



Crown
Commercial
Service

2016/17

Annual Business Plan





Crown Commercial Service has finalised its Business Plan for the next twelve months, outlining how we plan to achieve even more during 2016/17.

Strategic Objectives (Annex 1)

- 1. Savings delivery:** To deliver savings for central government departments and the wider public sector
- 2. Service delivery:** To undertake services which can be delivered in an efficient manner and meet the needs of customers; to increase spend through central deals
- 3. Policy delivery:** To deliver the government's objectives on procurement policy
- 4. Business transformation and capability:** To continue to improve commercial capability and organisational efficiency; to improve staff engagement
- 5. Governance and financial management:** To strengthen operational controls and deliver the financial plan.

Our Priorities for 2016/17

Key priorities for the year include targeting additional activity for the wider public sector, as well as continuing to strengthen our leadership and commercial capabilities.

Changing our Funding Model

We will begin to phase-out the current system of charging government departments a managed service fee, instead using supplier levy income to fund our operating costs.

We will start introducing marginally increased percentage levies. *Annex 2 sets out our financial plans for 2016/17.*

Delivering our Policy Objectives

CCS will continue to lead on the government's commercial policy and other Ministerial priorities, including coordinating action to increase the level of government spend going to SMEs to £1 in every £3 by 2020, simplifying CCS procedures to further benefit small business.

Supporting Central Government Customers

Over the last twelve months our deepening understanding of the buying needs of government departments has helped us deliver significant commercial benefits including savings.

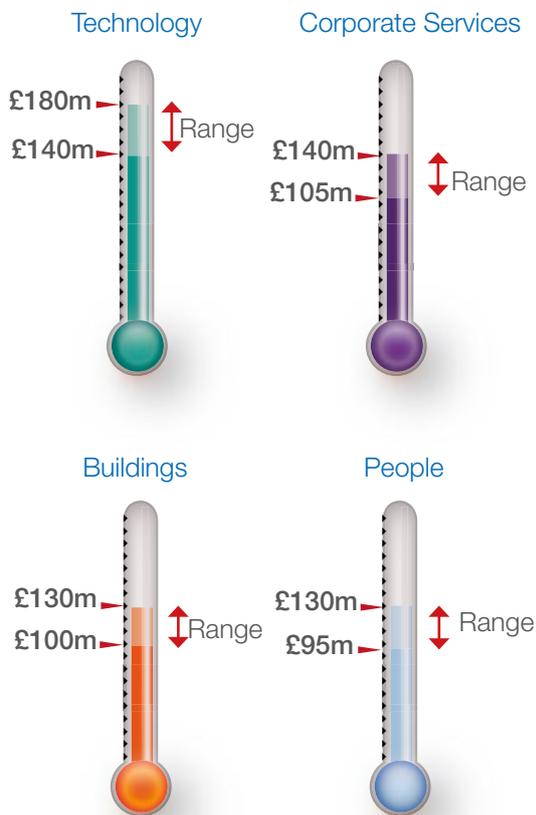
In 2016/17 we aim to assist departments in saving even more money, with an overall target of between £240m and £330m. Our service to government departments will be formalised within respective commercial delivery plans, which will be subject to quarterly performance review.

Growing and Supporting Customers across the Wider Public Sector

We also aim to grow our wider public sector business by 20%, targeting both existing and new commercial products at local authorities, the NHS and other areas of the public sector, in order to generate commercial benefits including savings of between £200m and £250m.

We will also look at adding additional value from entering new spend categories including waste management, supply teachers and social care delivery.

Our 2016/17 savings targets by category are as follows:



Delivering Digital Transformation

Key to driving more savings is our ongoing digital transformation. We will invest significantly in technology in the year ahead to replace/refresh many existing systems to deliver services more efficiently and free up capacity.

Crown Marketplace

At the centre of this transformation is the establishment of Crown Marketplace – a new digital platform for our customers to access our great deals. The Crown Marketplace will provide a one-stop shop for our customers, directing buyers to the best deals and solution for their needs.

