

Delivering Differently Review

Purpose

- 1.1 This report details the projects, expenditure, savings, income and efficiencies managed by the Delivering Differently (DD) programme between April 2016 and March 2019. This report was requested by Executive Scrutiny Board on 11 June 2019.
- 1.2 As the Council embarks on its Change Derby Programme (CDP), the report identifies a number of lessons learnt from DD which has informed the design, implementation and monitoring of the new programme.

Recommendation(s)

- 2.1 To note the projects supported by the DD programme between 2016 and 2019 and the associated spend and benefits derived to date.
- 2.2 To endorse the improved management arrangements in place for the Change Derby programme, including regular update reports to Executive Scrutiny Board.

Reason(s)

- 3.1 To set out the benefits derived from the DD Programme and to use this review to design a robust and value-for-money CDP.
- 3.2 The Council's financial position and outlook represent a significant challenge. There is still an urgent need to secure greater efficiencies and cashable savings through effective demand management, lean process redesign, innovative technology and adopting a more commercial approach.

Supporting information

- 4.1 On 13 April 2016 Cabinet approved the use of reserves for the DD programme. The programme was designed to support services (with resource and budget) to develop and implement new and innovative service delivery models with the aim of creating a modern, flexible and resilient council and supporting delivery of the Medium Term Financial Plan.

- 4.2 A programme team of up to ten colleagues was funded from the reserve and provided project management support across a range of services. The team was originally located in the former Organisation & Governance directorate. The director leading the programme left DCC in October 2017 and the team was moved on an interim basis into the Communities & Place directorate until March 2019.
- 4.3 The DD programme was split into two distinct categories:
1. Projects directly supported by the Delivering Differently Team (DDT).
 2. Reserve funded projects where budget was provided to the service and managed by the Senior Responsible Officer (SRO) or the applicable service manager.

These were further broken down into the following themes:

- Commercial Opportunities – improving service or convenience
 - Community-facing services – engaging the community or addressing a community problem
 - Internal process redesign – new technology, legislative requirements or efficiencies
 - Alternative Service Delivery Models – research, support or implementation
 - Project Quality Assurance – guidance on project governance or approach.
- 4.4 All projects were expected to complete a business case template which outlined the proposed benefits on an invest-to-save basis. Approval was required from the DD Board prior to award of funding.
- 4.5 **Table 1** summarises spend over the three years from April 2016 to March 2019 with more detail in **Appendix 1**:

Category	Spend 2016-19 £m
Project resource (including project QA)	1.310
Commercial opportunities	0.141
Community facing services	0.423
Process redesign	0.840
Alternate service delivery model	1.025
Miscellaneous	0.159
TOTAL	3.898

Examples of work undertaken and outcomes are shown below.

4.6 Projects directly supported by the DDT

4.6.1 Commercial Opportunities

- *Job Centre Plus Co-location (Cost neutral)*

The concept, originating from a discussion between the Delivering Differently, Customer Management and the Department for Work and Pensions (DWP) was built at zero cost to the Council and will generate **c.£8m** in gross rental income and service charges over 15 years. The facility, which opened in May 2018, became one of the largest DWP co-locations in the UK.

In addition to a rental income this City Centre Hub provides the residents of Derby the following services in one location:

- Job Centre – for interviews and readiness to work training
- Access to Council services – including Benefits, Planning and Licensing
- Access to Housing Services – Derby Homes and Homelessness advice
- Access to independent monetary advice
- A centrally-located library with public-access PCs.

4.6.2 Community-facing services

- *RAM Energy (£32k investment)*

This initiative to date (September 2019) has 6,000 customers and offers low price energy to help reduce fuel poverty across the city – a paper will be presented to Cabinet in the Autumn to recommend that any surplus will be reinvested by RAM Energy into a fuel poverty fund for the residents of Derby.

- *Crowdfunder (£82k investment)*

A way for communities to apply for funding across the internet and supported by top-up funds from DCC. To date, 14 community projects have been funded a total of £22,800 through this scheme. A review has been undertaken to consider future options for this scheme as it fell short of its anticipated targets. It has been proposed by the DCC Arts Development Manager that unspent money is carried forward into 2019/20 and used to fund an alternative funding scheme managed by a third sector partner.

