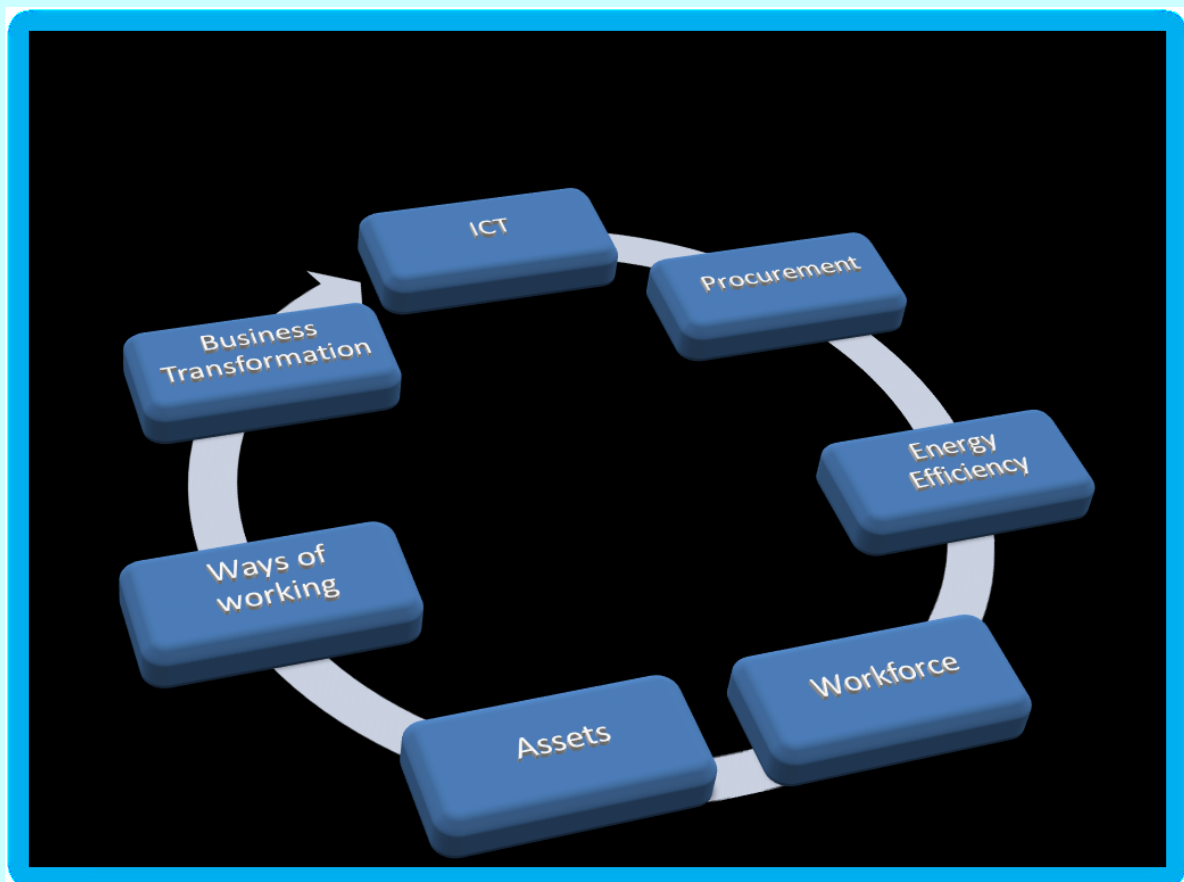




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# Invest to Save Annual Report 2018



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Revised May 2018

## Invest to Save 2018

### Cabinet Secretary's foreword

I am pleased to introduce the 2018 annual report of the Invest to Save fund.

