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An Independent Evaluation of the Invest to Save Fund

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Final Report

Simon Pringle, Joe Duggett, and Chris Wilkinson,
SQW Ltd.
Geoff White, Geoff White Inc.

Views expressed in this report are those of the researcher and not necessarily those of the Welsh Government

For further information please contact:
Ceri Greenall
Social Research and Information
Welsh Government
Cathays Park
Cardiff
CF10 3NQ]
Tel: 029 2082 3811
Email: Ceri.greenall@wales.gsi.gov.uk

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Executive Summary

Evaluation context, purpose and process

1. The Invest to Save Fund is a Welsh Government initiative that provides financial support, on a competitive and repayable basis, to public service organisations. It supports the implementation of strategic improvement projects and aims to deliver cash releasing and wider efficiency savings, whilst ensuring effective and improved citizen-centred public services.
2. Established in 2009, by the end of 2012 the Fund had committed investment of approaching £60m in 54 individual improvement projects over six funding rounds.
3. In April 2013, SQW Ltd was commissioned by the Welsh Government to undertake an evaluation of the Fund. Covering the first six rounds of investment, the purpose of the evaluation was to:
    - estimate the savings generated by individual Invest to Save projects, and to provide an estimate of aggregate savings
    - assess the impact of the Fund
    - establish the degree of additionality provided by the Fund.

The rationale for intervention

The rationale for intervention

4. The evaluation finds that the underpinning rationale for the Fund is sound and robust. The Fund responds to a number of drivers including:
    - the strategic policy context established by the Welsh Government focused on delivering improved public services, including through greater collaboration between agencies
    - the need to support organisations in securing efficiencies in service delivery given challenging budgetary and financial contexts
    - specific ‘failures’ and issues at a local/service delivery level, that prevent organisations progressing improvement projects and delivering efficient and quality public services.

5. At a project level, issues of co-ordination failures between organisations, and financial barriers were particularly evident in justifying the need for Fund resource. Risk aversion in investing resources in ‘new’ activities was not generally reported as an issue by projects: it was the lack of, rather than aversion to using, internal resources reported consistently as the issue that justified the need for Fund support. However, other forms of external support were not always considered by projects in advance of seeking Fund investment. As such, risk aversion to using internal resource may have been more prominent in reality than its reporting.
6. Explicit consideration of market, and other failures/issues in the project development cycle appears to be limited, and they were not formalised in the appraisal process. Whether the Fund has been used to address sustainably the causes, rather than the symptoms, of market/other failure, is therefore somewhat open to question. A greater focus on failures and rationales thinking going forward might encourage a more consistent focus on ‘why’ the Fund should be used, and provided enhanced learning and understanding on what kind of interventions work, when and why.

Benefits and impacts

7. Significant cash releasing benefits have been generated to date by Fund projects. Indicatively, for completed projects the evaluation estimates around £3 of gross cash releasing benefits for each £1 of Fund resource invested. Gross cash releasing benefits from on-going projects are more modest at this stage but still positive. These data include both ‘actual’ and ‘forecast’ savings, so may be subject to Optimism Bias for savings that have not yet been delivered. However, the evaluation indicates that in aggregate the Fund is likely to 'get out' more in terms of savings, than it ‘put in’ in terms of investment.
8. Not all projects supported to date have delivered cash releasing benefits. Of the 23 completed projects, a minimum of 15 have generated cash releasing benefits that can be attributed to the Fund. Of the five completed projects where cash releasing benefits have not been delivered, four were led by local government organisations.

9. No formal processes or systems have been put in place by the Fund to capture non-cash releasing benefits across the project portfolio, although evidenced routes to non-cash releasing benefits include enhancements in service delivery through the development and implementation of IT, improved service delivery as a result of the rationalisation and better utilisation of existing assets, and efficiencies through the integration/co-ordination of services. Putting in place processes and systems to track non-cash releasing benefits is an important issue going forward, with further advice and guidance required to support local capacity.

10. Other benefits of the Fund evidenced include:

    - quantifiable benefits in terms of better service user perceptions, enhanced access to services, and in a number of cases, improved outcomes for service users with a focus on health and social care.
    - non-quantifiable benefits including learning and enhanced knowledge and insight into service delivery and improvement for organisations delivering services, improved co-ordination and partnership working between agencies, and capacity development and the improved resilience of service provision and planning.

11. Overall, it remains too early to draw definitive conclusions on the quantitative and wider qualitative impacts of the Fund. However, the signs are encouraging, project managers are generally confident that the savings and wider benefits anticipated at the outset of their projects have been, or will be, delivered. As with non-cash releasing savings, further work to develop a typology of quantifiable benefits to enable projects to better capture at an individual level, and the Welsh Government at an aggregate level, the effects of Fund activity would be beneficial.

Re-payment incentives

12. The investment provided by the Fund is required to be paid back whether or not savings are achieved, based on a payment schedule agreed as part of the formal negotiations. In some cases re-payment has been tied directly with the achievement of savings. But in most situations the evidence indicates that the

investment was/is re-paid through central organisational budget-lines, at agreed points, not when savings had actually been generated.

13. This model minimises risk to the Welsh Government. However, it has a number of potentially important unintended consequences: that without the need to track formally the savings generated, the financial trail of the project can be lost, and that there can be a disconnect at the project delivery level between the 'practical' and 'financial' management.

14. Less tangibly, but importantly, there is the associated danger of a loss of 'discipline' in project implementation/delivery, where the incentive for staff to ensure that the project delivers on its intent is reduced. Further, arguably, the focus of risk on the delivery partners has to date led to generally less innovative and novel projects being brought forward for Fund support than might in absolute terms have been expected.

15. There is no clear right and wrong here – the key issue is balancing risk between funder and recipient. A more balanced risk profile is possible – for some elements of the Fund at least – where the Welsh Government is able to reduce the risk on delivery organisations by tying formally (in full, or more realistically in part) re-payment to the achievement of savings. The disadvantage from a funder perspective would be that re-payment would not be delivered where savings are not generated. But this approach may lead in turn to more innovative and novel projects coming through, with the risk to project partners in the case of project failure reduced.

Additionality and Value for Money

16. The Fund has delivered additionality, notably in terms of making projects happen sooner, or at a larger scale than would otherwise have been the case. There are also examples of self-reported 'full additionality' where no activities or benefits would have been delivered without the Fund.

17. Given the nature of the Fund's activities, and the complexities in understanding the counterfactual in a service delivery context, a quantitative analysis of additionality is not appropriate. That said, the evidence indicates that a good proportion of the cash releasing benefits, and wider benefits,

generated by Fund projects would not have been delivered, or would have been delivered later, in the absence of the Fund.

18. Positively, there is little evidence of substitution – involvement with Fund supported projects has not prevented organisations from progressing other development activities to deliver efficiencies and service improvement outcomes.

19. The evidence of this evaluation (consistent with the earlier interim assessment of the Fund) is that projects are commonly developed prior to seeking Fund support. As such projects have generally been 'bended' to meet Fund intents rather than actively stimulated by it, with the Fund then playing a key role to enable and facilitate these projects. In turn, the level of risk and innovation that Fund projects embody is generally (though not exclusively) modest, and they are likely to happen in some form even without the Fund finance, albeit later or at a smaller scale. There may be a case for a more focused appraisal of project additionality prior to Fund support, and/or providing lower levels of Fund resource to projects which are principally focused on accelerating or scaling-up existing, rather than the generation of wholly new, activities and benefits.

20. The Fund is still operational, so any assessment of Value for Money must be made with caution. However, the evaluation finds that the overall Value for Money of the Fund is acceptable, in terms of Economy, Efficiency, and Effectiveness.

21. Going forward, the Welsh Government must be able to report robustly and evidentially on the Fund's Effectiveness. Key to achieving this will be to develop a formal Theory of Change where, alongside the immediacy of the benefits generated (both in terms of savings and potentially wider effects as performance measurement systems evolve), robust assessments can be made of the extent to which the Fund is tackling the underlying problems that it is seeking to respond to.

Lessons from the case studies

22. The key lessons from the case study research on 'what works', with applicability to similar projects, were as follows:

- Securing senior level commitment to and ownership of the project amongst partners through extensive/in-depth partner engagement
- Managing the expectations of – and providing support for – those staff expected to develop new ways of working and non-project related staff who might be affected
- Setting up and agreeing performance measurement metrics and systems at the outset – especially with regard to direct cashable savings where these are to be the source for repayment
- Minimising risk through a phased approach and contingency planning with a robust research and planning first phase
- Adopting a whole systems approach – where possible through a dedicated management team with well-defined powers and responsibilities.

23. The case studies and the evaluation more widely also highlighted the importance of trusted relationships between partners, extensive and in-depth engagement of stakeholders, and the recruitment – with resourcing implications – of a dedicated management and delivery team. Where these factors were in evident, more was, or is being, achieved.

Summary

24. The findings of the evaluation of the Fund are positive. The Fund has supported good projects, to do valuable things, and delivered a wide range of benefits, including savings, exhibiting additionality. Whilst there are areas for development, including in performance monitoring practice (especially with regard to savings and outcomes), and a more risk-ready model may be possible, at this stage the Fund is making substantive progress towards delivery against its overarching aims and objectives.

25. Further, many of the challenges identified in this evaluation are not new. Similar issues related to defining project rationales, promoting additionality, supporting innovation, and demonstrating outcomes/impact were present in earlier reviews of the Treasury's Invest to Save Budget.

26. This provides assurance to the Invest to Save Unit, Panel, and the Welsh Government that the issues they are wrestling with in progressing the Fund are not exceptional or unique. It also provides a valuable opportunity for past learning and experience to be reviewed, and transferred, to the current context, as 'invest to save' activity, generally, in Wales progresses.

27. Any changes to the performance monitoring, operation, and management of the Fund will have resource implications. Indeed, there might be a case that in order to translate conceived processes into practical realisation in monitoring, and with a more 'managed portfolio' approach to the Fund in place, increased resources for the Invest to Save Unit will be required.

28. The Economy of the Fund appears good in terms of its operating costs: there may be a case for the Welsh Government to reduce the level of economy in management costs to enable these management tasks to be delivered with greater effect.

Recommendations

29. In light of these findings, the following recommendations are made.

Recommendation 1: The Welsh Government should consider the development of a formal statement of the rationale and Theory of Change of the Fund, identifying clearly the issues and challenges that it is seeking to address. This should follow standard ROAMEF (Rationale, Objectives, Activities, Monitoring, Evaluation and Feedback) logic as set out in the Treasury Green Book. This will help to ensure that the Fund is able to focus consistently and systematically on the issues and failures that it is seeking to address. The Theory of Change will also provide an accessible external depiction – to applicants, stakeholders and partner agencies – of what the Fund is fundamentally seeking to do.

Recommendation 2: Following the development of a formal ROAMEF statement, the Welsh Government should consider the inclusion in the Project Development and Application Process an explicit focus on project rationales, including statements and evidence of why the project is needed and the market and/or failures/issues that it is seeing to address.

Recommendation 3: Responsibility for project direction and management should rest, clearly and unambiguously, with a designated individual at the Lead Partner organisation; these arrangements should be updated on an on-going basis to

ensure that there is clarity on who, ultimately, is accountable for project performance and the delivery of Fund activity, over the project delivery period, and the payback period that follows. The processes are in place to deliver this, going forward there should be an increased focus to ensure that practice reflects fully these process disciplines. As an initial step, a formal review of contacts for all completed and on-going projects should be undertaken to ensure that appropriate contact details are now in place to provide a solid platform going forward.

Recommendation 4: The monitoring and collation of cash releasing savings should be integrated fully into the Invest to Save CRM/database system. Given that cash releasing savings are the key output being 'purchased' by the Fund, they should be regarded as output data to be collected routinely in monitoring (in gross form), rather than through evaluation activity. These data were not included in the Fund-level monitoring information provided to the evaluation team for this study, they should be for any future evaluation/impact research.

Recommendation 5: Guidance should be developed to enable project applications to better identify, and subsequently, monitor non-cash releasing benefits of Fund projects, so ensuring that projects are better able to plan for, and demonstrate, non-cash releasing savings in the future. Practically this could involve the development and dissemination of a series of project cameos providing 'real world' examples from the Fund, and more widely, of how non-cash releasing savings have been realised and captured to inform new applicants. Guidance on non-cashable benefits is currently limited: this provides the Invest to Save Unit with an opportunity to take the lead in this area, and diffuse and embed its clear expertise.

Recommendation 6: The Welsh Government should consider formally via an options assessment if, and how, to more clearly link the achievement of savings and re-payment of Fund investment, including re-balancing the risk profile away from the delivery organisations and on to the Government as a way of stimulating projects which are more innovative and risky, but potentially with higher rewards. This should include research with relevant public sector agencies (including both historic and potential future applicants) to provide evidence on the extent to which a re-balanced risk approach would stimulate more/different project ideas.

Recommendation 7: The Welsh Government should consider developing a suite of outcome measures, with established indicators and a logic that ties back to Fund objectives, that can be used to better capture consistently the types of outcomes that the Fund is seeking to deliver, for example, outcomes around health-related benefits and cross-sector measures of user-perceptions potential areas where

outcomes measures could be developed. These should be broad enough to not constrain activity types, but focused enough to enable instructive analysis and evaluation. As a first step, the Invest to Save Unit should engage with Welsh Government colleagues who are developing a framework for evaluating health and social care services to assess the extent to which this can be used to inform a framework for the Fund.

Recommendation 8: Driving down non-additionality in project selection and appraisal should be a priority going forward, in order to optimise Value for Money and the return on investment of the Fund's inputs. Whilst additionality is evident, the evaluation indicates that much of the activity supported by the Fund would have gone ahead in any case, albeit later, or at a smaller scale. In parallel to Recommendation 2, and Recommendation 9, which will play a role in driving-down non-additionality, this could include requiring the completion of a concise and focused Theory of Change statement from all project applicants setting out: (i) what needs to be changed (ii) what it will be changed to and (iii) how the project will cause the change. This should help the Invest to Save Unit and Panel to prioritise and support only those projects where the theory of change is coherent, evidenced, and genuine.

Recommendation 9: Alongside the development of the Fund ROAMEF statement, the Welsh Government should consider the development and inclusion in Project Application and Monitoring of a simplified logic model statement to enable projects to capture fully, and appraisal and Invest to Save Unit staff to test clearly, the links between project objectives, inputs, activities, savings and wider outcomes.

Recommendation 10: The Fund should be continued, but formal consideration should be given to promoting a more developmental intent, including through support for more innovative projects and an active portfolio management approach. Adequate resource and capacity within the Invest to Save Unit will be required to meet these requirements.

1 Introduction

Context

1.1 The Invest to Save Fund is a Welsh Government initiative that provides financial support, on a competitive and, importantly, repayable basis, to public service organisations across Wales. It supports the implementation of strategic improvement projects and is intended to deliver cash releasing and wider efficiency savings, whilst ensuring effective and improved citizen-centred public services.

1.2 Originally established in 2009, by the end of 2012 the Fund had, over six funding rounds, committed investment of approaching £60m in 54 individual improvement projects. Participating organisations include national and local public bodies, with a high representation of NHS Wales organisations.

Purpose of the evaluation

1.3 An interim evaluation of the Fund was conducted by the Welsh Government in 2012. This interim evaluation was focused principally on formative issues such as the application process for funding and management, with limited evidence available at the time on the outcomes of the Fund. The interim evaluation recommended that an evaluation should be commissioned in 2013, once a richer evidence base around project outcomes had developed, and was becoming apparent.

1.4 In April 2013, the Welsh Government commissioned SQW Ltd (SQW) to undertake an independent evaluation of the Fund, covering projects within the first six rounds of the Fund's delivery.

1.5 As set out in the Invitation to Tender, the purpose of the evaluation is to:

- estimate the savings generated by individual Invest to Save projects, and to provide an estimate of aggregate savings
- assess the impact of the Fund
- establish the degree of additionality provided by the Fund.

1.6 The evaluation is also intended to formalise, share, and cascade learning on 'what works' in efficiency and service improvement projects through the development and dissemination of Fund-related case studies.

1.7 It is important to note that this evaluation is not a formal update on the assessment of the process and formative issues covered in the interim evaluation, although process issues are covered where they relate directly to the evidence on savings, impacts and additionality. Neither, is the evaluation intended to assess the extent to which the Invest to Save Fund has responded to the findings of the interim evaluation, or the recommendations of the National Assembly for Wales Finance Committee's assessment of the Fund which reported in March 2013. That said, in Section 7 this report does provide a contextual overview of the findings of this evaluation against these earlier assessments of the Fund, as well as a comparative assessment with a former similar 'invest-to-save' intervention.

Methodology

1.8 The evaluation is based around a 'logic model' approach. Logic models are recommended for use in policy evaluation: they help to identify the evaluation objectives and research questions, inform the data and information to be collected, and provide a transparent assessment framework. The evaluation logic model is presented at Figure 1-1.

1.9 The logic model was developed following a review of background Invest to Save documents and data, and initial engagement with the Invest to Save Unit at the Welsh Government. Past learning in reviewing Invest to Save projects undertaken by HM Treasury was also drawn upon.

1.10 A 'mixed methods' research approach was adopted, including:

- **A desk review of relevant Fund documents and data** including the internal Interim Evaluation, the National Assembly for Wales Finance Committee's review of the Fund, and project-level information where it was available to both develop the evidence from projects where consultations/case studies were completed and to fill gaps in the evidence where consultations were not completed. The evaluators were also provided with the Fund's monitoring database as at May

2013, and all analyses of the Fund's population characteristics are as at this date.

- **Telephone consultations with 25 project managers/lead contacts of Invest to Save projects**, covering both completed projects (17 consultations) and on-going projects (eight consultations). The 17 consultations with completed projects were undertaken in June/July 2013 using a consistent research tool (at Annex B); a further six completed projects were contacted, but it was not possible to complete a consultation. The eight consultations with on-going projects were completed in October/November 2013 using the same research tool as for completed projects with a number of changes to reflect the earlier status of these projects (at Annex B); a further eight ongoing projects were contacted (from a list agreed with the Welsh Government, with a number of projects excluded because they had not proceeded, they were at a very early stage or because they were linked closely to other Invest to Save projects that had already been covered in the research) but it was not possible to complete a consultation. Across the evaluation, the consultations were used as the principal method to enable the identifying and evidencing of the Fund's benefits (including cash releasing savings, non-cash releasing savings, quantifiable benefits and non-quantifiable benefits[1]).

- **Eleven case studies of Invest to Save projects** to provide in-depth evidence on project development, savings generated, impacts, additionality and lessons learned. Six of the case studies were with on-going projects (who were not subsequently involved in the telephone consultations), and five of the case studies were with completed projects (that had previously been consulted and who agreed to participate in a case study). The case studies were identified and agreed in discussion with the Invest to Save Panel and

[1] This depiction of benefits is drawn from Treasury guidance on types of benefit of public sector intervention. See here: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/190601/Green_Book_guidance_public_sector_business_cases_using_the_Five_Case_Model_guidance.pdf

Welsh Government Social Research Manager. Each case study involved a review of relevant background documents (for example, the application form, monitoring data, any existing case study reports or internal evaluations), consultations with the project manager/lead contact (generally held face-to-face, although in a number of cases where this was not possible via telephone), and where appropriate follow-up consultations (face to face or via telephone) with relevant partners involved in the project. The case studies were undertaken using a consistent research guide, with the findings written-up into a case study summary report. The summaries were sent to local partners for fact-checking and clearance, prior to publication.

- **Four case studies of comparator non-Invest to Save projects**; these covered two projects which had applied for but did not ultimately secure Invest to Save support, and two projects that had no engagement with the Fund but were seeking to deliver similar activities and secure similar cash-efficiencies and service improvement outcomes. As with the case studies of Invest to Save-funded projects, the comparator case studies involved consultations with the project manager/lead contact (held face-to-face in all cases), and where appropriate follow-up consultations (face to face or via telephone) with relevant partners involved in the project. The case studies were undertaken using a consistent research guide, with the key findings used to inform the overall research report.

1.11 Through the consultations and case studies, the evaluation has secured primary evidence from 31 of the 54 projects supported over the first six rounds of the Fund, a participation rate of 57% (higher if projects not contacted based on guidance from the client are excluded).

1.12 The data have been analysed through a mix of quantitative analysis (where financial or other data have been provided, and of the relevant monitoring data received from the Invest to Save Unit) and qualitative analysis (of the telephone consultations and case studies).

1.13 The findings of the analysis were tested with the Welsh Government and its Invest to Save Panel, prior to the production of this report.

Evaluation context

1.14 At the outset of this report, a number of points are important contextually in framing the evaluation and its findings:

- The evaluation covers the full period from the commencement of the Fund in 2009 to 2013, and over six distinct rounds. Over this period, the Fund developed and evolved, building on the experience and lessons from delivery, and responding to the findings and recommendation of the interim evaluation, and subsequently the National Assembly review (albeit the latter reported in March 2013 only and as such any changes will not have flowed through for this evaluation). Recognising the 'developing nature' of the Fund is important in contextualising the findings of this report.
- The evaluation is of the Fund in its own, and absolute, sense. The evaluation is not a relative assessment of the Fund against other current funding streams or programmes at an overarching level (be these Welsh Government or, for example, European Social Funds). The conclusions of the work, and particularly the recommendations set out, need to be considered by the Welsh Government in light of the wider suites of funding streams and programmes available to public bodies across Wales.
- As a 'programme-level' evaluation, the work is necessarily high-level and focused at an aggregate and strategic level, although it is recognised that each individual Fund project itself is detailed and complex. It was not within the remit of this work to investigate in detail, or set out at length, the specifics of over 50 individual interventions.
- Memory decay was a significant issue for the evaluation, with project partners required to think back at times three or four years, and to provide often quite specific and detailed assessments across this time window. Whilst SQW has wide experience in these situations, and are confident fully in the integrity of the material gathered, this generic risk

of memory decay (leading to some information gaps), and the specific risk of more recent experience being the more roundly reported, has been a significant one. This does highlight the particular tension in evaluations of these sorts to allow sufficient time to have passed for real impact to become apparent, but not so much so that accurate and balanced recollections of what actually happened are lost. The timing of this evaluation followed a recommendation of the interim evaluation of the Fund, however, with many project still on-going it remains an interim assessment.

- Allowing for the external effects of the financial downturn and public sector spending cuts in the consultations and analysis was important, given that the evaluation period covers the 2009-2013 period during which the public sector experienced significant financial cuts and budgetary pressures. Whilst Invest to Save was part of the response to this challenge, it is important to recognise that this was not – then at least – a 'normal' time for public service delivery, with significant pressures to cut costs and drive efficiencies a mainstream issue for organisations. Invest to Save therefore aligned with the strategic agenda, but the extent to which the savings generated can be accurately unpicked from other efficiency activities was arguably more complex over the evaluation period than would generally have been the case.

1.15 One final point is important in framing the evaluation and its findings. Whilst, ultimately, over half of the projects supported by the Fund covered by evaluation period were involved directly in providing primary evidence for the evaluation, securing this level of participation was challenging, and the level and quality of the information provided was varied. A number of issues were in play:

- the names of project managers/leads and contact details held by the Invest to Save Unit and provided to the Study Team were sometimes out-of date, generally owing to staff change at the supported organisations, with the original contact having moved on. In a number of cases, it was necessary to contact three or four individuals in order

to complete a consultation, with the level of exposure to detailed project activity often very mixed

- the identity of the relevant Lead Contact for projects was not always straightforward, especially whether this was a contact from the practical/operational side of the project, or the financial management side. Ultimately, who 'owned' the project was at times uncertain, again with implications for the comprehensiveness and quality of the information provided
- close operating links between some projects that secured Fund support, including a number of 'follow-on' projects, again had implications for identifying the correct contact, and delineating project activity and benefits in discussion was at times challenging. On occasion, partitioning with contacts (covered by both the study's consultations and case studies) the specific effects of individual Fund projects, as opposed to the wider suite of activities was problematic.

1.16 Ensuring up-to-date and relevant contacts are maintained is always a challenge for interventions such as the Invest to Save Fund, as people move-on naturally, and as financial and operational elements of the project operate in parallel. The Welsh Government put in place formal systems to aim to ensure that clarity on project contact was established and maintained, including the identification of a Senior Responsible Owner (SRO) and project manager at the outset of the project, and including as a condition of offer that projects inform the Welsh Government of any change in project manager. Contact was then to be maintained through quarterly monitoring reporting until re-payment is complete and a post-project report has been provided. No contact is maintained between the Invest to Save Unit and projects after the close of a project.

1.17 Commenting in detail on the robustness of the systems put in place for the operational management is not the focus of this impact evaluation. However, the evaluators do observe that a number of occasions the realities of living projects were often different to that proposed in the applications to

the Panel. This issue of the often dynamic nature of supported projects is returned to in Section 3.

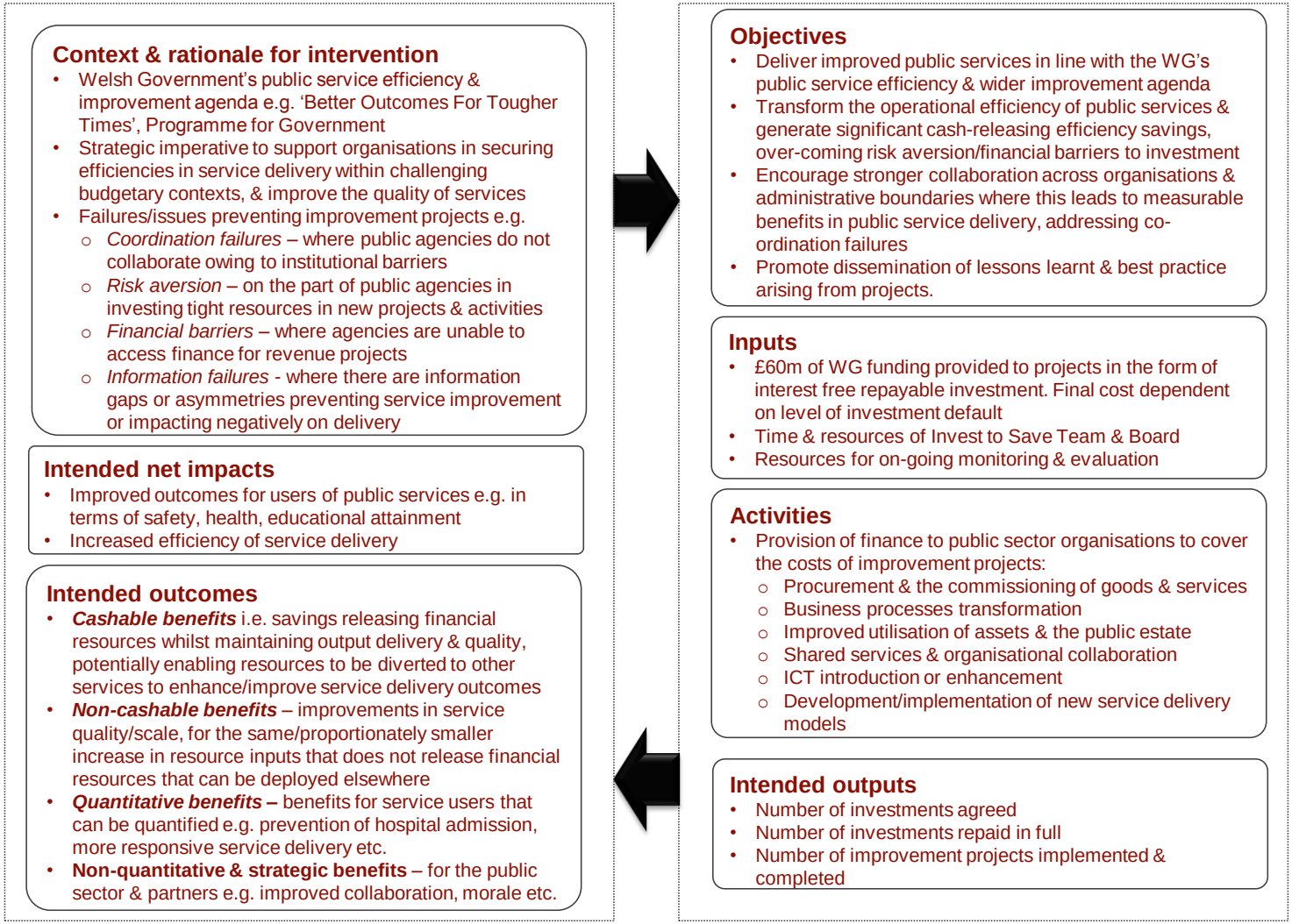
Structure

1.18 The remainder of this report is structured as follows:

- Section 2: Context and rationale
- Section 3: Savings generated by Invest to Save
- Section 4: The impact of Invest to Save
- Section 5: The additionality of Invest to Save
- Section 6: Case study synthesis
- Section 7: Reflections from previous experience of Invest to Save activity
- Section 8: Conclusions and recommendations.