4.6.3 Internal Process Efficiencies

- *Reducing Paper Invoices (DDT resource only)*
This project was managed with the Benefits and Exchequer team, and has so far reduced the number of paper by 3,853 in one year – saving paper and print costs and freeing resource to chase outstanding debts. This is estimated to save annually £3,648 in stationery, printing and postage costs. £1,233 of this will be yielded by the project when the truancy electronic penalty notice work reduces our annual invoice production by a further 2,500.
- *Introduction of Pre-paid cards for Direct Payments (DDT resource only)*
People Services teams now have the ability to efficiently monitor direct payments and fraud, including the ability to retrieve unspent budgets – a phased rollout of cards began in June 2019 by the service.
- *A corporate approach to Fostering Recruitment (DDT resource only)*
New approaches to foster carer recruitment and retention to increase the number of foster children that can be kept in the city and reduce demand for expensive external/agency placements and move the child into care. There are estimated savings of **£20,000** per annum per child moved from an Independent Foster Agency (IFA) to Council-recruited foster carers.
- *Hybrid Mail system (£79k investment)*
Automating outgoing mail to improve accuracy of post and comply with the updated legislation from the Data Protection Act. Savings of **£37,000** per annum from reduced returned mail (£12k) and cheaper postage contracts (£25k) were taken out (delivered) of Business Support's base budget in April 2019.
- *Payment Card Industry (PCI) Compliance (DDT resource only)*
Project management to introduce new training and monitoring packages to reduce the risk of fines for non-compliance when handling payment cards (debit and credit) for Council services.

4.6.4 Alternative Service Delivery Models

- *Regional Adoption Agency (DDT resource only)*
Project Management of the Derby component of the East Midlands Regional Adoption Agency (EMRAA) which went live in April 2019.
- *Libraries Strategic Review (DDT resource and £400k investment identified at paragraph 4.7.4)*
Project Management of the CML grant process and project governance. The team also managed the creation and build of the Riverside Library within the Council House.

- *Leisure, Culture and Tourism Options Appraisal (DDT resource only)*
The project is looking at the future delivery options for the service; including a joint research project with Nottingham City Council and financial analysis. Further work is underway to inform a report to Cabinet.
- *Trade Waste Local Authority Outsourcing (DDT resource only)*
Project management of the transfer of DCC Trade Waste to Nottingham City Council; including the transfer of staff and customers.
- *Property Services Redesign (DDT resource only)*
The project is looking at the future delivery options for the service; this has included workshops with the directorate, capturing current processes and Standard Operating Procedures (SOP). Working with teams to move data across to the document management system.

4.6.5 **Project Quality Assurance**

- *A52 WTI Programme (DDT resource only)*
Responsible for establishment of the governance restructure and scheme of delegation in line with the audit report published on 7 February 2019. The DDT have also provided accountancy support for the project board.
- *Air Quality Improvement (DDT resource only)*
Responsible for project management documentation and project team infrastructure (including governance and risks). Full business case has been submitted.
- *Swimming Pool (DDT resource only)*
Responsible for project management documentation and project team infrastructure (including the administration of governance and risks).

4.7 **Reserve Funded Projects**

4.7.1 **Commercial Opportunities**

- *Markeaton Park Mini Golf (£125k investment)*
Year on year income has increased by 69% (despite poor weather conditions in 2019) and in the first quarter has generated £17,858.
- *Schools Trading and Academy Sponsor (£16k investment)*
A feasibility study of best trading models to deliver to schools within Derby in preparation for a greater number of academies.

4.7.2 **Community-facing services**

- *Building Community Resilience (£50k investment)*
Recruitment of a head of service to a restructured Adults team, concentrating upon delivering services into the community (including the increase of Talking Points and Local Area Co-ordinators). This post is now included within the Adults Services' base budget.
- *PAUSE (£220k investment)*
Successful engagement with young mothers prevented 14 babies being taken into care at birth. 19 women have successfully completed the programme between 2017 and 2019 with a further cohort scheduled in 2019/20. No savings were achieved in 2018/19 as Derby experienced an increase of babies taken into care outside of this cohort, however this is a longer term

preventative project and has mitigated a cost pressure.

- *Celebrating Age (£14k investment)*
Benefits were mainly cultural and related to health and wellbeing. The implication of not accessing DCC funds would have been the loss of match-funded Arts Council funding for the pilot scheme of £172,750.

