

Case study: Ministry of Social Affairs and Local Governments of Denmark

Deloitte entity:

Deloitte Denmark

Client name:

Ministry of Social Affairs and local governments of Denmark

Topics:

Quality, evidence, and competency

Country:

Denmark

Timeframe:

2009 - 2012

Services supplied:

Strategy and operations facilitation and methodologies; human capital and change management; implementation

Contact:

Mette Lindgaard (mlindgaard@deloitte.dk); Nikolaj Vitting Hermann (nhermann@deloitte.dk)



Global Public Sector

The situation

In recent years, Denmark has found it challenging to provide for a growing pool of social services recipients. Like many countries throughout the world, the country is facing an aging demographic—which translates not only into increased healthcare costs but a larger pool of recipients overall as people live longer and longer. Advanced medical technologies are not only saving lives, for example, of people with extreme disabilities but are also offering them a higher quality of life long-term. But while medical advances and social services are without a doubt extending and

improving citizens' lives, the Danish municipal governments were finding themselves in a permanent state of austerity in order to provide these services. Municipalities—newly minted as a result of a country-wide redistricting in 2007—needed to streamline the delivery of services as well as increase their efficiency and cost-effectiveness, if quality and quantity were to be maintained.

After the redistricting, local governments in Denmark held most of the authority and fiscal responsibility to deliver a host of complex social services to their citizens—from the elderly to children to the disabled. As such, municipalities sought to develop a more holistic approach to service delivery.

Municipalities needed to streamline the delivery of services if quality and quantity were to be maintained.

"Local governments were looking to increase economies of scale, efficiency, and clearer points of citizen access," says Karin Ingemann, Head of Division, Danish Ministry of Social Affairs. "They

needed tools that would enable them to better deliver services while at the same time achieving cost-effectiveness in an increasingly demanding environment."

The ministry—which supports local governments and the development of the social sector—recognized that municipalities needed assistance to achieve their goals. Not wanting to infringe on local government's autonomy and their ability to develop social services best suited to their populations, the ministry chose to help municipalities by supporting the development of core processes and equipping them with tools to improve the delivery of social services. These "toolboxes" would need to be general enough to adapt to individual municipality needs but targeted enough to address such specific issues as service delivery coordination, performance management and measurement, technology support, and change management.

The solution

Developing a toolbox for the new municipalities required a wide range of expertise and the ability to deal with multiple stakeholders—with a special sensitivity to the political dynamics within local governments. The Ministry of Social Affairs turned to Deloitte Denmark to help facilitate the development and design of a toolbox as well as implement its roll-out to four pilot municipalities in the service areas of at-risk children and youth, the disabled, and disadvantaged adults.

Deloitte took a collaborative approach to the project, which was critical right from the start. The project needed to incorporate input from a complex network of subgroups: a steering committee comprising representatives from the Ministry of Social Affairs, the external interest group Local Government Denmark, and directors from local governments; a political advisory group made up of mayors and local politicians; and a ministerial task force that included representatives from all the departments within the Ministry of Social Affairs.

Working with these stakeholders—and as a member of the steering committee itself—Deloitte approached the project by establishing six core areas that needed targeting: facilitation of the design of the toolbox, education as to its goals and use, actual tool development and roll-out, ongoing monitoring of tools, and evaluation of performance. To provide the best access and ease of use, the project ultimately developed into four individual toolboxes that addressed critical areas of administration.

A service level agreement toolkit supported one of the core functions of municipalities: to develop social services in accordance with population needs, national regulation, and funding allotments. At the time, no coherent and explicit translation of policies into practice existed. Using these agree-

"You can create the best tools in the universe—but if they aren't easily accessible, it won't really matter," says Deloitte Denmark Partner Mette Lindgaard. "Creating a one-stop web-based toolbox for municipalities was a key factor to these toolboxes making a difference."

Service level agreements have provided for a more structured way of prioritizing means and services.

ments would allow case workers, managers, and constituents to have a common starting point for discussing and developing the municipalities' services. They would enable social services providers to understand allocation principles and align criteria to the needs of citizens. Moreover, it would clarify what services were offered and provide transparency to the public as to how much budget is needed to maintain service levels. The toolkit would help municipalities prepare their own service level agreements, offer examples of existing ones, and provide guidance on maintaining and monitoring the agreements, such as collecting key performance indicators, mapping practices, and developing allotment criteria.

To further meet transparency and accountability expectations, a business intelligence toolkit was built to provide additional tools to help municipalities develop and report to their constituents and other key stakeholders on a variety of key performance indicators. The order and follow-up toolkit targeted efficiency in supplier management and was developed by Deloitte to help local governments order and monitor service delivery and impact on citizens. Finally, an implementation toolkit was developed that would provide tools and guides in the actual roll-out of methodologies introduced in other kits, including change management strategies.

Drawing on their expertise in strategy, operations, and human capital, Deloitte built the toolboxes to include practical tools for case management as well as performance measurements for every management level and at the political level. Deloitte also designed a user-friendly web portal as part of the Ministry's website to ensure that tools were easily available to the local governments.

The outcomes

And they are making a difference. With more citizens to serve and a tighter financial situation due to the global financial crisis, the toolbox has added tangible resources to the management options of the four municipalities who have currently implemented it. The service level agreements have provided for a more structured way of prioritizing means and services, with the business intelligence tools supporting decision-making and the dissemination of services to constituents.

"This toolbox is bringing much-needed support and guidance to our local government," says Anders Lygne Madsen from the Ministry of Social Affairs. "There is an increased awareness of our level of service, more systematic case management, and a business intelligence system that enables our local politicians and leaders to govern in a more strategic way."

The project in just one of the local governments has already generated substantial savings, with the potential savings on a national scale significant. The deliverables are available for all 98 local governments in Denmark and can be leveraged to improve the delivery of social services throughout the country. The tool box, while developed for the social sector, can also be used broadly to support other organizational change in Danish local governments—helping municipalities develop more efficient systems as populations continue to age and budgets continue to be under pressure.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and deep local expertise to help clients succeed wherever they operate. Deloitte's approximately 170,000 professionals are committed to becoming the standard of excellence.

This publication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this publication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this publication.