Since 2009, the fund has supported in excess of 180 projects with an aggregate value of more than £174m. Twenty one of those projects received investment of £14 million in the period covered by this report. Over the last few years, Invest to Save has supported a number of important initiatives, including:

- Investment projects which support the Welsh Government's Green Growth agenda – funding has been invested in projects across the public sector to reduce CO2 emissions and generate cash savings;
- New investments in education and the third sector for a range of projects, including mental health care, business development and energy efficiency;
- A new Innovate to Save fund, which was set up in 2017 in partnership with Nesta, Cardiff University and the Wales Council for Voluntary Action.

Innovate to Save fund was set up in response to reviews of Invest to Save fund by the National Assembly's Finance Committee; an external consultancy firm and the Public Policy Institute for Wales.

With a budget of £5m, it is the first fund of its kind to be operated by a government. Innovate to Save is designed to encourage and support ideas which are more innovative than those supported by Invest to Save. Innovate to Save runs alongside Invest to Save.

The first Innovate to Save bidding round attracted 50 applications from across the public and voluntary sectors. Eight projects were selected to progress to the research and development stage and, over the course of the next few months, a decision will be made about which of these eight projects will be supported with an offer of loan finance. In the meantime, a second Innovate to Save bidding round was launched in February 2018 and closes on 16 July 2018.

The Innovate to Save fund provides an opportunity to explore new and potentially riskier approaches. In the meantime the Invest to Save fund continues to be extremely relevant to public sector organisations throughout Wales. It provides organisations with a repayable funding stream to support tried-and-tested projects, which will improve services and release savings, as demonstrated in the pages of this annual report.

This year's Invest to Save bidding round opens on 4 June 2018, with expressions of interest due by 31 July 2018.

**Mark Drakeford – Cabinet  
Secretary for Finance**

May 2018



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## Further information and contacts

Further information about the Fund can be found on the Welsh Government's web site at: [www.wales.gov.uk/topics/improvingservices/bettervm/i2savefund/?lang=en](http://www.wales.gov.uk/topics/improvingservices/bettervm/i2savefund/?lang=en)

If you wish to discuss a potential project proposal then please contact Paul Bryant in the Invest to Save unit at: [I2Sinvestmentfund@gov.wales](mailto:I2Sinvestmentfund@gov.wales)

## **Introduction**

The Invest to Save fund is an interest free repayable grant which is available on a discretionary basis to Welsh Government funded public service organisations and third sector organisations based in Wales. The fund is intended to support projects which will generate cash releasing savings whilst ensuring the provision of effective citizen-centred services.

### **Rationale for using the fund**

The fund needs to be seen in the context of the wider agenda for public services reform and efficiency and the need to deliver improved services in a climate where financial resources are scarce. There may be failures and issues occurring across the public sector which prevent the development of services, for example:

- Failures in co-ordination. There are many examples where there would be clear benefits in different organisations collaborating to deliver more joined up services. Examples of where such collaboration is beneficial include joined up health and social services, and local authority benefits functions and job seeker support.
- A lack of resources to invest in change even though there would be clear financial advantages in the future. A short term financial boost can allow such investments to continue and savings to be generated.
- Information failures. There may be information gaps which hamper service delivery or have a clear detrimental effect on providing an effective and efficient service.

### **The objectives of the fund**

- To deliver improved public services in line with the Welsh Government's public service efficiency and wider improvement agenda;
- To transform the operational efficiency of public services and generate significant cash-releasing efficiency savings;
- To encourage stronger collaboration across organisations and administrative boundaries where this leads to measurable benefits in public service delivery; and,
- To promote the dissemination of lessons learnt and best practice arising from projects.

Invest-to-Save funding meets up to 75% of total project costs in most cases but certain categories of project can attract 100% and there is flexibility on the payback period.

