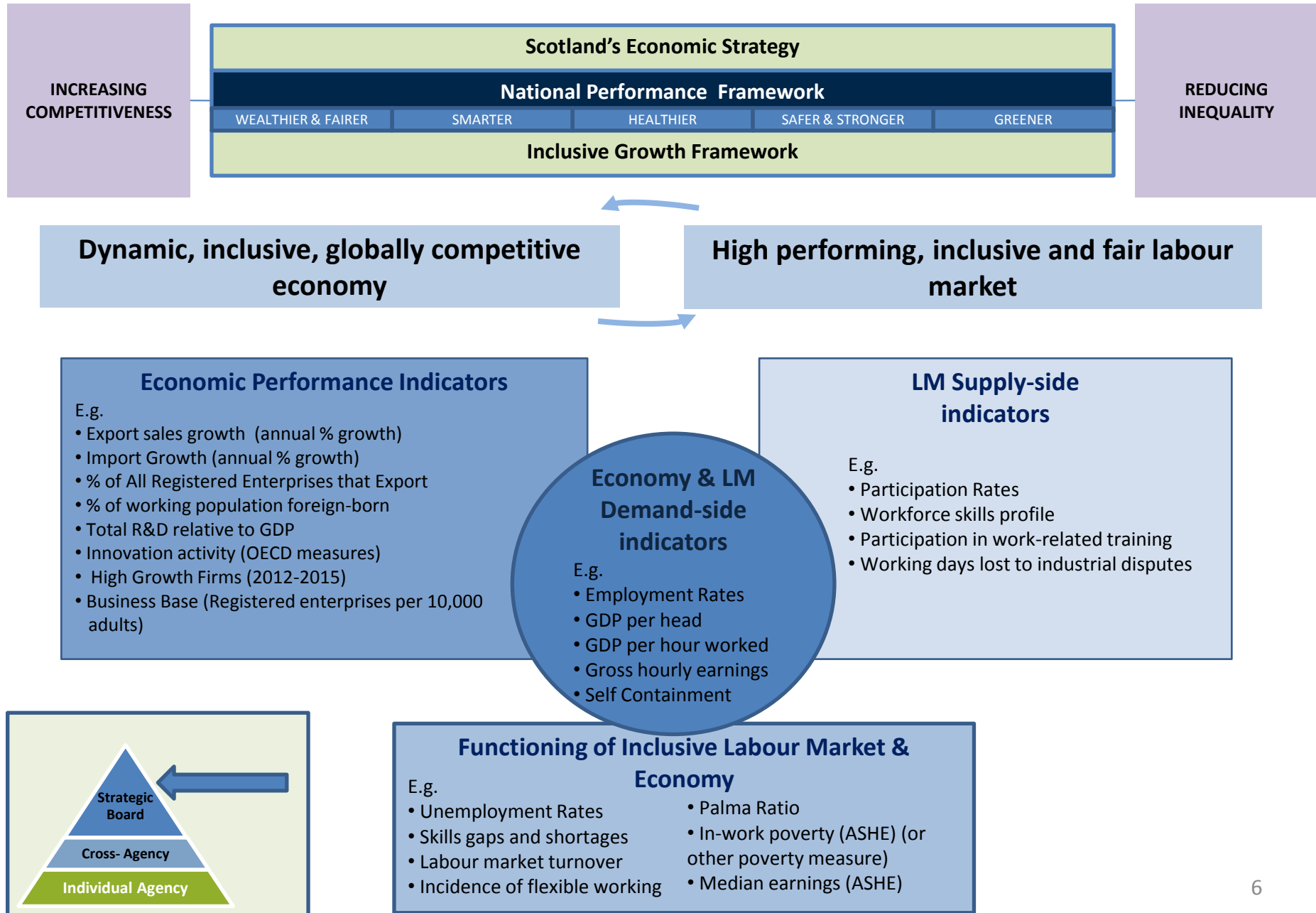


Hierarchy of Measures and Indicators



* - the Strategic Board may not wish to consider this level of detail at each meeting but should know that these are available and aligned to higher levels.

Example Tracking Indicators



Outcomes and Example Measures

INNOVATION

Businesses are effectively improving products and processes so they are internationally competitive;

Maximise benefits from collaboration and spill-overs from higher education

INNOVATION e.g.

- Businesses introducing new products
- Research and development spending
- Innovation active businesses
- Knowledge exchange from university research

SKILLS

A more skilled, productive and engaged workforce; everyone has the basic skills to participate and the opportunity to progress through up-skilling and re-skilling

Employers are able to access the skills they need (system is responsive to developing skills and training needs)

SKILLS e.g.