1.19 Annex A to this document lists the projects engaged in the evaluation via the consultations and case studies. The case study summary reports are provided in a separate, accompanying document. Annex B contains the research tools.

Figure 1-1: Logic model for the Invest to Save Fund



2 Context and rationale

2.1 This section provides an overview of the Fund over the evaluation period, and comments on the underlying rationale for intervention.

Overview of projects

Overview of the Invest to Save portfolio

2.2 This evaluation covers projects supported by the Fund over its first six bidding rounds, in total some 54 projects.[2] Round One accounted for the highest number of projects, although the data indicate that the scale of projects increased progressively – if not in a linear fashion – over the six rounds, with the average scale of project rising in all subsequent rounds. This is explained, in part, by the introduction of a minimum project threshold of £100k following Round Two, a decision taken to encourage greater focus on 'strategic' projects.

Table 2-1: Number of projects and value by Round

	Number of projects	Value of offer (£k)	Average value of offer (£k)
Round One	19	9,971	525
Round Two	9	16,915	1,879
Round Three	6	5,115	853
Round Four	6	3,850	642
Round Five	5	12,777	2,555
Round Six	6	6,408	1,068
Round not stated	3	2,694	898
Total	54	57,730	1,069

Source: Invest to Save monitoring data

2.3 The scale of projects, by financial value, varied substantially: from over £5m to under £50k. As shown in Table 2-2, the eight largest projects (out of 54) accounted for around 64% of the total Fund offer value. This included two individual projects securing Fund support in excess of £5m: the Voluntary Early Release Scheme (VERS) led by NHS Wales, and the Gwent Frailty Programme led by Torfaen Council and Aneurin Bevan Local Health Board.

[2] The database provided to SQW by the Invest to Save Unit identified 60 'successful' projects, however, six projects were subsequently identified by the Unit as having not been progressed. These six projects are therefore excluded from all of the data presented in this report.

Table 2-2: Projects by value of offer

	Number of projects	Value of offer (£k)	% total value of offer
Over £5m	2	13,714	23.8%
£2.5m to £5m	6	23,097	40.0%
£1m to £2.5m	4	6,100	10.6%
£500k to £1m	11	7,960	13.8%
£250k to £500k	13	4,981	8.6%
£50k to £250k	12	1,801	3.1%
Under £50k	2	75	0.1%

Source: Invest to Save monitoring data

Project distribution by sector

2.4 Projects across the public sector were supported by the Fund in its first six rounds. However, NHS Wales organisations accounted for 65% of the total offer value across (£37.3m of the £57.7m), including 28 individual projects (although in a number of cases the projects were closely linked, with a number of 'successor' projects).

2.5 As noted in the Interim Evaluation, this emphasis on NHS projects reflects, in part, the more limited financial options open to health bodies, in terms of alternatives to mainstream funding. The evidence from this evaluation also suggested that the increasingly tight financial operating context in the health sector was an important factor, with Invest to Save used to support projects that were 'important' to delivering against organisational strategic priorities, but not 'core' to mainstream service delivery, often including the piloting and testing of new activities, and therefore not covered by internal budgets.

Table 2-3: Offers by sector

	Number of projects	Value of offer (£k)	Average value of offer (£k)
NHS Wales	28	37,251	1,330
Other public sector	8	12,272	1,534
Local government	17	7,487	440
Higher education	1	719	719

Source: Invest to Save monitoring data

2.6 The sectoral mix of projects supported reflected generally the distribution of applications received. Over the six funding rounds some 230 projects sought Invest to Save support. As shown below, NHS Wales projects accounted for a higher proportion of applications (57%) than actual projects supported (52%);

by contrast Local Government projects represented only 24% of applications, but 31% of projects.

2.7 The data do suggest that local government applications were 'more likely' to be supported than projects from other sectors, with one supported project for around every three local government applications, compared to one in around five for NHS projects.

Table 2-4: Comparing applications and offers by sector

	Proportion of applications (n=230)	Proportion of supported projects (n=54)	Applications per to supported project
NHS Wales	57%	52%	4.7
Other public sector	17%	15%	4.8
Local government	24%	31%	3.2
Higher education	3%	2%	6.0

Source: Invest to Save monitoring data

2.8 The process of project selection and appraisal is not the focus of this work. A wide range of factors will have influenced investment decisions, based both on the quality of the applications, and the extent to which they met the Fund criteria. That said, work to understand the extent to which there may be lessons for the quality of applications from local government that explain the apparent 'better outcomes' in terms securing support by these projects could be considered by the Invest to Save Unit and Panel, with the potential for these messages to be disseminated more widely.

Project distribution by location

2.9 The spatial distribution of projects and offer value is set out in Table 2-5. Importantly, spatial targeting of activity was not a part of the Fund's criteria: applications were assessed on the basis of the quality of the submission and project specification, not based on their spatial location.

2.10 Further, around 30% of the offer value (£16.8m) went to projects operating across Wales, including a number of pan-NHS projects. These projects were, as would be expected, generally larger than the locally/regionally specific projects, with an average of £1.5m on Invest to Save support offered.

2.11 It is notable that the average size of project in Central Wales in particular, was low, at around £725k, compared to around £1m for projects in South East and South West Wales.

Table 2-5: Offers by location

	Number of projects	Value of offer (£k)	Average value of offer (£k)
All Wales	11	16,751	1,523
Central Wales	10	7,234	723
North Wales	9	7,985	887
South West Wales	6	6,783	1,131
South East Wales	18	18,977	1,054

Source: Invest to Save monitoring data

2.12 Again, it is worthwhile comparing the distribution of applications with supported projects. Of the 230 applications recorded in the database provided to SQW, 149 included a spatial location. From this cohort, All Wales projects accounted for a slightly higher proportion of supported projects than applications, with North Wales accounting for a lower proportion. However, the data do not indicate an imbalance in the spatial distribution of support in terms of the balance between applications and offers.

Table 2-6: Comparing applications and offers by location

	Proportion of applications (n=149)	Proportion of supported projects (n=54)	Applications per to supported project
All Wales	16%	20%	2.2
Central Wales	19%	19%	2.8
North Wales	22%	17%	3.7
South West Wales	13%	11%	3.2
South East Wales	30%	33%	2.5

Source: Invest to Save monitoring data

Payments made

2.13 The data above refer to the value of the *offer* by the Welsh Government to projects through the Fund, not what has actually been paid out. The Invest to Save Unit database provided to SQW recorded payments made to May 2013 – the data set out below is drawn from this information. The subsequent Return on Investment data are based on this financial information provided in the database of May 2013.

2.14 By May 2013 (the point at which information was provided), the data indicate that some £31.8m of financial support had been paid out to projects by the Fund, representing 55% of the total approved value at that point. This data varied by Round, as would be expected, by May 2013:

- payment to projects under Round One to Four was largely complete, with the exception of one major project where payment had been delayed – in total £30.7m had been paid out, of the £35.8m aggregate offer
- payment to projects under Rounds Five and Six was at an early stage, with £1.0m paid out, of the £19.2m offer.

2.15 Additional payments were made over the course of the evaluation period, from May to December 2013. The Invest to Save Unit has confirmed that all financial support agreed with projects under Rounds One to Six had been paid by January 2014 in accordance with agreed project investment schedules.

Key messages

2.16 The overview of the Fund portfolio highlights a number of important messages for the evaluation:

- The portfolio of projects is diverse, with projects ranging from very significant interventions (over £5m of Fund resource) to, in financial terms at least, rather modest ones. This reflects the range of activities for which organisations have sought support from the Fund. However, it also has implications for the management and performance measurement of the Fund, including the extent to which on-going support, oversight and monitoring is/should be focused on the larger projects, where the majority of funding is located, and whether these larger projects require a more detailed appraisal and concept development stage prior to full approval.
- Across this diversity, there does not appear from the data to be a clear pattern of support, either spatially, sectorally, or by scale. In this sense (and as is intended by the Welsh Government), the Fund has been largely responsive to external demand, rather than actively looking to develop or target a managed portfolio approach where project types are targeted to fill gaps and/or meet specific policy needs (although the Welsh

Government itself led on a number of strategic projects that accounted for significant Fund support, including the Public Sector Broadband Aggregation Scheme). A more managed approached, based on underpinning failures and issue might have been possible – we return to this issue below.

- At the time the primary research was undertaken with projects (in mid/late 2013), not all of the funding allocated to them had been paid, particularly for the on-going projects from the later rounds of the Fund covered by the evaluation (five and six). As a result, not all of the activities and benefits will have been delivered. Given the time-paths to savings and benefits of service improvement projects, this means that it is still 'early days' for many of the projects supported by the Fund covered by the evaluation; consideration of the evaluation's conclusions needs to recognise this.

Rationale

2.17 A detailed assessment and critique of the underpinning rationale of the Fund is not formally part of the core purpose of this evaluation. However, clarity on the rationale is important to enable the evaluation to test robustly whether the Fund has made progress in delivering against its intent.

2.18 Although there does not appear to be a formal statement of the rationale for the Fund in terms of the specific barriers and/or failures that it is seeking to address (which it would have been usual to expect, and has been developed ex-post by the evaluators in the logic model), the evaluation indicates that the Fund is fundamentally seeking to respond to three complementary issues:

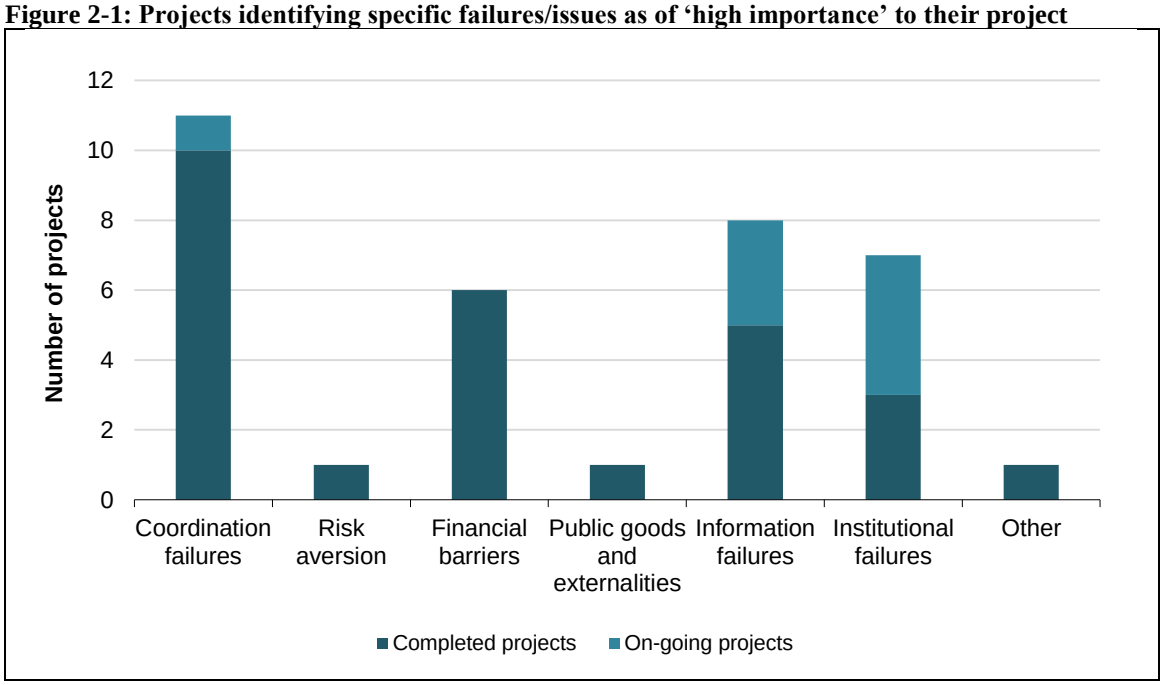
- The strategic policy context established by the Welsh Government, focused on delivering improved public services, including through greater collaboration between agencies and service providers.
- The need to support organisations in securing efficiencies in service delivery, given the challenging budgetary and financial context, whilst retaining and improving service quality: put simply, providing resources that organisations do not themselves have.

- Addressing specific failures and issues at a local/service delivery level that prevent organisations progressing improvement projects including c*oordination failures* (where public agencies do not collaborative and work together) *risk aversion* (in investing tight resources in new projects and activities)*, financial barriers* (where many public agencies are unable to access finance from mainstream providers), and *information failures* (where there are information gaps or asymmetries preventing service improvement or impacting negatively on delivery).

Project rationale and objectives

2.19 These issues were tested with projects as part of the evaluation, through the consultations and case studies. Overall, the evidence indicates that issues of co-ordination failure and financial barriers (the latter particularly for NHS projects) were evident. For example, as shown below, of the 25 consultations with completed and on-going projects, 11 identified co-ordination failures as being of high importance to the underpinning rationale for the project, with information failures and institutional failures also prevalent widely.

Figure 2-1: Projects identifying specific failures/issues as of 'high importance' to their project



2.20 Institutional failures appears to be more of an issue for on-going projects; this reflects, in part, the nature of the projects consulted, which included a number of technical projects seeking to develop new ways of working.

2.21 It is notable that risk aversion in investing resources in ‘new’ activities was not generally seen as an issue by projects: it was a lack of, rather than aversion to using, internal resources reported consistently as the issue that justified the need for Fund support. However, it was also notable that consultations with both completed and on-going projects indicated that other forms of external support were not generally considered, with internal resource the most likely ‘non-Fund’ scenario.

2.22 This issue touches on the additionality of Fund support, which the report returns to later. However, at this stage, it is worth noting that the case study research suggests that Fund resource was sought to improve performance at a larger scale, more quickly, more innovatively and/or in a better integrated way than they could accomplish using internal resources alone. This suggests that risk aversion to use internal resource arguably has been a more prominent issue than reported directly from projects.

2.23 It is also important to note that the financial and budgetary backdrop was a commonly-cited issue: many of the projects consulted, across all sectors and time-frames, noted the underpinning need to deliver efficiencies in order to contribute to the achievement of corporate financial targets as a core driver to the development of their project, and which the Fund resource enabled.

The rationale in the round

2.24 Overall, the evaluation finds that the rationale for the Fund was robust, and that projects securing support from the Fund were generally based on a sound and substantive rationale for intervention. This is not entirely unexpected, given the formal appraisal and assessment discipline required to secure Fund support, but is a positive finding nonetheless.

2.25 That said, explicit consideration of market and particularly in the case of the Fund other failures and issues – such as co-ordination failures, or risk aversion – was limited across projects, and is not formalised in the appraisal process: that is, testing not what the project will do and whether this is a ‘good thing’ but why, fundamentally, the project is needed. As such the rationales for projects could be somewhat hidden and/or assumed, rather than evidenced. This does not mean that individual projects did not have rationales, or that there was not

a strategic case for supporting them, but that the rationales were arguably not fully articulated and tested as closely they might. There is an argument for addressing this going forward.

2.26 Taking these perspectives together, the implication is that using the Fund to address sustainably the causes, rather than the symptoms of market/other failure, might have been less evident that it could have been. A greater focus on failures and rationales thinking might have encouraged a more consistent focus on 'why' the Fund should be used, and provided enhanced learning and understanding on what kind of interventions work, when and why.

2.27 This is not a call for an overly technical approach to the Fund's operation, but a recognition that as the Fund goes forward, a greater focus on characterising more fully the reasons why intervention is needed, to better identify the sorts of issues and challenges in public service delivery that it is seeking to address, will be important.

Section Recommendations

Recommendation 1: The Welsh Government should consider the development of a formal statement of the rationale and Theory of Change of the Fund, identifying clearly the issues and challenges that it is seeking to address. This should follow standard ROAMEF (Rationale, Objectives, Activities, Monitoring, Evaluation and Feedback) logic as set out in the Treasury Green Book. This will help to ensure that the Fund is able to focus consistently and systematically on the issues and failures that it is seeking to address. The Theory of Change will also provide an accessible external depiction – to applicants, stakeholders and partner agencies – of what the Fund is fundamentally seeking to do.

Recommendation 2: Following the development of a formal ROAMEF statement, the Welsh Government should consider the inclusion in the Project Development and Application Process an explicit focus on project rationales, including statements and evidence of why the project is needed and the market and/or failures/issues that it is seeing to address.

3 Savings generated by Invest to Save projects

3.1 This section sets out the evaluation findings on savings generated by the Fund, covering cash releasing and non-cash releasing benefits. For clarity, the evidence for completed and on-going projects is presented separately for these two forms of benefit.

3.2 Prior to setting out the findings on savings, it is important to highlight up-front three important issues:

- First, sourcing robust evidence on savings, both cash releasing and non-cash releasing (although particularly the latter), was challenging consistently, even via consultations and case studies with projects where the nature of information sought was signposted in advance. A number of factors were in play here, including difficulties in unpicking Fund metrics from wider project budgets, the realisation following project approval that the savings agreed were not in fact able to be identified and/or not cashable in nature, and time and people moving on (meaning that key contacts who were around at the outset of the projects were not consulted, with implications for depth of the qualitative data available). More generally, the research indicated that Fund monitoring practice (as opposed to theory) at a local level, and in turn centrally at the Welsh Government, could be strengthened. Collectively, these issues meant that the evidence base for savings is less comprehensive and accurate than arguably it should be, given the scale of public sector resource involved and the complexity of change which the Fund is seeking to bring about.
- Second, whilst cash releasing savings were agreed for all projects, this was not the case for non-cash releasing savings, and there were no procedures in place to support projects in capturing and evidencing non-cash releasing benefits. As a result, the extent to which these benefits have been monitored is variable across the project portfolio. This is not wholly unexpected; the Fund is explicitly focused on delivering cash releasing benefits and projects have been developed to respond to this

intent, but non-cash releasing benefits are harder implicitly to capture than cash releasing ones, meaning that without formal systems and processes to enable their monitoring the benefits generated may be lost.

- Third, data on other public (or potentially private) investment, to which Invest to Save matched, was limited. This information was not provided in the database provided to SQW (suggesting that it has not been collated and recorded centrally), and it was difficult for project consultees to identify routinely with any precision, or detail, the scale of resource that Invest to Save matched to. This means that any attribution of benefits to the Fund is indicative.

3.3 These issues point towards a general need for a tighter monitoring process to ensure that the savings – cash releasing and non-cash releasing – generated by the Fund are monitored and captured fully and comprehensively, both by projects and at a Fund level. Further, other funding should be captured in the monitoring database to ensure that attribution of benefits to the Fund can be assessed more fully and accurately going forward.

Cash releasing benefits

3.4 Cash releasing benefits refer to projects releasing directly financial resources, whilst maintaining output delivery and quality that can be deployed elsewhere and/or used for other purposes.

3.5 Cash releasing savings were agreed with projects as a core element of the approval of Fund investment, and all projects have been requested to provide quarterly monitoring returns to the Welsh Government to report on these data. However, in practice there seems to have been significant variation in the extent to which this has been undertaken, and importantly, the data do not appear to have been collated centrally at a programme level by the Welsh Government: the database of project information provided to the study team in May 2013 did not contain this information.

Evidence from the completed projects

3.6 The evidence indicates that cash releasing benefits have been generated by a minimum of 15 of the 23 completed projects covered by the evaluation i.e. essentially two thirds.

3.7 In five cases, the evidence (from consultations and documents) indicates that no cash releasing benefits have been generated, or that it has not been possible to attribute with any certainty any cash releasing benefits to the Invest to Save Fund. The project characteristics, and the reason for non-delivery of cashable savings, are set out in the Table below.

Table 3-1: Projects not delivering cash releasing savings

	Sector	I2S support	Project type	Reason for non-delivery of cash releasing benefits
Case 1	NHS	£250k to 500k	ICT enhancement	Not possible to attribute cash releasing benefits to the Invest to Save support given other funding streams involved and the integrated nature of the transformation programme
Case 2	Local Govt	£100k-250k	Procurement	Reported that cash releasing benefits have not been generated to date, and are unlikely to be delivered if at all until 2015. Significant cash releasing benefits were anticipated at the outset but these are now regarded as unrealistic, with the estimates not subject to appropriate scrutiny.
Case 3	Local Govt	£250k to 500k	Business Transformation	The original project did not meet its key objectives and was discontinued. Post project review stated that it was 'Difficult to evaluate' cash releasing benefits generated.
Case 4	Local Govt	£250k to 500k	ICT enhancement	The original project did not meet its key objectives and was discontinued, with Invest to save spending halted. Post project review stated 'savings cannot be directly linked to the I2S project as the spending was ceased'.
Case 5	Local Govt	£100k-250k	ICT enhancement	The project was placed under review and subsequently placed on hold meaning that benefits have not been delivered. Post project review stated that 'No savings have been realised to date. Because of the additional investment that would be required, savings would only become evident over a much longer period.'

3.8 Notwithstanding the specifics of each project, it is notable that four of the five projects where completed projects have not delivered cash releasing benefits were Local Government led, and all five were generally modest in scale in terms of the Invest to Save resource involved, at no more than £500k. These projects were not noticeably more innovative and risky that other across the project portfolio, however, two key issues appeared to cut across and underpin the lack of cash releasing benefits:

- inappropriate targeting of savings at the outset, that could not subsequently be attributed to evidenced
- more generally, a failure of the overall project model to deliver against its objectives, meaning that no savings were delivered.

3.9 That projects have essentially 'failed' to generate cash releasing savings, and more widely to deliver against their objectives is a concern. However, some failure will always be apparent in a scheme such as Invest to Save – indeed, given the Fund's role, around one in five does not appear to be an unacceptable level of fall-out.

3.10 Turning to where cash releasing benefits have been generated, the scale of this benefit has varied markedly across completed projects, from tens of thousands in some cases, to millions in others. This is consistent with the profile of project investments (see Section 2).

3.11 In aggregate, the cash releasing benefits identified by the evaluation across the completed projects amounted to an estimated:[3]

- £55.5m, delivered by the end of the 2012/13 financial year
- £48.7m expected in future years (2013/14 to 2017/18) as a result of the activity that has been implemented.

3.12 If delivered in full, this would provide (gross) cash releasing benefits delivered by completed Fund projects of £104.1m. This may be an underestimate, as there was some uncertainty in a number of cases of whether the savings were recurrent, and notably for how long they should be counted: the evaluation

[3] Owing to the limitations in the data for a number of projects the SQW Team made a best estimate of the scale of cash releasing benefits based on the evidence provided by the contact.

counted recurrent benefits to the end of 2017/18, a five year period. Set against this, it is important to keep in mind the risk of Optimism Bias in forecasting future benefits.

3.13 Two examples of how these cash releasing benefits have been realised practically are set out in the box below.

> The **Improving Your Space** project in Bridgend sought to secure savings, and drive improvements in service delivery through implementing the Council's office accommodation strategy, and involving rationalising the Council's property portfolio. The Council reported rental savings of £335k p.a. since 2011/12, with the one-off disposal of buildings generating a further £636k of savings.
>
> The **Mental Health CHC Placement Repatriation** project led by the Welsh Government's Health and Social Services Department, on behalf of NHS Wales, sought to deliver cash releasing benefits through reducing the cost of the use of private healthcare for patients with serious mental health needs. Through developing the capacity and systems in the NHS to identify Value for Money in the use of private provision, the project has delivered an estimated £5m in savings to date, with the potential for further savings going forward.

3.14 Three further points are important:

- The data rely heavily on two individual projects, Voluntary Early Release and All-Wales NHS Procurement, delivering cash releasing benefits (achieved and expected) of around £50m and £20m, respectively. Together, these two projects account for approaching three quarters (73%) of the total cash releasing benefits generated by the Fund's completed projects (achieved and expected), so there is a significant skew. Excluding these two projects, the *average* cash releasing benefit (achieved and expected) for projects supported by Invest to Save that have generated these type of benefits is around £2.4m.
- The savings outlined above do *not* include savings from the Invest to Save Shared Services Arrangements project for NHS Wales, which supported the establishment of the Shared Service Partnership, which itself, and in turn, is now delivering on a major on-programme of service

improvement and efficiency projects across the NHS with an annual budget of £50m and 1,300 staff and a target to deliver around £15m in direct savings over the course of 10 years, and additional savings through professional influence and advice to NHS Wales. The Fund contributed £250k to the establishment of the Partnership, which was important in bringing forward and accelerating the development of the partnership. However, it is not appropriate to attribute the 'second round' savings generated by subsequent activities, as reported in the Partnerships' annual reports, and provided to the evaluation's Study Team to the Invest to Save Fund.

- The savings identified above are gross: that is they do not account for additionality (or what would have happened in any case without the Fund), which would provide a net figure.

3.15 The savings identified across the completed projects are significant. However, they need to be compared to the scale of inputs to generate a sense of return on investment.

3.16 As noted above, information on other costs was not available for all projects. Direct attribution to the Fund is therefore uncertain. However, assuming (as a modelling assumption, in the absence of detailed project level data) that the Fund accounted for 75% of total project costs (the maximum allowed), 75% of the cash releasing benefits savings can be attributed to the Fund's investment. This would provide aggregate cash releasing savings attributable to the Fund of £21.2m, for £10.0m of Fund input (excluding Voluntary Early Release and All-Wales NHS Procurement, dealt with separately below). This provides an indicative (gross) return on investment ratio of around 2.1:1.[4]

[4] The return on investment ratio is sensitive to the proportion of funding. However, if this is reduced to 70% the ratio of Fund impacts to (gross) cash releasing benefits is 2.0:1, and at 60% 1.7:1.

Table 3-2: Ratio of costs and cash releasing benefits for 21 of the 23 completed projects

Invest to Save resource	£10.0m
Total cash releasing benefits	£28.3m
Fund attributable cash releasing benefits (assuming 75% inputs)	£21.2m
Ratio of Fund inputs to (gross) cash releasing benefits	2.1:1

3.17 For the Voluntary Early Release and All-Wales NHS Procurement projects, information on other public sector funding was available, with an additional £17.6m in aggregate over/above the Fund's resource identified for the two projects. Again, therefore, the cash releasing savings can be attributed to the Fund, with an indicative return on investment ratio generated, as presented in Table 3-3.

