

Response to the Review of National Outcomes Call for Evidence

About us

1. Consumer Scotland is the statutory body for consumers in Scotland. Established by the Consumer Scotland Act 2020, we are accountable to the Scottish Parliament.
2. The Act provides a definition of consumers which includes individual consumers and small businesses that purchase, use, or receive products or services.¹
3. Our purpose is to improve outcomes for current and future consumers and our strategic objectives are:
 - to enhance understanding and awareness of consumer issues by strengthening the evidence base
 - to serve the needs and aspirations of current and future consumers by inspiring and influencing the public, private, and third sectors
 - to enable the active participation of consumers in a fairer economy by improving access to information and support
4. A key component of our general function of providing consumer advocacy and advice is promoting the sustainable consumption of natural resources, and other sustainable practices by consumers. This includes conducting advocacy on net zero, climate change, and adaptation.

Introduction

5. Consumer Scotland welcomes the opportunity to contribute to the review of the National Outcomes.
6. The National Performance Framework (NPF) has a vital role in policymaking in Scotland, driving the priorities and actions of the Scottish Government and public bodies and providing a shared framework for measuring progress towards goals. The interests of consumers are central to the achievement of the National Outcomes set out in the NPF.
7. In March 2023 Consumer Scotland published our first four-year Strategic Plan. In our Plan we described the importance of the National Performance Framework (NPF) for consumers in Scotland as follows:

“The wellbeing of consumers impacts upon all aspects of the National Performance Framework. When consumers are active participants in the economy, when opportunities for better outcomes for consumers are identified and acted on, and when there is a deep understanding of consumer issues across policy makers, regulators and businesses in Scotland then this has a positive effect across all of the National Outcomes.”

8. It is important that the NPF reflects the needs and aspirations of current and future consumers, to help enable government and public bodies to proactively consider consumer issues across all relevant policy domains. While there is already a clear relationship between consumer interests and the outcomes and indicators in the NPF, our analysis has identified a number of areas where this relationship should be significantly strengthened. The review of the National Outcomes provides an ideal opportunity to do so, and support an enhanced, visible focus on the consumer interest across the Scottish policymaking landscape.
9. In this response to the call for evidence we set out why it is important to improve the recognition of consumer wellbeing in the outcomes and indicators of the NPF; and offer a number of recommendations for how this might be achieved.

The Consumer Context and the National Performance Framework

10. The annual collective economic power of consumers in Scotland is substantial. In 2021 household expenditure for Scotland was £101.4 billion, contributing 61% to Scotland's GDP². And the key remaining component of GDP is represented by investment, including infrastructure, science and innovation etc. Much of this investment is required and designed to bring benefits for future consumers.
11. Consumer Scotland defines the consumer in its broadest sense, in line with our legislation, to include small businesses. As at March 2022, there were 355,000 small businesses in Scotland providing an estimated 920,000 jobs and contributing 27% of private sector turnover - around £74 billion³. These businesses are likewise at the heart of Scotland's prosperity and wellbeing.
12. Reflecting this context, the successful achievement of all of the Outcomes in the NPF involves people acting as consumers in some capacity and requires the advancement of consumer wellbeing.
13. Consumers are a vital force for growth, economic transformation and delivering the transition to net zero. Healthy economic markets require consumer demand, the availability of appropriate and affordable goods and services, and consumer confidence. For this to be achieved, consumers must be treated fairly. They must be well informed about the goods and services they are buying or using, be empowered to make the right choices for their circumstances and be able to access redress when something goes wrong.
14. Consumers in Scotland currently face an unprecedented period of challenge and change. Factors including the UK's departure from the European Union, the economic impact of the COVID pandemic and the wider geopolitical context have led to significant difficulties for many consumers. In particular, the decline in real household disposable

income⁴ – the cost of living – as prices have risen across many markets, has brought substantial challenges to the wellbeing of consumers and is undermining consumers' capacity to support a healthy economy and to act in a range of ways that would contribute to the realisation of many National Outcomes.