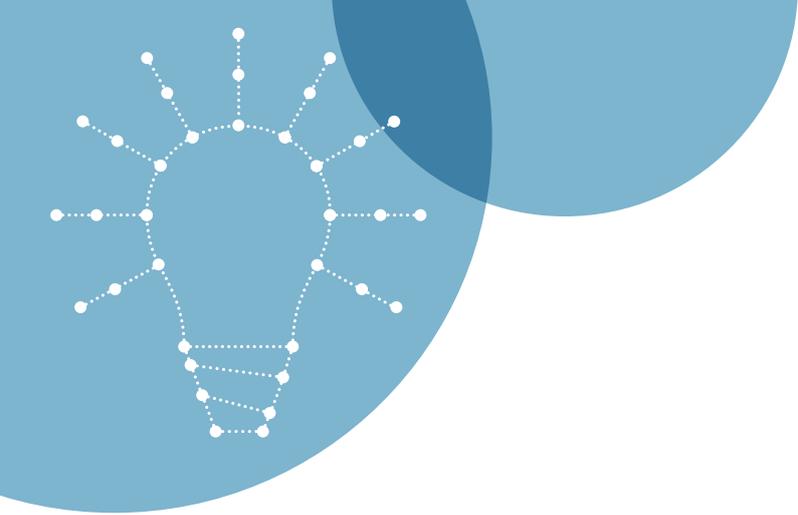
The next twelve months will see a number of milestones for the project, including sign-off of the business case and the securing of resources, before implementation begins for the pilot phase. This will include a small number of categories and customers.

Implementing our Operational Review

To help us achieve our future ambitions, we've been undertaking a thorough operational review, designed to transform our business and accelerate the savings we can deliver.

The review has consulted widely with staff and customers. Changes to the operating model will be in place by the end of 2016/17.





Improving Capability

We know our people are the key to future success and we will invest more to develop our staff, whilst also recruiting the best commercial specialists where we need additional skills and capabilities.

A new and wider learning and development offer will be established, offering all staff five days of development a year, from a designated organisation wide training budget.

A further learning and development programme will up-skill strategic category teams as part of the knowledge transfer component of the Commercial Accelerator Programme.

We have listened to our staff and will be undertaking an independent review regarding bullying and harassment as well as holding regular leadership and staff events, increasing the feeling of inclusion within the organisation, and continuing to build on the internal communication improvements seen during the last year.

Strengthening governance and financial management

Our aim is to continuously improve governance, internal controls and financial management. Through dedicated resources and improved processes, we are improving business planning and better recognising early warnings, trends or significant events likely to impact upon CCS.

During the year, we will also be implementing a CCS-wide approach to risk identification and management, including improving our Business Continuity Plan.

Our ambition is to ensure CCS controls and processes are adequate, appropriate, and effective, providing the necessary assurances that CCS is a well-run, efficient and sustainable business.

Embedding our Values and Behaviours

The CCS Values and Behaviours are to Listen, Respect, Collaborate, and Trust in order to deliver with confidence.

Ensuring that we demonstrate these values in the way we work will be a major factor in helping us to deliver our ambition for 2016/17 and beyond.