### **Types of Project**

The majority of projects fall into distinct categories. These are:

- Procurement. Enabling organisations to arrange more effective purchasing arrangements which generate savings.
- Business process transformation. Changing the way in which an organisation works to maintain similar or improved services whilst reducing costs.
- Asset and Estate management/utilisation. Examining the estate of an organisation to identify assets which can be sold to generate income and reduce running costs.
- Shared services and organisational collaboration. Saving costs through reducing the level of duplication across organisations.
- ICT implementation and enhancement. The use of ICT to reduce costs and provide more efficient internal processes or improved access for citizens.
- Development/implementation of new service delivery models. Improvements to services which not only save money but improve outcomes for citizens.
- Energy Efficiency. Implementation of more efficient technologies to reduce costs and carbon emissions.

### **Intended Outputs**

Each individual scheme will have a series of dedicated outputs but the fund itself also has a desired series of outputs:

- At any one time the fund should have a rolling programme of projects being implemented and completed. This programme should ideally have a varied mix of project types which are not only spreading good practice but also testing new approaches which, should they succeed, can be rolled out to other suitable locations.

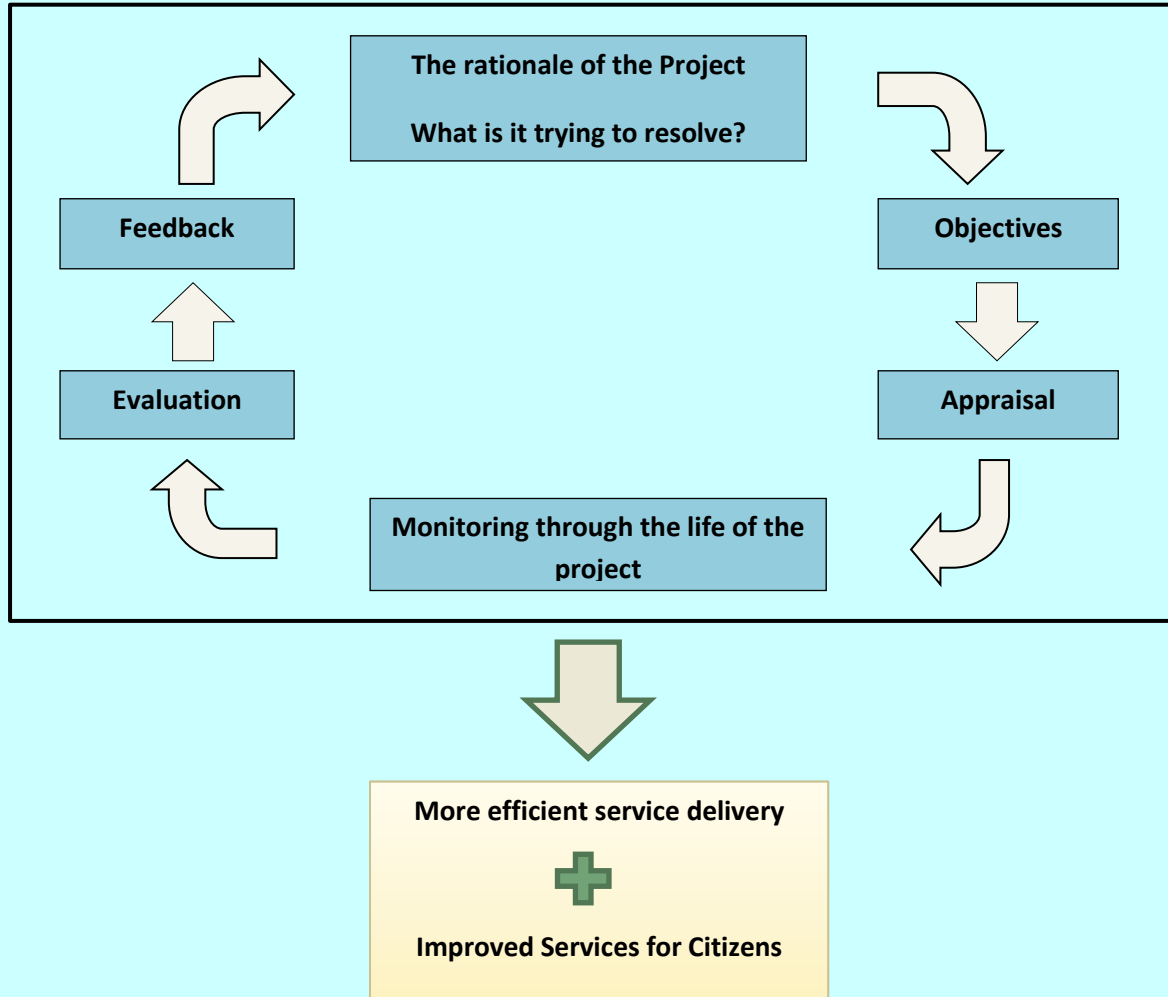
- An effective learning environment to disseminate good practice. This is one of the challenges facing the fund and an area which we are working on to address.