15. The impact of these difficulties for consumers is not felt evenly. Scottish Government analysis⁵ indicates that households in particularly vulnerable circumstances are likely to fare worse in a cost of living crisis. This may include larger families, households in receipt of means-tested benefits (and those narrowly ineligible for means-tested benefits), households who rent their homes, households where a member has a disability, households with an unpaid carer, Gypsy/Traveller households, rural and island households, single person households and single parent households. These consumers may face particular challenges as a result of reduced real term incomes and increased costs. Certain groups of consumers are over-represented in these households, most notably minority ethnic groups and women. Many consumers will have more than one of these characteristics.
16. Alongside these challenges, there is an urgent need in Scotland to reduce carbon emissions and adapt to climate change. The evolving transition to net zero is transforming markets and services and these complex issues impact on consumers in multiple ways. Consumers have a vital role to play if Scotland is to make this transition successfully. Evidence suggests consumers regard tackling climate change as important and they recognise the need to adapt how they engage with goods and services. However, consumers in Scotland will need information and support across the economy if they are to play their essential role in realising the country's ambitious climate change target.
17. **The achievement of the purpose and outcomes of the National Performance Framework will require each of these critical sets of consumer issues to be addressed. The absence of any reference to consumers within the National Performance Framework, across its purpose, values, outcomes or indicators, now looks out of line with devolved responsibilities and with a considered assessment of the drivers of well-being in Scotland.**
18. The Scotland Act 2016 transferred new consumer and competition powers to the Scottish Parliament and in 2020 the Parliament unanimously passed the Consumer Scotland Act. This Act created, a new statutory body championing the interests of consumers, accountable to Parliament. The Act also introduced a new duty on public bodies in Scotland to have regard to the impact of their strategic decisions upon consumers. In taking these steps, the Scottish Government and Scottish Parliament have significantly strengthened the recognition of the consumer interest in the public policy landscape in Scotland.

19. The review of the National Outcomes provides an ideal opportunity to build on these positive actions and the change in responsibilities of the Scottish Government and Parliament. The review should establish consumers at the heart of the refreshed National Performance Framework. Such a step would help enable all consumers in Scotland to play a vital part in delivering a healthy economy, driving wellbeing and supporting a successful transition to net zero.

The National Outcomes

20. As noted above, consumer interests are relevant across the current National Outcomes. This is most clearly observed in relation to the National Outcome for the Economy, but the National Outcomes in relation to Fair Work and Business, Communities, Education, Environment, Poverty and Human Rights are also significant for consumers.

21. However, the term ‘consumer’ does not currently appear in the descriptors or vision statements for any of the eleven current National Outcomes. Given the very substantial role that consumers play in Scotland’s society and economy, as described above, it is our view that this omission represents a significant gap in the National Outcomes. A more explicit, visible recognition of the role of consumers within the National Outcomes would encourage and empower policymakers across government and public bodies in Scotland to give due consideration to the consumer interest when formulating and implementing policy. This would be in line with, and would support, other recent strategic decisions that strengthen the position of consumers in the Scottish public policy landscape, notably the establishment of Consumer Scotland and the creation of a new duty of public bodies in Scotland to have regard to consumer interests when taking strategic decisions.

22. Our advice is that the Scottish Government should consider strengthening the recognition of consumers in the National Performance Framework by creating a new National Outcome for Consumers, alongside any needed adaptations of other outcomes.

23. Such an outcome would highlight the importance of consumer participation, fairness and wellbeing. We would be pleased to work with the Government and other stakeholders to develop an appropriate descriptor, vision statement and indicator set and to identify relevant data sources to measure such an outcome. There may be opportunity to align this work with Consumer Scotland’s statutory duty to produce a Consumer Welfare report every three years, examining how well the interests of consumers in Scotland are being served and identifying where consumers are experiencing harm. We are currently scoping the content and process for this report, including the data requirements that will underpin it.

24. We recognise, nonetheless, that there is likely to be significant interest from a wide range of stakeholders in the call for evidence on the National Outcomes and that there

will be a limit to the number of new Outcomes that the Scottish Government can establish following the review process.

25. Alternatively, if a new National Outcome focused on consumers is not developed at this stage, then another approach that the Scottish Government could adopt would be to more explicitly recognise consumers within one or more existing outcomes. **Given the centrality of consumers to the economy and business, as described above, we would recommend as a minimum that the Scottish Government updates the description and vision statement of both the National Outcome on the Economy and the National Outcome on Fair Work and Business to recognise the importance of consumers to each of these Outcomes.** If this approach is taken, it will be important to ensure that revised outcome maintain a legitimate focus on the Economy and on Fair Work and Business while integrating consumer aspects.
26. The refreshed descriptions and visions for these Outcomes should highlight the importance of achieving positive outcomes for consumers, by increasing consumer confidence, reducing consumer harm, empowering consumers to take sustainable decisions and supporting consumer inclusion, fairness, prosperity and wellbeing. Such an approach would align with the statutory purpose of Consumer Scotland Act and support a coherent, strategic framework for advancing the consumer interest in public policymaking in Scotland.
27. As above, Consumer Scotland would be pleased to work with the Scottish Government and other stakeholders to develop the appropriate language and indicators to support refreshed National Outcomes on the Economy and Fair Work and Business to better reflect the consumer interest; and to identify the appropriate alignment with our own forthcoming Consumer Welfare Report.

