



CCS Business Plan

2019/20 to 2020/21



Crown
Commercial
Service

Foreword

Crown Commercial Service (CCS) plays a key role in assisting the public sector and taxpayers get value for money.



Tony van Kralingen
Chair



Simon Tse
Chief Executive

Our focus last year was putting the customer at the heart of our business and this programme will continue into 2019/20 and 2020/21. Our strategic objectives remain to: maximise commercial benefits; focus on the customer; and strengthen the UK economy through effective policy delivery. This Business Plan sets out how we intend to deliver our goals and ambitions and how we will measure and monitor progress.

Last year we saw £15.7bn of spend through our commercial agreements and we have an ambitious plan to increase this to £22.6bn over the next 2 years. Underpinning this will be continued investment in our capability, ensuring fully engaged and motivated staff and driving our digitisation and transformation plans. In addition, our values will continue to underpin all we do. We will LISTEN, RESPECT, COLLABORATE and TRUST in order to DELIVER with CONFIDENCE.

Delivering against this plan will ensure we drive outstanding and continuously improving commercial benefits for the UK public sector, embedding real customer focus across the organisation and making CCS a great place to work.

Introduction

The Crown Commercial Service (CCS) is an Executive Agency and Trading Fund of the Cabinet Office and a key constituent of the Government Commercial Function (GCF).

Our purpose is to maximise commercial benefits for the UK central government, arm's length bodies and the wider public sector. We do this by establishing and managing outstanding customer focused commercial agreements for common goods and services, bringing to bear our category expertise and procurement capability so that our customers can buy as effectively and efficiently as possible.

Our goals are to maximise commercial benefits; focus on the customer; and support the government's public procurement policy priorities.

Our ambition and strategy for achieving it

We are aiming to double the spend through our commercial products and solutions over the next four to five years and in doing so enable our customers to achieve greater value for money and commercial benefits from their procurement of common goods and services.

We will achieve this by transforming the organisation into a customer focused business making it simple and easy for customers to access and consume our products and services.

We will identify new categories, establish new commercial products and enter new markets. In parallel, we will also continuously improve our capabilities through the development of our people and ways of working.