Table 3-3: Ratio of costs and cash releasing benefits for VERS and All Wales procurement

Invest to Save resource	£3.3m
Total cash releasing benefits	£75.9m
Fund attributable cash releasing benefits (based on % of public input)	£14.2m
Ratio of Fund inputs to (gross) cash releasing benefits	4.3:1

3.18 Taken together the data suggest **indicative** total cash releasing benefits from completed projects of around £35m from Fund investment of £13.3m, with a return on investment ratio of around 2.7:1. So, if the future benefits expected are generated in full, the (gross) return on investment through the Fund in terms of cash releasing benefits for those projects now completed will be approaching three to one. Although formal benchmarks in terms of return on investment are not available, this is a positive finding, with the Fund getting 'more out' in terms of cash releasing benefits than it has 'put in' for completed projects.[5]

[5] Note that the savings data have not been discounted owing to different starting points and for the delivery of benefits and some uncertainly on exactly when some of the expected future benefits will be realised. Over a five-year period, discounting the data would have a marginal effect, reducing the aggregate savings to £102m.

Ongoing projects

3.19 Three sources of information have been used to estimate the cash releasing benefits from on-going projects: (i) consultations with on-going projects; (ii) case studies with on-going projects; and (iii) previous evidence in relevant additional documents and data provided to the Study Team.

3.20 As expected, the evidence base for on-going projects is less well developed than for those which have been completed. However, taking these sources of evidence in turn, the **consultations** with on-going projects indicated that benefits are largely yet to be realised: for seven out of the eight projects no cash releasing benefits were reported. The exception was the Powys School Modernisation Programme, which has generated a reported saving of £1.7m to date.

3.21 The **case studies** of on-going projects, which involved more detailed probing and discussion with Project Leads, identified a greater level of cash releasing savings at this point, although again in most cases these were yet to be realised in full.

3.22 Of the six on-going projects covered by the case studies, cash releasing benefits were identified in four, to a total value of around £3.7m. Again attributing the proportion of savings to the Fund based on the scale of input (in this case 73%), this provides an indicative attributable saving generated by the Fund of £2.7m, against a Fund investment to date of £4.1m. The examples in the box below provide a sense of the scope and scale of the Fund-enabled effects.

The **Powys School Modernisation Programme** is a major programme aimed at redeveloping the school and educational assets base across Powys, including the creation of new schools and the closure of existing ones. The Fund provided support to help resource a school transformation/modernisation team. The consultation identified that through the closure of a number of schools across the area, around £1.7m savings have been generated to date.

The **Our Space Cardiff project** involves the rationalisation of the office portfolio of Cardiff Council. The Fund provided pump-priming resource to support the initial research and planning phase, leading to the disposal of a number of office locations and consolidation in a number of major sites. At this stage, cash releasing savings reported are £250k through

office rationalisation, and £1.5m from capital receipts. Further savings are expected for the future.

3.23 Further to the consultations and case studies **previous evidence** on completed projects has identified significant savings including:

- £1.4m in savings from Wrexham Council's Carbon Emission and Energy Use Reduction
- £5.8m in savings from the establishment of the Welsh Analytical Prescribing Support Unit.

3.24 Taking these data together, the on-going projects have generated **indicative** cash releasing savings to date of £12.6m. Again, given the limitation in the information on other public sector costs, if it is assumed 75% of the savings are attributable to the Fund, this provides attributable saving to date from on-going projects of £9.5m, and in turn, return on investment for on-going projects of 1.7:1.

3.25 This return on investment is lower than the data for the completed projects (as would be expected, with benefits still to be delivered), but still a 'positive result' with the suggested (gross) benefits outweighing the costs.

Table 3-4: Ratio of costs and cash releasing benefits for on-going projects

Invest to Save resource	£5.5m
Total cash releasing benefits	£12.6m
Fund attributable cash releasing benefits (based on 75% of public input)	£9.5m
Ratio of Fund inputs to (gross) cash releasing benefits	1.7:1

Summary on the evidence on cash releasing benefits

3.26 Given the data limitations, the findings presented above should be regarded as indicative. Moreover, the data are gross (not accounting for the additionality of Fund resource), and include estimates of what is expected to be delivered in the future, as well as what has actually been achieved thus far.

3.27 That said, the evaluation suggests that the Fund has generated cash releasing savings that are (in gross terms at least) greater than the scale of the resource

used to deliver them: at a factor of approaching three to one for completed projects, and approaching two to one for on-going projects. Further, although specific data cannot be attributed directly to the Fund in all cases, for example for the support to the Shared Services Partnership, additional cash releasing benefits are likely to have been delivered. The metrics are therefore likely to underestimate the (gross) benefits of the Fund, although Optimism Bias in forecast benefits needs to borne in mind.

3.28 Data on cash releasing benefits should, ideally, be reported consistently and transparently to the Invest to Save Unit through on-going and standardised monitoring, rather than evaluation, activity. These data were not included in the database of monitoring information that was provided to and used by the evaluation team for this study, although the evaluators understand that these are requested as part of the quarterly monitoring of individual projects.

3.29 Putting in place systems to facilitate and oversee that projects are indeed monitoring cash releasing benefits in real time, tied back to the savings objectives which they proposed at application, should be a priority for the Welsh Government. This will help to improve the accuracy of evidence, and ensure that memory decay, changes in personnel and difficulties in tracking Fund resources following project delivery (as below) do not limit the potential for the Fund to report fully and thoroughly on its effects. An up-to-date and comprehensive database of cash releasing savings being generated across the Fund, would also support a more active management approach to the portfolio, informing priorities and investment decisions, with a ‘real time’ understanding of the scale of benefits being generated, where under-performance may be emerging, and managing risks in delivery.

3.30 As set out above, the evaluation also identified a number of examples in the case studies and consultations where cash releasing benefits identified at the outset were not able to be monitored. This included examples in the health sector where expectations of reduced bed stays, length of stay and other service usage metrics were forecast to deliver cash releasing savings, but in reality led to more complex effects which may, in fact, have actually increased the costs of service delivery. These are complex issues, and there is no ‘easy

fix'. However, the key issue is that there is clarity at the outset projects, as far as practical, over what will (and what will not) deliver cash releasing savings.

3.31 The evaluation also suggests that around one in five projects supported by the Fund have not, and will not, generate cash releasing benefits. Given the nature of the Fund, supporting organisations to undertake new activities and try new ways of working, this does not appear to be an unreasonable 'failure ratio'. However, of the five completed projects where cash releasing benefits were not generated, four were local government projects (in turn, of the 10 completed local government projects, four did not generate cash releasing benefits). Ensuring that local government projects are appropriately scoped, developed and appraised to minimise 'failure rates' going forward will be important.

Non-cash releasing benefits

3.32 Non-cash releasing benefits relate to improvements secured through projects in the quality or scale of service delivery, for the same or a proportionately smaller increase in resource inputs, but which do not release financial resources that can be deployed elsewhere. These types of benefits relate essentially to improved productivity or enhanced service quality. Given their nature, they are very much more challenging to evidence and monitor than cash releasing benefits.

3.33 As noted above, non-cash releasing benefits were not consistently recorded in objectives at the project development and appraisal stages. As a result, evidence on these types of benefits was not able to be routinely captured against a baseline in consultations and case studies with supported projects, despite being explicitly probed for and identified in advance as an area to be covered in consultation. As such, the expectation at the outset of the work that it might be possible to collate and cross-refer similar benefits from projects, 'bundling' the savings together to provide an overall estimate of the scale of non-cash releasing has not been possible. Put simply, the evidence base is not in place to enable the evaluation to provide an aggregate and/or quantitative assessment of the non-cash releasing benefits generated at this stage in the Fund's delivery.

3.34 However, the research has identified specific examples of non-cash releasing benefits. These can be grouped into three main themes:

- **Enhancements in service delivery through the development and implementation of IT and other technical systems**: leading to, for example, quicker responses to customer demand, a reduction in the time involved in transporting documents, improved connectivity and remote working, enhanced and streamlined decision making in procurement and service planning, and improved accuracy in relation to correspondence and document management
- **Improved service delivery as a result of the rationalisation and better utilisation of existing assets**, both physical assets (e.g. offices and commercial premises), and in terms of staffing and other resources; this includes a number of examples in the Health Sector where non-cash releasing benefits have been realised through reducing the lengths of stay of patients enabling more patients to be seen, lower hospital admissions and readmission rates, and increased rates of discharge to usual place of residence
- **Efficiencies through the integration and co-ordination of services**, both within and between organisations; enabling organisations to deliver more or better services to users (for example, facilitating higher uptake or reducing duplication) or reduced transaction costs, in terms of time of co-ordinating services between partner agencies.

3.35 Specific examples from the research of how these non-cash releasing savings have been realised practically is offered below.

The **Implementation and Application of Service Line Reporting (SLR) Systems** project (now complete) led by Cwm Taf Local Health Board sought to reduce waste and variation in service delivery by developing a database and system that allows for the comparison of costs on service delivery across and within health boards. It was reported that, further to cash releasing benefits, the project has led to better utilisation of operating theatres at one Health Board, and the release of staff time.

The **Workplace Transformation** project (on-going), led by Blaenau Gwent CBC, is focused on rationalising the building arrangements for different teams in the Council to reduce accommodation costs and implementing agile working. Further to cash releasing

savings through property costs, it was reported that the project has led to enhanced staff productivity through reduced absenteeism, increased home working and greater flexibility.

The **One Newport Information Station** project (now complete) sought to unify a complex and fragmented network of customer service centres associated with specific community services themes, by establishing a coherent, accessible 'hub and satellite' model, better connecting customers to services, core to this was a new customer service facility. Case study research identified that the project has delivered higher levels of uptake, as evidenced in performance reviews, enabling more people to access Council (and partner) services, as well as an improved quality of these encounters by reducing faults and service duplication.

The **Cardiff and Vale UHB Mobile Working** project (now complete) intended to improve the safety, effectiveness and efficiency of community services by facilitating mobile working for community based staff across the Health Board, through the use of mobile devices. The project reported that productivity improvements had been delivered: by enabling the completion of service forms remotely, staff no longer need to return to their workplace to record and upload case notes, releasing more time for direct service delivery, and engagement with a higher number of service users.

3.36 It should be noted that these are selected examples. Across the Fund portfolio a wide range of distinct, and specific, non-cash releasing savings have been delivered, with more examples provided in the accompanying Case Study summaries. However, given this diversity, and the absence of formal metrics and cross-cutting measures, a more integrated assessment is not possible at this stage. Putting in place systems to facilitate a more rounded (and quantitative) assessment of non-cash releasing savings going forward should be a priority for the Invest to Save Unit.

3.37 Given the challenges in delineating between cash releasing and non-cash releasing (with examples identified where the initial expectation was cash releasing benefits would be generated when in fact they were non-cash releasing) additional guidance to project applicants on the definitions – including 'real world' examples – may be useful going forward.

Savings and repayment

3.38 It is not within the remit of this evaluation to analyse in detail the performance in terms of financial repayment of the Fund resource.

3.39 However, by way of context, the data provided to the Study Team indicated that repayment in May 2013 totalled some £10.2m, equivalent to 32% of the finance paid out.

3.40 The level of re-payment varied at this stage, as would be expected, by Round:

- Round One: 59% re-payment made by May 2013
- Round Two: 29% re-payment made by May 2013
- Round Three: 11% re-payment made by May 2013
- Rounds Four-Six – no re-payment at this point.

3.41 However, a number of points related to the re-payment process, and the incentives that these give rise to, are important for the wider study.

3.42 First, the evaluation research indicates, and this has been confirmed by the Invest to Save Unit, that the finance provided by the Fund is required to be paid back whether or not actual savings are achieved i.e. the investment is re-paid by the beneficiary organisation *not when actual savings are made*, but according to an *agreed payment schedule*, based on projected savings forecast by project promoters, even if savings have yet to be/have not been realised. These payments are agreed as part of the formal negotiations with the Fund, and scheduled when savings are expected to be made.

3.43 A limited number of examples were found in the evaluation – for example, the Our Space Cardiff case study – where re-payment was tied directly with the achievement of savings. These limited cases aside, in most situations the evidence indicated that the investment was re-paid through central organisational budget-lines, at agreed points identified at the outset, not when savings had been generated.

3.44 This operating model minimises risk to the Welsh Government, meaning that the resource is able to be re-cycled quickly to support new activities, and reducing the potential for default. However, it has a number of potentially important unintended consequences:

- without the need to track formally the savings generated, the financial trail of the project can be lost; put another way, as organisations do not have

to re-pay the investment from the savings generated, tracking the savings actually generated is not always a priority for applicants (this is an issue given the findings of the National Assembly's Review of the Fund that noted that the best projects are those that show a clear link between the investment made and savings generated[6])

- linked to this, there is the risk of a disconnect at the project delivery level between the 'practical' and 'financial' management, with the two elements operating separately rather than together: as a result, the potential for learning within organisations over what works is reduced
- less tangibly, but arguably more importantly, there is the risk that the de-coupling of investment, savings, and repayments, may lead to a loss of 'discipline' in the project implementation and delivery process at a project level. Put simply, if the Fund investment is to be repaid, as is generally the case, from central corporate resources, rather than as a result of direct and evidenced savings generated, the incentive for operational staff to ensure that the project delivers on its intent is reduced.

3.45 There is no clear 'right and wrong' here – the key issue is balancing risk and different interests. At present, with the re-payment de-coupled from savings, financial risk is principally on the beneficiary organisations; the risk to the Welsh Government is low (in that it will re-coup its investment whether or not projects deliver as planned). This means that project activity is generally (though not exclusively) less innovative, and risky (but with higher potential reward) than arguably it could be. Given that the financial risk is weighted towards project applicants and deliverers, there is the danger that organisations are less incentivised to come forward with discontinuous projects given the inherent financial risk involved.

3.46 A more balanced risk profile is possible – for some elements of the Fund at least – where the Welsh Government is able to reduce the risk on delivery organisations by tying (in full, or more realistically in part) re-payment to the achievement of savings. The disadvantage from a funder perspective would be

[6] National Assembly for Wales Finance Committee, report on Invest to Save Fund, March 2013

that re-payment would not be delivered where savings are not generated. But this approach may lead in turn to more innovative and novel projects coming through, with the risk to project partners in the case of project failure reduced.

3.47 The evaluation research also highlighted the challenge of unpicking the savings generated by the Fund when the support is part of a wider bundle of activity. Examples included the Fund's support to the All-Wales Public Sector Broadband Aggregation programme; whilst project partners reported that the projects will have generated cash releasing benefits through supporting the roll-out of the network, isolating exactly where, and at what scale, these benefits have emerged is not possible (or realistic given existing resource). This is an important message for the evaluation, for two reasons:

- It suggests that not all of the cash releasing benefits generated by the Fund can be easily counted, and therefore its overall contribution is likely to be greater than the data that is available suggest.
- It means that clarity on exactly what the Fund will be 'buying' is not evident fully, with implications for the extent to which accurate monitoring and measurement can be undertaken. It also suggests that tighter analysis and scrutiny of how cash releasing savings will be generated may be needed.

Updated data on re-payment

3.48 As noted above, the data provided to the study team in May 2013 to be used for the evaluation indicated £10.2m of re-payment. Updated data on expenditure and re-payments provided subsequently in March 2014 by the Invest to Save Unit, and included here for completeness, indicates that some £17.6m of re-payment has been received by the Welsh Government.

Table 3-5: Updated information on expenditure and re-payment, provided in March 2014

	2009-10	2010-11	2011-12	2012-13
Value of investments made by Welsh Government in new projects	8,141	20,074	11,937	19,024
Value of repayments of investments made by supported projects	0	668	8,440	8,507

Section Recommendations

Recommendation 3: Responsibility for project direction and management should rest, clearly and unambiguously, with a designated individual at the Lead Partner organisation; these arrangements should be updated on an on-going basis to ensure that there is clarity on who, ultimately, is accountable for project performance and the delivery of Fund activity, over the project delivery period, and the payback period that follows. The processes are in place to deliver this, going forward there should be an increased focus to ensure that practice reflects fully these process disciplines. As an initial step, a formal review of contacts for all completed and on-going projects should be undertaken to ensure that appropriate contact details are now in place to provide a solid platform going forward.

Recommendation 4: The monitoring and collation of cash releasing savings should be integrated fully into the Invest to Save CRM/database system. Given that cash releasing savings are the key output being 'purchased' by the Fund, they should be regarded as output data to be collected routinely in monitoring (in gross form), rather than through evaluation activity. These data were not included in the monitoring information provide to the evaluation team for this study. Further, the scale and source of other funding (public and private) should be captured in the monitoring database to ensure that attribution of benefits to the Fund can be assessed more fully and accurately going forward.

Recommendation 5: Guidance should be developed to enable project applications to better identify, and subsequently, monitor non-cash releasing benefits of Fund projects, so ensuring that projects are better able to plan for, and demonstrate, non-cash releasing savings in the future. Practically this could involve the development and dissemination of a series of project cameos providing 'real world' examples from the Fund, and more widely, of how non-cash releasing savings have been realised and captured. Guidance on non-cashable benefits is currently limited: this provides the Invest to Save Unit with an opportunity to take the lead in this area, and diffuse and embed its clear expertise.

Recommendation 6: The Welsh Government should consider formally options for how to more clearly link the achievement of savings and re-payment of Fund investment, including re-balancing the risk profile away from the delivery organisations and on to the Government as a way of stimulating projects which are more innovative and risky, but potentially with higher rewards. This should include research with relevant public sector agencies (including both historic and potential future applicants) to provide evidence on the extent to which a re-balanced risk approach would stimulate more/different project ideas.

4 The Impacts of Invest to Save Projects

4.1 This section considers the evidence on the wider impacts of the Fund, over and above the cash releasing and non-cash releasing benefits outlined in the previous section, with a focus on quantitative and qualitative benefits achieved, plus any unintended effects.

4.2 A number of (interrelated) points are important prior to setting out the evidence:

- Projects supported by the Fund cover a very wide range of types of outcome across a range of policy domains, from health and education, through to local government, with projects also delivering activities which support a far wider range of specific service areas.
- The Fund has not established a set of outcome or impact measures for projects to deliver against, with cash–releasing savings the only consistent 'currency' across the Fund's activity to date. This is important in providing projects with flexibility to deliver activities based on need, and opportunity. However it also means that the nature of outcomes delivered by the Fund is varied, challenging to sum up, and there is no characterisation (through indicators) of how the theories of change in projects are working through consistently. All of this makes high quality and directive monitoring (and, as a result, evaluation) of the outcomes of the Fund, challenging.
- Monitoring on outcomes appears to be varied across the Fund's projects: in some cases, projects have closely monitored relevant outcome measures – be these related to service delivery, user satisfaction or wider measures of social and economic benefit. However, the evidence from consultations with project managers is that in other cases formal outcome monitoring has been limited, with no information provided to the evaluators in consultations on the wider effects of project activity. Projects are required formally by the Invest to Save Unit to report on performance indicators through quarterly monitoring, with this focus strengthened in the later rounds of the Fund. This said, the evaluation indicates that on-the-ground practice and implementation of the systems

is mixed. There is an opportunity for strengthening and greater robustness here.

Quantifiable benefits

4.3 Quantifiable benefits are those effects of Fund activity that can be quantified, but not easily in financial terms – for example, 'improved services time for customers'. The extent to which quantifiable benefits are measured will depend on their significance, but also the extent to which they are practically captured and attributable to the Fund.

4.4 Consistent with the flexible approach to outcome measures taken by the Fund, as with non-cash releasing benefits, the nature of quantitative benefits evidenced are project-specific, both for completed and on-going projects. However, despite this project-level focus, looking across the project portfolio three main types of quantifiable benefits emerge that have been delivered by Fund projects:

- **better service user perceptions**, with improvements in the quality and/or scale of service provided by agencies leading to enhanced customer satisfaction, which in a number of cases has been quantified and recorded
- **enhanced access to services**, with a number of projects leading to greater provision of services including, for instance, increases in care provision, increased call monitoring support, and increases in the number of service users as a result of efficiencies gained through the project
- in a number of cases, **improved outcomes for service users**, with a focus on health and social care outcomes including moving care closer to home, reduced patient length of stay, more user-friendly systems, as well as other outcomes including custodial sentences.

4.5 Across the types of benefits not all of the identified outcomes have been quantified. However, examples of those that have are set out in the box below, grouped by the typology identified above.

Improved service user perceptions

The completed **UWIC - i-zone, One-stop-shop for Students** project has achieved 90% satisfaction with the service, with 75% of customers reporting that the service exceeded their expectations, and 50% of requests resolved using self-service

The completed **One Newport Information Station** project has seen improved levels of customer satisfaction, reported through surveys undertaken since implementation, along with higher levels of uptake of services and reductions in referral and duplication faults

Enhanced access to services

The on-going **Non-Emergency Patient Transport** project has led to a reduction in the number of non-emergency journeys made by ambulances, falling from 19% to around 11% of journeys in November 2013

The completed **Cardiff and Vale UHB - Mobile Working** project has led to an increase of 14,000 patients (a 9% increase) and an increase in the amount of time that staff can spend with patients, as a result of the tools for mobile working meaning that staff do not have to return to the office to complete paperwork.

The completed **North Wales Telecare Call Monitoring Service** project has led to an increase in the number of calls monitored by 7% against the baseline position, with an increased number of calls received (up by 38%) since the start of the project

Improved outcomes for service users

The completed **Mental Health CHC Placement Repatriation** project has delivered a range of benefits, including a 15% reduction in the number of patients in private care, more regular auditing of providers, and ensuring that all patients now have a 'manager'

The on-going **Wyn Campaign: Regaining & Retaining Independence** project has led to a number of quantitative benefits, with these being: shifting the balance from care home to home care provision, including at-home stroke support; improvements in falls data; discharge to usual place of residence increasing by 3%; and activity at both Elderly Care assessment Unit, and Day Hospital decreasing

The completed **Mental Health Rehabilitation – Recovery and Social Inclusion** project has brought 30 people back into care in the local area, with additional individuals now being supported as a result of the savings delivered, and with length of stay reduced as a result of being closer to home and family, and being in a local, Welsh-language environment, improving patient outcomes

4.6 These findings are encouraging and should be welcomed. They demonstrate both the breadth and, in some cases, scale of benefits delivered. Further,

benchmarks were generally put in place at the outset of the project to ensure that progress could be measured. However, the absence of an overarching and organising framework means that these benefit types cannot be aggregated and scaled-up robustly to Fund-level.

4.7 Further, other *potentially* quantifiable benefits have been delivered to date. Two specific examples, identified in the evaluation research are set out below: although quantitative data are not yet available on these projects.

> Project consultees reported that the **Wales Enhanced Recovery 1000 Lives Plus** project has led to reduced length of patient stay in one of the participating health boards, although it was noted that quantifying the extent of this effect was challenging given the wide range of factors impacting on length of stay.
>
> The **Wrap-around Care Provision** project reported that the activity has led to fewer young people receiving custodial sentences, although providing quantitative evidence on this, including attributing this to the project, is challenging and the data are not yet available.

4.8 Additional evidence on the nature of quantifiable benefits were evidenced through the case studies, summarised in the Section 6, and set out in full in the accompanying case study document.

Non-quantifiable benefits

4.9 Non-quantifiable benefits relate to outcomes which are of value to the public sector, but cannot be quantified. For example, an increase in staff morale as a consequence of less form-filling. These are essentially the strategic benefits that Fund activity can enable, including enhanced collaboration and cultural change in the delivery of public services.

4.10 These types of benefits are, by their nature, not able to be quantified. However, the evidence from the evaluation is that they have been a vital element of the contribution of the Fund. As discussed in greater detail in the next section, a key issue that emerged from both the case studies and wider consultation process is that Fund projects are often – although not exclusively – about changing behaviours and attitudes.

4.11 Again, these effects were often specific to individual projects, but across the evaluation three key sorts of non-quantifiable benefits were evidenced.

4.12 First, **learning and enhanced knowledge and insight into service delivery and improvement**, making service delivery both more effective and efficient. Learning was delivered both through project implementation and development, with the process of securing Invest to Save resourcing helping to 'focus the mind' on service challenges. As one consultee noted:

> '*Getting involved in this (the project) has raised our awareness and increased our knowledge which is a real benefit. We've learned about the actual delivery of the service itself, and most tellingly the standards that you need to meet and the standards you need to work to. We believe there is potential to improve the service by bringing it in-house because of local knowledge - people know the sites, the shortcuts - they have that local knowledge*.' (Completed Project).

4.13 Second, **improved co-ordination and partnership working between agencies**. Funded projects often involved partnership working and collaboration, which has potential longer-term benefits in terms of establishing relationships, improved joint working, and, more practically, reducing service duplication over the medium-to-long term. The better sharing of information between agencies was also identified in a number of cases.

4.14 By way of an example, the one of the key conclusions of the case study of the *One Newport Information Station* project was as follows:

> '*Invest to Save funding has been a critical enabler of partnered investment, serving as a platform and stimulus for subsequent support of partner agencies, helping to offset the co-ordination challenges – practical and financial – that can hamper effective multi-agency working'*. (One Newport Information Station Case Study)

4.15 That said, although not widespread, some individual cases were identified where the partnership-nature of the activity in practice was less substantial than in its planning, or where partnerships-working was not optimal. For example, commitment to the campaign amongst participating authorities was reported as variable in the *Wyn Campaign* case study. Practical issues (including technical issue for ICT related projects) have precluded greater partnership working, especially when related to technical activities. However,

as is always the case with partnership working, issues of accountability and project ownership were also important. Ensuring that all identified partners are engaged practically in activity be a focus going forward.

4.16 Third, **capacity development and the improved resilience of service provision and planning**. Many of the Fund's projects have been concerned with testing, or piloting, new forms of activity – generally new to the organisation and on occasion innovative across a broader base – or putting in place systems to deliver specific benefits that have wider positive effects. For example, the *Our Space Cardiff* project provided the capacity to undertake a research and planning exercise that developed materials that can be subsequently used for other similar exercises across the Council. Other examples include the various systems being put in place through Fund activity, enabling organisations to respond more accurately to Freedom of Information requests or ensure improved resilience in Information Security. These 'legacy' benefits of the Fund are important, showing how the benefits generated can persist and embed over the longer term.

4.17 These are encouraging benefits, and should be celebrated. This said, in this particular context, is important to note that the evaluation has found the infrastructures in project organisations to ensure that the lessons and learning generated by the Fund are sustained and disseminated is mixed. This links back to the earlier point regarding staff churn and change in project organisations, and is always a risk in interventions of this type.

4.18 There is evidence that learning from activities supported by the Fund have been, or will be, disseminated and potentially rolled-out more widely. Some examples are presented below.

It was reported that the **North Wales Telecare project** has provided the impetus to additional partnership working between the regional partners, with the project serving as an exemplar of the possible efficiency savings to be made from working regionally in North Wales.

A **completed project focused on ICT development** stated that the approach has now been rolled out to other services, and that external organisations have visited the lead agency on 'fact finding' missions to learn about the project.

4.19 However, more generally across the project portfolio there appears to be a risk that learning and good practice will not be retained and embedded as they might be ideally, meaning that the learning, capacity and improved relationships developed may be lost to the system. Establishing clearer accountability and reporting procedures should help ensure diffusion and embedding are more thoroughly progressed.