National Indicators

28. The National Indicators provide specific measures against which progress towards the National Outcomes is assessed. Our analysis of the current National Indicators has identified a range of options to strengthen measurement of the consumer experience in Scotland and the contribution of this experience to the achievement of relevant Outcomes.

Assessment of current indicators

29. As noted above, there is no mention of 'consumer' within any of the current National Indicators.
30. There are also no indicators which measure broad consumer experiences, such as indicators that assess, for example:

- whether people feel able to influence or shape the goods and services that they use
 - the extent to which people understand their rights as consumers
 - whether people feel well informed when taking decisions about whether to buy or use particular goods or services
 - how consumers take sustainability into account in their decision making; and how they are informed or supported to do so
 - where consumers may have experienced detriment or harm
 - overall consumer confidence
31. There are a small number of measures within the current indicator set that capture specific aspects of consumer experiences in certain markets. For example:
- there is an indicator which measures the percentage of residential and non-residential addresses where superfast broadband is available
 - there is an indicator which measures the volume of household waste generated
 - there is an indicator which measures satisfaction with the quality of local services (health, schools, transport).
 - there are a handful of indicators which measure the quality of specific services, (user satisfaction with the care provided by GPs; and the quality scores achieved by providers of funded Early Learning and Childcare).
32. However, these measures are very narrow in scope. They generally only relate to a single market or services, rather than being applied in a consistent, comprehensive way across the broad set of goods and services that consumers use.
33. The indicators listed above also only provide very limited evidence of the overall consumer experience in relation to the market or service being measured. For example, while it is helpful to understand the availability of superfast broadband, the indicator does not help to assess whether consumers have been able to take up these services; whether they are affordable; whether consumers receive useful, accurate information about key dimensions of the service; whether the services consumers use meet their needs (e.g. is the broadband of sufficient speed?); whether consumers experience any difficulties with their service provider and how well these issues are resolved; and whether consumers can access an alternative provider if they are not satisfied with an existing service.
34. The current indicator sets for the Economy and Business and Fair Work Outcomes contain a range of other measures which are also relevant to the consumer interest. However, the way in which these measures are currently formulated does not place consumers at the front and centre, which limits the extent to which these indicators provide a clear or comprehensive understanding of the consumer experience in Scotland.

35. For example, there are indicators relating to economic growth, productivity, entrepreneurial activity and high growth businesses. The direction of travel in these indicators could provide insight into the wider consumer context, but the measures are not consumer-centred and do not give a detailed understanding of consumer wellbeing in the economy.
36. Similarly, indicators in the current NPF related to climate change and sustainability are highly relevant for consumers – for example, indicators related to the carbon footprint, greenhouse gas emissions and proximity of local green and blue spaces. But these indicators don't assess consumer engagement or experience in relation to these issues, so again only provide a wider contextual picture to understand consumer wellbeing, rather than assessing this directly.
37. There are a number of indicators in the NPF which assess whether people have accessed a particular activity. For example, there are indicators relating to attendance at cultural events, or the proportion of journeys undertaken via active travel. However, as currently configured, these indicators do not allow an assessment of the reasons why people undertake these activities or, important for a consumer-focused understanding, the reasons why they *may not*, such as issues around availability, cost, suitability, or a lack of information.
38. Finally, the NPF includes a number of important indicators in relation to both human rights and poverty. These are important indicators for understanding consumer harm, particularly in relation to the costs of different markets and services and the experiences that consumers have when they engage with different services. We describe in further detail below how these indicators might be developed in the refreshed NPF to provide a fuller picture of the consumer perspective.

Options for developing the future indicator set

39. There are a range of approaches that the Scottish Government could take to address some of the issues described above, and improve the measurement of the consumer experience in Scotland as part of the National Indicator set.
40. **Firstly, we recommend that the Scottish Government considers including within the National Indicator set, a suite of indicators which measure the broad consumer experience across markets and services in Scotland.**
41. These indicators would support either a new National Outcome for Consumers and/or refreshed National Outcomes for the Economy and for Business and Fair Work, which have a more explicit consumer-focus. The indicators would measure the type of consumer experience described above, at paragraph 30, such as:
- whether people feel able to influence or shape the goods and services that they use