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Annex 1

Strategic Objective	Performance Measures	Target(s)
Savings Delivery: To deliver savings for central government departments and the wider public sector	Achieve the savings targets agreed with central government departments	Central Government target: £240m - Stretch target: £330m in central government
	Achieve the savings target for wider public sector	Wider public sector target: £200m - Stretch target: £250m in the wider public sector
Service Delivery: To undertake services which can be delivered in an efficient manner and meet the needs of customers; to increase spend through central deals	Net Promoter Score across SR period: Starting point 15/16 -50 Ending point 19/20 +50	Improvement in NPS scores across total customer base: 16/17 -40 17/18 0 18/19 +20 (acceptable) 19/20 +50 (good)
	Growth in wider public sector usage of deals	Up to 20% growth in line with financial plan
Policy Delivery: To deliver the government's objectives on procurement policy	Increase in SME spend within departments and CCS	Increase CCS SME spend and establish baseline for indirect spend Departments publish progress against 33% target
	Implement planned measures to support growth	Publish Government's balanced scorecard for growth
	Major Government suppliers commit to Prompt Payment Code	Sign up all 33 strategic suppliers to Code
Business Transformation and Capability: To continue to improve commercial capability and organisational efficiency; to improve staff engagement	Progress on Capability Plan	<ul style="list-style-type: none"> • Complete strategic category recruitment • Expand CCS SLT team to include category Pillar Leads • Drive a proactive Learning & Development offer • Establish talent development programme including Apprentices and Fast-Track employees • Re-align resources to new Operating Model • Assess commercial roles through the Commercial Development Centre.



Strategic Objective	Performance Measures	Target(s)
<p>cont/... Business Transformation and Capability:</p> <p>To continue to improve commercial capability and organisational efficiency; to improve staff engagement</p>	Progress on New Operating Model (OM)	OM agreed, implemented and standard service in place
	Progress on Digital Transformation	<p>7 priority projects implemented:</p> <ul style="list-style-type: none"> • Customer Operations Workflow • Contract & Supplier Management • Business Intelligence & Data Analytics • Quick wins • eSourcing & catalogue spend • User Portals • Resource allocation & Management
	Progress on Crown Marketplace	<ul style="list-style-type: none"> • Business case signed off • Resources secured • Governance in place • Contingent Labour pilot in place
	Staff Engagement	<p>Engagement index to reach upper quartile (currently 63%) by end of the Spending Review period.</p> <p>In the first year deliver:</p> <ul style="list-style-type: none"> • A 5-point increase in Leadership and Managing Change (from 27% to 32%) • A 5-point increase to Learning and Development (from 41% to 46%) • Reduce percentage scores on Discrimination (14%) and Bullying and Harassment (15%) to less than 10% • Keep staff informed about matters affecting them - improve score from 41% (in 2015 survey) to 50% in 2016 survey
<p>Governance and Financial Management:</p> <p>To strengthen operational controls and deliver the financial plan</p>	In 2016/17, we are targeting a 'moderate' internal audit assessment.	<p>2016/17 year end internal audit opinion assessed as moderate.</p> <p>Our ultimate aim is to achieve a 'substantial' assessment, so in successive years we will show positive progress in terms of governance, risk and control arrangements</p>
	In-year financial performance	Achieve in-year financial plan



Annex 2

CCS Budget 2016/17	2015/16 Outturn	2016/17 Budget
	£m	£m
Central Government (CG)	6,806	6,207
Wider Public Sector (WPS)	6,012	6,517
Total Spend	12,819	12,724
Managed Service Fee (Inc. Whitehall)	15.5	11.4
Levies	49.1	58.7
Commercial Central Teams	6.9	9.5
MOU Commission Share	(3.9)	(3.5)
Total Income	67.6	76.1
Pay costs	(45.9)	(52.4)
Non-pay costs	(20.1)	(26.9)
Operating Expenditure	(66.0)	(79.3)
Operating Surplus/(Deficit)	1.6	(3.2)
Interest	0.1	0.1
Dividend	(2.0)	(2.0)
Surplus/(Deficit)	(0.3)	(5.1)
Accelerator/equivalent	(5.0)	(8.3)
Digital Transformation Programme	(0.9)	(4.5)
Cost of change	(2.4)	(1.0)
Total Other Costs	(8.3)	(13.8)
Retained Surplus/(Deficit)	(8.6)	(18.9)
Reserves – Opening	37.4	28.8
Retained Surplus/(Deficit)	(8.6)	(18.9)
Reserves – Closing	28.8	9.9