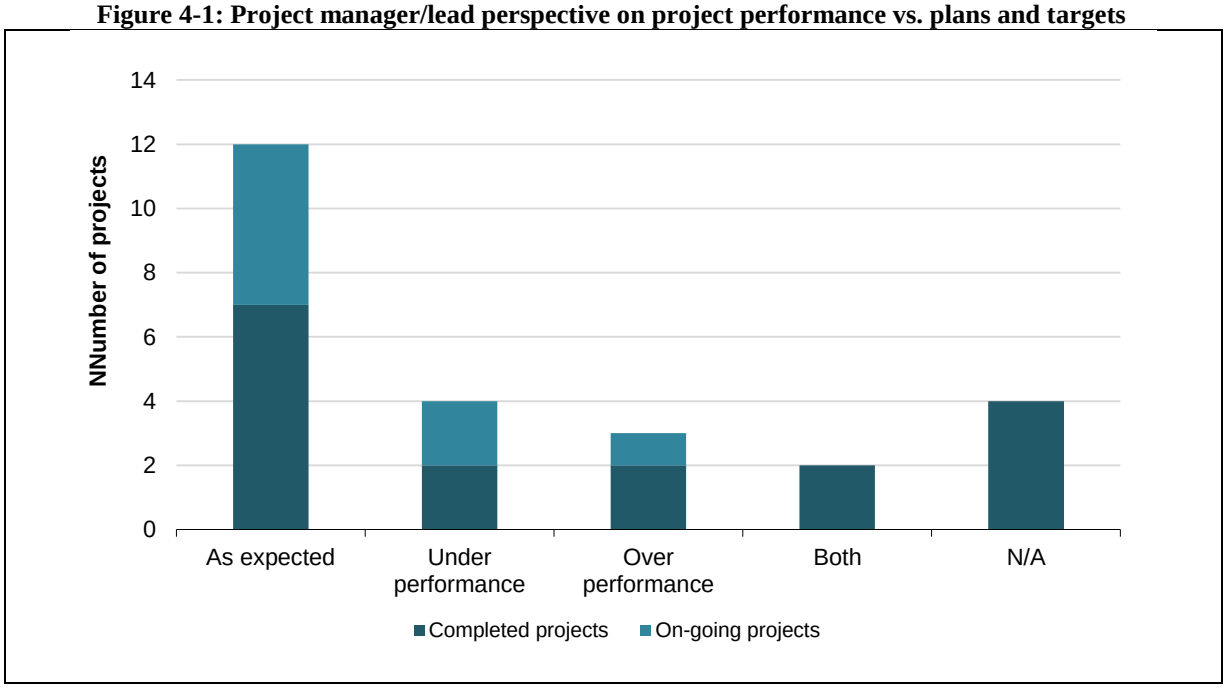
4.20 A range of wider benefits - including contributing to local regeneration through physical development, embedding and supporting sustainable development principles and stimulating the use of new delivery approaches and principles - are evidenced in the case study research, presented in Section 6 and summarised in the accompanying document.

Reflections on Project Performance

4.21 Given the variation in outcomes – quantitative and non-quantitative – across the project portfolio, as part of the consultation process with completed and on-going projects, Project Managers/Leads were asked to identify whether their project as a whole had performed/was performing against its objectives and targets as set out in the original Business Case.

4.22 The findings are set out below. Note that the issue of Optimism Bias is important here, particularly when self-reporting progress for on-going projects.

Figure 4-1: Project manager/lead perspective on project performance vs. plans and targets



Source: Consultation evidence

4.23 For completed projects, the feedback was varied – from a small number of projects reporting significant over-performance, and a similar number reporting significant underperformance (although this was evident where there projects were essentially not delivered in full, with significant issues encountered). However, most projects reported that performance was broadly in line with their original expectation, with the projects leading to the outcomes they were expecting to achieve.

4.24 The performance story reported by on-going projects was similar, that projects were generally delivering as planned, although as noted above, many of the outcomes and benefits have still to be delivered, and in a number of cases there had been delays in project implementation.

4.25 Across the projects, and as reported more fully in the case studies (summarised in Section 6 and the accompanying document), where performance was not as expected this related generally either to timing and delays in implementation, or more frequently the need to revisit and revise project plans as a result of delivery reality.

4.26 The messages from the consultations are consistent broadly with the more detailed probing with projects undertaken as part of the case studies. However, it is important to recognise, as indicated in the Figure above, and particularly in the case studies where there was opportunity to probe the issues in more depth, 'success and failure' are not always mutually exclusive or linear.

4.27 Fund projects can both 'underperform' in terms of activity taking longer than planned, or not delivering the intended outcomes, whilst at the same time 'over performing' on other measures, such as wider positive unintended effects related to staff engagement, learning, or enhanced service resilience and capacity. Given the complexity of Fund projects, and the often challenges they are seeking to resolve, it important to recognise that success is often not black and white.

Summary of Impacts

4.28 Overall, the evaluation indicates that the Fund has generated a range of quantifiable and non-quantifiable benefits. Service improvement benefits have yet to flow through generally to improved outcomes for service users –

although there are early examples of this – but the overall picture is encouraging. These effects are by their nature ‘positive’, and the feedback from Project Partners is that projects are generally on course to meet their targets.

4.29 That said, the evidence also suggests that the Fund has generally delivered ‘incremental’ rather than discontinuous change in terms of service delivery and outcomes. Although there are examples of innovative behaviours being supported by the Fund, generally the nature of the activities and the outcomes they have generated have improved but not altered fundamentally outcomes and the processes by which these are generated. This is not unreasonable, especially for the first wave of projects supported by the Fund. But it does relate back to the issue discussed in the previous section regarding some of the unintended biases in the way the Fund is configured (for example, around the repayment discipline), which might favour conservatism.

4.30 Reflecting back to the logic model set out in Section 1, the evaluation suggests that progress is being made by the Fund in delivering against both service efficiency and service outcomes for users. Whilst the evidence on efficiency is more robust, the tangible evidence of service user outcomes is limited as of yet; on the latter, in part this arises because there are no formal consistent procedures, or imperatives, in place to measure them. The outcomes at this point are generally, though not exclusively, asserted and anecdotal, rather than evidenced and quantified. Further, with around half of the project portfolio still in delivery many outcomes have yet to flow through.

4.31 It is worth noting in this context that the Welsh Government is currently undertaking a project to create a framework for evaluating health and social care services robustly and consistently, while accounting for local differences in approach, context and mechanisms. This could be used potentially for Invest to Save projects, and act as a demonstrator for other policy areas covered by the Fund.

4.32 However, at this point it appears the Fund projects, and by extension the Fund as a whole, are doing broadly what they set out to do, and generally – although there are challenges for specific projects – doing them satisfactorily. Given the

risk profile and nature of activity delivered, this is not unexpected, but remains a positive evaluation message.

Section Recommendations

Recommendation 7: The Welsh Government should consider developing a suite of outcome measures, with established indicators and a logic that ties back to Fund objectives, that can be used to better capture consistently the types of outcomes that the Fund is seeking to deliver, for example, outcomes around health-related benefits and cross-sector measures of user-perceptions potential areas where outcomes measures could be developed. These should be broad enough to not constrain activity types, but focused enough to enable instructive analysis and evaluation. As a first step, the Invest to Save Unit should engage with Welsh Government colleagues develop a framework for evaluating health and social care services to assess the extent to which this can be used to inform a framework for the Fund.

5 The additionality of Invest to Save

5.1 This section sets out the evidence from the evaluation on the additionality of the Fund.

Evidencing additionality

5.2 Evidencing the additionality of a public policy intervention is core to robust evaluation. It enables the adjustment – quantitatively or qualitatively – from 'gross' outputs and outcomes i.e. those things that appear to have happened, to 'net' outputs and outcomes i.e. those things that, in reality, have happened as a result of a publicly-funded intervention.

5.3 Typically, additionality is found in 'partial' form, be that in terms of time, scale or quality. That is an intervention is reported to have made activities and outcomes happen more quickly, at a larger scale, or at a higher quality than would otherwise have been the case. Full additionality is where activities and outcomes supported would not have occurred at all without the intervention.

5.4 Given the nature of the Fund, and the timing of the evaluation (meaning, crucially, that the establishment of a control group of projects was not possible), the assessment of additionality is based principally on the self-reported evidence provided by the projects supported by the Fund. In the consultations and case studies, Project Managers/Leads were asked to identify and describe what would have happened in terms of activity and outputs if the Fund support had not been made available.

5.5 These observations are therefore a direct, but subjective, perspective on how Fund additionality is perceived on-the-ground. There are no reasons to doubt the sincerity or integrity of responses provided, but as ever the case with responses of this sort, they are likely to include significant Optimism Bias – that is, the effects of the Fund (whatever these are) are likely to be remembered as being more significant than was probably the factual reality. This inherent Optimism Bias needs to be factored into the findings.

5.6 However, to provide additional evidence on additionality over and above self-reported findings, the assessment also draws on the findings from research

with comparator non-supported projects. Whilst these findings should not be taken too far given the limited sample size, they help to test and corroborate the evidence secured from supported projects.

Evidence from supported projects

Evidence from the telephone consultations

5.7 The consultations with 25 completed and on-going projects included a set of questions focused specifically on two types of additionality:

- Additionality in funding i.e. would the project have progressed without Fund support, and if so would this have been later, smaller, in a different form/quality?
- Additionality in outcomes i.e. would the benefits have been generated without the project, and if so, would these have been later, smaller, in a different form/quality?

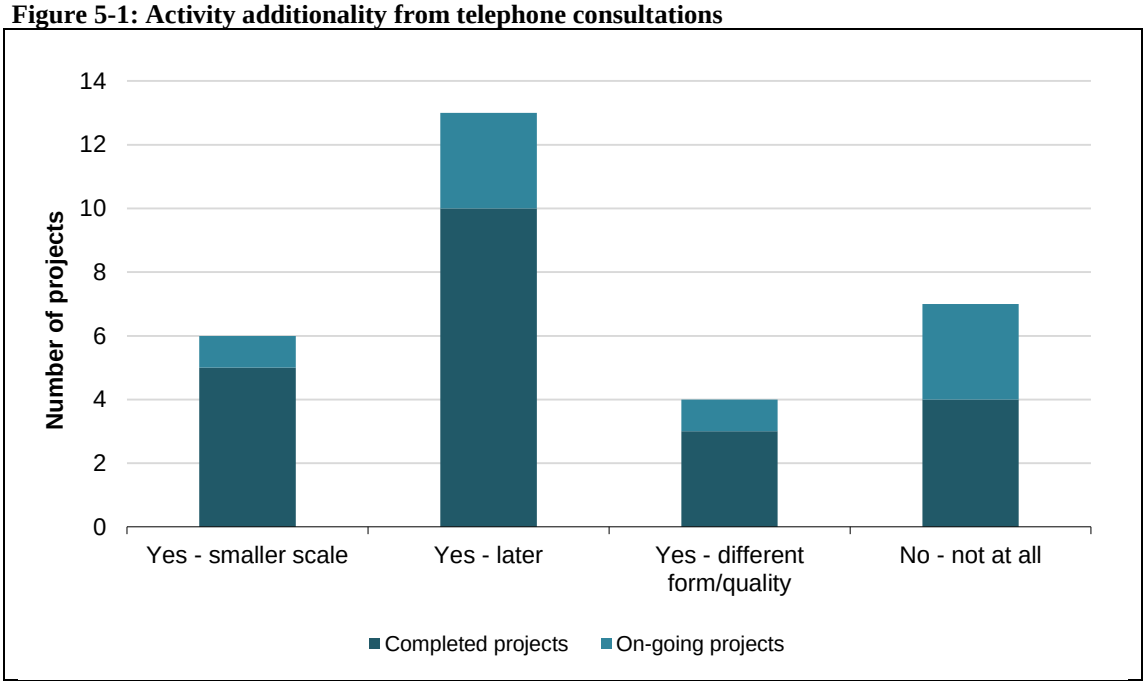
5.8 In terms of additionality in activity the evidence indicates that the principal role of Invest to Save, as seen by Project Managers/Leads was to bring project activity forward quicker than would otherwise have been the case: of the 25 projects consulted, 13 stated that without Fund support the project activity would have been delayed.

5.9 A number of examples of the extent of timing additionality, where stated, are presented below:

> Without Fund support, the project '*would have taken a lot longer, perhaps would be looking at 2015*' (Completed project consultee)
>
> Without Fund support, the project would have been '*about 12-18 months later, because it would have been more complex to deliver 2015*' (Completed project consultee)

5.10 Seven projects (over a quarter of those consulted) stated that without the Fund their project would not have gone ahead at all i.e. full additionality in activity.

Figure 5-1: Activity additionality from telephone consultations



Source: Consultation evidence

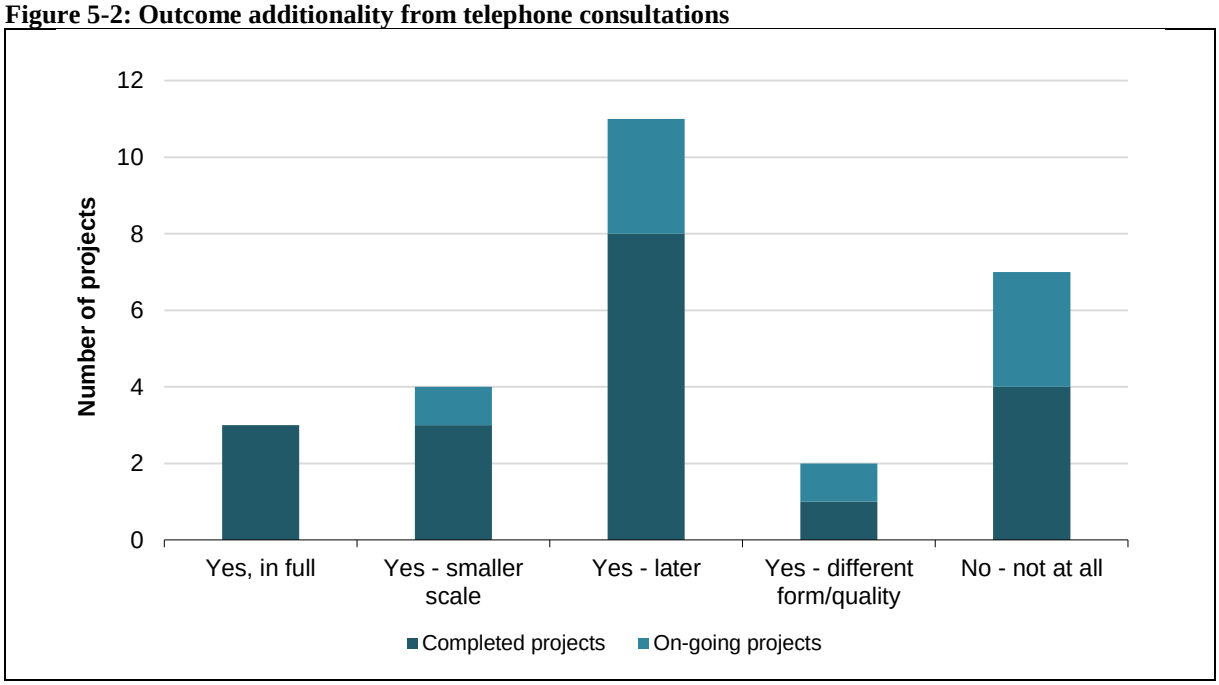
5.11 It is notable that reporting of 'full additionality' was more prominent amongst on-going projects (three of the eight), than completed projects (four of the 17). Clearly, given the numbers involved, care must be taken in drawing too much from these data, but it may reflect a higher level of Optimism Bias over the role of Invest to Save amongst on-going projects, which fresher memory can sometimes encourage. Notably, as discussed below, when probed in greater depth, the case studies found no consistent evidence that the additionality of on-going projects was higher than completed ones. However, reprising this line of questioning some two/three years down the line to test whether there is indeed a higher level of activity additionality amongst the later generation of Invest to Save projects may be worthwhile.

5.12 The evidence from projects is that the Fund played only a limited role in changing the nature/form of project activity via 'quality' additionality: present in only three cases across the 25 consulted projects. This is consistent wholly with the findings of the earlier Interim Evaluation which concluded that the Fund generated 'partial additionality', accelerating and scaling-up projects activity, but with limited evidence of the Fund stimulating new ideas. In this sense, the evidence again suggests that the opportunity to secure Fund support is not influencing the nature of activity proposed, rather its timing, scale or progress.

5.13 A more 'developmental' role for the Fund should be considered, including supporting higher risk and more evidentially innovative projects, and with the Fund actively shaping projects through its development and appraisal process. We return to this issue below, in the context of the case studies.

5.14 Turning to **additionality in outcomes**, the evidence is largely consistent, with the benefits generated (achieved or expected) by the Fund regarded principally as being brought forward or accelerated by Invest to Save, or that they would not have been delivered at all without the Fund. Just three of the 25 projects covered by the consultations stated that they would have delivered their realised benefits in full in the absence of Fund support. Again, perceptions of full additionality for on-going projects were higher in relative terms than those for completed projects.

Figure 5-2: Outcome additionality from telephone consultations



Source: Consultation evidence

5.15 Both the 'activity' and 'outcome' findings from the telephone consultations indicate strong evidence of timing additionality – the Fund appears to have consistently brought projects and benefits forward more quickly than would otherwise have been the case. Although it could be argued that timing additionality is simply making things happen more quickly than would have happened anyway, this remains an important effect; indeed, the Treasury's Green Book (the underpinning guidance and a key reference point for this evaluation) recognises the acceleration of benefits is valuable given 'Social

Time Preference', that is society values things more 'now' than at some stage in the future.

5.16 Timing additionality is also valuable given the challenging budgetary contexts within which projects were working; bringing forward savings and other benefits is an important effect at an organisational level, contributing to short-term efficiency saving targets. The consultations also identified examples of where the Fund enabled projects to 'seize an opportunity' which would have been lost if the activity had been delayed.

5.17 There is also some evidence of reported 'full' additionality. The evidence indicates that the Fund has enabled some organisations to deliver activity and benefits that would otherwise not have been generated. Notwithstanding the risk of Optimism Bias, especially for on-going projects, this is a positive finding.

5.18 One further element of additionality was probed with projects – the extent to which involvement in Fund activity meant that participating organisations were not able to progress other development activities to deliver efficiencies and service improvement outcomes, termed formally as substitution.

5.19 Positively, across the consultations there was very limited evidence of substitution – indeed, just one of the 25 projects consulted noted substitution as a factor, with involvement in the Fund project leading to a reduced focus on wider activities.

Evidence from the case studies

5.20 The case studies provided an opportunity to probe in greater detail issues of additionality. Note that there is some overlap here with five of the case studies (of competed projects) also consulted via telephone in the first stage of the work.

5.21 The evidence from the case studies is consistent generally with the telephone consultations, although given the opportunity to discuss the issues in more depth, the varied ways in which the Fund delivered additionality was evident. Three key points emerged:

- First, consistent with the telephone consultations, the case studies provided evidence of the additionality of the Fund – the role of the Fund

as a ‘pump-primer’ of activity, bringing activity forward or making it happen when it otherwise would not have done, was a consistent theme running through the case studies, consistent fully with the overall strategic intent of the Fund established by the Welsh Government.

- Second, however, when probing the project development cycle in more depth, external factors and internal corporate drivers were regularly identified as key to the development of projects. In this sense, the idea that ‘nothing would have happened’ without the Fund starts to come into serious question. It is not possible, or within the remit of this evaluation, to probe individual funding decisions made by the Fund. However, the case studies identified cases where the evaluation evidence suggests that the Fund was a ‘useful’, but crucially not ‘vital’, source of support, and that much (if not all) of the proposed activity would have gone ahead event without support. This is the logical result of the Fund generally supporting the development of existing projects, rather than acting in a developmental manner to shape and stimulate new ones.
- Third, an important theme that emerged was the extent to which the additionality of project activity and outcomes was likely to be determined by the level of innovation and risk that the project exhibited; across the case studies, additionality of the Fund appeared highest where projects involved significant innovation and risks. *One Newport Information Station* is a case in point. The partners involved in this project considered Invest to Save funding critical in overcoming obstacles to the collaborative investment it required i.e. where no one organisation was able (or prepared) to play the role as core funder, given the inherent risks of partner disengagement and/or practical barriers to the sharing/pooling of resources. In other cases, where the Fund was used to support projects that were important, but generally ‘lower risk’ ventures, the level of additionality was more modest.

The Comparator Projects

5.22 The comparator non-Invest to Save case studies provide a further perspective on the additionality of the Fund, notably from those two projects which sought, but did not ultimately secure, Fund support.

5.23 The key messages from these two 'rejected' projects are set out in the Table below. Although care must be taken from reading too much into two specific examples, both projects validate the wider additionality messages in terms of timing, and other forms of partial additionality.

	Project A	Project B
In the absence of Fund support …	Other than some modest cost re-engineering to reduce the financial scale of the project, the project progressed largely in the form of the proposed Invest to Save project. However, the project was developed over a longer time frame than planned under the Fund. The project was regarded as a high priority, with the failure to secure Fund resource not detracting from the need to progress the project in some form.	The project was restructured: without the resource the required dedicated team could not be formed to deliver one aspect of the project, although this has since been implemented at a smaller scale, achieving results at a slower rate and smaller scale than envisaged with Invest to Save support. A second element of the project that involved the purchase of capital equipment has not been taken forward and has been scheduled for action over the longer term, as and when resources permit intervention. The failure to secure Fund resource resulted in a loss of project definition: the project ambition stands, but its delivery model was eroded, merging with mainstream activity.
How any activity was funded …	The project was funded using internal resource, but involved redirecting monies from other priority programmes (i.e. cuts to other programmes).	The elements of the project that has been delivered was funded through the use of internal budgets.
Evaluation messages	Suggests timing additionality of the Fund.	Suggests timing, scale and quality additionality of the Fund.

Source: Evaluation fieldwork

An integrated view of additionality

5.24 Taken in the round, the evaluation finds that the Fund has delivered additionality, both in terms of timing, scale, and on occasion – although more for on-going than completed projects – in terms of full additionality.

5.25 In most cases covered by the evaluation's primary research, project activity would have proceeded in some form in the absence of the Fund – not unexpected given that most projects had been developed in advance of seeking Fund support as discussed in Section 2. However, the Fund made this happen more quickly, and at a larger scale, and at times was the core driver of project progress.

5.26 Given the often 'changing hearts and minds' nature of the Fund's activities, and the complexities in understanding the counterfactual in a service delivery context, a quantitative analysis of additionality would be unhelpful. Further, levels of additionality will vary by project and the aggregate data would therefore be influenced heavily by a number of skewing individual cases. That said, the evidence indicates that a good proportion of the cash releasing savings, and wider benefits, generated by Fund project would not have been delivered, or would have been delivered later, in the absence of the Fund.

5.27 Given that many of the projects had been developed prior to seeking Fund support, there may be a case for introducing a more robust appraisal of the additionality of projects prior to Fund support and/or providing lower levels of Fund resource to projects which are principally focused on accelerating existing, rather than the generation of wholly new, benefits.

The Value for Money of the Fund

5.28 Value for Money (VfM) is a key consideration for evaluation studies, because it establishes the relationship between the inputs made (by the public sector), and the returns secured as a consequence.

5.29 Ideally, Value for Money is derived from formal Cost:Benefits analysis, however, this does require all inputs and outputs to be monetised and formally valued. Given the wide range of activity and outputs the Fund is involving, this is clearly not possible. Under these circumstances, it is usually conventional to move to a more qualitative assessment of Value for Money routinely assessed in terms of consideration of the 'Three Es', namely:

- Economy: the extent to which project outputs/outcomes have been achieved for the minimum cost input (i.e. with the minimum deadweight in funding)

- Efficiency: the costs with which outputs/outcomes (gross and/or net) have been delivered (routinely presented as 'Cost per XX'),
- Effectiveness: the extent to which the objectives defined for the intervention at the outset have been realised in practice, and will be sustained in the future.

5.30 Taking these in turn, conventionally with 'project-level' interventions such as the Fund, **Economy** is assessed by reviewing how dialogues between the applicant and funder have developed over time. Insights are typically provided by reviewing how overall project costs, requested levels of funding, and levels of committed output have changed in the project's progression from 'outline', to 'formal application', to 'appraisal', and to 'final offer'.

5.31 Given the focus of the evaluation – on savings, impacts and additionality – this process was not reviewed in detail. However, the data provided from the Welsh Government do indicate that across the first six rounds, the offer value for successful projects was consistently below the initial value sought: 80% of the value sought from projects was approved.

5.32 This does suggest that Economy in the Fund's operation is in play, in practice through the disciplines of the application and assessment processes.

Table 5-2: Value sought and offer value

	Total sought (£k)	Offer value (£k)	Offer as % total sought
Round 1	10,011	9,971	100%
Round 2	23,322	16,915	73%
Round 3	5,114	5,115	100%
Round 4	6,901	3,850	56%
Round 5	16,177	12,777	79%
Round 6	5,341	6,408	120%
Round not stated	4,895	2,694	55%
Total	**71,761**	**57,730**	**80%**

5.33 It is also worth noting from an Economy perspective that for a Fund of its size, some £60m by its close, the scale of the administration and management appears modest with a small dedicated team managing the programme, supported by a wider Panel. We understand that the annual cost of running the

scheme is around £200k p.a. Typically for interventions such as this, administrative and running costs are in the region of 3-5% of the total programme cost. At £200k p.a. this is very significantly below this threshold, and as such provides further evidence of the strong Economy of the Fund's operation.

5.34 **Efficiency**, represents an assessment of the cost with which net outputs and outcomes are being achieved by an intervention. Given the nature of the Fund this is difficult to assess, for two reasons:

- The range of benefits generated by the Fund is very broad and there is no consistent set of outputs which can be summed to provide a numerator above the denominator of funding input. Moreover, many of the outputs are actually very hard to quantify and value, further constraining views on efficiency.
- As noted above, again given the nature of the Fund, 'net' effects in quantitative terms are hard to capture, and potentially misleading.

5.35 That said, two points can be made:

- Where metrics are available, on the scale of cash releasing savings, the evaluation suggests that the return on investment is positive, with the Fund 'getting back' more than it 'put in' financially in both gross, and indicatively, net terms. This issue does strengthen the argument for the development of a set of relevant and proportionate indicators to cover some, if not, all of the Fund's core policy areas and activity types.
- Given its re-payable focus, the efficiency of the Fund can reasonably be expected to be acceptable, particularly given the re-payment model adopted as discussed above (note that assessing the financial management of the Fund, including default rates was not part of this evaluation). Assuming full re-payment, the only 'cost' to the Welsh Government (other than the opportunity cost[7]) will be from charging no

[7] An assessment of the other potential uses for the finance allocated to the Fund was *not* part of the evaluation's remit.

interest on the investment and the cost of the programme's management. In this sense it is plausibly an efficient intervention.

5.36 **Effectiveness**, represents the extent to which the stated objectives of an intervention are being achieved through the outputs and outcomes that it is generating. Is not simply the scale, value, or indeed variety of outputs/outcomes that matters, but that results are indeed those things that were intended to be delivered by the intervention in the first place.

5.37 As set out in Section 4, the evidence from the evaluation is that the Fund does appear to be delivering on its overall intent of supporting efficiency savings and contributing to the improvement of public services. Further, the Fund has explicitly and consistently delivered against the Welsh Government's strategic priorities for public sector improvement, with this a core criteria of the appraisal and project selection process. As such, whilst the evidence on the impacts of the Fund are at this stage limited – in particular as many of the projects have yet to be completed – the overall message on Effectiveness is encouraging.

5.38 That said, as also argued in Section 2 above, there is no formal Theory of Change setting out fundamentally the failures and underlying conditions that the Fund is seeking to address. Without this, despite the apparent 'good things' that the intervention is doing in the round, and case by case with individual projects, the evaluator is unable to provide a direct and evidence-based assessment of the extent to which the Fund is tackling the underlying causes of failure amongst organisations which provides the rationale for the intervention in the round.