### **Intended Outcomes**

- Cashable benefits which means resources can be redirected to support other services. Every scheme should be able to generate savings over and above the level of investment provided and these benefits should continue for a number of years.
- Non cashable benefits which improve service delivery. There are various ways in which this can be achieved, for example collaboration between organisations, co-location, the re-direction of resources to front line services or through the digitalisation of records to make them more accessible.
- Quantitative benefits. Benefits which can be measured such as increased bed space or reduced levels of asset loss. Quantitative benefits are not just financial but can be measured with a degree of certainty.
- Non quantitative and strategic benefits such as increased staff morale and more seamless service delivery. These benefits can be harder to measure and although 'softer' in nature can deliver real improvements in the level of service received by citizens. Organisations can measure these benefits through such tools as staff surveys or monitoring sickness absence levels etc. However, other potential factors could be impacting on the results of such surveys so care needs to be taken when interpreting the results.



## The I2S Cycle and the Net Impacts



## Achievements in 2017-18

In 2017-18 the Invest to Save fund provided up front investment of £14 million to 21 projects.

The following table provides the detail of investments by sector.

<b>Sector</b>	<b>Number of Projects</b>	<b>Value of Investment £000</b>
NHS Wales	15	6,404
Sponsored Bodies	1	175
Further Education	1	126
Higher Education	1	377
Welsh Government	2	6,535
Other	1	424
	21	14,041

Each project can be placed into a particular category and for 2017-18 this analysis is as follows:

<b>Theme</b>	<b>Number of Projects</b>	<b>Value of Investment £000</b>
Energy Efficiency	1	126
New Ways of Working	14	4,286
Staffing	2	375
ICT	3	8,830
Business Transformation	1	424
	21	14,041

## Objectives for 2018-19

Since 2009 the fund has attracted and supported a wide range different types of project and the number of Expressions of Interest received remains at a relatively high level. However, many of the projects are of a small scale and so the potential savings are on a smaller scale than larger investments. Although the fund accepts both large and small ideas one of the aims of the Fund in 2018-19 is to attract a selection of ambitious projects which are trying to solve some fundamental problems. These proposals may be on a relatively small scale but would definitely have the potential for being scaled up at a national level and have a significant impact.

### **Collaboration with Nesta, Cardiff University and the WCVA – Innovate to Save**

This collaboration follows the recent report on the Invest to Save Fund published by the Public Policy Institute Wales. A copy of the report can be accessed here <http://ppi.w.org.uk/category/news/>

This new fund differs from the traditional Invest to Save fund in a number of ways:

- Ideas may be at a very early stage of their development and so require a period of research and development to assess whether or not they will deliver the anticipated results
- Greater support can be given to successful organisations and they will have access to project management and research advice
- It has a mix of repayable and non repayable finance. The non repayable is to support research and the repayable covers implementation costs;
- Repayment timescales are more flexible given the types of asset we may be investing in, and
- Investments can be up to 100% of the implementation costs.

A total of £5 million was made available for the initiative and this sub-fund will initially be administered by Cardiff University. Expressions of Interest and guidance notes can be found by following the link on the Invest to Save web pages.