Our Vision

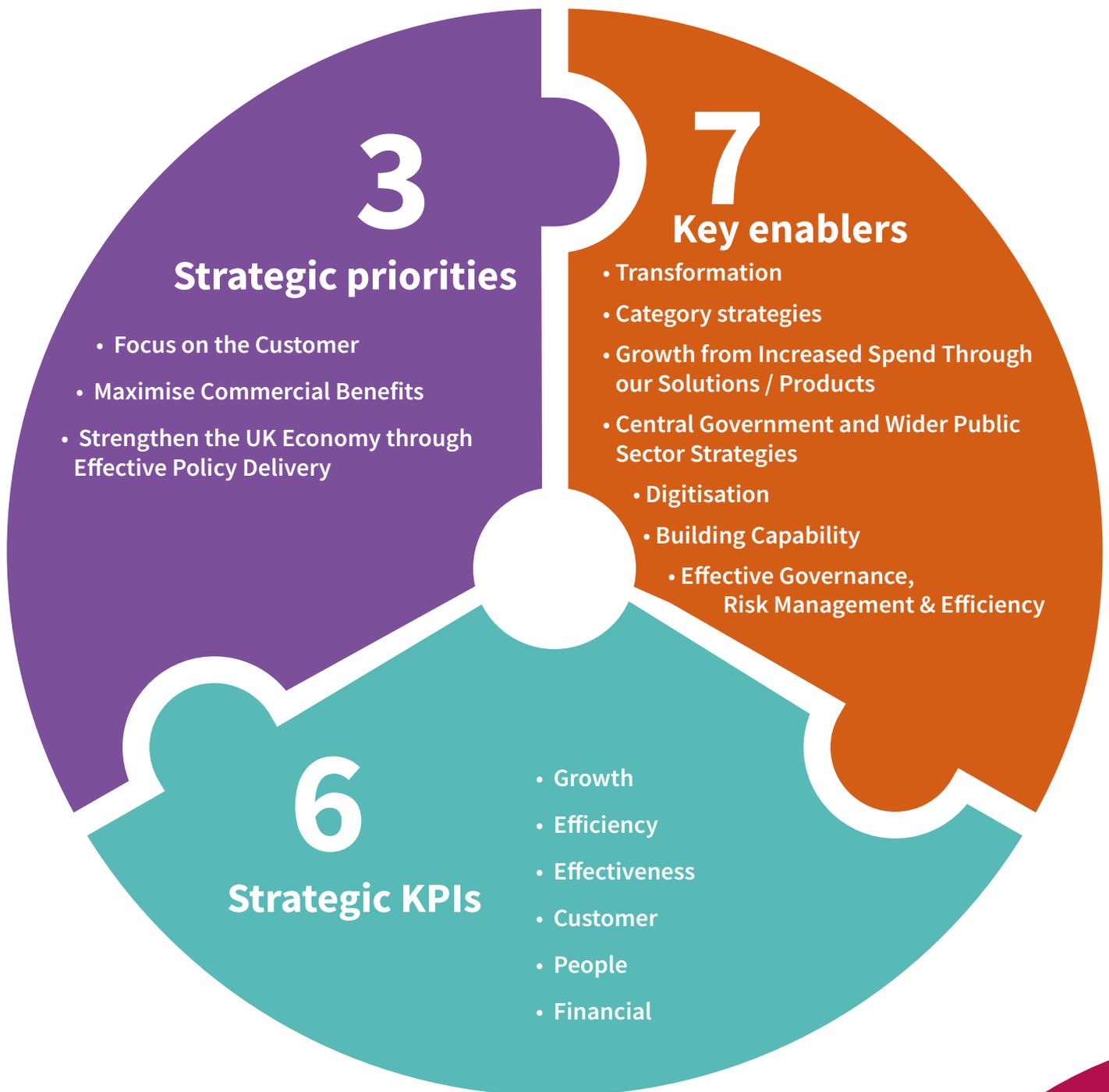
CCS, as part of the Government Commercial Function, seeks to be the go-to provider for the public sector, the UK's most admired commercial operation – a great place to work – delivering outstanding value, commercial benefits and excellent service.

Our Values

Our organisational values shape and drive everything we do. We LISTEN, RESPECT, COLLABORATE and TRUST in order to DELIVER with CONFIDENCE.



Business Strategy



Focus on the customer

We will take a 'customer first' approach in everything we do, specifically in the design and development of our commercial agreements and access channels. We will be increasingly easy to do business with through a continuously improving 'customer experience'. Our forward pipeline of new commercial agreements will be clear to customers and suppliers in the market. We will develop an intuitive self service digital approach via an increasing number of digital solutions and channels as well as providing an expert assisted service for more complex requirements.

Key objectives and deliverables 2019/20

- To improve customer experience, evidenced by an increase in our NPS score to +45 with a +50 stretch for Customer Service and Assisted Procurement
- To resolve 90% of queries at the first point of contact, 90% of first line enquiries within 24 hours and 85% of second line enquiries within 72 hours
- Award up to 40 new/refreshed commercial agreements
- Provide a high quality assisted procurement service, with an annual contract value (ACV) of £1bn, 80% delivered within agreed timescales

Key objectives and deliverables 2020/21

- Further improve NPS scores
- Implement 2020/21 portfolio of new agreements
- Increase ACV of call offs for customers to £1.5bn

Maximising Commercial Benefits

We will maximise commercial benefits to our customers through a combination of increased spend and lower prices through our commercial products and solutions as well as working with customers on specific initiatives. We will benchmark our prices against market comparators so that commercial benefits are clear and compelling to new and existing customers.

Key objectives and deliverables 2019/20

- £890m and £930m (stretch) of spend related commercial benefits for Central Government and Wider Public Sector customers.

Key objectives and deliverables 2020/21

- £1,110m and £1,160m (stretch) of spend related commercial benefits for Central Government and Wider Public Sector customers.