5.39 Going forward, the Welsh Government must be able to report robustly and evidentially on the Fund's effectiveness. Key to achieving this will be to develop a formal Theory of Change where, alongside the immediacy of the cashable savings generated (and potentially wider benefits as performance measurement systems evolve), assessment can be made of the extent to which the Fund is tackling the underlying problems that it is seeking to respond to. As the Treasury Green Book puts it '*If an intervention seems worthwhile,*

then the objectives of the proposed new policy, programme or project need to be stated clearly'.[8]

Section Recommendations

Recommendation 8: Driving down non-additionality in project selection and appraisal should be a priority going forward, this to optimise Value for Money and the return on investment of the Fund's inputs. Whilst additionality is evident, the evaluation indicates that much of the activity supported by the Fund would have gone ahead in any case, albeit later, or at a smaller scale. This could include requiring the completion of a concise and focused Theory of Change statement from all project applicants setting out: (i) what needs to be changed (ii) what it will be changed to and (iii) how the project will cause the change. This should help the Invest to Save Unit and Panel to prioritise and support only those projects where the theory of change is coherent, evidenced, and genuine.

[8] Treasury Green Book see https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220541/green_book_complete.pdf

6 Case Study Synthesis

6.1 This section sets out the synthesis of the case studies of Fund projects. Given the breadth and diversity of the Fund across the 54-project portfolio, the purpose of the case studies was to enable the evaluation to provide a more-in depth review and assessment of the 'journeys' of the projects through their Fund experience, to both inform the evaluation report and provide lessons and learning for elsewhere. The case study reports are provided in full in the accompanying document.

6.2 It is important to recognise that the projects covered by the case studies included both ongoing (six) and completed (five) projects, and are therefore at different stages in delivery and progress. They are also difference in their function, form and level of 'success'.

Rationale and role for Invest to Save funding

6.3 The rationale for the use of Fund resource across the case studies was to enable the public sector agencies in question to improve performance at a larger scale, more quickly, more innovatively and/or in a better integrated way than they could accomplish using internal resources alone.

6.4 There were broadly three categories of rationale across the case study projects.

- **To kick-start an initiative or fund a demonstration project.** For example, Invest to Save funding of the *One Newport Information Station* supported the initial planning required between multiple agencies to unify a complex and fragmented network of customer service centres. The funding of the *NHS All-Wales Collaborative Procurement* project established a project team dedicated to managing a one-year pilot to demonstrate the cost savings from an 'all-Wales' approach to NHS procurement. Support to the North Wales Regional Telecare Call Monitoring Service addressed a revenue shortfall in initiating the service, including costs involved in merging the services and redundancies, and revenue costs of running the service in its first year.

- **To enable the expansion and/or development of an existing initiative** to increase the scale and speed of its intended transformational effects –

e.g. the *NHS Wales Voluntary Early Release Scheme* (which would otherwise have been smaller), *Our Space Cardiff* (which would have been more piecemeal in its rationalisation of premises) and the *Wyn Campaign* (which expanded the role of Community Response Teams to improve health services for older people).

- **To disseminate and roll out good practice developed previously or elsewhere.** For example, the *All Wales Enhanced Recovery Programme* disseminated good practice nationally with regard to the use of Enhanced Recovery After Surgery practices to improve patient outcomes and achieve cost savings. The *Paperless Powys* project rolled out a process already tested on a smaller scale to bring about efficiency savings and to drive business improvement.

6.5 As evidenced across the wider project population, the case study projects were varied in the directness of their link with cashable savings, and in the extent to which they were interwoven with other initiatives to improve service performance.

6.6 Some projects were straightforward in these terms. For example, NHS All-Wales Collaborative Procurement and the NHS Wales Voluntary Early Release Scheme were dedicated to bringing about cost savings - in the first case through economies of scale in purchasing and in the second through reduced workforce budgets. There may have been other anticipated benefits but the main thrust of these projects was to make cashable savings. This was also the case in the Our Space Cardiff project where there was a direct link between activity and cash releasing savings and where repayment of Invest to Save funding could therefore be based on realised savings. For these projects the Fund interventions and activity had a clear logic model from input, through to activity, and onto savings.

6.7 However, Invest to Save funded activities in some projects were part of a suite of initiatives to improve service performance and in these cases it proved difficult to disentangle the contribution of Invest to Save to any expected improvements in service outcomes and cost savings (e.g. the Wyn Campaign and Agile Working). This made it more difficult to establish a direct link

between Invest to Save funded activities and cashable savings – but not impossible. For example, in the Agile Working project the re-payable form of Invest to Save funding was used as an incentive to prioritise efforts to make the necessary efficiency changes to recoup the funding.

6.8 In some projects – notably those linked to health outcomes – the link with cashable savings was not at all clear-cut. The *All Wales Enhanced Recovery Programme* was expected to improve patient outcomes by reducing post-operative complications, cancelled operations and readmission rates and to reduce length of stay (LoS) and therefore to achieve cashable cost savings. However, the link between reduced LoS and cashable savings is not at all straightforward and is difficult to quantify. The same issue was evident in the *Wyn Campaign* for improving health care for older people where repayment of Invest to Save funding was made from core corporate resources rather than from the claimed savings associated with reduced LoS and other benefits. Benefits were expected from both these projects in the form of improved patient outcomes and service performance but it is not appropriate to justify Invest to Save funding primarily on cashable savings from LoS and related outcomes when these are difficult to capture and estimate.

Benefits

6.9 Cash releasing savings across the case studies were claimed to amount to around £41m realised to date, as compared with total funding of some £37m[9] (for projects where savings have been identified) including Invest to Save funding of around £22.5m. The cashable savings for a number of these projects are expected to be recurrent (as in the case of the significant savings associated with the *NHS Wales Voluntary Early Release Scheme*) and exclude other savings (e.g. the anticipated savings in running costs and expected capital receipts for the *Our Space Cardiff* project). Although caveats must be attached to some of the claimed savings (e.g. some are still assumed rather

[9] This excludes 'in-kind' inputs and some 'other' funding for which estimates are not yet available.

than realised), the evidence from the case studies suggests that gross savings[10] will exceed total project costs by a considerable margin.

6.10 Other benefits have been generated by the case study projects but which have not yet been quantified or monetised, as follows:

- **Rationalisation of premises** (e.g. *Our Space Cardiff, North Wales Regional Telecare Call Monitoring Service*): Environmental improvements; improved linkages and informal cross-departmental working; improved working environment; learning and legacy effects in terms of improved asset management
- **Integration and coordination of service delivery** (e.g. *One Newport Information Station*): Improved levels of customer satisfaction; higher levels of up-take; reduction in referral and duplication faults; improved information sharing and multi-agency working
- **Coordinated procurement** (e.g. *NHS All-Wales Collaborative Procurement*): Enhanced effectiveness in procurement; improved governance and compliance of service-wide procurement processes; elimination of faults; establishment of an ongoing performance management framework
- **IT enabled mobility and flexibility** (e.g. *Agile Working* and *Paperless Powys*): Better record keeping and stock management; reduced travel time and costs; quicker and more flexible responses to customers; greater transparency in audit trails
- **Improved health services** (e.g. *All Wales Enhanced Recovery Programme*, *Wyn Campaign* and *Mental Health Rehabilitation and Recovery Reconfiguration*): Reduced length of stay; lower hospital admissions and readmission rates; reduced 'falls' rates; increased rates of discharge to usual place of residence; improved patient outcomes.
- **Retention and improvement of services** (e.g. *North Wales Regional Telecare Call Monitoring Service, PSBA*). Retention of a Welsh language

[10] Gross savings are savings before allowance has been made for deadweight – i.e. savings that would have been generated without Invest to Save funding.

service, improved resilience and speed of broadband infrastructure leading to service improvement and development.

6.11 Some of these benefits are always likely to be qualitative in nature (e.g. improved multi-agency working) but some can lend themselves to quantification and monetisation even if this has to be done by imputing values to the benefits or the savings. For example, it clearly proved difficult to estimate cashable savings from the reductions in Length of Stay (LoS) attributed to some of the projects. However, it may be possible to impute cost savings from reduced LoS and, therefore, facilitate a more complete estimation of the investment returns or the benefit-cost balance associated with the projects in question.

6.12 Where a more comprehensive assessment of project costs and benefits is to be carried out, it will be essential to set up performance measurement metrics and systems at the outset of the project and secure buy-in from all partners to the information provision requirements that will have to be met. This will be especially important where projects are predicated on cashable savings from which repayments are, in theory, to be drawn and where projects are pilots or are seeking to roll out good practice developed elsewhere. The evidence of the case studies was that this had not always been done to the extent required. This again suggests that providing greater guidance and clarity for projects on the types of benefits to be generated from Fund investment would be worthwhile.

Additionality

6.13 The earlier consideration of the rationale for Invest to Save funding across the case studies (and indeed the wider project portfolio) indicated that it was largely used to increase the scale, speed and innovative/integrated nature of the projects to which it was applied. This was confirmed by the assessment of additionality carried out for the case studies.

6.14 In some cases the scale effect of the funding on outputs and outcomes could be taken to be roughly proportional to the increased spend represented by the extra Invest to Save funding. It would be reasonable to say in the case of the *NHS Wales Voluntary Early Release Scheme* that some 60% (the proportion of

total funding represented by Invest to Save) of the cost savings would not have been secured without Invest to Save. So, the positive ratio of savings to funding levels would have been much the same without Invest to Save funding but at a much lower level of savings.

6.15 In other cases the scale effect was likely to be disproportionately higher than represented by the increase in funding through Invest to Save – i.e. there were economies of scale. Examples from the case studies include:

- *NHS All-Wales Collaborative Procurement*: Without Invest to Save a smaller-scale project would have resulted, driven by the wider 'shared services' agenda. Operating at this smaller scale, the savings and associated benefits would have been less substantial and slower to materialise. Critically, the project may have presented a less compelling case to Finance Directors when considering investment in the project's continuation and its wider adoption.
- *Our Space Cardiff:* Office rationalisation would have been undertaken in a more fragmented way, responsive rather than integrated, and would have happened later, and perhaps not at all – Invest to Save funding played a key pump-priming role in the ambition of the process.
- *Paperless Powys: A* lack of internal resource would have meant a smaller programme that would have been unlikely to release the benefits of the corporate solution and a dedicated management resource that was made possible with Invest to Save funding.

6.16 The additionality of the outputs and outcomes from Invest to Save funded projects was likely to be highest where they involved significant innovation and risks. *One Newport Information Station* is a case in point. The partners involved in this project considered Invest to Save funding critical in overcoming obstacles to the collaborative investment it required i.e. where no one organisation is able (or prepared) to play the role as core funder, given the inherent risks of partner disengagement and/or practical barriers to the sharing/pooling of resources.

What worked well . . . and less well

6.17 The experience of the case study projects strongly suggests three critical factors in achieving success – each of which reinforces the others in identifying, mitigating and managing the risks associated with larger scale and especially innovative projects:

- **Trusted relationships between key partners embedded in robust research and project planning**: for example
  - *NHS All-Wales Collaborative Procurement*: The adoption of sound planning, underpinned by research during the design process and extensive, early stakeholder engagement
  - *Paperless Powys*: Development of a benefits realisation plan to identify what will be delivered, when and how - with quick wins scheduled to demonstrate benefits to staff
- **Extensive and in-depth engagement of stakeholders**: for example
  - *One Newport Information Station:* The use of in-depth process mapping, business process reengineering and transition planning with extensive consultation with and engagement of customers, staff and unions, and stakeholders
  - *Our Space Cardiff:* Mitigation of risks by wide engagement exercise and use of pilot, delivered through planned and staged process with a detailed research and planning phase; and engagement of staff from a wide range of disciplines
- **Recruitment of a dedicated management team**: for example
  - *NHS All-Wales Collaborative Procurement*: Recruitment of a capable and experienced project team drawn from, and connected with, the existing procurement system
  - *Mental Health Rehabilitation and Recovery Reconfiguration Project*: Establishment of a team able to transfer money from different budgets and adopt a whole systems approach

6.18 The aspects of the projects that did not progress as well as hoped serve to demonstrate the need for the critical factors identified above to be in place. For example, the case study report on the One Newport Information Centre suggested it could have benefited from an even more structured dialogue with partners at the outset with a more detailed treatment of critical issues relating to the legal parameters within which each partner would have to operate.

6.19 It was observed in the case of the Wyn Campaign that there was some tension between partners as to who would repay the Invest to Save funding and how – given the absence of a clear process agreed at the outset for capturing and estimating the savings.

6.20 This last issue – the failure to develop adequate performance metrics and systems at the outset – resonated across a number of the case study projects. There was a general lack of attention to the establishment of baselines and the monitoring of outcomes to provide for a robust ex post assessment of project costs and benefits.

Learning Lessons from the Case Studies

6.21 The lessons suggested by the case study projects for the future design and delivery of similar projects mirrored the aspects of the projects that worked well – essentially in risk management.

6.22 There are five broad learning points arising from the experience of the case study projects:

- Securing senior level commitment to and ownership of the project amongst partners through extensive and in-depth partner engagement
- Managing the expectations of – and providing support for – those staff expected to develop new ways of working and non-project related staff who might be affected
- Setting up and agreeing performance measurement metrics and systems at the outset – especially with regard to direct cashable savings where these are to be the source for repayment
- Minimising risk through a phased approach and contingency planning with a robust research and planning first phase

- Adopting a whole systems approach – where possible through a dedicated management team with well-defined powers and responsibilities.

Messages from the comparator projects

6.23 Further to the case studies of Fund projects, research was also completed with four projects not supported by the Fund, two 'unsuccessful' projects that applied for the Fund but were not successful, and two 'external' projects that were doing similar things but funded through other means (in one case ESF, and in once case through internal resource). These projects are introduced in the box below.

Type	Project overview
Unsuccessful projects	**Project A** (*Modernisation of the South Wales Police Custody Estate*) involved a planned rationalisation of the custody estate of the police force, moving from a number of separate facilities to four dedicated resilient custody centres. The project was based on a long-standing agenda driven by a deteriorating and inefficient custody estate. The application to Invest to Save focussed on capital for new-build custody facilities **Project B** (*Improving Quality and Efficiency in Community Child Health and Maternity in Powys*) involved planned investment in the clinical and performance management capacity of the health board required to reduce routine elective paediatric referrals from the health board to services outside of the area. The project was driven by the organisation's strategic plan for efficiencies, with a 4-5 year ambition pre-dating the Invest to Save Fund application. The application to Invest to Save sought funds to establish a dedicated project team to support GPs in directing patients to local facilities
External projects	**Project C** (*Carmarthenshire Asset Review*) involved support for a review of the physical assets of the Local Authority, and the assets of partner agencies, across the Local Authority District. The project responded to a national-level drive for improved asset management, and local need to drive efficiency and improved utilisation of resources. The project was funded by the Local Authority. **Project D** (*South East Wales Improvement Consortium Telecare and Extra Care Housing*) involved research and on-going support for the improved regional collaboration in the delivery of telecare and extra accommodation services The project was developed through an existing regional collaboration with telecare and extra accommodation identified as areas where service improvement and efficiencies could be achieved. The project was funded through a grant from the European Social Fund.

6.24 Further details of the projects are provided in the accompanying case study document. However, a number of general messages emerge from this component of the evaluation's research:

- The principle of "investing to save" whilst emphasised by the Fund is by no means unique, and although the comparator projects were funded through non-re-payable means, the more general concept of "investing to save" remained a hallmark of activity across both those that were unsuccessful and not involved with the Fund specifically – with ever tightening resources, broader buy-in to the concept of investing to save is important
- The two 'external' projects highlighted the importance of capacity and resource to drive through service improvement and change activities, both projects involved supporting staff, consistent with the messages from the Fund case studies of the importance of a dedicated management and delivery team – as one of the consultees on noted when probed for the key lessons from the project '*Dedicated resource is key, to have the capacity to actually "do it*"'. By way of contrast, for one of the 'unsuccessful' projects the lack of Fund resource meant that a dedicated team could not be established, which led to both delays and a reduction in the scale (and potential benefits of) the project.
- The importance of planning and allowing adequate time for initial research and scoping, helping to minimise risk from the outset – this issue was notable for the two 'external' projects which both involved significant up-front planning and research time, consistent with the approaches taken by similar Fund projects, for example the Our Space Cardiff Invest to Save project with reference to the external Carmarthenshire Asset Review project, and the North Wales Regional Telecare Call Monitoring Service Invest to Save project with reference to the telecare element of the South East Wales Improvement Consortium external project. This is reflected in the summary of project journeys for these four projects (two Fund supported and the two matched external projects) set out below.

Figure 6-1: Invest to Save and external project journeys

Asset reviews

Invest to Save - Our Space Cardiff

Background and drivers

- Address information gaps, with no comprehensive view of the scale and range of Council's office portfolio
- Need to secure cost efficiencies with property rationalisation identified corporately as a potential opportunity to meet this challenge, alongside supporting efficient and effective working practices
- Response to WAO review of Asset Management Plan

Implementation

- Insufficient internal resource to fund the project in full, leading to successful application to Invest to Save Fund
- Dedicated project team established to deliver activity
- Significant research phase, including engagement with partners and stakeholders

Benefits

- Cash releasing savings generated and quantified, through disposal and reduced revenue costs
- Service improvement benefits generated, and captured formally including evidence on improved workforce satisfaction
- Nature of wider benefits generated
  - improved linkages and informal cross-departmental working within the Council
  - improved environmental performance and efficiency of the Council's office estate
  - capacity development within the Council

Non Invest to Save – Carmarthenshire Asset Review

Background and drivers

- Local response to pan-Wales agenda to improve the utilisation of assets in public ownership
- Need to secure cost efficiencies in the use and management of public assets
- Encourage public agencies to work in partnership
- Address information failures on scale/value of asset resource across the local area

Implementation

- Project developed and delivered using Council internal resource
- Dedicated project team established to deliver activity
- Significant research phase, including engagement with partners and stakeholders

Benefits

- Cash releasing savings generated and quantified through disposal and reduced revenue costs
- Service improvement benefits generated, albeit not captured formally
- Nature of wider benefits generated
  - improvement in communication and information sharing between public bodies,
  - transfer of assets to local community organisations
  - identification of land not currently claimed by any organisation, to be utilised potentially for public services, or transferred to community ownership

Regionalisation of telecare services

Invest to Save - North Wales Regional Telecare Call Monitoring Service

Background and drivers

- Inefficiencies in service delivery of telecare services across the region delivered in a number of locations, requiring consolidation
- Need to enhance and develop the service offer, including the retention and expansion of Welsh-speaking service
- Long-standing focus on regionalisation of social care provision to secure efficiencies and improve delivery

Implementation

- Insufficient internal resource to fund the activity, leading to successful application to Invest to Save Fund
- Detailed assessment of business case, leading into project delivery, involving consolidation of telecare centres into two locations serving the region

Benefits

- Cash releasing savings generated and quantified, alongside non cash-releasing benefits through enhanced productivity in service provision
- Nature of wider benefits generated
  - closer partnership working within and between local agencies
  - process improvements, including quality assurance framework and governance arrangements to ensure consistency of service across the region
  - future-proofing and enhanced sustainability of telecare offer including VoIP capability

Non Invest to Save – South East Wales Telecare

Background and drivers

- Driver to enhance the consistency of telecare service offer, including addressing coordination failures, and maximise the potential of new and emerging technology
- Need to promote efficiencies, including by economies of scale through procurement and commissioning.
- Long-standing focus on regionalisation of social care provision to secure efficiencies and improve delivery

Implementation

- Insufficient internal resource to fund the activity, leading to successful application for grant funding (ESF)
- Detailed assessment of business case for consolidation of telecare services – decision not achievable practically
- Re-purposed focus on capacity and partnership support

Benefits

- Cash releasing or non-cash releasing savings not delivered to date
- Examples of service improvement via enhanced collaboration, with potential to deliver savings long-term
- Nature of wider benefits generated
  - improved partnership working enabling partners to share issues, challenges and good practice
  - development of a recognised process for addressing service delivery issues and challenges
  - development of tools and materials to inform service design and delivery

Section Recommendations

Recommendation 9: Alongside the development of a formal ROAMEF statement for the Fund, the Welsh Government should consider the development and inclusion in Project Application and Monitoring of a simplified logic model statement to enable projects to capture fully, and appraisal and Invest to Save Unit staff to test clearly, the links between project objectives, inputs, activities, savings and wider outcomes.

7 Reflections from previous experience of Invest to Save activity

7.1 This section of the report reviews the findings from this evaluation in the context of the previous evidence from the evaluations and National Audit Office (NAO) review of the UK Treasury's Invest to Save Budget (ISB) in 2002[11]. It is important to note that there are differences between the Fund and the ISB but also sufficiently common features to make it appropriate and feasible to consider the consistency of the evidence on their achievements and areas for improvement.

7.2 The Welsh Government requested specifically this comparison to be aware of the advantages of the 'invest-to-save' approach that could be strengthened and any fundamental weaknesses to be addressed.

7.3 The section also reviews the findings of this evaluation in the light of (relevant) findings from the earlier interim evaluation and the National Assembly for Wales Finance Committee's review of the Welsh Government's Invest to Save Fund[12].

HM Treasury's Invest to Save Budget

7.4 The Invest to Save Budget (ISB) was established in 1998 to create a 'venture capital fund' for public sector service delivery with an emphasis on innovation, efficiency and partnership working. HM Treasury managed the ISB with central government departmental sponsors to create sustainable improvements in the capacity to deliver public services in a more coordinated way.

7.5 It is important to note that a key principle of the ISB was that investment was to be provided in return for reform. It was primarily about promoting joined up service delivery, forging new alliances, creating partnerships and promoting innovation by sharing the risks involved in new methods of delivery. It was *not* specifically designed to generate cashable savings and efficiency gains, although its very name suggests that these might have been expected from some of the service delivery reforms.

[11] SQW and MORI for HM Treasury, *Programme Evaluation of the Invest to Save Budget*, 2002 (SQW 2002) and National Audit Office, *The Invest to Save Budget*, 2002 (NAO 2002)
[12] Government Social Research (GSR) for the Welsh Government, *Invest-to-Save Fund: Interim Evaluation*, 2012 (GSR 2012) and National Assembly for Wales Finance Committee, *Invest to Save*, 2013 (NA 2013).

7.6 The ISB was only intended to provide a maximum of 75% of the total costs of the initial stage of projects which, if successful, would then be rolled out more generally and/or used to inform the design of future service delivery mechanisms.

7.7 Between 1998 and 2006, the ISB invested over £450m in the UK with projects ranging from a few thousand to a few million pounds across a wide diversity of policy areas. However, it was re-branded in 2004 to focus on the third sector's role in delivering public services in local communities. The ISB was closed at the end of 2009/10 as more general policy initiatives were being designed by the Office for Civil Society to promote the role of the third sector in community development.

7.8 Projects from the early rounds of the ISB were evaluated by SQW in 2000 and 2002, with the findings from this work combined with evidence generated by the NAO for its review of the scheme published in 2002. No more recent evaluations covering its later years have been carried out of the ISB programme.

Previous evaluation/review of the Invest to Save Fund

7.9 The current evaluation of the Fund has clearly been informed by the findings of the internal Interim Evaluation and the review by the National Assembly for Wales Finance Committee. But it draws on different evidence from a Fund portfolio that includes more projects that are completed or at a later stage of development. Hence, this section takes the opportunity to compare the conclusions of the current evaluation with previous assessments of the Fund, as well as of the ISB.

Comparing the key findings

7.10 The findings from the three sets of evaluations/reviews are compared in the following table against five key aspects of the ISB and the Fund – namely:

- Rationales and project characteristics
- Savings generated
- Project impact, especially in terms of sustained and wider improvements in service delivery

- Additionality and Value for Money of the programmes
- Performance management.

7.11 The focus of the summary is on the nature and extent of common messages that may help inform on-going delivery and policy decisions – qualified by recognition that the programmes and contexts were not the same in some critical aspects (notably the ISB's focus on reform rather than cashable savings and its absence of a repayment requirement).

Table 7.1: Comparing and contrasting the evaluation messages of "invest to save" activity

	Evidence from SQW evaluations and the NAO review of the Invest to Save Budget (ISB 1998-2009)	Previous evidence from the Interim Evaluation and the National Assembly review of the Invest to Save Fund (I2S)	Evidence from the current evaluation of the Invest to Save Fund (I2S)
Rationale and project characteristics	ISB largely met the need for a venture capital budget to facilitate collaborative and higher-risk projects to improve public sector services (SQW 2002). ISB projects varied significantly in size (20% under 100k and 15% more than £1m) and by policy area (e.g. 23% provided simpler access to services, 20% were in health care and 6% focused on employment and training) (SQW 2002). The degree of innovation also varied. Many of the projects were more mainstream than 'cutting-edge' and there was concern that not enough good quality projects were proposed with high levels of funding rolled over to subsequent years (NAO 2002).	I2S was assessed to be successful in supporting public service improvement projects through stronger collaboration across agency/administrative boundaries (GSR 2012). The I2S portfolio has been dominated by projects from NHS and local government. More action was needed to ensure under-represented sectors were aware of and took up the scheme (NA 2013). Conclusions differed between GSR 2012 and NA 2013 on the need to 'theme' bidding rounds and on the level of the minimum threshold for I2S projects.	The rationale for I2S was found to be robust and its projects generally based on a sound rationale. However, the case for specific projects could be more focused on 'why' I2S was needed to provide better understanding of 'what worked, where and why' and hence to enable dissemination of good practice. The portfolio was highly varied in terms of project size. It was still dominated by NHS projects but otherwise was more diverse than previously reported. Projects were generally – though not exclusively – lower risk and less innovative than might have been expected if I2S had sought to test new forms of service delivery.
Savings	Cash releasing savings were not an explicit objective of ISB and no estimates were made of the achieved savings (although an overall cost-benefit ratio was estimated). Only a third of projects sought to achieve efficiency gains. Less than one in five intended to achieve quicker service response times, reduce delivery costs or develop a better understanding of what citizens want from public services (NAO 2002).	It was too early to provide an overall assessment of cost savings but there was no evidence that the expected cost savings would not be forthcoming (GSR 2012). Projects were found to be repaying their invest-to-save investments and the I2S fund is now being recycled to fund new projects (NA 2013).	Cash releasing benefits were generated by 15 of 23 completed projects covered by the evaluation – amounting to £55m delivered by 2012/13 and £49m expected by 2016/17. These savings may be under-estimated because of uncertainty in some cases regarding the extent to which they were recurrent and likely to persist. They will be over-estimated as **net** savings because they do not allow for non-additionality – see below.

	Evidence from SQW evaluations and the NAO review of the Invest to Save Budget (ISB 1998-2009)	Previous evidence from the Interim Evaluation and the National Assembly review of the Invest to Save Fund (I2S)	Evidence from the current evaluation of the Invest to Save Fund (I2S)
Impacts	ISB fostered more collaborative working between public sector organisations at local level. But there was less evidence of radical innovation and of impact on tangible service improvements partly because many projects were still in their early stages. Over the course of the first three rounds of ISB the percentage of projects reported as likely to be sustained and/or more widely adopted increased from 42 to 60 per cent. Nevertheless more developed ways of sharing the benefits and lessons learned from ISB projects were thought to be needed so that a wider range of public service providers are aware of them and encouraged to adopt them (NAO 2002).	I2S project managers generally reported that achieved service improvements were equal to or greater than expected and that their benefits outweighed the costs Overall I2S enabled planned projects to get off the ground rather than stimulating ideas for new projects (GSR 2012). More was needed to promote case studies, encourage institutions to emulate successful schemes, and to champion invest-to-save. NA 2013 seemed to endorse the Wales Audit Office conclusion that, while there are some communities of practice to consider and transfer good practice, in general, the networks needed for such shared learning are not in place.	I2S generated a range of quantifiable and non-quantifiable benefits. Although service improvements have yet to flow through generally to improved outcomes, the overall picture in encouraging. It has generally delivered 'incremental' rather than radical change in terms of service delivery and outcomes. Processes for learning and dissemination of good practices developed by I2S were found to be of mixed quality. There is generally a risk that such practices will not be retained and embedded to the degree that might have been expected from the Fund.
Additionality and Value for Money (VfM)	Additionality was judged to be high (SQW 2002) – 40% of projects were thought unlikely to proceed at all without ISB funding. Previously developed projects were less likely to be fully additional. Although VfM was also assessed to be high (SQW 2002), quantification of outputs, outcomes and benefit cost ratios was limited. The expected benefit to cost ratio was, on average, estimated to be of the order of 2:1 (NAO 2002).	Additionality was difficult to assess but was thought to be high in absolute terms (especially for larger projects) or in terms of scale or speed (GSR 2012). Alternative funding was less likely for the NHS and hence I2S was more likely to be critical as a funding source for NHS projects. But, NA 2013 concluded I2S should only be used where there was robust evidence of savings from the investment not just where there is a need for extra funding.	Project activity would generally have proceeded in some form in the absence of I2S as most projects had been developed in advance of seeking support. However, I2S made this happen more quickly and/or at a larger scale, and at times was a core driver. The economy and effectiveness of I2S was assessed to be high. And ratios of gross cashable savings to I2S funding of 2.7:1 (completed projects) and 1.7:1 (ongoing projects) suggest that I2S had been delivered efficiently.

