

1	Organisation Name	Scottish Government
2	Responsible Person	Director General Strategy & Operations
3	Total cash efficiency achieved	£81.55 million
4	Efficiency achieved as percentage of 2015-16 DEL baseline	4.58%
5	<p>Summary of efficiency activity e.g.</p> <ul style="list-style-type: none"> 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. 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. 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. 	<p>Scottish Ministers remain committed to an ambitious programme of public sector reform to ensure the continued delivery of high quality, effective and sustainable public services which deliver maximum value for public money. Activities include continuing to support a shift towards a preventative approach in order to prevent escalation and to manage future demand);; the further development of shared services; maximising the opportunities presented by digital technology and encouraging asset-based, co-produced and person-centred approaches to public service delivery. 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>In a period of sustained real terms cuts to the Scottish Governments budget, efficiency savings remain key to ensuring continued delivery of public services across Scotland. Scottish Ministers expect every public body to deliver efficiency savings of at least 3% per annum during the course of the 2011-12 to 2015-16)Spending Review 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>Whilst seeking to build upon significant efficiencies already achieved in procurement, facilities, travel and other operational costs, the Scottish Government continues to focus its work around delivering the outcomes and objectives set by Scottish Ministers on behalf of the people of Scotland. These outcomes and objectives are set out in the Programme for Government, the Scottish Economic Strategy and the Scotland Performs framework.</p> <p>In 2015-16, despite significant reductions in the core Scottish Government's DEL budget allocation, business performance, as measured against a range of corporate indicators was 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>

Maintaining business performance standards in the challenging financial climate has required portfolios, individually and collectively, to take creative approaches to delivering efficiencies. The data collection exercise undertaken to collate this report also identified a number of creative 'efficient' activities and behaviours where outcomes were clearly maintained or improved but where the benefits were not easily quantifiable.

Efficiencies may be delivered through a range of measures, such as improvements in technology, streamlining processes, or changing workforce behaviours. This report highlights some of the main efficiencies which have been delivered and quantified.

Procurement –

Procurement of goods and services accounts for around a third of Scottish public expenditure and continues to represent the key area of efficiency.

In 2015-16, procurement efficiencies delivered through core Scottish Government expenditure and programmes accounted for £64.2 million.

Savings include:

- Controlling the costs of generic prescription drugs through the operation of the Scottish Tariff saved £11.9 million;
- Efficiencies generated through bulk-buying and volume discounts on media services;
- The provision of technical infrastructure and associated support services to provide a facility for electronic counting for the 2017 elections achieved savings of £ £174,700;
- Procurement for The Warmer Homes Scotland project achieved savings of £1,8 million; and
- Greater utilisation of central procurement expertise helped to deliver significant procurement savings across NHSScotland amounting to £36.2 million.

Asset Management –

As part of the 2011-12 target to reduce the Scottish Government estate by 25%, the following activities generated over £1.1 million of efficiency savings in 2015-16:

- A reduction in area retained at lease renewal;

- co-location of public bodies on Scottish Government estate at the point of lease expiration and for new public bodies;
- transfer of estate after functional re-organisation; and
- management of rating consultants to optimise rates liabilities.

Shared Services –

- The Scottish Government provides a range of corporate shared services to core Directorates and a number of public bodies across Scotland. These shared services include ICT, HR, Finance, Procurement and Internal Audit which generates efficiencies for bodies across the public sector. A total of 72 out of the 118 public bodies in Scotland use these services.

Administrative costs –

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 very firm control of public-sector pay with resources targeted at lower paid staff.

Other –

A range of corporate activities and changes throughout 2015-16 have delivered £12.5 million in savings not separately classified under the definitions presented above. These include:

- Leveraging additional funds totalling £8.8 million into the Inspiring Scotland Fund to support young people aged 14-19 into positive destinations including education, training or work;
- Reduced reliance on external contractors and consultants for projects such as research and consultation analysis;
- Increased revenue generation as part of external contracts such as catering, with creative use of “pop-ups” and “meet the supplier events” to deliver savings in contractual rates;
- Numerous examples across the organisation of

		<p>strategic planning, monitoring and control of administration budgets. Measures taken include flexible working, strategic vacancy management, merging of posts and restructuring of business areas, greater use of video conferencing and in-house facilities such as training, recruitment and procurement expertise. Some programmes also integrated a 3% efficiency expectation into their budget allocations; and</p> <ul style="list-style-type: none"> • A number of data sharing and data linkage projects were established to deliver more efficient sharing of information between public bodies including the Door List Data Hub project in the justice system saving £3 million .
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 used to support a focus on the National Outcomes, the priorities set out in the Scottish Economic Strategy and the Programme for Government priorities, while mitigating the impact of cost pressures on public services across Scotland.</p>
7	Breakdown of efficiency saving [by Procurement, Shared Services or Asset Management]	<p>Procurement = £64.1 million</p> <hr/> <p>Shared Services = £0 The Scottish Government provides a range of corporate shared services to core Directorates and a number of public bodies across Scotland but the efficiency savings from these services has not been quantified.</p> <hr/> <p>Asset Management = £2.2 million</p> <hr/> <p>Other = £12.5 million</p>
8	Evidence: What performance measures and/or quality indicators are used to ensure that efficiencies were achieved without any detriment to services?	<p>The Efficient Government approach demands that any efficiencies are delivered without detriment to the quality of services. During the first half of the reporting year (April - October 2015), the organisational efficiency of the Scottish Government was monitored through the performance criteria set out in the Business Strategy and regularly reported to the Strategic Board to assess impact.</p> <p>A review of the Scottish Government's Corporate Governance, including the role of Strategic Board, was</p>

		<p>initiated in October 2015 and concluded in September 2016. The review sought to evaluate the effectiveness of existing corporate governance arrangements and explore how our organisation's governance framework could be adapted to increase efficiency and better support the delivery of the SG2020 vision.</p> <p>During this period, transitional reporting arrangements were in place for all Corporate Boards with performance reported against the SG2020 Vision of being Open, Capable and Responsive.</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 2015-16 are as detailed in the above table and I am satisfied that the efficiencies identified fall within the published definition.

Signed

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

Date