

## CONFIRMATION OF EFFICIENCIES DELIVERED IN 2013-14

1	Organisation Name	Scottish Government
2	Responsible Person	Director- General Strategy & External Affairs
3	Total cash efficiency achieved	£85.0m
4	Efficiency achieved as percentage of 2012-13 DEL baseline	4.78%
5	<p>Summary of efficiency activity e.g.</p> <ul style="list-style-type: none"> <li>· the main initiatives the organisation has taken over the year to ensure a strategic approach to increased efficiency and productivity and the improvements achieved in these areas.</li> <li>· the main information that the organisation uses to assess productivity, service quality and performance and how the scope, usefulness or reliability has been improved during the year.</li> <li>· specific steps the organisation has taken during the year to improve collaboration and joint working to deliver efficient and user-focussed services and the improvements achieved.</li> </ul>	<p>Scottish Ministers expect every public body to deliver efficiency savings of at least 3% per annum during the course of the current Spending Review (2011-12 to 2015-16) and to report publicly on the actions undertaken and the results achieved. This same expectation is placed upon the core Scottish Government budget with a view to reducing the administration budget while continuing to deliver a high quality service for the people of Scotland and being recognised as an outstanding employer.</p> <p>Scottish Government continues to focus its work around delivering the outcomes and objectives set out in the Programme for Government, the Government Economic Strategy and the Scotland Performs framework.</p> <p>Scottish Government has sought to deliver maximum value for public money by releasing resources through efficiency savings, building on significant efficiencies already achieved in procurement, facilities, travel and other operational costs, and by effectively managing public sector pay.</p> <p>At the same time we seek to promote the efficient and effective use of public money across public services in Scotland through our ambitious programme of public service reform. This includes supporting a decisive shift towards preventative interventions (in order to manage future demand); action to improve energy efficiency and reduce carbon emissions; the further development of shared services, and maximising the opportunities presented by digital technology. These actions are delivering cost savings not just for core Scottish Government but across public services in Scotland, as well ensuring that services deliver better outcomes and are more responsive to people's needs.</p> <p>The Scottish Government is committed to investing in its people, ensuring everyone has access to learning and development opportunities that will enable us to achieve our organisational objectives.</p> <p>The Scottish Government was the first entire government department to gain recognition as an Investor in People - in 1997 as the Scottish Office. In 2013, the Scottish Government became the first central UK Civil Service organisation to be recognised by Investors in People with a Gold Award.</p>

