

1	Organisation Name	Scottish Government
2	Responsible Person	Director-General Organisational Development and Operations
3	Total cash efficiency achieved	£143,538,129
4	Efficiency achieved as percentage of 2015-16 DEL baseline	6.23%
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>Introduction</p> <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 only for core Scottish Government but also 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 Government's budget, efficiency savings remain key to ensuring continued delivery of public services. Scottish Ministers expect every public body to deliver efficiency savings of at least 3% per annum 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 people in Scotland and for the Scottish Government to be recognised as an outstanding employer.</p> <p>Efficiencies may be delivered through a range of measures, such as improvements in technology, streamlining processes, or workforce reform. This report highlights some of the main efficiencies delivered 2016-17.</p> <p><u>Procurement</u></p> <p>Procurement of goods and services accounts represents a key area of efficiency.</p> <p>In 2016-17, procurement efficiencies delivered through core Scottish Government expenditure and programmes saved £78.9 million.</p> <p>Efficiencies include:</p> <ul style="list-style-type: none"> The Integrated Administration and Control System regulations require the Scottish Government to uniquely identify, map and evaluate the area of every land parcel in Scotland claimed under European Commission grant-aid schemes to make

		<p>subsidy payments to rural businesses. A project to deliver an updated Land Parcel Identification System (LPIS) which includes GIS capability supporting a map-enabled customer interface achieved savings of £632,000 in 2016-17.</p> <ul style="list-style-type: none"> • The Just Enterprise project works delivers business support and development services between the enterprising third sector in Scotland. This contract will help enable an enterprising third sector to increase their business skills as they prepare to deliver on the recommendations of the Christie Report. The project achieved total savings of £409,000, all of which were delivered in 16-17. • The Beef Efficiency Scheme is a five-year climate change scheme that aims to help beef breeders improve their efficiency, sustainability and quality of their beef herd – helping increase their genetic value from 2016 and reduce greenhouse gas emissions. The scheme delivers a range of improvements by focusing on cattle genetics and management practice. The project supports the scheme through the delivery of tissue sampling management tags and performing genotyping for each farmer who has signed up for the new Beef Efficiency Scheme. The project achieved savings of £168,000 in 2016-17. • Greater utilisation of central procurement expertise in NHS National Services Scotland helped to deliver savings amounting to £57.9 million. Examples of savings include the Home Oxygen Service - £2.3 million and the Etanercept Homecare Delivery Service - £5.9 million. <p><u>Asset Management</u></p> <ul style="list-style-type: none"> • Across government departments, asset management efficiencies were primarily achieved in staff and non-staff budgets and in some cases achieved through a direct reduction of running cost budgets for 2016-17. <p><u>Shared Services</u></p> <ul style="list-style-type: none"> • Shared Services through the Sustainability & Value Board in Health and Social Care achieved an efficiency of £25 million in 2016-17. • <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 operational costs. <p><u>Other</u></p>
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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 and the priorities set out in the Programme for Government, 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: £75,800,000</p> <hr/> <p>Asset Management: £3,100,000</p> <hr/> <p>Shared Services: £25,000,000</p>

		Other: £39,500,000
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 efficiencies are delivered without detriment to the quality of services. The corporate boards were revised in September 2016, as such, 2016-17 was the first full year of their operation. The three revised corporate boards are: People, Place, and Performance & Priorities</p> <p>Each of the Boards scrutinises and provides constructive challenge to programmes key to the Scottish Government's and Scotland's performance and success, and takes actions to improve service quality and performance.</p> <p>In 2016-17, 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.</p>

I confirm that the efficiencies delivered for the year 2016-17 are as detailed in the above table and I am satisfied that the efficiencies identified fall within the published definition.

Signed



Sarah Davidson

(Accountable Officer)

Date 21/05/18