Strengthening the UK Economy through Effective Policy Delivery

We will support the delivery of the government's commercial and procurement policy objectives. This includes simplifying public procurement, implementing policies such as 'social value' in public procurement, opening up public contracts to small businesses and supporting the public procurement regime following the UK's exit from the EU.

Key objectives and deliverables for 2019/21

- Deliver high quality policy interventions, ensuring CCS is legal and compliant with UK policy and regulations, including tackling modern slavery in the supply chain and embedding Social Value themes in new CCS commercial agreements
- Increase Central Government spend directly with small businesses via CCS's commercial agreements
- Improve and simplify our commercial documentation, operating procedures, processes and systems, embedding the new Public Sector Contract in all appropriate new commercial agreements
- Achieve evidence based improvements against the Government Commercial Function's Commercial Standards.

Transformation

We will continue to transform CCS. We will take a customer focused view, ensuring that we understand the needs of our customers and making sure they are at the heart of everything we do. We will transform our systems, processes, structures and ways of working, ensuring that CCS is organised to succeed as a customer focused, digitally enabled and commercially driven organisation.

Key objectives and deliverables for 2019/21

'Transforming CCS Programme' / project / portfolio management & assurance

- Design and test new multi-disciplinary ways of working and process redesign across the organisation
- Define the 5 Year Vision, Design and Plan
- Develop a sustainable delivery strategy
- Deliver effective integrated management and assurance of agreed portfolio delivery projects
- Operate effective Portfolio Office function and manage the prioritisation of projects across CCS

Business transformation / continuous improvement

- Implement customer focused ways of operating through smarter processes and a culture of continuous improvement
- Design and implement streamlined governance for product design and delivery
- Create and embed a user-centred culture throughout the organisation
- Deliver and manage the migration of legacy services, develop temporary solutions to meet short-term business needs and build a scalable digital service to support customer access to commercial agreements.

Effective Category Strategies

We will develop and maintain highly effective category strategies through a deep understanding of markets and suppliers, aggregating demand and developing innovative commercial solutions that meet the needs of our customers. Our category strategy and policy teams will be at the forefront of market innovation, building and shaping new customer solutions. We will work in close partnership with our customers through category boards that will be key to driving change and delivering value for money.

Key objectives and deliverables for 2019/21

- To complete and assure quality through certification of all category strategies
- Work in partnership with our customers to renew our category strategies
- Use our strategies to inform the design of new commercial agreements that meet the needs of our customers
- 83 category strategies to be certified as good or exemplar by the end of 2019/20. The current breakdown by pillar is as follows:

Pillar	Total strategies
Buildings	22
Corporate	32
People	10
Technology	19
Total	83

Category strategies are subject to ongoing content refresh through 2019/20 and 2020/21. The number of category strategies may change in year depending on business requirements and customer demand.

Growth from Increased Spend through our Commercial Agreements

We will stimulate additional demand and grow our business across the entire UK public sector doubling the amount of spend on common goods and services channelled through our commercial agreements. We will meet the growing demand through the provision of an increasing number of digital channels and solutions that will make it easier for public sector buyers to access the very best commercial agreements and solutions.

Growth will be enabled by a combination of Central Government (CG) and Wider Public Sector (WPS) business development activities; recruitment of additional resources primarily in commercial agreement management roles, marketing of existing and new products as they come on stream; and improving access to our products through new digital solutions (see Digitisation).

2019/20 - 2020/21 target spend and income

Pillar	Plan for 2019/20					Plan for 2020/21				
				Growth	Resulting levy (Gross)				Growth	Resulting levy (Gross)
	CG £bn	WPS £bn	Total £bn	Total £bn	£m	CG £bn	WPS £bn	Total £bn	Total £bn	£m
Buildings	1.60	1.37	2.97	0.31	13.31	2.80	1.74	4.54	1.58	26.54
Corporate	3.64	3.45	7.09	1.07	23.95	3.89	4.02	7.91	0.82	27.75
People	1.15	1.28	2.43	0.47	21.28	1.36	1.91	3.27	0.84	31.32
Technology	3.91	1.81	5.72	0.67	46.54	4.34	2.53	6.87	1.15	56.27
Total	10.30	7.91	18.21	2.52	105.09	12.39	10.20	22.60	4.39	141.88
	Stretch		19.00			Stretch		23.00		

The above numbers reflect slight rounding differences from source.