	Evidence from SQW evaluations and the NAO review of the Invest to Save Budget (ISB 1998-2009)	Previous evidence from the Interim Evaluation and the National Assembly review of the Invest to Save Fund (I2S)	Evidence from the current evaluation of the Invest to Save Fund (I2S)
Performance management	NAO 2002 concluded: • The chances of promoting successful innovation were likely to increase if ISB targeted a smaller number of key areas likely to benefit most from innovation. • Lessons on ISB management had not been fully taken on board such as the need for all those involved with a project to have the same agreed objectives. • Departmental management needed to be more involved in reviewing progress of ISB projects, assessing what is, or is not contributing to success and considering the sustainability of project benefits. • There was limited monitoring, evaluation and reporting of achievements and an absence of mechanisms for routinely disseminating lessons on innovative ways of working and better service delivery methods with the potential for wider adoption across government. • Careful consideration was needed as to who should be responsible for the implementation of new ways of delivering a service which an ISB project had demonstrated to be practicable.	NA 2013 concluded: • Not convinced of themed bidding rounds and recommended they support the best bids, irrespective of content • The threshold be returned to £100,000 so projects with potential significant savings were not lost to the system • The best I2S projects showed a clear link between the investment made and savings generated and management should be designed to achieve this • Monitoring needed strengthening to include visits 6-12 months after initial award, or when repayments begin, to assess impact on service delivery as well as performance against targets • More needed to promote learning about and dissemination of good practice. GSR 2012 thought themed rounds and a higher threshold were required. It suggested consideration be given to how managers could be encouraged to self-evaluate projects with support in the form of guidance and/or standardised tools and techniques to demonstrate benefits/savings.	The current evaluation concluded: • Projects needed to be more closely focused in terms of their rationales - why they are needed for sustained service improvements and cost savings • Responsibility for project management – and subsequent mainstreaming where appropriate - should rest, clearly and unambiguously, with a designated individual in the lead organisation • Monitoring and collation of cash releasing savings should be integrated into project management and required for the I2S CRM/database system • Formal and clear links should be established between the achievement of savings and re-payment of Fund investment • Consideration should be given to the use of core outcome measures and to promoting a more developmental intent for I2S funding - including support for more innovative projects, an active portfolio management approach and dissemination/adoption of good practice

Key messages and reflections

7.12 The Treasury's ISB and the Welsh Government's Invest to Save Fund were designed in different ways and implemented in different contexts and in very different times. However, they both adopted an ''invest-to-save'' approach, intended to promote and test innovation and reform in the delivery of public services in ways that increased their efficiency and quality and, if successful, could be rolled out more widely. To this extent, the findings from evaluations and reviews of the programmes might be expected to offer some common messages on what worked well, and not so well.

7.13 This proved to be the case, with the following key messages emerging:

- **Rationales and project portfolios:** The three sets of evaluations and reviews were consistent in suggesting there needed to be more clarity and focus in some aspects of the programmes' rationales and project selection. This was particularly so in terms of the degree of innovation they were seeking to induce. A high proportion of the supported projects were found to be taken 'off the shelf', 'mainstream' in nature and/or innovative only in an incremental way. Given the declared intent of the ISB to provide a ''venture capital budget'', and of the I2S to ''transform'' the operational efficiency of public services, this was raised as a cause of concern by the evaluations.

- **Impacts:** Systematic and quantitative evidence on service and outcome improvements generated by the two programmes proved to be elusive. This is, in part, because the evaluations/reviews were carried out before sufficient projects had been completed or reached a stage of maturity that would enable such outcomes to be estimated across the programme portfolios as a whole. However, it could also be attributed to two other factors. First, monitoring practice, evaluation and reporting of improved services and their outcomes was varied and somewhat inconsistent at an individual project level. Second, there were no core outcome measures

against which the performance of the programmes was required to be assessed. Both factors suggest that insistence was not placed on the programmes – and their component projects – demonstrating their achievements in these terms. This meant that, even with a high proportion of the portfolio comprising mature projects, it would still be difficult to assess the overall effectiveness of the programmes in improving service quality and outcomes. It should be noted that, as the current evaluation has shown, at least in the case of I2S it is possible to assess the extent to which Fund support has been repaid and achieved cashable savings where the latter are identified explicitly as a key performance indicators. However, even with this approach, evidencing savings remains challenging, and quality of the information varied.

- The past evaluations/reviews also revealed limited evidence on the wider impact of the supported projects in terms of their sustainability and mainstreaming potential – i.e. the extent to which good practices they may have developed were rolled out and adopted elsewhere. Indeed, they suggested that the culture mechanisms and processes for this were not sufficiently in place to make it happen in a systematic and routine way.
- **Additionality and Value for Money:** The overall conclusion of the past evaluations/reviews was that the 'invest-to-save' approach as embodied in the ISB and I2S had much to commend it and that the two programmes should be continued. However, they also considered the programmes could be improved if their project selection and management methods were more focused on driving-up additionality and innovation, and better geared to demonstrating the benefits of the projects relative to their costs and disseminating good practice.
- **Performance management:** Consistent with the above messages, the past evaluations/reviews were agreed that the programmes and the projects they supported needed to be managed actively in ways that identify and manage risks, increase the chances of innovative

methods succeeding and transfer good practices. Amongst other things, that requires responsibility for management – and mainstreaming where appropriate – to be vested clearly and unambiguously in a designated individual in a lead organisation.

7.14 In summary, many of the messages emerging from the past evaluations of ISB and I2S align with the themes identified separately for this current evaluation. This is important at two levels:

- First, they provides a degree of assurance to the Invest to Save Unit and Panel that the issues that they are wrestling with in progressing the Fund are not exceptional or unique. In many ways, they reflect and result from the 'ever present' challenges in delivering these sort of policy interventions.
- Second, the confluence of former fund activity with that of the present programme does provide a valuable opportunity for past learning and experience to be reviewed, and transferred, to the current context. Yes, the particular contexts of the Invest to Save Budget and the Invest to Save Fund may be different, but there are clear commonalities and overlaps which may deliver useful learning as 'invest to save' activity, generally, in Wales progresses.

8 Conclusions and Recommendations

8.1 This final section of the report sets out the conclusions of the evaluation, and reprises the recommendations that have been set out across its content.

Conclusions

The rationale for intervention

8.2 The evaluation finds that the underpinning rationale for the Fund is sound and robust. The Fund responds to a number of drivers including:

- the strategic policy context established by the Welsh Government focused on delivering improved public services, including through greater collaboration between agencies
- the need to support organisations in securing efficiencies in service delivery given challenging budgetary and financial contexts
- specific ‘failures’ and issues at a local/service delivery level, that prevent organisations progressing improvement projects and delivering efficient and quality public services.

8.3 At a project level, issues of co-ordination failures between organisations, and financial barriers (the latter particularly for NHS Wales projects) were particularly evident in justifying the need for Fund resource. Risk aversion in investing resources in ‘new’ activities was not generally reported as an issue by projects: it was the lack of, rather than aversion to using, internal resources reported consistently as the issue that justified the need for Fund support.

8.4 However, other forms of external support were not always considered by projects in advance of seeking Fund investment, with internal resource the most likely ‘non-Fund’ scenario reported by projects. As such, risk aversion to using internal resource may have been more prominent in reality than its reporting.

8.5 Explicit consideration of market, and particularly in the case of the Fund, other failures/issues in the project development cycle appears to be

limited, with these sorts of issues not formalised in the appraisal process. Whether the Fund has been used to address sustainably the *causes*, rather than the *symptoms*, of market/other failure, is therefore somewhat open to question. A greater focus on failures and rationales thinking going forward might encourage a more consistent focus on 'why' the Fund should be used, and provided enhanced learning and understanding on what kind of intervention work, when and why.

Benefits and impacts

8.6 Significant cash releasing benefits have been generated by the Fund to date. Indicatively, for completed projects the evaluation estimates that around £3 of gross savings have/will be generated for each £1 of Fund resource invested. Cash releasing benefits from on-going projects are more modest but still positive. These data include both 'actual' and 'forecast' savings, so may be subject to Optimism Bias and have not yet been delivered in full. However, the evaluation suggests that in aggregate the Fund is likely to 'get out' more in terms of savings, than it 'put in' in terms of investment.

8.7 Not all projects supported to date have delivered cash releasing benefits. Of the 23 completed projects, a minimum of 15 have generated cash releasing benefits that can be attributed to the Fund. Of the five completed projects where cash releasing benefits have not been delivered, four were led by local government organisations. Particular care should be given to monitoring the delivery of cash releasing benefits by on-going, and future local government projects supported by the Fund.

8.8 The evidence on non-cash releasing benefits is generally project specific, with no formal processes or systems put in place by the Fund to track these consistently across the project portfolio, although evidenced routes to non-cash releasing benefits include enhancements in service delivery through the development and implementation of IT, improved service delivery as a result of the rationalisation and better utilisation of

existing assets, and efficiencies through the integration and co-ordination of services.

8.9 Addressing the absence of processes and systems to track non-cash releasing benefits is an important issue going forward, with further advice and guidance arguably required to support local capacity.

8.10 Other benefits include

- quantifiable benefits in terms of better service user perceptions, enhanced access to services and in a number of cases, improved outcomes for service users, with a focus on health and social care outcomes.
- non-quantifiable benefits including learning and enhanced knowledge and insight into service delivery and improvement for organisations delivering services, improved co-ordination and partnership working between agencies, and capacity development and the improved resilience of service provision and planning.

8.11 Overall, it remains too early to draw definitive conclusions on the quantitative and wider qualitative impacts of the Fund. However, the signs are encouraging, and whilst Optimism Bias needs to be accounted for, project manages were generally of the view that the savings and wider benefits anticipated at the outset have, or will be, delivered.

8.12 As with the non-cash releasing savings, further work to develop a typology of quantifiable benefits to enable projects to better capture at an individual level, and the Welsh Government at an aggregate level, the effects of Fund activity would be beneficial.

Re-payment incentives

8.13 The investment provided by the Fund is required to be paid back whether or not savings are achieved, based on an agreed payment schedule are agreed as part of the formal negotiations, and even if savings have yet to be/have not been realised. In some cases re-payment has been tied directly with the achievement of savings. But in most situations the evidence indicates that the investment was/is re-paid

through central organisational budget-lines, at agreed points, not when savings had actually been generated.

8.14 This model minimises risk to the Welsh Government. However, it has a number of potentially important unintended consequences: that without need to track formally the savings generated, the financial trail of the project can be lost, and that there can be a disconnect at the project delivery level between the 'practical' and 'financial' management.

8.15 Less tangibly, but importantly, there is the associated danger of a loss of 'discipline' in the project implementation and delivery process, where the incentive for staff to ensure that the project delivers on its intent is reduced. Further, arguably, the focus of risk on the delivery partners has to date led to generally less innovative and novel projects being brought forward for Fund support than might in absolute terms have been expected.

8.16 There is no clear right and wrong here – the key issue is balancing risk between funder and recipient. A more balanced risk profile is possible – for some elements of the Fund at least – where the Welsh Government is able to reduce the risk on delivery organisations by tying formally (in full, or more realistically in part) re-payment to the achievement of savings. The disadvantage from a funder perspective would be that re-payment would not be delivered where savings are not generated. But this approach may lead in turn to more innovative and novel projects coming through, with the risk to project partners in the case of project failure reduced.

Additionality and Value for Money

8.17 The Fund has delivered additionality, notably in terms of making projects happen sooner, or at a larger scale than would otherwise have been the case. There are also examples of self-reported 'full additionality; where no activities or benefits would have been delivered without the Fund.

8.18 Given the nature of the Fund's activities, and the complexities in understanding the counterfactual in a service delivery context, a quantitative analysis of additionality is not appropriate. Further, levels of

additionality will vary by project and the aggregate data would be influenced heavily by a number of individual cases. That said, the evidence indicates that a good proportion of the cash releasing benefits, and wider benefits, generated by Fund projects would not have been delivered, or would have been delivered later, in the absence of the Fund.

8.19 Positively, there is little evidence of substitution – involvement with Fund supported projects has not prevented most organisations from progressing other development activities to deliver efficiencies and service improvement outcomes.

8.20 The evidence of this evaluation (consistent with the interim assessment of the Fund) is that projects are commonly developed prior to seeking Fund support. As such projects have generally been 'bended' to meet Fund intents rather than actively stimulated by it, with the Fund then playing a key role to enable and facilitate these projects.

8.21 As a result of this 'facilitation', rather than 'birthing' role, the level of risk and innovation that Fund projects embody is generally (though not exclusively) modest, and they are likely to happen in some form even without the Fund finance, albeit later or at a smaller scale. There may be a case for a more focused appraisal of project additionality prior to Fund support, and/or providing lower levels of Fund resource to projects which are principally focused on accelerating or scaling-up existing, rather than the generation of wholly new, activities and benefits.

8.22 The Fund is still operational, so any assessment of Value for Money must be made with caution. However, the evaluation finds that the overall Value for Money of the Fund is acceptable, in terms of Economy, Efficiency, and Effectiveness.

8.23 Going forward, the Welsh Government must be able to report robustly and evidentially on the Fund's Effectiveness. Key to achieving this will be to develop a formal Theory of Change where, alongside the immediacy of the benefits generated (both in terms of savings and potentially wider effects as performance measurement systems evolve),

robust assessments can be made of the extent to which the Fund is tackling the underlying problems that it is seeking to respond to.

Lessons from the case studies

8.24 The key lessons from the case study research on 'what works', with applicability to similar projects, were as follows:

- Securing senior level commitment to and ownership of the project amongst partners through extensive and in-depth partner engagement
- Managing the expectations of – and providing support for – those staff expected to develop new ways of working and non-project related staff who might be affected
- Setting up and agreeing performance measurement metrics and systems at the outset – especially with regard to direct cashable savings where these are to be the source for repayment
- Minimising risk through a phased approach and contingency planning with a robust research and planning first phase
- Adopting a whole systems approach – where possible through a dedicated management team with well-defined powers and responsibilities.

8.25 The case studies and the evaluation more widely also highlighted the importance of trusted relationships between partners, extensive and in-depth engagement of stakeholders, and the recruitment – with resourcing implications – of a dedicated management and delivery team. Where these factors were in evident, more was, or is being, achieved.

In closing . . .

8.26 The findings of the evaluation of the Fund are positive. The Fund has supported good projects, to do valuable things, and delivered a wide range of benefits, including savings, exhibiting additionality. Whilst there are areas for development, including in performance monitoring practice (especially with regard to savings and outcomes), and a more risk-ready

model may be possible, at this stage the Fund is making substantive progress towards delivery against its overarching aims and objectives.

8.27 Further, many of the challenges identified in this evaluation are not new. Similar issues related to defining project rationales, promoting additionality, supporting innovation, and demonstrating outcomes/impact were present in earlier reviews of the Treasury's Invest to Save Budget.

8.28 This provides assurance to the Invest to Save Unit, Panel, and the Welsh Government that the issues they are wrestling with in progressing the Fund are not exceptional or unique. It also provides a valuable opportunity for past learning and experience to be reviewed, and transferred, to the current context, and as 'invest to save' activity, generally, in Wales progresses.

8.29 One final point is important. Any changes to the performance monitoring, operation, and management of the Fund will have resource implications. Indeed, there might be a case that in order to translate conceived processes into practical realisation in monitoring, and with a more 'managed portfolio' approach to the Fund in place, increased resources for the Invest to Save Unit will be required. The Economy of the Fund appears good in terms of its operating costs: there may be a case for the Welsh Government to reduce the level of economy in management costs to enable these management tasks to be delivered with greater effect.

Recommendations

8.30 Drawing on the findings and conclusions of the evaluation, the following recommendations are made:

- **Recommendation 1:** The Welsh Government should consider the development of a formal statement of the rationale and Theory of Change of the Fund, identifying clearly the issues and challenges that it is seeking to address. This should follow standard ROAMEF (Rationale, Objectives, Activities, Monitoring, Evaluation and Feedback) logic as set out in the Treasury Green Book. This will help to ensure that the Fund is able to focus consistently and

systematically on the issues and failures that it is seeking to address. The Theory of Change will also provide an accessible external depiction – to applicants, stakeholders and partner agencies – of what the Fund is fundamentally seeking to do.

- **Recommendation 2:** Following the development of a formal ROAMEF statement, the Welsh Government should consider the inclusion in the Project Development and Application Process an explicit focus on project rationales, including statements and evidence of why the project is needed and the market and/or failures/issues that it is seeing to address.
- **Recommendation 3:** Responsibility for project direction and management should rest, clearly and unambiguously, with a designated individual at the Lead Partner organisation; these arrangements should be updated on an on-going basis to ensure that there is clarity on who, ultimately, is accountable for project performance and the delivery of Fund activity, over the project delivery period, and the payback period that follows. The processes are in place to deliver this, going forward there should be an increased focus to ensure that practice reflects fully these process disciplines. As an initial step, a formal review of contacts for all completed and on-going projects should be undertaken to ensure that appropriate contact details are now in place to provide a solid platform going forward.
- **Recommendation 4:** The monitoring and collation of cash releasing savings should be integrated fully into the Invest to Save CRM/database system. Given that cash releasing savings are the key output being 'purchased' by the Fund, they should be regarded as output data to be collected routinely in monitoring (in gross form), rather than through evaluation activity. These data were not included in the Fund-level monitoring information provided to the evaluation team for this study, they should be for any future evaluation/impact research.

- **Recommendation 5:** Guidance should be developed to enable project applications to better identify, and subsequently, monitor Non cash releasing benefits of Fund projects, so ensuring that projects are better able to plan for, and demonstrate, Non cash releasing savings in the future. Practically this could involve the development and dissemination of a series of project cameos providing 'real world' examples from the Fund, and more widely, of how Non cash releasing savings have been realised and captured to inform new applicants. Guidance on non-cashable benefits is currently limited: this provides the Invest to Save Unit with an opportunity to take the lead in this area, and diffuse and embed its clear expertise.
- **Recommendation 6:** The Welsh Government should consider formally via an options assessment if , and how, to more clearly link the achievement of savings and re-payment of Fund investment, including re-balancing the risk profile away from the delivery organisations and on to the Government as a way of stimulating projects which are more innovative and risky, but potentially with higher rewards. This should include research with relevant public sector agencies (including both historic and potential future applicants) to provide evidence on the extent to which a re-balanced risk approach would stimulate more/different project ideas.
- **Recommendation 7:** The Welsh Government should consider developing a suite of outcome measures, with established indicators and a logic that ties back to Fund objectives, that can be used to better capture consistently the types of outcomes that the Fund is seeking to deliver, for example, outcomes around health-related benefits and cross-sector measures of user-perceptions potential areas where outcomes measures could be developed. These should be broad enough to not constrain activity types, but focused enough to enable instructive analysis and evaluation. As a first step, the Invest to Save Unit should engage with Welsh

Government colleagues develop a framework for evaluating health and social care services to assess the extent to which this can be used to inform a framework for the Fund.

- **Recommendation 8:** Driving down non-additionality in project selection and appraisal should be a priority going forward, this to optimise Value for Money and the return on investment of the Fund's inputs. Whilst additionality is evident, the evaluation indicates that much of the activity supported by the Fund would have gone ahead in any case, albeit later, or at a smaller scale. In parallel to Recommendation 2 above, and Recommendation 9 below, which will play a role in driving-down non-additionality, this could include requiring the completion of a concise and focused Theory of Change statement from all project applicants setting out: (i) what needs to be changed (ii) what it will be changed to and (iii) how the project will cause the change. This should help the Invest to Save Unit and Panel to prioritise and support only those projects where the theory of change is coherent, evidenced, and genuine.
- **Recommendation 9:** Alongside the development of the Fund ROAMEF statement, the Welsh Government should consider the development and inclusion in Project Application and Monitoring of a simplified logic model statement to enable projects to capture fully, and appraisal and Invest to Save Unit staff to test clearly, the links between project objectives, inputs, activities, savings and wider outcomes.
- **Recommendation 10**: The Fund should be continued, but formal consideration should be given to promoting a more developmental intent, including through support for more innovative projects and an active portfolio management approach. Adequate resource and capacity within the Invest to Save Unit will be required to meet these requirements.

Annex A: Projects engaged in the evaluation

Telephone consultations

Project	Lead organisation
All-Wales Procurement	Cwm Taf LHB
Cardiff and Vale UHB - Mobile Working	Cardiff and Vale University LHB
Cardiff Local Service Board Asset Project	Cardiff Council
Community, Primary Care and Health Service Policy	Welsh Analytical Prescribing Support Unit
Critical Alarm Monitoring	Bridgend CBC
Digital Dictation/Speech Recognition	Betsi Cadwaladr University Health Board
Fostering Spend to Save Strategy	Neath Port Talbot CBC
Frailty Programme	Torfaen CBC/Aneurin Bevan LHB
Implementation and application of service line reporting (SLR) systems	Cwm Taf LHB
Improving your Space (formerly FACE, SPACE & PLACE)	Bridgend CBC
Integrated electronic NHS web expenses system	NW Business Support Partnership/Betsi Cadwaladr
Mental Health CHC Placement Repatriation	HSSDG
Mental Health Provision	NHS Wales Shared Services Partnership
Mental Health Rehabilitation - Recovery and Social Inclusion Project	Hywel Dda LHB
Non-Emergency Patient Transport	Welsh Ambulance Service Headquarters
North Wales Tele-care Project Implementation	Conwy CBC
One Newport Information Station	Newport City Council
Powys School Modernisation Programme	Powys CC
Shared Services Arrangements for NHS Wales	HSSDG Finance
Transactional WEB Development	Newport City Council
UWIC - i-zone, one-stop-shop for students	Cardiff Metropolitan University
Voluntary Early Release (VER)	Abertawe Bro Morgannwg University LHB

Project	Lead organisation
Workplace Transformation	Blaenau Gwent CBC
Wrap-around Care Provision	Wrexham CBC
xChangeWales e-procurement system	Merthyr Tydfil CBC

Case studies

Case studies were completed with the following Invest to Save projects

- Agile Working Flintshire
- Mental Health Rehabilitation & Recovery Reconfiguration
- One Newport Information Station
- Our Space Cardiff
- Paperless Powys
- NHS Wales Voluntary Early Release Scheme
- NHS All-Wales Collaborative Procurement
- North Wales Regional Telecare Call Monitoring Service
- Support to the Public Sector Broadband Aggregation Scheme
- Wyn Campaign: Regaining & Retaining Independence
- Wales Enhanced Recovery 1000 Lives Plus Collaborative Programme

Annex B: Research tools

Independent Evaluation of the Invest-to-Save Fund

Consultations with Completed Projects

June 2013

Context

SQW Ltd (SQW) has been commissioned by the Welsh Government to undertake an independent evaluation of the Welsh Government's Invest-to-Save Fund (the Fund). The evaluation covers the first six rounds of the Fund's delivery, covering projects approved over the 2009/10 to 2012/13 financial years.

The purpose of the evaluation is to:

- estimate savings generated by Fund projects, covering both cash releasing and non cash-releasing savings, both achieved to date, and expected
- assess the impact of the Fund in delivering wider outcomes and benefits, including improved public services
- establish the additionality of the Fund i.e. the extent to which it has delivered benefits that would not have been secured in any case.

The evaluation includes an initial round of consultations – the purpose of this call – with all projects supported by the Fund that have been completed to (i) understand the progress of the projects, (ii) identify the benefits delivered to date and expected for the future, and (iii) to provide an insight into the 'self-reported' additionality of the Fund.

All responses will be treated in a Commercial-in-Confidence fashion.

Guide for interviewers

Prior to the consultation, interviewers should review existing evidence, where available, as set out in the I2S database, drawing on information from the project directory, Interim Evaluation and project reviews/evaluations to identify factual and contextual information regarding the project in view.

As an independent study, with a focus on the summative aspects of the Fund, the questions in this Consultation Guide are different to those in the Interim Evaluation. However, issues of project rationale, outputs/outcomes, and additionality were also covered in the Interim Evaluation. Where the consultee has been previously engaged, the interviewer should note explicitly with the consultee that some of these issues may have been discussed previously with the Welsh Government as part of the internal Interim Evaluation and that we have been provided with their responses.

However, all questions should be asked in full of all consultees, with previous responses used to prompt and inform the discussion.

Project rationale

Q1. What was the underpinning rationale for the project supported by the Invest-to-Save Fund i.e. what problems/challenges/opportunities was it seeking to respond to?

a. What underpinning evidence was in place to characterise this rationale at the time the project was designed?

b. And, now, what evidence is there that the rationale remains current, and valid?

Q2. Probing the rationale – then and now – further, to what extent did the following issues inform the rationale for the project? Identify for each identify whether the issue was of high, medium, low or no importance to the project's development.

	High	Medium	Low	No
Coordination failures – where public agencies do not collaborate and work together owing to institutional and/or financial barriers				
Risk aversion – on the part of public agencies in investing tight resources in new projects and activities				
Financial barriers – where many public agencies are unable to access loan or other forms of borrowing from finance providers for revenue projects				
Public goods and externalities – where the market will not provide the goods & services required by society				
Information failures – where public agencies not aware of the benefits to be delivered from improvement projects, or do not know where to go to source funding				
Institutional failures – where public sector procurement, bureaucratic and 'silo' procedures and protocols prevent new projects/efficiency saving ideas				
Other – please specify				

a. Where issue identified as 'High' please explain in more detail

Q3. Were any other options for funding the project considered *before* approaching the Invest to Save Fund?

a. Internal Sources

b. External Sources

Q4. If yes to Q3

a. Why were these not progressed successfully?

b. What did the Invest-to-Save Fund offer/permit that these other sources of funding did not? *(Then go to Q6)*

Q5. If no, to Q3, why not?

Project inputs

Q6. Over and above the Invest-to-Save monies you received of *[interviewer to state level of Fund monies drawn from database],* what was the cost to the public sector of delivering the project supported by the Fund?

	2009/10	2010/11	2011/12	2012/13
Staff costs (£)				
Other non-capital costs (overheads, consultant fees, goods/services) (£)				
Capital costs (£)				
Other costs (£)				

a. Where were these costs funded from? *Interviewer to record breakdown of sources*

b. Was this other funding reliant on securing Invest to Save support?