4.7.3 Internal Process Efficiencies

- *Waste IT System (£167k investment)*
This project, managed by the Streetpride team, has modernised the Waste Service and replaced an unsupported round management system. This has removed the need for paper round books but has had no impact on fuel consumption. The system has also provided added-value to the residents of Derby by automatically updating collection days if rounds are rescheduled due to adverse weather conditions.
- *Reducing Residual Waste (£160k investment)*
Funding two Waste Minimisation Officers and a marketing post to limit the amount of recyclable waste going to landfill. This project has reduced budget pressures with a 38% reduction of contaminated blue waste bins and the provision of 719 extra recycling bins to households.
- *Modernising Registration Services (£38k investment)*
New approaches to appointment booking and a relocation of the Registrars into Customer Management has enabled all MTFP savings (£82k over two years) to be achieved.
- *Counselling Service (£113k investment)/Employee Health & Wellbeing Strategy (£197k investment)*
Combined with the introduction of the First Care reporting system the Council saw a reduction in staff absence from an average of 14.2 to 11.06 days in 2017/18 (however this reduction was not sustained in subsequent periods). The Counselling Service received an average of 15 calls per month from DCC colleagues over the year it was in operation; 92% of those who received the counselling remained in work. We are now using an alternative service alongside First Care.
- *Transport Vision (£40k investment)*
Payment for an external consultancy firm (WYG) to advise the Transport and Highways Planning team as requested by the Transport Group in 2017 (comprising of the Council Leader, portfolio holder, Strategic Director and Head of Service). This proposal has been superseded by an approach from the National Infrastructure Commission with an opportunity for investment into a long-term infrastructure plan.

4.7.4 Alternative Service Delivery Models

- *Libraries Strategic Review Extension (£400k investment)*
Funding until 2022 for remedial structure work to library buildings, Community Managed Libraries Grant and temporary library management.
- *Outsourcing Fostering (£61k investment)*
Whole service soft market exercise produced options that prompted a soft market testing and scope for using an external fostering agency to recruit foster carers. DD funding paid for a Senior Commissioning Officer within the

Peoples Services Directorate. The results of the soft market test indicated that outsourcing this service would not deliver the required savings. This has now been adopted as an internal project to recruit more foster carers (see 4.6.3).

- *Parklife Derby (£32k investment)*

This resulted in a further grant offered by the Football Foundation (FF) conditional on Council funding 40%. However, due to commitments with existing capital projects and rising costs we have not been in a position to take the Parklife scheme forward. The FF remains committed to work with us to achieve a sustainable way of addressing a shortfall in the number of Artificial Grass Pitches in the city, and reducing subsidies for football provision.

- *Assessing Open Spaces (£20k investment)*

The study considered 433 spaces in the City which comprised parks, amenity greenspace, natural and semi-natural greenspace, allotments and children's play facilities. Each space was assessed for quality and value to the local community. Sites are now being explored to determine if they can accommodate residential housing.

4.8 **Lessons learnt**

Whilst the DD programme has delivered a number of benefits to date, the review has identified the following ways in which performance could have been optimised:

- Monitoring of project delivery and planned outcomes should have taken place throughout the life cycle of the programme to ensure value for money. This practice is now in place and reflects the Council's overall recently introduced, good practice approach to project assurance and is now being addressed through the Programme Management Office (PMO).
- The DD reserve was used to fund a small number of projects with limited invest to save basis and/or strategic alignment to Council Plan or Medium Term Financial Strategy. This did not provide a sustainable source of funding / solution for a particular funding gap and thereby causing future pressures.
- Whilst Cabinet members were briefed, there was no regular reporting to Cabinet and Executive Scrutiny Board on spend and outcomes (beyond what was monitored through Council Delivery Plans).
- A lack of organisational recognition of the need for wider behavioural change to embed any wider digital or process based change.

4.9 Following completion of the organisational diagnostic undertaken in autumn/winter 2018/19, and creation of the Corporate Core in March 2019, the DDT has been re-focused as part of the Change Derby programme. In June 2019 Cabinet agreed to apply £1m from the remaining DD Reserve to resource change and project management for the next two years. The lessons learned have been used to inform a different governance and oversight structure for the Change Derby Programme, in particular:

- A strong organisational mandate through Cabinet and Corporate Leadership Team (CLT) with clear priority setting, review of progress and tracking of benefits.
- Reporting of the CD programme through the PMO Dashboard.
- Close alignment to the Council Plan (specifically '*A Council focused on the things that matter*' and MTFP themes).
- Commitment to using LEAN principles to review processes from end to end with significant customer focus.
- Integrated digital and HR cultural change agenda.
- A team with the right change management skills, expertise and resource to drive organisational change effectively.
- Regular reporting to CLT, Cabinet and Executive Scrutiny.