Target commercial agreements to be awarded in 2019/20

Pillar	Plan for 2019/20
Buildings	10
Corporate	11
People	6
Technology	13
Total	40

Central Government & Wider Public Sector Strategies

We will deepen our relationships with central government departments and their arm's length bodies. We will make a greater impact within the wider public sector and grow our footprint through effective business development and integrated marketing based on a regional and sector-based approach. We will also continue to embed our staff within high potential customer organisations to support them in maximising commercial benefits through our products and services.

Key objectives and deliverables for 2019/21

- To retain, cross-sell and secure new business with targets of:
 - Central Government - £10.3bn in 2019/20 and £12.39bn in 2020/21
 - Wider public sector - £7.91bn in 2019/20 and £10.2bn in 2020/21
- Generate leads through investing in marketing campaigns:
 - £900k in 2019/20 >5630 leads/registrations
 - £1.1m in 2020/21 >6230 leads/registrations
- Achieve 40% increase in Wider Public Sector customers spending under £10k across English regions 2019/20. This rises to 50% in 2020/21
- Achieve 20% increase arm's length bodies spend through CCS agreements by 2020/21
- Embed and continuously improve opportunity and pipeline tracking processes
- Achieve Central Government spend migration for 2019/20 and 2020/21
- Develop Customer Relationship Management strategy

Digitisation

We will implement innovative and intuitive ways for customers to access our commercial agreements using digital solutions. Customers will be able to access commercial agreements from a wide range of qualified suppliers including a greater number of small and medium size enterprises (SMEs) and to achieve greater benefits by aggregating their requirements. Suppliers will enjoy simplified access to the huge public sector market and will be able to operate in full transparency and compliance with public procurement policies, shaping their offer in response to customer demand.

Key objectives and deliverables for 2019/21

- Minimum of 4 digitised commercial agreements as part of our 'accelerate' workstream that will deliver solutions for customers in the short term
- Build longer-term, sustainable capability within our 'scale' workstream by building the components of a scalable digital service that can support multiple commercial agreements
- We will onboard 6 commercial agreements to the scalable service in 2019/20
- Deliver up to 16 core enabling projects, subject to ongoing prioritisation
- Delivery milestones achieved for all initiatives, with benefits identified, tracked and measured and all projects quality assured throughout 2019/20

Building Capability

We will continually build and improve our capability through the implementation of our people development and workforce strategies, drawing upon the Government Commercial Organisation (GCO) and improving our technology and process management. Our talent pipeline will be clear and will be actively managed.

Key objectives and deliverables for 2019/21

- Support the business in the effective recruitment of staff within the staffing establishment of 873 FTEs in 2019/20 and 987 in 2020/21
- Maintain top quartile staff engagement scores in 2019 People Survey through production of an organisational action plan
- Take further steps to achieve a reduction in bullying and harassment reported in the People Survey
- Ensure more proactive talent management and succession planning is in place with evidence of both development and opportunities
- Successful transfer of Commercial Leads to GCO and reassessment of GCO Commercial Specialist and Assistant Commercial Specialists
- Develop and implement the Commercial Capability Blueprint
- Roll out Workday and embed the functionality and self service over the reporting year
- Review and refresh the Learning & Development Capability Plan by Q1
- Develop and implement a strategic workforce plan by Q2

Effective Governance, Risk Management & Efficiency

We will be a well run, efficient and sustainable business. We will have a robust framework of financial management and control and be effective at mitigating risk and resolving issues across the organisation. We will be highly adept at taking effective decisions and balancing risk with reward.