- % of 16 – 19 year olds participating in learning, training or work
- Graduates as % of the population (aged 25-64)
- Job polarisation (proportion of lower skilled / paid jobs)

INVESTMENT

Scotland's digital and other 'public' infrastructure can support a world-class business base

Private investment supports long-term sustainable growth

INVESTMENT e.g.

- Business Investment relative to GDP
- Inward Investment: no of investments relative to population
- Foreign owned companies' contribution to the Economy
- Infrastructure investment to support the development of key growth opportunities
- Investment in digital infrastructure

INTERNATIONALISATION

Scottish business is competitive in world markets, with strong growth in its export markets for goods and services.

Scotland is recognised internationally as an attractive place to invest, do business, study and visit.

INTERNATIONALISATION e.g.

- Exports (QNAS, ESS)
- Proportion of SMEs exporting (SBS)
- Inward investment projects
- International student numbers

ENTERPRISE

More businesses have high-growth ambitions and achieve significant growth

ENTERPRISE e.g.

- Entrepreneurial activity (TEA Scores, 2013 -15)
- Business start-ups
- Survival rate for new businesses
- Finance conditions (SBS)/ Risk capital investment (SE)
- SME growth ambition (SBS)
- Private sector turnover and employment growth
- 'Ease' of Doing Business

FAIR WORK

Fulfilling, secure and well-paid jobs, where employees' contributions are encouraged, respected and valued

FAIR WORK e.g.

- Fair work approach: employee engagement/ skills utilisation
- Gender, Disability and ethnicity pay gap (ASHE)
- Job Quality (OECD earnings / security / work environment)

PEOPLE

Economic benefits and opportunities are spread more widely across Scotland's population.

PEOPLE e.g.

- % gap between average employment rate and rate for disadvantaged groups
- Proportion of adults aged 16 – 64 with low or no qualifications (APS)

PLACE / REGIONAL

More economic opportunities across Scotland's cities, towns, regions and rural areas, ensuring sustainable communities

PLACE / REGIONAL e.g.

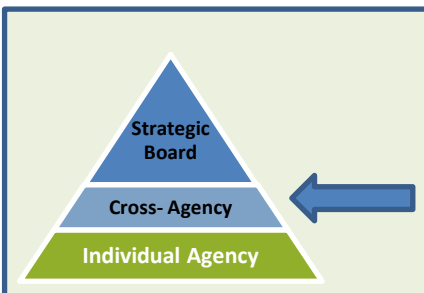
- Intra-regional disparity in income
- Intra-regional disparity in unemployment
- Number of Enterprises by Region
- Entrepreneurial activity by Region, social group

SUSTAINABLE & RESOURCE EFFICIENT

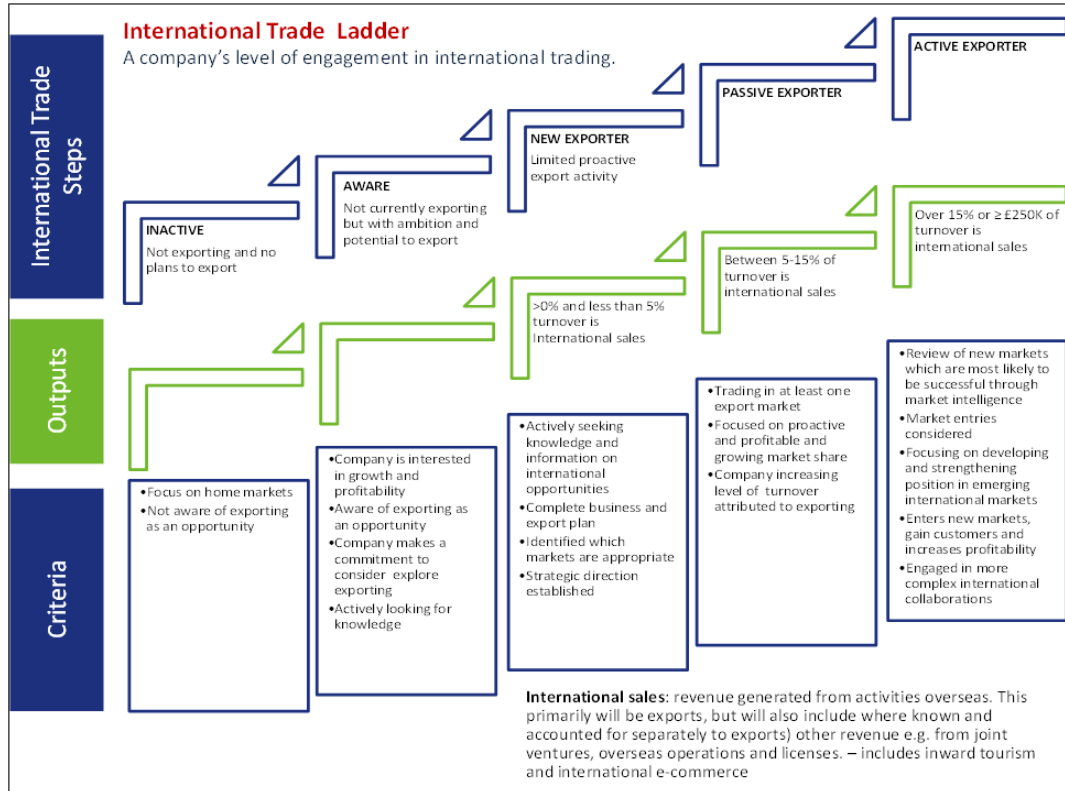
We reduce the local and global environmental impact of our consumption and production