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		<p>The Scottish Government currently holds a Healthy Working Lives Gold Award, presented by the Scottish Centre for Healthy Working Lives - part of NHS Scotland. The Award Programme supports employers, employees and their strategic partners to develop health promotion and safety themes in the workplace in a practical, logical way.</p> <p>The Award programme covers a range of issues around wellbeing in its widest sense, including health policies, employability, the environment and volunteering.</p> <p>The Scottish Government first achieved the Gold Award in May 2009 and, following a detailed submission and presentation to an assessor, this was re-awarded in May 2012 for a further three years.</p> <p>In 2013-14, the core Scottish Government DEL budget was reduced by 8.0% with business performance, as measured against a range of corporate indicators, being maintained. These indicators include the delivery of Ministers' legislative programme, maintaining rates of response to ministerial correspondence, parliamentary questions and freedom of information requests, and the prompt payment of invoices.</p> <p>The challenging financial circumstances affecting the Scottish Administration has required portfolios, individually and collectively, to take wide ranging and creative approaches to delivering efficiencies. A number of examples of such approaches are set out below:</p> <p><u>Procurement</u> – procurement of goods and services accounts for around a third of Scottish public expenditure and continues to represent the key area of efficiency.</p> <p>In 2013-14, procurement efficiencies delivered through core Scottish Government expenditure and programmes accounted for £70.4m.</p> <p>Savings include:</p> <ul style="list-style-type: none"><li>· Controlling the costs of generic prescription drugs through the operation of the Scottish Tariff saved £8.2m;</li><li>· The introduction of a new collaborative media services framework bringing additional facilities such as increased broadcast coverage with no extra cost; and</li><li>· Greater utilisation of central procurement expertise helped to deliver significant procurement savings including £2.4 million from the National Procurement Imaging Framework and a £4.0m</li></ul>
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		<p>annual benefit from the five-year electronic monitoring services contract.</p> <p><u>Asset Management</u> – Scottish Government continues to benefit from the legacy of historical asset management decisions, such as the decommissioning of a Marine Scotland vessel and better management of the Scottish Government estate identified in previous annual returns but have also delivered £1.2m additional savings in 2013-14 including:</p> <ul style="list-style-type: none"><li>· Re-engineering the business and IT processes which underpin the delivery of rural payments and inspections in partnership with Scottish Natural Heritage and the Forestry Commission.</li></ul> <p><u>Shared Services</u> – A shared service agreement between Marine Scotland and the Marine Management Agreement for the provision of aerial surveillance capability has delivered £0.51m of savings during 2013-14 through sharing of the fixed management charge and a service charge paid to Marine Scotland to reflect the capital costs of the aircraft (owned by Scottish Ministers)</p> <p><u>Administrative costs</u> – The Scottish Government continues to ensure that the organisation offers maximum value for public money by releasing resources through efficiency savings, building on significant efficiencies already achieved in procurement, facilities, and other operations costs, and through:</p> <ul style="list-style-type: none"><li>· Very firm control of public-sector pay with resources targeted at lower paid staff; and</li><li>· A 6.5% reduction in permanent staff through voluntary or planned exits, since the first year of the Spending Review, saving £5.1m in 2013-14.</li></ul> <p><u>Other</u> – a range of corporate changes throughout the year have delivered £7.8m in savings not separately classified under the definitions presented above. These include:</p> <ul style="list-style-type: none"><li>· Leveraging additional funds totalling £7.3 million into the Inspiring Scotland Fund to support 21 ventures to help young people make successful transitions from school into learning, training or work.</li><li>· Greater development of in-house analytical modelling, training and recruitment expertise has reduced reliance on externally commissioned provision.</li><li>· Numerous examples of staff management savings including merging of posts, strategic vacancy</li></ul>
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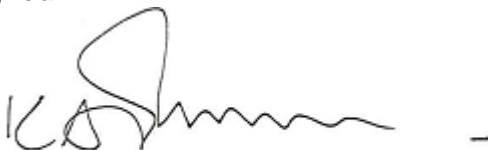
		<p>management and greater use of video conferencing and flexible working.</p> <p>In addition, Scottish Government provides a range of shared corporate services, such as legal services, to many of its arm's length public bodies. By way of example:</p> <ul style="list-style-type: none"> <li>· Scottish Government Finance and Internal Audit provides Internal Audit assurance to 15 public bodies and SEAS our accounts and payments system, is provided to 34 public bodies;</li> <li>· The Scottish Government's Directorate for People provides a range of HR and payroll services to 29 public bodies; and</li> <li>· Scottish Government ISIS currently provides SCOTS, SCOTS Lite and other IT shared services to 60 public bodies</li> </ul> <p>These services will have delivered efficiency savings across the public sector but are not incorporated into the savings total reported here.</p>
6	How have savings been applied?	<p>The actions outlined above have delivered a mixture of cash releasing and time releasing savings, as well as improving delivery.</p> <p>The savings have been deployed to support a focus on the National Outcomes as well as to mitigate the impact of cost pressures on public services.</p> <p>Our priorities have been to protect investment in frontline services (including in the NHS, frontline police officers and teachers); accelerate economic recovery by boosting capital investment; to protect households (by providing a Social Wage including measures such as the freeze in the Council Tax, free eye tests and prescription charges and concessionary travel) and improving our environment.</p>
7	Breakdown of efficiency saving [by Procurement, Shared Services or Asset Management]	<p>Procurement = £70.4m</p> <hr/> <p>Shared Services = £0.51m</p> <hr/> <p>Asset Management = £1.2m</p> <hr/> <p>Administrative Costs = £5.1m</p> <hr/> <p>Other = £7.8m</p>
8	Evidence: What performance	The Efficient Government approach demands that any

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<p>measures and/or quality indicators are used to ensure that efficiencies were achieved without any detriment to services?</p>	<p>efficiencies are delivered without detriment to the quality of services. Progress against the Scottish Government's Business Strategy is monitored regularly, to assess the impact of our collective actions, against 12 success criteria. Out of the 12 success criteria, there are specific outcome measures which assess productivity, service quality and performance:</p> <ul style="list-style-type: none"> <li>· SC6. We have a flexible and responsive structure, are able to move staffing resources quickly to provide opportunities for staff to gain wider experience. We have excellent systems for strategic workforce planning.</li> <li>· SC9. We are a leaner, fitter organisation well skilled in securing value for money and consistently effective at securing positive outcomes from partnership working at all levels.</li> <li>· SC10. We have excellent relationships with our partner organisations with clear expectations and performance management underpinned by a climate of trust and respect.</li> <li>· SC11. The Scottish Government is an organisation that is well regarded by Ministers, stakeholders, partners and our staff - and ultimately by the people of Scotland.</li> </ul> <p>Performance against the above success criteria are reported quarterly to the 3 Corporate Boards (Resources, People and Improvement) and Strategic Board through the Business Strategy Progress Report.</p> <p>Performance standards across the government's corporate functions have been maintained, including the delivery of Ministers' legislative programme, rates of response to ministerial correspondence, parliamentary questions and freedom of information requests, and prompt payment of invoices. Performance is discussed quarterly by the Strategic Board and actions taken to improve service quality and performance.</p>
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I confirm that the efficiencies delivered for the year 2013-14 are as detailed in the above table and I am satisfied that the efficiencies identified fall within the published definition.

**Signed**



..... **(Accountable Officer)**

**Date** ...28/03/2015.....