The first bidding round which opened on the 17 February 2017 attracted a total of 50 bids. This was narrowed down to a shortlist of 8 projects which were selected for the Research and Development stage. Of these, four projects have so far signalled their intention to complete a full business case prior to the next stage of Ministerial approval.

The second bidding round was launched on the 19 February with a closing date of the 16 July. Details of the second round can be found at:

<https://www.nesta.org.uk/project/innovate-save>

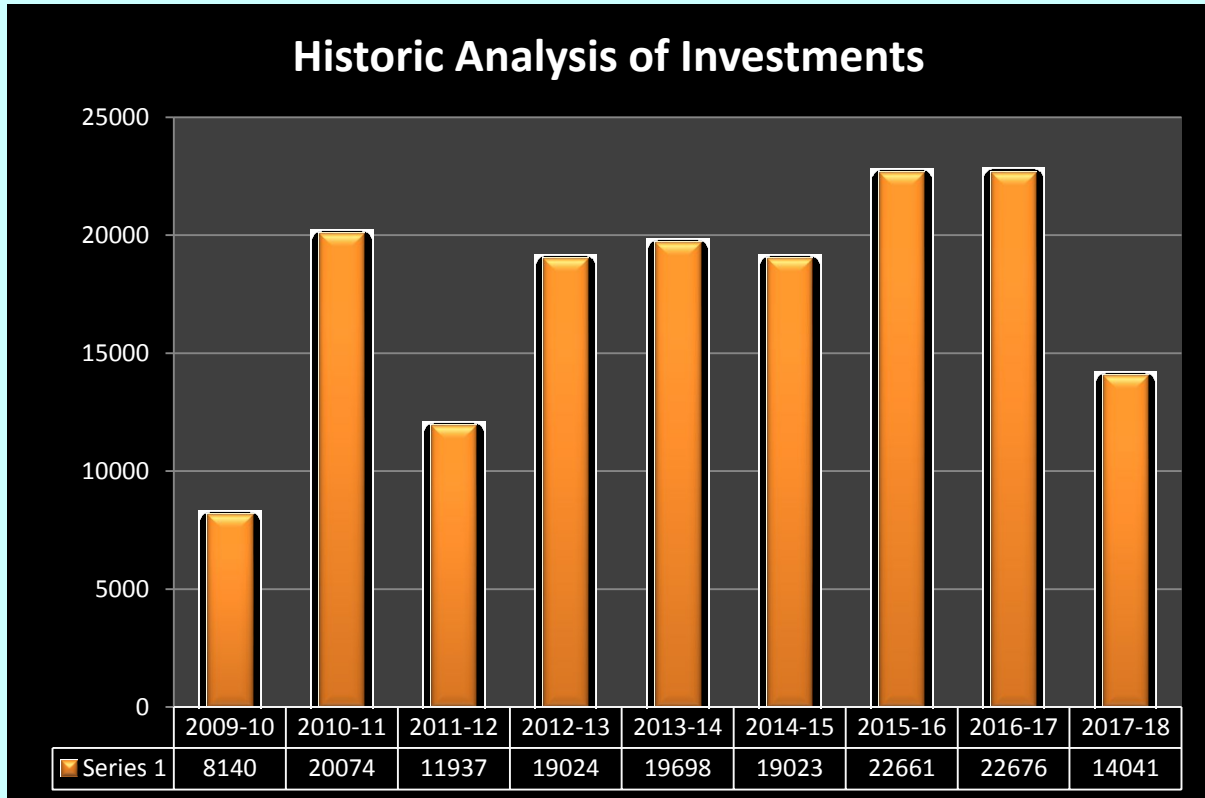
## Budget Details of Invest-to-Save fund 2018-19

Revenue Funds	£000
	<b>2018-19 Indicative Budget</b>
<b>Invest to Save fund</b>	<b>8,021</b>
<b>Made up of repayments from:</b>	
Local Health Boards and Trusts	4,421
Welsh Government Sponsored Bodies	1,579
Welsh Government	2,021