- the extent to which people understand their rights as consumers
 - whether people feel well informed when taking decisions about whether to buy or use particular goods or services
 - how consumers take sustainability into account in their decision making; and how they are informed or supported to do so
 - where consumers may have experienced detriment or harm
 - overall consumer confidence
42. Consumer Scotland is currently scoping the content and data requirements of a new Consumer Welfare Report for Scotland, which we have a statutory duty to publish every three years. **We would be pleased to work with the Scottish Government to identify how the measures and data sources used to inform the Consumer Welfare Report might also support a new set of consumer-focused indicators within the National Performance Framework.**
43. Secondly, as noted above, there are a number of areas in the NPF where we have identified existing indicators that could be further developed to include a broader consumer perspective.
44. **In particular, we recommend that the Scottish Government adapts and expands a number of existing indicators under the Human Rights and Poverty Outcomes, to provide a fuller picture of the consumer experience.** Specific changes that we suggest the Scottish Government considers in relation to these indicators are as follows:
- The current indicator that ‘Public services treat people with dignity and respect’ should be complemented with a new, equivalent indicator for private markets and services
 - The current indicator that measures whether people are satisfied with the quality of local public services should be complemented with a new, equivalent indicator for essential utility services, including gas, electricity, water, post and broadband.
 - The current indicator that measures the proportion of adults who are confident that the Scottish Criminal Justice System ensures that people have access to the justice system if they need it should be complemented by an equivalent measure for the Civil Justice system, recognising the importance of that system to consumer protection
 - The current indicator that measures the percentage of net income spent on housing, fuel and food by households in Scotland should be adapted to measure the percentage of households who spend more than a specific proportion of income on these three items, to provide a more useful measure of consumer affordability

- The current indicator that measures whether people are satisfied with their housing situation should be complemented with a new indicator which measures housing insecurity

Conclusion

45. The review of the National Outcomes is a significant milestone for the public policy making landscape in Scotland. The previous review of the National Outcomes, five years ago, was prior to the COVID-19 pandemic and the cost of living crisis. As such, the context for the 2023 review is significantly different from when the current version of the NPF was put in place. It is therefore appropriate that the Scottish Government considers what needs to change across the Outcomes and Indicators that comprise the NPF, to ensure that the Framework remains a relevant and significant tool for supporting policy development. We would encourage the Government to take as wide as possible a view about what changes may be required.
46. The context for consumers in Scotland has also shifted significantly during the past five years. This reflects both the significant change and challenge that consumers are experiencing and the new strategic landscape for policymaking and the consumer interest in Scotland.
47. While there is a clear relationship between the interests of consumers and the Outcomes and Indicators in the current version of the NPF, the formulation of the existing Outcomes and Indicators means that this relationship is not as clear or explicit as it could be. Given the centrality of consumers to achieving a healthy economy and supporting a successful transition to net zero, combined with the range of challenges and difficulties that consumers are experiencing across different markets and services, this lack of visibility of consumers in the NPF represents both a risk and a missed opportunity for effective policymaking.
48. To address these issues we recommend that the Scottish Government takes a range of actions in constructing the refreshed NPF, to provide a much clearer focus on consumers across the new Framework and locate the consumer interest firmly at the heart of policymaking in Scotland.
49. **Specifically, we recommend:**
 - **The Scottish Government considers adopting a new National Outcomes on consumer wellbeing**
 - **Alternatively, or in parallel to the above recommendation, the Scottish Government should significantly strengthen the recognition and visibility of consumers in the description and vision statements for both the National Outcome on the Economy and the National Outcome on Fair Work and Business**

- **The Scottish Government should adopt a new suite of broad consumer indicators to measure progress in relation to the Outcomes described above**
- **The Scottish Government should work with Consumer Scotland to develop this indicator set and the data collection requirements, ensuring alignment as appropriate with Consumer Scotland’s Consumer Welfare Report**
- **The Scottish Government should adapt or extend the existing set of indicators that support the National Outcome for Poverty and the National Outcome for Human Rights, to better reflect the consumer interest in relation to each of these Outcomes**

50. We would be delighted to meet with the Scottish Government to discuss any of the information provided in this response and to support the further development of the National Performance Framework to put consumers at the heart of the future approach.

¹ [Consumer Scotland Act 2020](#)

² GDP Expenditure Approach at Current Prices (Onshore) – GDP Quarterly National Accounts: 2021 Quarter 4 - GDP Quarterly National Accounts: 2021 Quarter 4 (October to December) - gov.scot (www.gov.scot)

³ <https://www.gov.scot/binaries/content/documents/govscot/publications/statistics/2022/11/businesses-in-scotland-2022/documents/businesses-in-scotland-2022-methodology/businesses-in-scotland-2022-methodology/govscot%3Adocument/Methodology%2B-BiS%2B2022.pdf>

⁴ https://obr.uk/docs/dlm_uploads/OBR-EFO-March-2023_Web_Accessible.pdf

⁵ [The Cost of Living Crisis in Scotland: analytical report - gov.scot \(www.gov.scot\)](#)