Q7. Has the project led to on-going costs to the public sector that will be required in the future? *For example where the project covered the capital costs for installing a new IT system, but not the operational costs of running it; or where a project put in place a new process/service that will require on-going staffing and other costs.*

a. If yes, please record estimates of these costs. *Note for interviewer: request in constant (2013) prices*

	2013/14	2014/15	2015/16	2016/17	2017/18
Staff costs (£)					
Other non-capital costs (overheads, consultant fees, goods/services) (£)					
Capital costs (£)					
Other costs (£)					

b. Where will these costs be funded from? *Interviewer to record breakdown of sources*

Q8. Were the actual costs of the project the same as the expected costs of the project as set out in the initial Invest to save business case and application?

a. If no, what was the difference (% higher or lower)

b. If no, why were the costs different?

Project benefits

Cash releasing benefits

Prompt for interviewer: Cash releasing benefits reduce the costs of organisations so that the 'saved' resources can be re-allocated elsewhere. This typically means that an entire resource is no longer needed for the task for which it was previously used. This can be staff or materials. This should include avoided costs that are cash releasing.

Q9. Have cash releasing benefits been achieved by the project to date?

a. If no, why not?

b. If yes, record one-off cash releasing benefits (£)

c. If yes, record annual recurrent cash releasing benefits (£)

	2009/10	2010/11	2011/12	2012/13
One-off cash releasing benefits (£)				
Annual recurrent cash releasing benefits (£)				

d. Please explain how these cash releasing benefits have been realised operationally

Q10. What cash releasing benefits are expected to be delivered as a result of the Fund project in future years? *Note for interviewer: request in constant (2013) prices*

	2013/14	2014/15	2015/16	2016/17	2017/18
One-off cash releasing benefits (£)					
Annual recurrent cash releasing benefits (£)					

a. Please explain how these cash releasing benefits will be realised operationally

Q11. How have/will the financial gains from the actual/anticipated cash releasing benefits be applied by the organisation (see column in Table below)? *Interviewer to record estimated proportion of total savings to date and anticipated.*

	Actual (%)	Anticipated (%)
(a) To re-pay the Invest-to-Save Fund loan		
(b) Reallocation of resources to other forms of existing service delivery within the organisation		
(c) Reallocation of resources to develop/deliver new forms of service		

	Actual (%)	Anticipated (%)
delivery within the organisation		
(d) To re-pay other forms of finance/loans/debt held by the organisation		
(e) To reduce the costs of services for end users e.g. by subsidy, discounting		
(f) Other, please explain		

a. If (b) and/or (c) above, please specify what these services are, and why their delivery is valid

Non-cash releasing benefits

Prompt for interviewer: Non-cash releasing benefits usually involves reducing the time that a particular resource takes to do a particular task; but not sufficiently to re-allocate that resource to a totally different area of work. However, the reduction in time/assets utilisation leads to productivity or output quality increases. This should include avoided costs that are non-cash releasing.

For example, reducing demand for a particular service may not immediately free up cash to be spent elsewhere but may result in more people getting help or better quality services being provided at no greater cost.

Q12. Have non-cash releasing benefits been achieved by the project to date?

a. If not, why not?

b. If yes, please explain how these non-cash releasing benefits have been realised practically, including any quantitative metrics used

c. Have these non-cash-releasing efficiencies been quantified in monetary terms? If yes, provide details

	2009/10	2010/11	2011/12	2012/13
Non cash-releasing benefits (£)				

d. On what basis has this assessment been undertaken i.e. what metrics have been used to quantify the efficiencies?

Q13. Are non-cash-releasing benefits expected for the future?

a. If yes, please explain how these benefits be realised practically, including any quantitative metrics used

b. Have these non-cash-releasing efficiencies been quantified in monetary terms? If yes, provide details. *Note for interviewer: request in constant (2013) prices*

	2013/14	2014/15	2015/16	2016/17	2017/18
Non cash-releasing benefits (£)					

c. On what basis has this assessment been undertaken i.e. what metrics have been used to quantify the benefits?

Quantifiable benefits

Prompt for interviewer: These benefits can be quantified, but not easily in financial terms – for example, 'improved services time for customers'. The extent to which quantifiable benefits are measured will depend on their significance.

Q14. What quantifiable benefits has the project generated for service users to date. *Interviewer to probe for*

a. Nature of the benefits, and specific indicators e.g. prevention of hospital admission, reduced carbon emissions, more responsive service delivery etc.

b. Quantitative metrics delivered to date e.g. 500 avoided hospital emissions p.a.

c. Beneficiary groups e.g. over 65's, economically inactive people etc.

Q15. For how long do you expect these benefits to last?

a. What plans are in place to ensure that the outcomes are sustained?

Q16. Are there any other quantifiable benefits for service users that you expect the Invest to Save Fund project to deliver in the future?

a. Nature of the outcomes, and specific indicators e.g. prevention of hospital admission, reduced carbon emissions, more responsive service delivery etc.

b. Quantitative metrics delivered to date e.g. 500 avoided hospital emissions p.a.

c. Beneficiary groups e.g. over 65s, economically inactive people etc.

Q17. How do these benefits compare to those expected at the outset of the project?

a. In terms of the *scale* of benefits, including estimated % above/below target

b. In terms of the *type/nature* of benefits

c. In terms of the *beneficiary groups*

Non-quantifiable benefits

Prompt for interviewer: These are the qualitative benefits, which are of value to the public sector but cannot be quantified. For example, an increase in staff morale as a consequence of less form filling.

Q18. Has the project delivered any wider non-quantifiable benefits?

a. For your organisation e.g. staff capacity/skills, staff behaviours, effect on corporate policy/strategy etc.

b. In relation to collaboration and partnership working with other organisations

Q19. What action has been implemented to share the lessons and experiences of the project, and to encourage other public service providers to deliver similar activities?

a. Within your organisation

b. Amongst partner organisations

Q20. Has the Invest-to-Save project led indirectly to any benefits through mainstreaming of the project into wider activity, or through the transfer of good project practice to elsewhere?

a. Cash-releasing – if so, how have these benefits been realised operationally, and where possible estimate at what scale (£)

b. Non-cash releasing – if so, how have these benefits been realised operationally

c. Quantifiable – if so, how have these benefits been realised operationally

d. Non-quantifiable, how have these benefits been realised operationally

Q21. Have there been any other effects of the project that you did not anticipate at the outset? If so, what are they?

a. Positive effects

b. Negative effects

Project Performance

Q22. Overall, how did the Invest-to-Save Fund project perform against its objectives and targets as set out in the original Business Case? Did it over-perform, perform as planned, or under-perform?

a. Where the project underperformed, why was this, and what steps were put in place to address this?

b. Where the project over-performed what plans were put in place to capitalise on this over performance?

Q23. To what extent did participation in the Invest-to-Save Fund address the underlying issues for seeking support from the Fund that existed at the outset (as discussed Q2)?

Q24. What systems are in place for monitoring and evaluation at the level of your organisation?

a. What systems are/were in place for monitoring activity and information on the project e.g. inputs, outcomes etc?

Note for interviewers: check prior to discussion whether an evaluation has been provided. If an evaluation has been provided do not ask sub-question regarding evaluation

b. Have you undertaken, or do you have any plans to undertake, an external evaluation of the project?

The additionality the Fund

Q25. If you had not been supported by the Invest-to-Save Fund, would the <u>project activity</u> have progressed in any case?

a. Yes, at a smaller scale (estimate proportion)

b. Yes, but later (clarify how much later)

c. Yes, but in a different form (provide details)

d. No, not at all

Q26. If Yes at Q25, how would this have been resourced?

a. Internal funding

b. Other external public sector funding

c. External private sector funding

Q27. And if you had not been supported by the Invest-to-Save Fund, would the <u>project benefits</u> have been delivered in any case, via a smaller/different/later project identified at Q25, or through other activities?

- Yes - in full
- Yes - to some extent (estimate proportion)
- Yes - but later (clarify how much later)
- Yes – but at a lower quality (provide details)
- No – not at all

Q28. Did your involvement in the Invest-to-Save Fund project mean that you did not progress other development activities to deliver efficiencies and service improvement outcomes?

a. If yes, what other activities would you have progressed?

b. How would this activity have been resourced?

c. How do you think this alternative activity would have compared to the Invest-to-Save Fund project in terms of the efficiencies and service improvement outcomes. *Seek a % compared to Invest-to-Save e.g. half of the efficiencies/outcomes, twice the efficiencies/outcomes.*

Case studies

A future stage of the evaluation will involve a series of case studies with projects supported by the Fund, and a group of relevant 'comparison' projects that have not been supported by the Fund, to better understand the additionality and effects of the Fund.

Q29. Would you be willing to participate in the case study research regarding this project?

Q30. Are you aware of other projects/initiatives seeking transformational change similar to the I2S projects but without I2S funding in your organisation or partners that would be an appropriate 'comparisons case study'?

a. If yes, record name of project, brief outline, relevant contact name and contact details

Thanks and close

Independent Evaluation of the Invest-to-Save Fund

Consultations with on-going projects

October 2013

Context

SQW Ltd (SQW) has been commissioned by the Welsh Government to undertake an independent evaluation of the Welsh Government's Invest-to-Save Fund (the Fund). The evaluation covers the first six rounds of the Fund's delivery, covering projects approved over the 2009/10 to 2012/13 financial years.

The purpose of the evaluation is to:

- estimate savings generated by Fund projects, covering both cash releasing and non cash-releasing savings, both achieved to date, and expected
- assess the impact of the Fund in delivering wider outcomes and benefits, including improved public services
- establish the additionality of the Fund i.e. the extent to which it has delivered benefits that would not have been secured in any case.

The evaluation includes consultations – the purpose of this call – with projects supported by the Fund to (i) understand the progress of the projects at this stage (ii) identify the benefits delivered to date and expected for the future, and (iii) to provide an insight into the 'self-reported' additionality of the Fund.

All responses will be treated in a Commercial-in-Confidence fashion.

Guide for interviewers

Prior to the consultation, interviewers should review existing evidence, where available, as set out in the I2S database, drawing on information from the project directory, Interim Evaluation and project reviews/evaluations to identify factual and contextual information regarding the project in view.

As an independent study, with a focus on the summative aspects of the Fund, the questions in this Consultation Guide are different to those in the Interim Evaluation. However, issues of project rationale, outputs/outcomes, and additionality were also covered in the Interim Evaluation. Where the consultee has been previously engaged, the interviewer should note explicitly with the consultee that some of these issues may have been discussed previously with the Welsh Government as part of the internal Interim Evaluation and that we have been provided with their responses.

However, all questions should be asked in full of all consultees, with previous responses used to prompt and inform the discussion.

Project rationale

Q1. What was the underpinning rationale for the project supported by the Invest-to-Save Fund i.e. what problems/challenges/opportunities was it seeking to respond to?

a. What underpinning evidence was in place to characterise this rationale at the time the project was designed?

b. And, now, what evidence is there that the rationale remains current, and valid?

Q2. Probing the rationale – then and now – further, to what extent did the following issues inform the rationale for the project? Identify for each identify whether the issue was of high, medium, low or no importance to the project's development.

	High	Medium	Low	No
Coordination failures – where public agencies do not collaborate and work together owing to institutional and/or financial barriers				
Risk aversion – on the part of public agencies in investing tight resources in new projects and activities				
Financial barriers – where many public agencies are unable to access loan or other forms of borrowing from finance providers for revenue projects				
Public goods and externalities – where the market will not provide the goods & services required by society				
Information failures – where public agencies not aware of the benefits to be delivered from improvement projects, or do not know where to go to source funding				
Institutional failures – where public sector procurement, bureaucratic and 'silo' procedures and protocols prevent new projects/efficiency saving ideas				
Other – please specify				

a. Where issue identified as 'High' please explain in more detail

Q3. Were any other options for funding the project considered *before* approaching the Invest to Save Fund?

a. Internal Sources

b. External Sources

Q4. If yes to Q3

a. Why were these not progressed successfully?

b. What did the Invest-to-Save Fund offer/permit that these other sources of funding did not? *(Then go to Q6)*

Q5. If no, to Q3, why not?

Project inputs

Q6. What has been the cost to the public sector of delivering the project to date? i.e. what is the expenditure on the project to the end of the last financial year?

	2009/10	2010/11	2011/12	2012/13
Invest-to-Save (£)				
Non- Invest-to-Save (£)				

a. For non-Invest-to-Save, where were these costs funded from? *Interviewer to record breakdown of sources*

b. Was this other funding reliant on securing Invest-to-Save support?

Q7. What will be the cost to the public purse of delivering the project supported by the Fund this financial year and in future financial years?

	2013/14	2014/15	2015/16	2016/17	2017/18
Invest-to-Save (£)					
Non- Invest-to-Save (£)					

a. For non-Invest-to-Save, where will these costs be funded from? *Interviewer to record breakdown of sources*

Q8. At this point, are the actual costs the same as the planned costs (e.g. as set out in the business case and funding agreement with Invest-to-Save)?

a. If no, what is the difference (% higher or lower)

b. If no, why are the costs different?

Project benefits

Cash releasing benefits

Prompt for interviewer: Cash releasing benefits reduce the costs of organisations so that the 'saved' resources can be re-allocated elsewhere. This typically means that an entire resource is no longer needed for the task for which it was previously used. This can be staff or materials. This should include avoided costs that are cash releasing.

Q9. Have cash releasing benefits been achieved by the project to date?

a. If no, why not?

b. If yes, record one-off cash releasing benefits (£)

c. If yes, record annual recurrent cash releasing benefits (£)

	2009/10	2010/11	2011/12	2012/13
One-off cash releasing benefits (£)				
Annual recurrent cash releasing benefits (£)				

d. Please explain how these cash releasing benefits have been realised operationally

Q10. What cash releasing benefits are expected to be delivered as a result of the Fund project in future years? *Note for interviewer: request in constant (2013) prices*

	2013/14	2014/15	2015/16	2016/17	2017/18
One-off cash releasing benefits (£)					
Annual recurrent cash releasing benefits (£)					

a. Please explain how these cash releasing benefits will be realised operationally

Q11. How have/will the financial gains from the actual/anticipated cash releasing benefits be applied by the organisation (see column in Table below)? *Interviewer to record estimated proportion of total savings to date and anticipated.*

	Actual (%)	Anticipated (%)
(a) To re-pay the Invest-to-Save Fund loan		
(b) Reallocation of resources to other forms of existing service delivery within the organisation		
(c) Reallocation of resources to develop/deliver new forms of service delivery within the organisation		
(d) To re-pay other forms of finance/loans/debt held by the organisation		
(e) To reduce the costs of services for end users e.g. by subsidy, discounting		
(f) Other, please explain		

a. If (b) and/or (c) above, please specify what these services are, and why their delivery is valid

Non-cash releasing benefits

Prompt for interviewer: Non-cash releasing benefits usually involves reducing the time that a particular resource takes to do a particular task; but not sufficiently to re-allocate that resource to a totally different area of work. However, the reduction in time/assets utilisation leads to productivity or output quality increases. This should include avoided costs that are non-cash releasing.

For example, reducing demand for a particular service may not immediately free up cash to be spent elsewhere but may result in more people getting help or better quality services being provided at no greater cost.

Q12. Have non-cash releasing benefits been achieved by the project to date?

a. If no, why not?

b. If yes, please explain how these non-cash releasing benefits have been realised practically, including any quantitative metrics used

c. Have these non-cash-releasing efficiencies been quantified in monetary terms? If yes, provide details

	2009/10	2010/11	2011/12	2012/13
Non cash-releasing benefits (£)				

d. On what basis has this assessment been undertaken i.e. what metrics have been used to quantify the efficiencies?

Q13. Are non-cash-releasing benefits expected for the future?

a. If yes, please explain how these benefits be realised practically, including any quantitative metrics used

b. Have these non-cash-releasing efficiencies been quantified in monetary terms? If yes, provide details. *Note for interviewer: request in constant (2013) prices*

	2013/14	2014/15	2015/16	2016/17	2017/18
Non cash-releasing benefits (£)					

c. On what basis has this assessment been undertaken i.e. what metrics have been used to quantify the benefits?

Quantifiable benefits

Prompt for interviewer: These benefits can be quantified, but not easily in financial terms – for example, 'improved services time for customers'. The extent to which quantifiable benefits are measured will depend on their significance.

Q14. What quantifiable benefits has the project generated for service users to date?
Interviewer to probe for

a. Nature of the benefits, and specific indicators e.g. prevention of hospital admission, reduced carbon emissions, more responsive service delivery etc.

b. Quantitative metrics delivered to date e.g. 500 avoided hospital emissions p.a.

c. Beneficiary groups e.g. over 65's, economically inactive people etc.

Q15. For how long do you expect these benefits to last?

a. What plans are in place to ensure that the outcomes are sustained?

Q16. Are there any quantifiable benefits for service users that you expect the Invest to Save Fund project to deliver in the future?

a. Nature of the benefits, and specific indicators e.g. prevention of hospital admission, reduced carbon emissions, more responsive service delivery etc.

b. Quantitative metrics delivered to date e.g. 500 avoided hospital emissions p.a.

c. Beneficiary groups e.g. over 65s, economically inactive people etc.

Q17. How do these benefits compare to those expected at the outset of the project?

a. In terms of the *scale* of benefits, including estimated % above/below target

b. In terms of the *type/nature* of benefits

c. In terms of the *beneficiary groups*

Non-quantifiable benefits

Prompt for interviewer: These are the qualitative benefits, which are of value to the public sector but cannot be quantified. For example, an increase in staff morale as a consequence of less form filling.

Q18. Has the project delivered any wider non-quantifiable benefits to date, or are any expected for the future?

a. For your organisation e.g. staff capacity/skills, staff behaviours, effect on corporate policy/strategy etc.

b. In relation to collaboration and partnership working with other organisations

c. If identified, note if they are achieved or expected

Q19. What action has been implemented to share the lessons and experiences of the project, and to encourage other public service providers to deliver similar activities?

a. Within your organisation

b. Amongst partner organisations

c. If none as yet, what plans are there for the future once lessons and experiences have emerged

Q20. Has the Invest-to-Save project led indirectly to any benefits through mainstreaming of the project into wider activity, or through the transfer of good project practice to elsewhere?

a. Cash-releasing – if so, how have these benefits been realised operationally, and where possible estimate at what scale (£)

b. Non-cash releasing – if so, how have these benefits been realised operationally

c. Quantifiable – if so, how have these benefits been realised operationally

d. Non-quantifiable, how have these benefits been realised operationally

e. If none, do you expect any for the future

Q21. Have there been any other effects of the project to date that you did not anticipate at the outset? If so, what are they?

a. Positive effects

b. Negative effects

Project Performance

Q22. Overall, how is the project performing against its objectives and targets as set out in the business case and funding agreement with Invest-to-Save? Is it over-performing, performing as planned, or under-performing?

a. Where the project is underperforming, why was this, and what steps are being put in place to address this?

b. Where the project is over-performing what plans are being put in place to capitalise on this over performance?

Q23. N/A

Q24. What systems are in place for monitoring and evaluation at the level of your organisation?

a. Systems for monitoring activity and information on the project e.g. expenditure, benefits etc.?

Note for interviewers: check prior to discussion whether an evaluation has been provided. If an evaluation has been provided do not ask sub-question regarding evaluation

b. Have you undertaken, or do you have any plans to undertake, an external evaluation of the project?

The additionality the Fund

Q25. If you had not been supported by the Invest-to-Save Fund, would the project activity have progressed in any case?

a. Yes, at a smaller scale (estimate proportion)

b. Yes, but later (clarify how much later)

c. Yes, but in a different form (provide details)

d. No, not at all

Q26. If Yes at Q25, how would this have been resourced?

a. Internal funding

b. Other external public sector funding

c. External private sector funding

Q27. And if you had not been supported by the Invest-to-Save Fund, would the project benefits (achieved or expected) have been delivered in any case, via a smaller/different/later project identified at Q25 or through other activities?

a. Yes - in full

b. Yes - to some extent (estimate proportion)

c. Yes - but later (clarify how much later)

d. Yes – but at a lower quality (provide details)

e. No – not at all

Q28. Did your involvement in the Invest-to-Save Fund project mean that you did not progress other development activities to deliver efficiencies and service improvement outcomes?

a. If yes, what other activities would you have progressed?

b. How would this activity have been resourced?

c. How do you think this alternative activity would have compared to the Invest-to-Save Fund project in terms of the efficiencies and service improvement outcomes (achieved or expected). *Seek a % compared to Invest-to-Save e.g. half of the efficiencies/outcomes, twice the efficiencies/outcomes.*

Project completion

Q29. At this point, do you expect that the project will meet its original target in terms of expenditure, cash-releasing benefits and other benefits in full, in part or not at all?

	Fully	In part	Not at all
Expenditure			
Cash-releasing benefits			
Other benefits			

a. Where in part, or not at all, please explain

Q30. At this point, do you expect that the project will be completed?

a. On time

b. Sooner than expected

c. Later than expected

d. If sooner or later, please explain

Thanks and close

Independent Evaluation of the Invest to Save Fund

Supported Projects Case Study Research Guide

August 2013

Purpose

This document sets out the method and research guide for case studies of projects supported by the Invest to Save Fund as part of the independent evaluation of the Fund being undertaken by SQW on behalf of the Welsh Government.

The purpose of the case studies (of which 10 will be completed) is to provide an in-depth understanding of the 'journeys' of supported projects, focusing in particular on identifying and evidencing:

- the nature and scale of benefits generated by the projects, related both to savings and wider outcomes for service users and the public sector
- the additionality of the Fund investment
- key lessons learnt from project activity, and good practice that can inform future projects supported by the Fund.

Research Method

Each case study will involve two days of research time for the SQW case study lead, with four elements:

- an initial desk-based review of key documents and information relevant to the project including the application form and any existing evaluation or project review evidence (where applicable this will include the findings of the consultation undertaken as part of this evaluation with completed projects) (*0.25 days*)
- a detailed consultation, largely qualitative in emphasis, with the lead contact on the project, undertaken face-to-face (*0.5 days*)
- up to three follow-up consultations with relevant project stakeholders, either internal to the lead organisation or external in partner organisations, undertaken face-to-face or by phone (*0. 5 days*)
- a concise write-up, to a standard template for publication as part of the Final Evaluation Report (*0.75 days*).

The detailed findings from the case-studies will also be used in the analysis to inform the overall assessment of the impact and additionality of the Fund.

Research Guides

The following topics will be covered with each case study to ensure a consistency of approach. These should be applied flexibly as topic areas to be 'covered' rather than prescriptive questions to be 'answered', to ensure the richness of individual stories can be described and learned from, to account for differing levels of information available on projects prior to the case study research (i.e. existing consultations, review and evaluation documents), and to enable the same issues to be covered from different perspectives via a consistent approach.

Not all topic areas will be relevant for all consultees; the initial topic areas (under Profile) will be used to identify the level of involvement with, and knowledge of, the project to inform the subsequent discussion.

Two separate guides have been developed, for:

- **On-going projects** that have not been engaged previously in the evaluation, and where a full range of questions regarding the project costs, benefits and additionality is required, as well as probing issue that have emerged in the evaluation research.
- **Completed projects** that have been engaged previously in the evaluation through a telephone consultation, where the focus is on expanding and deepening the understanding of the project, and probing issue that have emerged in the evaluation research.

Topic guide for on-going projects (not previously consulted)

Profile

1. **Role in organisation represented**

2. **Role in relation to the project supported by the Invest to Save Fund**

3. **Level of knowledge and understanding of the project supported by Fund.** *Interviewer to probe:*

    a. Knowledge/understanding of project background and rationale

    b. Knowledge/understanding of project implementation

    c. Knowledge/understanding of project benefits

Project background and rationale

4. **Chronology of project development, and key stages.** *Interviewer to probe:*

    a. Contextual conditions, identification of issue/problem to be addressed – key evidence, specific internal/external catalysts

    b. Development of business case and project objectives – timescales, key individuals, internal and external inputs including any service-user inputs where relevant

    c. Options assessment pursued – i.e. what routes looked at/explored to identify the proposed project (rather than coming up with it as a 'stand-alone' bright idea)

    d. Extent to which project was designed 'from scratch', modified from existing activity, or taken 'off the shelf'

    e. Identification of funding options – internal or external, including Invest to Save (*note: probe specifically whether potential for Invest to Save stimulated the project, or whether Invest to Save sought once already developed*)

    f. Decision-making processes – why Invest to Save progressed, why not progressed through other routes

    g. Likelihood of securing alternative funding i.e. how realistic potential for other sources

    h. Application and approval of Invest to Save – changes made to project though approval process, how/where did Invest to Save Team add value

    i. Role of partners (where relevant) in project design, funding, and/or delivery

5. **Underpinning problems/challenges/opportunities the project was seeking to address.** *Interviewer to probe:*

a. Efficiency based arguments – i.e. saving money

b. Service-improvement based arguments – i.e. leveraging better services to users

c. The balance and relationship between efficiency and service-improvement arguments in the project's rationale

d. Specific failures justifying public sector investment e.g. co-ordination failures (e.g. joining up to generate more integrated services), risk aversion, information failures etc.

6. **Scope and understanding of project aims and objectives.** *Interviewer to probe:*

   a. Clarity of objectives and links to underlying rationale

   b. Evolution of objectives – have they changed, if so in what ways and why

7. **Level of importance of the project to the organisation – actual or perceived by partners.** *Interviewer to probe:*

   a. Absolute importance of project activity i.e. relevance to the core role/purpose of the lead organisation

   b. Relative importance i.e. importance in comparison to other activities/projects routinely handled by the organisation

8. **Why project not funded through core resource.** *Interviewer to probe:*

   a. Owing to lack of internal finance

   b. Owing to aversion to using internal finance (e.g. because of degree of innovation, risk, etc)

   c. Owing to collaborative nature (where relevant) of activity

   d. Other explanation

9. **Relationship of project with what the lead organisation has done before.** *Interviewer to probe:*

   a. Continuous or new activity

   b. Where continuous activity, links to existing/previous activities

   c. Where new activity, in what ways, to what extent

10. **Nature and level of project risk.** *Interviewer to probe:*

    a. Sources of risk e.g. partnership, cost, demand etc

    b. Probability of risk i.e. likelihood that something might go wrong technically in design/delivery

    c. Severity of risk i.e. consequences of risks are realised, and for whom

d. Mitigation and risk management plans/actions

Project implementation

11. **Practical project implementation i.e. details on what was done/is being done.** *Interviewer to probe:*

    a. Roles and responsibilities – lead organisation, partner organisations etc.

    b. Activity types and processes, and involving what resource

    c. Current status of project – timing and milestones, including future activity where relevant

    d. Actual expenditure against budget

    e. Actual outcomes against targets

    f. Re-payment of Invest to Save loan

    g. Funding shape retained, or modified? Any implications resulting?