SUSTAINABLE & RESOURCE EFFICIENT e.g.

- Return on investment
- Carbon Footprint (tCO₂e)
- Customer perception / satisfaction

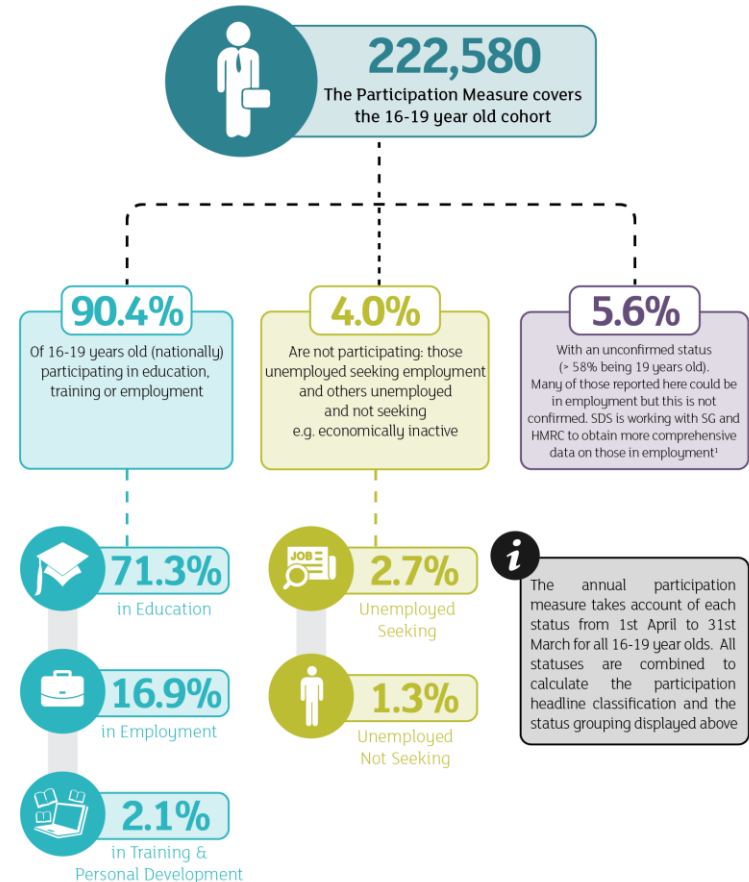


Illustrative Agency-level Measures: Tracking Impact of Customer Interventions

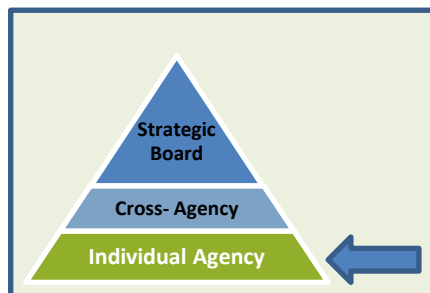


Annual Participation Measure-Summary of Key Results

(Percentages may not total due to rounding)



1. This should bring benefits in reducing the number of unconfirmed statuses.



This slide identifies some of the enablers which need to be harnessed and barriers which need to be removed to allow the agencies, Scottish Government and other stakeholders to work together more effectively.

Some of these have been identified in the Strategic Plan paper, including the need for collaboration between agencies to share data.

Others include:

- Ensuring alignment of the individual agency performance frameworks with the joint strategic performance framework.
- Identifying common data sets to ensure consistency between each reporting level
- Ensuring we have the data needed to support performance framework reporting
- Having time and resources necessary to build data requirements.

Next steps will include:

- Responding to feedback from Implementation Board on Strategic Plan
- Work to define the performance gaps that the Strategic Board wishes to prioritise, illustrating the scale of the challenge
- Logic modelling approach to link activities to impact and define outcome-related tracking measures
- Alignment of the agency performance frameworks to the strategic performance framework
- Develop approaches to performance reporting, evaluation and impact assessment

Much of this work will be taken forward by the Analytical Unit