Capital Funds	£000
	<b>2018-19 Indicative Budget</b>
<b>Total Invest to Save Capital Budget</b>	<b>5,603</b>
<b>Made up of repayments from:</b>	
Local Government	2,408
Education Sector	1,142
Fire and Rescue Service	1,221
Welsh Government	503
Welsh Government Sponsored Bodies	81
Third Sector	248

Total Budget	£000
Revenue	8,021
Capital	5,603
<b>Total</b>	<b>13,624</b>

## Historic Analysis of Investments



# Annex 1 – Case Studies

## Invest to Save – Replacement of infusion pumps and ancillary equipment - Hywel Dda University Health Board

### The Problem



Following the creation of Hywel Dda Health Board in 2009 a large number of Infusion devices were inherited from the former constituent organisations.

The excessive number of pump types and configurations in service did not allow the Health Board to conform to prevailing Medicines and Healthcare products Regulatory Agency (MHRA) infusion systems guidance in circulation.

There was a danger that failure to replace the current stock would lead to a large proportion of stock needing to be withdrawn as they were deemed to be at their end of life several years ago.

Staff mobility / flexibility was compromised due to the excessive number of devices and training requirements

### The Solution



The entire stock of clinically and technically obsolete infusion devices was replaced with modern BBraun equipment.

This new equipment will:

1. Reduce clinical risk and improve patient safety
2. Bring state of the art safety features into infusion therapy
3. Provide a vehicle for extended standardisation of practice across the Health Board
4. Contribute to improved patient outcomes

### The Result

Total Loan Value	£281,250
Annual Savings	£279,000
Project Payback	3 years

Following the introduction of BBraun devices with a full and activated Dose Error Reduction Software (DERS) system pre-installed, Hywel Dda became the first Health Board in Wales to have such patient safety improvements in place on its infusion device stock

- Standardisation on BBraun devices has seen the number of device variants across Hywel Dda fall from 30 to 9
- User training performance increased from circa 40% pre-project to 85% as the projects closed
- There has been significant year-on-year cost avoidance
- Increased staff mobility across Health Board
- Increased utilisation of infusion devices across Health Board

# Invest to Save – The provision of a Community Diabetes Nurse Led Service for Cardiff and the Vale University Health Board

## The Problem



## The Solution



## The Result

**Total Loan Value: £152,000**

**Annual Savings: £103,000**

**Project Payback: 2 years**

Currently 5.6% of the population within Cardiff and Vale Health Board are affected by Diabetes accounting for 9% of the total budget.

Through funding from Invest to Save, the Health Board are looking to address the rising need for the provision of a specialist Diabetes nursing service.

This service will work alongside primary care practitioners providing the most appropriate care closer to home in a timely manner emphasising on prevention, early intervention and improved self management for the affected population including the transition into more suitable forms of insulin.

Specialist diabetes nurses will enhance primary care practitioners by:

1. Analysing data collected on all patients with poorly controlled diabetes and where clinically appropriate, have their insulin prescription switched to NPH insulin.
2. Cost savings of 30% can be made by switching a small percentage of patients currently taking Lantus (but not achieving glycaemic targets) to human (NPH) insulin.
3. Treating newly diagnosed patients with NPH insulin.

3 Diabetes Specialist nurses are in post and to date:

- To date 484 patients have been identified as within the scope of the project with 210 patients switched to the human form of Insulin.
- All GP practices within C&V UHB have been targeted for recruitment into the project.
- 19% reduction in Long-acting insulin analogues as a percentage of total long- and intermediate-acting insulin prescribing in secondary care.
- 3.85% reduction in Long-acting insulin analogues as a percentage of total long- and intermediate-acting insulin prescribing in primary care. This is the greatest reduction out of all the health boards in Wales.