4.10 Executive Scrutiny Board will receive an update on the CD programme in December 2019 (as included in the Performance Plan).

Public/stakeholder engagement

5.1 Customer feedback has been used to inform specific DD projects on an individual basis.

Other options

6.1 Not applicable.

Financial and value for money issues

7.1 In 2015/16, £6.1m was placed in a DD Reserve, of which £3.898m has been spent. From April 2016 to March 2019 £1.31m of the £3.898m was used to fund the DDT and £2.58m for projects outside of the team.

Legal implications

8.1 None arising from this report.

Other significant implications

9.1 None.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal Finance	Elly Tomlinson, Principal Accountant Alison Parkin, Head of Finance (People's)	19/08/19

Service Director(s)	Heather Greenan, Director of Policy, Insight and Communications	22/08/19
Report sponsor	Carole Mills, Chief Executive	28/08/19
Other(s)	Paul Simpson, Strategic Director for Corporate Resources	30/08/19
	Ruth Sadler, Head of Communications	02/09/19

Background papers:	
List of appendices:	Appendix 1 – Breakdown of budget spend (including all Invest to Save)

APPENDIX 1

Breakdown of Delivering Differently Programme Budget Spend (2016-2019)

Category	Date Agreed	Programme Team Involvement	Notes	DD Team spend	Non-team funding spend (one-off)	Outcome	Saving / Revenue per annum
	27/04/2016	In-House Team		£1,310,116.00		Implementation of Change projects, Governance support for Swimming Pool, A52, Air Quality and projects listed below.	
Process	26/08/2016	Pest Control Appoint System	PM Support (incl Procurement)		£5,124.00	Implemented - no savings. Improved customer service. Reduction of invoices and "no-show" appointments saving Officer time.	
Community	03/02/2017	RAM Energy Year One Set-up/Marketing	PM Support (incl Procurement)		£20,372.00	Established brand and marketing.	
Process	10/02/2019	Cashless Council - Reducing Invoices	PM Support/Process Redesign		£0.00	3,853 paper invoices reduced in one year	
Process	10/02/2019	Cashless Council - Pre-paid Cards	PM Support		£4,683.00	Pre-paid cards to be rolled out to Direct Payments (Sept 2019)	
Process	17/03/2017	Hybrid Mail	PM Support		£79,352.00	Now being rolled out on a service-by-service basis. Saving removed from base budget.	£37,000.00
Model	03/08/2016	Libraries Strategic Review	PM Support/Appraisal Process		£199,448.00	Riverside library created. Five CMLs launched.	
Model	03/08/2016	Leisure & Culture Options Appraisal	PM Support/Invesigation with NCC		£105,129.00	Partnership with NCC would produce no savings. Restructure with BAU	
Commercial	08/02/2017	Ground Floor Project	PM Support/Move co-ordination		£0.00	Delivered on time and to DWP budget. Rental Income and Mgt Fees now being collected	£214,000.00
Process	03/02/2017	Fostering Recruitment	Change Management/PM Support		£0.00	Objective to recruit 30 Foster Carers. Ongoing programme of marketing and recruitment activity.	
Model	01/09/2016	Regional Adoption Agency (EMRAA)	PM Support		£0.00	Successful transition to a regional adoption service. Statutory mandated changes.	
Community	02/12/2016	Crowdfunding Derby Set-up	PM Support/Procurement		£82,380.00	14 local causes/projects supported	
Model	12/10/2017	Trade Waste to NCC	PM Support		£0.00	Transferred over April 01 2018.	
Process	01/06/2018	Translation & Interpretation	Investigation/Proposal		£0.00	Report delivered to S151 Officer - now a Peoples project	
Model	01/08/2018	Property Services Redesign	Investigation/Proposal		£0.00	Standard Operating Procedures captured. Awaiting Service Directors Achieving Change Document	
Process	01/04/2017	PCI Compliance Update	Operational Management		£0.00	PCI returns completed. Handed to BAU	
Model	01/03/2019	Safeguarding Children - Legislative	PM Support		£2,130.00	Ongoing - delivered on time (Sept 2019). Final agreement to be legally ratified.	