12. **Explanation for variance from plans (where relevant).** *Interviewer to probe:*

    a. Activity

    b. Expenditure

    c. Outcomes

    d. Re-payment

    e. Implications for project risks, value for money and impacts

13. **Systems in place and capacity allocated to monitor and evaluate performance.** *Interviewer to probe:*

    a. Role and responsibilities – project team, finance team – and integration between execution and financing roles

    b. Monitoring of project financial metrics – expenditure and identification of Fund monies, progress on loan repayment

    c. Monitoring of project outcomes and benefits – cash-releasing benefits, non cash-releasing benefits, service outcome etc.

    d. Has an evaluation been considered/completed? If not, why not

14. **Plans in place to ensure sustainability of project activities and/or outcomes.** *Interviewer to probe:*

    a. Lessons being learned about actions needed to sustain the project post-I2S

b. Formal plans in place to sustain activity, and resource allocated to this i.e. staff, finance

c. Performance measurement systems developed/in place

Project costs and benefits

15. Cost to the public sector of delivering the project, further to Invest to Save resource. *Interviewer to probe:*

a. Source of funding, and scale

b. Relationship to Invest to Save resource e.g. dependent on Fund support

c. Cost components i.e. how Invest to Save and non-Invest to Save funding has been spent respectively on project elements/activities

16. Cash-releasing benefits delivered or expected. *Interviewer to probe:*

a. Cash-releasing benefits delivered or not, including performance against targets

b. Where delivered, how have/will they be realised operationally i.e. the nature of the cash-releasing benefits

c. Where delivered/expected, capture metrics in table below

	Delivered				Expected				
	2009/ 10	2010/ 11	2011/ 12	2012/ 13	2013/ 14	2014/ 15	2015/ 16	2016/ 17	2017/ 18
One-off cash releasing benefits (£)									
Annual recurrent cash releasing benefits (£)									

17. Where delivered/expected, identify use/re-deployment of cash-releasing benefits. *Interviewer to probe:*

a. Re-payment of Invest-to-Save Fund loan

b. Reallocation of resources to other forms of existing service delivery within the organisation

c. Reallocation of resources to develop/deliver new forms of service delivery within the organisation

d. To re-pay other forms of finance/loans/debt held by the organisation

e. To reduce the costs of services for end users e.g. by subsidy, discounting

f. Other

18. **Non-cash-releasing benefits delivered or expected.** *Interviewer to probe:*

    a. Non-cash-releasing benefits delivered or not

    b. How non-cash-releasing benefits realised practically i.e. the nature of the benefits, and metrics used (including any monetised metrics where available)

19. **Quantifiable benefits for service users delivered or expected.** *Interviewer to probe:*

    a. Quantifiable benefits delivered or not

    b. Type of benefits for service users, and any quantitative data available on delivered/expected benefits

    c. Beneficiary groups

20. **Non-quantifiable benefits for public sector partners delivered or expected.** *Interviewer to probe:*

    a. Nature of non-quantifiable benefits for the lead organisation

    b. Nature of non-quantifiable benefits for other organisations/partners

21. **If benefits (of any type) expected in the future identified, likelihood of delivery.** *Interview to probe:*

    a. Risks to realisation of expected benefits

    b. Processes in place to track/monitor expected benefits

22. **Indirect benefits through mainstreaming of the project into wider activity, or through the transfer of good project practice to elsewhere.** *Interview to probe:*

    a. Cash-releasing – if so, how have these benefits been realised operationally, and where possible estimate at what scale (£)

    b. Non-cash releasing – if so, how have these benefits been realised operationally

    c. Quantifiable – if so, how have these benefits been realised operationally

    d. Non-quantifiable, how have these benefits been realised operationally

23. **Unintended benefits/consequences of the project not anticipated at the outset.** *Interviewer to probe:*

    a. Positive effects

    b. Negative effects

24. **Overall perspective on project performance to date in terms of:**

    a. Delivering against the original rationale for action

    b. Meeting defined objectives

c. Cost-benefit ratios and rates of return

Additionality

25. If not supported by Invest-to-Save Fund, would the project activity have progressed. *Interview to probe:*

a. Yes, at a smaller scale (estimate proportion)

b. Yes, but later (clarify how much later)

c. Yes, but in a different form (provide details)

d. No, not at all

e. If yes, how resourced (internal, external public, external private)

26. In the absence of Invest to Save funding and the project in its current form, would the benefits have been delivered. *Interview to probe:*

a. Yes - in full

b. Yes - to some extent (estimate proportion)

c. Yes - but later (clarify how much later)

d. Yes – but at a lower quality (provide details)

e. No – not at all

27. Did involvement in the Invest to Save Fund project mean other development activities to deliver efficiencies and service improvement outcomes in the organisation were not progressed. *Interview to probe:*

a. If yes, what other activities progressed

b. How would this activity have been resourced

c. How compare to outcomes from Invest to Save Fund project

Fund incentives and processes

28. Perspectives on loan re-payment processes. *Interviewer to probe:*

a. Link between investment > activity > saving > re-payment > re-deployment – how experienced and evidenced by project

b. Are incentives in place to monitor cash-releasing savings

c. Are incentives in place to monitor other benefits and outcomes

29. Perspectives on the effects of a loan support type. *Interviewer to probe:*

a. Is requirement to re-pay influencing the type of activity delivered under the Fund e.g. in terms of novelty, risk etc.

b. Is requirement to re-pay influencing the practical implementation of the project e.g. accelerating activity, enabling additional resource etc.

c. Is requirement to re-pay influencing outcomes i.e. incentivising delivery, whether more achieved so than what would be achieved by a grant

30. **Re-payment progress.** *Interviewer to probe:*

    a. Any issues/challenges experienced in re-payment

Barriers and enablers

31. **Key barriers to successful implementation of the project.** *Interviewer to probe:*

    a. Barriers faced

    b. Barriers overcome, how and why

32. **Key enablers of successful implementation of the project.**

Good practice and lessons

33. **Elements of the project that represent 'good practice' i.e. what worked well and could be used as a model/guide for other similar activities in the future.** *Interviewer to probe:*

    a. Understanding of project context

    b. Options assessment, project design, and development

    c. Project implementation

    d. Project monitoring

34. **Elements of the project that did not work well i.e. what elements of the project, if any, should similar activities in the future look to avoid?** *Interviewer to probe:*

    a. Project design and development

    b. Project implementation

    c. Project monitoring

35. **Elements of the project regarded as innovative.** *Interviewer to probe:*

    a. For the lead organisation

    b. For the public sector in Wales

    c. For the public sector in the UK

36. **Systems in place to ensure that learning and good practice are retained and embedded.** *Interviewer to probe:*

    a. Within the lead organisation

b. In partner organisations (where relevant)

c. Observed to be in place within WG?

37. Any other comments regarding the Invest to Save Fund.

Close and thanks

Topic guide for completed projects (consulted in Stage 1)

Note: SQW interviewers will ensure that where topic areas have been covered in the first wave of consultations with completed projects (for example, on rationale), the focus of the case study discussion is on further exploration and testing of these issues to provide a more nuanced and detailed understanding of the project.

Profile

1. **Role in organisation represented**
2. **Role in relation to the project supported by the Invest to Save Fund**
3. **Level of knowledge and understanding of the project supported by Fund.** *Interviewer to probe:*
    a. Knowledge/understanding of project background and rationale
    b. Knowledge/understanding of project implementation
    c. Knowledge/understanding of project benefits

Project background and rationale

4. **Chronology of project development, and key stages.** *Interviewer to probe:*
    a. Contextual conditions, identification of issue/problem to be addressed – key evidence, specific internal/external catalysts
    b. Development of business case and project objectives – timescales, key individuals, internal and external inputs including any service-user inputs where relevant
    c. Options assessment pursued – i.e. what routes looked at/explored to identify the proposed project (rather than coming up with it as a 'stand-alone' bright idea)
    d. Extent to which project was designed 'from scratch', modified from existing activity, or taken 'off the shelf'
    e. Identification of funding options – internal or external, including Invest to Save (*note: probe specifically whether potential for Invest to Save stimulated the project, or whether Invest to Save sought once already developed*)
    f. Decision-making processes – why Invest to Save progressed, why not progressed through other routes etc.
    g. Likelihood of securing alternative funding i.e. how realistic potential for other sources
    h. Application and approval of Invest to Save – changes made to project though approval process, how/where did Invest to Save Team add value

i. Role of partners (where relevant) in project design, funding, and/or delivery

5. **Underpinning problems/challenges/opportunities the project was seeking to address.** *Interviewer to probe:*

   a. Efficiency based arguments – i.e. saving money

   b. Service-improvement based arguments – i.e. leveraging better services to users

   c. The balance and relationship between efficiency and service-improvement arguments in the project's rationale

   d. Specific failures justifying public sector investment e.g. co-ordination failures (e.g. joining up to generate more integrated services), risk aversion, information failures etc.

6. **Scope and understanding of project aims and objectives.** *Interviewer to probe:*

   a. Clarity of objectives and links to underlying rationale

   b. Evolution of objectives – have they changed, if so in what ways and why

7. **Level of importance of the project to the organisation – actual or perceived by partners.** *Interviewer to probe:*

   a. Absolute importance of project activity i.e. relevance to the core role/purpose of the lead organisation

   b. Relative importance i.e. importance in comparison to other activities/projects routinely handled by the organisation

8. **Why project not funded through core resource.** *Interviewer to probe:*

   a. Owing to lack of internal finance

   b. Owing to aversion to using internal finance (e.g. because of degree of innovation, risk, etc)

   c. Owing to collaborative nature (where relevant) of activity

   d. Other explanation

9. **Relationship of project with what the lead organisation has done before.** *Interviewer to probe:*

   a. Continuous or new activity

   b. Where continuous activity, links to existing/previous activities

   c. Where new activity, in what ways, to what extent

10. **Nature and level of projects risk.** *Interviewer to probe:*

    a. Sources of risk e.g. partnership, cost, demand etc

b. Probability of risk i.e. likelihood that something might go wrong technically in design/delivery

c. Severity of risk i.e. consequences of risks are realised, and for whom

d. Mitigation and risk management plans/actions

Project implementation

11. Practical project implementation i.e. details on what was done/is being done. *Interviewer to probe:*

a. Roles and responsibilities – lead organisation, partner organisations etc.

b. Activity types and processes, and involving what resource

c. Timing and milestones, including future activity where relevant

d. Actual expenditure against budget

e. Actual outcomes against targets

f. Re-payment of Invest to Save loan

g. Funding shape retained, or modified? Any implications resulting?

12. Explanation for variance from plans (where relevant). *Interviewer to probe:*

a. Activity

b. Expenditure

c. Outcomes

d. Re-payment

e. Implications for project risks, value for money and impacts

13. Systems in place and capacity allocated to monitor and evaluate performance over project period. *Interviewer to probe:*

a. Role and responsibilities – project team, finance team, and integration between execution and financing roles

b. Monitoring of project financial metrics – expenditure and identification of Fund monies, progress on loan repayment

c. Monitoring of project outcomes and benefits – cash-releasing benefits, non cash-releasing benefits, service outcome etc.

d. Has an evaluation been considered/completed? If not, why not

14. Project progress since completion. *Interview to probe:*

a. Continued stream of activity, internally or externally

b. No direct legacy activity

c. Indirect legacy activity e.g. learning from project influencing other activities

d. Performance measurement systems in place to monitor

Project benefits

15. **Probe any specific issues regarding benefits identified in initial consultation.** *For example:*

    a. Legacy of benefits i.e. how long benefits are counted for

    b. Relationship to other funding streams and attribution of benefits to the Invest to Save Fund

    c. Gaps in benefits e.g. quantifiable and non-quantifiable benefits

    a. Test non-quantitative benefits with project partners (internal and external)

16. **If benefits (of any type) expected in the future identified, likelihood of delivery.** *Interview to probe:*

    a. Risks to realisation of expected benefits

    b. Processes in place to track/monitor expected benefits

17. **Overall perspective on perspective on project performance in terms of:**

    a. Delivering against the original rationale for action

    b. Meeting defined objectives

    c. Cost-benefit ratios and rates of return

Additionality

18. **Probe any specific issues regarding additionality identified in initial consultation.** *For example:*

    b. Likelihood that project would have progressed at a smaller scale/later

    c. Expected effects of delayed project on outcomes and benefits etc.

    d. Test additionality issues with project partners (internal and external)

Fund incentives and processes

19. **Perspectives on loan re-payment processes.** *Interviewer to probe:*

    a. Link between investment > activity > saving > re-payment > re-deployment – how experienced and evidenced by project

b. Are incentives in place to monitor cash-releasing savings

c. Are incentives in place to monitor other benefits and outcomes

20. **Perspectives on the effects of a loan support type.** *Interviewer to probe:*

    a. Is requirement to re-pay influencing the type of activity delivered under the Fund e.g. in terms of novelty, risk etc

    b. Is requirement to re-pay influencing the practical implementation of the project e.g. accelerating activity, enabling additional resource etc

    c. Is requirement to re-pay influencing outcomes i.e. incentivising delivery, whether more achieved so than what would be achieved by a grant

21. **Re-payment progress.** *Interviewer to probe:*

    a. Any issues/challenges experienced in re-payment

Barriers and enablers

22. **Key barriers to successful implementation of the project.** *Interviewer to probe:*

    a. Barriers faced

    b. Barriers overcome, how and why

23. **Key enablers of successful implementation of the project.**

Good practice and lessons

24. **Elements of the project that represent 'good practice' i.e. what worked well and could be used as a model/guide for other similar activities in the future.** *Interviewer to probe:*

    a. Understanding of project context

    b. Options assessment, project design, and development

    c. Project implementation

    d. Project monitoring

25. **Elements of the project that did not work well i.e. what elements of the project, if any, should similar activities in the future look to avoid?** *Interviewer to probe:*

    a. Project design and development

    b. Project implementation

    c. Project monitoring

26. **Elements of the project regarded as innovative.** *Interviewer to probe:*

    a. For the lead organisation

b. For the public sector in Wales

c. For the public sector in the UK

27. **Systems in place to ensure that learning and good practice are retained and embedded.** *Interviewer to probe:*

    a. Within the lead organisation

    b. In partner organisations (where relevant)

    c. Observed to be in place within WG?

28. **Any other comments regarding the Invest to Save Fund.**

Close and thanks

Independent Evaluation of the Invest to Save Fund

Non-supported Projects Case Study Research Guide

September 2013

Purpose

This document sets out the method and research guide for case studies of non-supported projects as part of the independent evaluation of the Invest to Save Fund being undertaken by SQW on behalf of the Welsh Government.

The purpose of the case studies of non-supported projects is to provide an in-depth understanding of the 'journeys' of projects similar in their overall intent to projects supported by the Fund but that did not receive Fund support to provide a 'comparison' group' to inform the assessment on the additionality of the Fund.

Research Method

Each case study will involve two days of research time for the SQW case study lead, with four elements:

- an initial desk-based review of key documents and information relevant to the project (*0.5 days*)
- a detailed consultation, largely qualitative in emphasis, with the lead contact on the project, undertaken face-to-face (*0.5 days*)
- up to three follow-up consultations with relevant project stakeholders, either internal to the lead organisation or external in partner organisations, undertaken face-to-face or by phone (*0. 5 days*)
- a concise write-up, to a standard template to inform the evaluation report (*0.5 days*).

The detailed findings from the case-studies will also be used in the analysis to inform the overall assessment of the impact and additionality of the Fund.

Research Guides

The following topics will be covered with each case study to ensure a consistency of approach. These should be applied flexibly as topic areas to be 'covered' rather than prescriptive questions to be 'answered', to ensure the richness of individual stories can be described and learned from, to account for differing levels of information available on projects prior to the case study research (i.e. existing consultations, review and evaluation documents), and to enable the same issues to be covered from different perspectives via a consistent approach.

Not all topic areas will be relevant for all consultees; the initial topic areas (under Profile) will be used to identify the level of involvement with, and knowledge of, the project to inform the subsequent discussion.

Two separate guides have been developed, for:

- **Rejected projects** that applied for, but did not receive, Invest to Save support
- **External projects** that have had no engagement with the Invest to Save but are of a similar nature (service improvement, efficiencies)

Topic guide for 'rejected' projects

Profile

1. **Role in organisation represented**

2. **Role in relation to the case study project**

3. **Level of knowledge and understanding of the case study project.** *Interviewer to probe:*

    a. Knowledge/understanding of project background and rationale

    b. Knowledge/understanding of project implementation

    c. Knowledge/understanding of project benefits

Project background and rationale

4. **Chronology of project development, and key stages.** *Interviewer to probe:*

    a. Contextual conditions, identification of issue/problem to be addressed – key evidence, specific internal/external catalysts

    b. Development of business case and project objectives – timescales, key individuals, internal and external inputs including any service-user inputs where relevant

    c. Options assessment pursued – i.e. what routes looked at/explored to identify the proposed project (rather than coming up with it as a 'stand-alone' bright idea)

    d. Extent to which project was designed 'from scratch', modified from existing activity, or taken 'off the shelf'

    e. Identification of funding options – internal or external, including Invest to Save (*note: probe specifically whether potential for Invest to Save stimulated the project, or whether Invest to Save sought once already developed*)

    f. Decision-making processes – why application to Invest to Save progressed, why not progressed through other routes

    g. Likelihood of securing alternative funding i.e. how realistic potential for other sources

    h. Role of partners (where relevant) in project design, funding, and/or delivery

5. **Underpinning problems/challenges/opportunities the project was seeking to address.** *Interviewer to probe:*

    a. Efficiency based arguments – i.e. saving money

b. Service-improvement based arguments – i.e. leveraging better services to users

a. The balance and relationship between efficiency and service-improvement arguments in the project's rationale

b. Specific failures justifying public sector investment e.g. co-ordination failures (e.g. joining up to generate more integrated services), risk aversion, information failures etc.

6. **Scope and understanding of project aims and objectives.** *Interviewer to probe:*

   a. Clarity of objectives and links to underlying rationale

   b. Evolution of objectives – have they changed, if so in what ways and why

7. **Level of importance of the project to the organisation – actual or perceived by partners.** *Interviewer to probe:*

   a. Absolute importance of project activity i.e. relevance to the core role/purpose of the lead organisation

   b. Relative importance i.e. importance in comparison to other activities/projects routinely handled by the organisation

8. **Relationship of project with what the lead organisation had done before.** *Interviewer to probe:*

   a. Continuous or new activity

   b. Where continuous activity, links to existing/previous activities

   c. Where new activity, in what ways, to what extent

9. **Nature and level of project risk.** *Interviewer to probe:*

   a. Sources of risk e.g. partnership, cost, demand etc.

   b. Probability of risk i.e. likelihood that something might go wrong technically in design/delivery

   c. Severity of risk i.e. consequences of risks are realised, and for whom

   d. Mitigation and risk management plans/actions

10. **Progress of the project following the decision by Invest to Save Fund not to support financially the project.** *Interviewer to probe:*

    a. Project progressed – go to Route 1 topics

    b. Project did not progress – go to Route 2 topics

Where project progressed (Route 1)

Project delivery

11. **How the project was funded without Invest to Save resource.** *Interviewer to probe:*

    a. Sources of funding e.g. other public sector, own resource

    b. Nature of funding e.g. grant, loan

12. **Practical project implementation i.e. details on what was done/is being done.** *Interviewer to probe:*

    a. Roles and responsibilities – lead organisation, partner organisations etc.

    b. Activity types and processes, and involving what resource

    c. Current status of project – timing and milestones, including future activity where relevant

13. **Effects of not receiving Invest to Save support on project implementation**. *Interviewer to probe:*

    a. Nature of project activity delivered, including beneficiary groups

    b. Scale of project

    c. Timing of project

Project benefits

14. **Nature and scale of outcomes expected or delivered by the project.** *Interviewer to probe:*

    a. Cash-releasing benefits, if so, how have these benefits been realised operationally, and where possible estimate at what scale (£)

    b. Non-cash releasing benefits, including practically how realised

    c. Quantifiable benefits for service users, including type of benefits for service users, and any quantitative data

    d. Non-quantifiable benefits for public sector partners

15. **Effects of not receiving Invest to Save support on project benefits i.e. was less or more achieved by the project than planned under the Fund.** *Interviewer to probe:*

    a. Nature of benefits

    b. Scale of benefits

    c. Timing of benefits

16. **Where cash-releasing benefits delivered/expected, identify use/re-deployment**. *Interviewer to probe:*

    a. Re-payment of loan (where applicable)

    b. Reallocation of resources to other forms of existing service delivery within the organisation

    c. Reallocation of resources to develop/deliver new forms of service delivery within the organisation

    d. To re-pay other forms of finance/loans/debt held by the organisation

    e. To reduce the costs of services for end users e.g. by subsidy, discounting

    f. Other

17. **If benefits (of any type) expected in the future identified, likelihood of delivery.** *Interview to probe:*

    a. Risks to realisation of expected benefits

    b. Processes in place to track/monitor expected benefits

18. **Indirect benefits through mainstreaming of the project into wider activity, or through the transfer of good project practice to elsewhere.** *Interview to probe:*

    a. Cash-releasing – if so, how have these benefits been realised operationally, and where possible estimate at what scale (£)

    b. Non-cash releasing – if so, how have these benefits been realised operationally

    c. Quantifiable – if so, how have these benefits been realised operationally

    d. Non-quantifiable, how have these benefits been realised operationally

19. **Plans in place to ensure sustainability of project activities and/or outcomes.** *Interviewer to probe:*

    a. Lessons being learned about actions needed to sustain the project

    b. Formal plans in place to sustain activity, and resource allocated to this i.e. staff, finance

    c. Performance measurement systems developed/in place

20. **Unintended benefits/consequences of the project not anticipated at the outset.** *Interviewer to probe:*

    a. Positive effects

    b. Negative effects

21. **Overall perspective on project performance to date in terms of:**

a. Delivering against the original rationale for action

b. Meeting defined objectives

c. Cost-benefit ratios and rates of return

Barriers and enablers

22. Key barriers to successful implementation of the project. *Interviewer to probe:*

a. Barriers faced

b. Barriers overcome, how and why

23. Key enablers of successful implementation of the project.

Good practice and lessons

24. Elements of the project that represent 'good practice' i.e. what worked well and could be used as a model/guide for other similar activities in the future. *Interviewer to probe:*

a. Understanding of project context

b. Options assessment, project design, and development

c. Project implementation

d. Project monitoring

25. Elements of the project that did not work well i.e. what elements of the project, if any, should similar activities in the future look to avoid? *Interviewer to probe:*

a. Project design and development

b. Project implementation

c. Project monitoring

26. Elements of the project regarded as innovative. *Interviewer to probe:*

a. For the lead organisation

b. For the public sector in Wales

c. For the public sector in the UK

27. Systems in place to ensure that learning and good practice are retained and embedded. *Interviewer to probe:*

a. Within the lead organisation

b. In partner organisations (where relevant)

c. Observed to be in place within WG?

Note: Go to Effects of the Invest to Save process

Where project did not progress (Route 2)

28. Action taken, if any, to address underlying problems/challenges/opportunities the planned project was seeking to address. *Interviewer to probe:*

a. How funded

b. Form of activity

c. Scale of activity

d. Benefits of activity

Note: if no activity progressed to address underlying issues go to c

29. Estimated effects of not receiving Invest to Save support on action. *Interviewer to probe:*

a. Nature of action, including beneficiary groups

b. Scale and timing of action

c. Scale and timing of benefits of action (including cash-releasing, non-cash-releasing, quantifiable and non-quantifiable).

Effects of the Invest to Save process (all)

30. Effects of the Invest to Save process

a. Project/action definition, development, and delivery

b. Organisational knowledge/learning/capacity

c. Other effects

Close and thanks

Topic guide for 'external' projects

Profile

1. **Role in organisation represented**

2. **Role in relation to the case study project**

3. **Level of knowledge and understanding of the case study project.** *Interviewer to probe:*

    a. Knowledge/understanding of project background and rationale

    b. Knowledge/understanding of project implementation

    c. Knowledge/understanding of project benefits

Project background and rationale

4. **Chronology of project development, and key stages.** *Interviewer to probe:*

    a. Contextual conditions, identification of issue/problem to be addressed – key evidence, specific internal/external catalysts

    b. Development of business case and project objectives – timescales, key individuals, internal and external inputs including any service-user inputs where relevant

    c. Options assessment pursued – i.e. what routes looked at/explored to identify the proposed project (rather than coming up with it as a 'stand-alone' bright idea)

    d. Extent to which project was designed 'from scratch', modified from existing activity, or taken 'off the shelf'

    e. Identification of funding options – internal or external (include whether Invest to Save considered, and if so why not progressed)

    f. Role of partners (where relevant) in project design, funding, and/or delivery

5. **Underpinning problems/challenges/opportunities the project was seeking to address.** *Interviewer to probe:*

    a. Efficiency based arguments – i.e. saving money

    b. Service-improvement based arguments – i.e. leveraging better services to users

    c. The balance and relationship between efficiency and service-improvement arguments in the project's rationale

d. Specific failures justifying public sector investment e.g. co-ordination failures (e.g. joining up to generate more integrated services), risk aversion, information failures etc.

6. **Scope and understanding of project aims and objectives.** *Interviewer to probe:*

   a. Clarity of objectives and links to underlying rationale

   b. Evolution of objectives – have they changed, if so in what ways and why

7. **Level of importance of the project to the organisation – actual or perceived by partners.** *Interviewer to probe:*

   a. Absolute importance of project activity i.e. relevance to the core role/purpose of the lead organisation

   b. Relative importance i.e. importance in comparison to other activities/projects routinely handled by the organisation

8. **Relationship of project with what the lead organisation had done before.** *Interviewer to probe:*

   a. Continuous or new activity

   b. Where continuous activity, links to existing/previous activities

   c. Where new activity, in what ways, to what extent

9. **Nature and level of project risk.** *Interviewer to probe:*

   a. Sources of risk e.g. partnership, cost, demand etc.

   b. Probability of risk i.e. likelihood that something might go wrong technically in design/delivery

   c. Severity of risk i.e. consequences of risks are realised, and for whom

   d. Mitigation and risk management plans/actions

Project delivery

10. **How the project was funded.** *Interviewer to probe:*

    a. Sources of funding e.g. other public sector, own resource

    b. Nature of funding e.g. grant, loan

11. **Practical project implementation i.e. details on what was done/is being done.** *Interviewer to probe:*

    a. Roles and responsibilities – lead organisation, partner organisations etc.

    b. Activity types and processes, and involving what resource

c. Current status of project – timing and milestones, including future activity where relevant

Project benefits

12. **Nature and scale of outcomes expected or delivered by the project.** *Interviewer to probe:*

    a. Cash-releasing benefits, if so, how have these benefits been realised operationally, and where possible estimate at what scale (£)

    b. Non-cash releasing benefits, including practically how realised

    c. Quantifiable benefits for service users, including type of benefits for service users, and any quantitative data

    d. Non-quantifiable benefits for public sector partners

13. **Where cash-releasing benefits delivered/expected, identify use/re-deployment**. *Interviewer to probe:*

    a. Re-payment of loan (where applicable)

    b. Reallocation of resources to other forms of existing service delivery within the organisation

    c. Reallocation of resources to develop/deliver new forms of service delivery within the organisation

    d. To re-pay other forms of finance/loans/debt held by the organisation

    e. To reduce the costs of services for end users e.g. by subsidy, discounting

    f. Other

14. **If benefits (of any type) expected in the future identified, likelihood of delivery.** *Interview to probe:*

    a. Risks to realisation of expected benefits

    b. Processes in place to track/monitor expected benefits

15. **Indirect benefits through mainstreaming of the project into wider activity, or through the transfer of good project practice to elsewhere.** *Interview to probe:*

    a. Cash-releasing – if so, how have these benefits been realised operationally, and where possible estimate at what scale (£)

    b. Non-cash releasing – if so, how have these benefits been realised operationally

    c. Quantifiable – if so, how have these benefits been realised operationally

    d. Non-quantifiable, how have these benefits been realised operationally

16. **Plans in place to ensure sustainability of project activities and/or outcomes.** *Interviewer to probe:*

    a. Lessons being learned about actions needed to sustain the project

    b. Formal plans in place to sustain activity, and resource allocated to this i.e. staff, finance

    c. Performance measurement systems developed/in place

17. **Unintended benefits/consequences of the project not anticipated at the outset.** *Interviewer to probe:*

    a. Positive effects

    b. Negative effects

18. **Overall perspective on project performance to date in terms of:**

    a. Delivering against the original rationale for action

    b. Meeting defined objectives

    c. Cost-benefit ratios and rates of return

Barriers and enablers

19. **Key barriers to successful implementation of the project.** *Interviewer to probe:*

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    a. Understanding of project context

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    b. For the public sector in Wales

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    a. Within the lead organisation

    b. In partner organisations (where relevant)

    c. Observed to be in place within WG?

Close and thanks