Key objectives and deliverables for 2019/21

- Rigorous governance through compliant 2019/20 and 2020/21 CCS Annual Report and Accounts publications, maintaining our overall 'moderate' Internal Audit assessment whilst continuing to improve
- Robust Financial management will be achieved through meeting FReM and UK accounting standards ensuring a non-qualified Audit Opinion
- Achieve the CCS FY 2019/20 and 2020/21 financial plans and Prompt Payment targets of 80% within 5 days and 100% within 30 days
- Complete implementation of Workday and realise benefits
- Hold the business to account through continuous improvement: strategy & planning; performance monitoring; risk & issue management; business assurance; and data insights

Financial Plan

The Integrated planning process has resulted in the following budget for 2019/20 & 2020/21.

CCS 2019/20 and 2020/21 Budget and MTFF	Forecast outturn 2018/19	Budget 2019/20	Budget 2020/21
	£m	£m	£m
Total Aggregate Spend	15,734	18,212	22,598
Total Income	83.8	97.4	130.8
Pay Costs	(36.0)	(46.9)	(54.5)
Non Pay Costs	(17.7)	(23.3)	(25.2)
Total Costs	(53.7)	(70.1)	(79.7)
Core CCS Operating Surplus / Deficit	30.1	27.3	51.1
Whitehall Surplus / (Deficit)	4.0	(3.9)	0.0
NHS FOM Surplus / (Deficit)	0.2	0.0	0.0
CCT Surplus / (Deficit)	(1.7)	0.0	0.0
Total Operating Surplus / (Deficit)	32.6	23.4	51.1
Interest Receivable	0.1	0.1	0.0
Dividend	(6.2)	(14.5)	(2.0)
Surplus / (Deficit) Before Other Costs	26.5	9.0	49.1
Find a Tender/Contracts Finder Services	(2.2)	(2.0)	(1.9)
Investment Budget	(9.5)	(12.0)	(11.6)
Net Surplus / (Deficit)	14.8	(5.0)	35.6
Reserves			
Opening Reserves	10.4	25.2	20.2
Retained Surplus/(Deficit)	14.8	(5.0)	35.6
Closing Reserves	25.2	20.2	55.8

Investment Budget	Budget 2019/20	Budget 2020/21
	£m	£m
Transforming CCS Programme	(5.7)	(8.0)
DST resourcing	(2.2)	(2.5)
In-flight Projects and Other Tech Solutions	(1.8)	(0.4)
Remaining Investment Pot	(2.3)	(0.7)
Total Investment Budget	(12.0)	(11.6)

Strategic Key Performance Indicators

Overview - We will continue to measure organisational performance against a set of KPIs in combination with a set of operational metrics aligned to the three priorities and seven key enablers in our Business Strategy and Business Plan along with a set of other key operational metrics and themes.

	Headline Measure	2019/20 Target	2020/21 Target
Business growth The extent to which we are growing our business	Direct spend as a % of total spend on Common Goods & Services	Increase market share to 14.8%	Increase market share to 19.2%
Business efficiency Our cost in relation to our outputs	Cost of managing spend as a % of total direct spend	To achieve a cost ratio of 0.53%	To achieve a cost ratio of 0.46%
	Cost of managing spend as a % of total commercial benefits	To achieve a cost ratio of 7.9%	To achieve a cost ratio of 7.2%
Business effectiveness How effective we are in achieving benefits for our customers	Total commercial benefits as a % of aggregate spend	To achieve an effectiveness ratio of 4.9%	To maintain an effectiveness ratio of 4.9%
Customer What our customers think of our services	Customer Service Net Promoter Score	+45 with a stretch of +50	TBD
	Assisted Procurement Net Promoter Score	+45 with a stretch of +50	TBD
	Self Service Net Promoter Score	TBD	TBD
People How engaged our people are in their roles	Engagement Score	Improved on 2018/19 score of 66	Improve on 2019/20 score
Financial Our effectiveness in financial management	Income less expenditure (P&L) / Net surplus (deficit)	Achieve a deficit of £(5.0)m rising to a surplus of £35.6m in 2020/21	
	% Return on Capital Employed in year (ROCE)	Achieve an in year ROCE of 55.4%	Achieve an in year ROCE of 87.7%