				£1,310,116.00	£498,618.00		
Category		Funding Only	Nature of funding	DD Team spend	Non-team funding spend (one-off)	Outcome	Saving / Revenue per annum
Community	03/08/2017	Building Community Resilience	Officer funding		£50,574.00	Supporting Local Area Co-ordination and Talking Points	
Community	29/06/2017	Head of Community Support	Officer funding		£28,000.00	Supporting Local Area Co-ordination and Talking Points	
Community	03/02/2017	RAM Energy Year Two/Three Marketing	Officer/materials funding		£8,049.00	Low price energy for residents of Derby an creation of an Energy Poverty Fund (Autumn Cabinet)	
Community	03/02/2017	PAUSE Programme	Third sector funding		£220,000.00	19 women have completed the programme. 14 babies not taken into care from birth	
Community	17/03/2017	Celebrating Age - Art Acadis	Third sector funding		£13,800.00	129 individuals reached. £100k funding secured from the Arts Council.	
Process	13/10/2017	Interim Director for Communities & Place	Officer funding		£35,771.00	Now within base revenue budget for Communities & Place. Delivering of projects including Christmas 2018.	
Model	27/04/2016	Back-fill Peoples Service Director	Officer Funding x2		£205,523.00	Exploratory work for Talking Points, Local Area Co-ordinators and Early Preventative Help.	
Process	03/02/2017	New Waste Mgt System	IT System Purchase		£166,777.00	New system now in place. Has removed paper from the office and digitised rounds	
Process	23/05/2016	Reducing Residual Waste	Officer Funding		£160,092.00	Posts now funded out of service budgets (Two Waste Minimisation Officers + Marketing Officer). Reduction in landfill and contaminated bins.	
Model	30/11/2018	Libraries Strategic Review (additional)	Cabinet Approved		£400,000.00	Structural repairs to libraries and support staff for CMLs	
Process	14/06/2016	Modernising Registration Services	Software/Process Development		£38,049.00	MTFP savings achieved for 2016-2019 (£82k)	
Commercial	13/02/2018	Markeaton Mini Golf Course	Redevelopment Work		£125,000.00	Improved facilities for the local area and £11k sales uplift in Q1.	
Process	23/03/2018	DCC Counselling Service	External Service Procurement		£113,000.00	Council saw a reduction in staff absence from 14.2 to 11.06 days in 17/18 (with FirstCare)	
Process	20/09/2016	Employee Health & Wellbeing Strategy	Officer funding		£197,032.00	Council saw a reduction in staff absence from 14.2 to 11.06 days in 17/18 (with FirstCare)	
Model	03/02/2017	Fostering - Outsource Soft Maket Test	External Consultancy		£60,612.00	Outsourcing was advised against - in-house solution pursued with early success of increased Foster Carer recruitment	
Other	28/04/2017	50 Council Pledges	External Consultancy/Marketing		£99,391.00	Marketing of the Council's 50 pledges (2016-2018)	
Commercial	23/05/2016	Schools Trading & Academy	External Consultant		£16,213.00	Work has been paused indefinitely. No action taken with School's Trading Vehicle.	
Process	29/06/2016	Transport Vision	External Consultancy		£40,105.00	Vision of the city and public transport presented to Leadership. Leadership decision to pursue other initiatives through NIC.	
Other	17/03/2017	Funding for Quad	Third sector funding		£40,000.00	This one-off payment enabled withdraw the funding of an annual grant from April 2018	
Model	13/10/2017	Parklife Derby - Football facilities	Match funding		£31,700.00	Annual subsidy of £230k phased out.	
Model	17/03/2017	Assessing Open Spaces (for sale, etc)	External Consultancy		£20,001.00	433 spaces considered for change of use. 13 sites being assessed as potential residential spaces.	
Other	27/04/2016	CFO Insight	Online LA Comparison Tool		£20,000.00	2 year license for tool used to analyse potential MTFP savings against other Local Authorities	
					£2,089,689.00		
		TOTALS		£1,310,116.00 33.61%	£2,588,307.00 66.39%	* If budget required from Delivering Differently Funds	