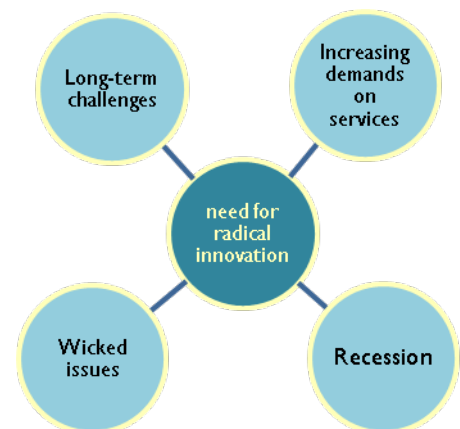# Innovation and LAAs

Key points

- Many entrenched social challenges require a much more serious and systematic search for better answers – such as in tackling worklessness where AWM stress the importance of innovation in the proposals being made by LSPs under Connections to Opportunities.
- The recession makes radical innovation a necessity. Public services will have to deliver significantly better performance at significantly lower cost.
- Innovation entails some degree of novelty and step change: be it in outputs or processes, targeting, partnership delivery or procurement.
- Thought is needed in how best to develop, evaluate and spread innovations, rather than leaving it to chance. The right skills and techniques can make a difference to the adoption of good ideas and their successful implementation, by innovators and by 'followers'.
- Evaluation of innovations needs definition of the novel features, relevant indicators of progress and success, gathering and interpreting appropriate evidence and using the analysis in informing further change and improvement.
- LSP partners need to create the conditions for experimentation – while avoiding the cynicism that goes with 'initiativitis'.
- Focus on where the performance gaps are greatest, and maximise the stimulus to innovation that can come from service users and from front-line staff.

Introduction

Promoting innovation in finding better ways of achieving LAA targets has never been more topical: the recession makes radical innovation a necessity. Public services will have to deliver significantly better performance at significantly lower cost. The need is for rigorous experimentation, designed with a view to scaling up new approaches that prove effective.

Figure 1   Innovation drivers

New emphasis is placed on the role of service users and frontline staff in stimulating innovation, on partnership leaders in creating the conditions for successful innovation to happen; and on tools and techniques to help make innovation happen and be sustained.

Thinking about 'innovation'

The Audit Commission in their review of innovation in local government in 2007 reckoned that innovation has three defining features:

- *novelty*: innovation introduces something new to the organisation, making a break from established practice
- *influence on change*: innovation results in an identifiable step change in the behaviour of the organisation
- *the goal of improvement*: organisations innovate in order to deliver a performance improvement or increased value for money

Typically, typologies of innovation feature new approaches in:

- *outputs*: the products or services that are provided to local people or businesses
- *processes*, in how these products or services are provided

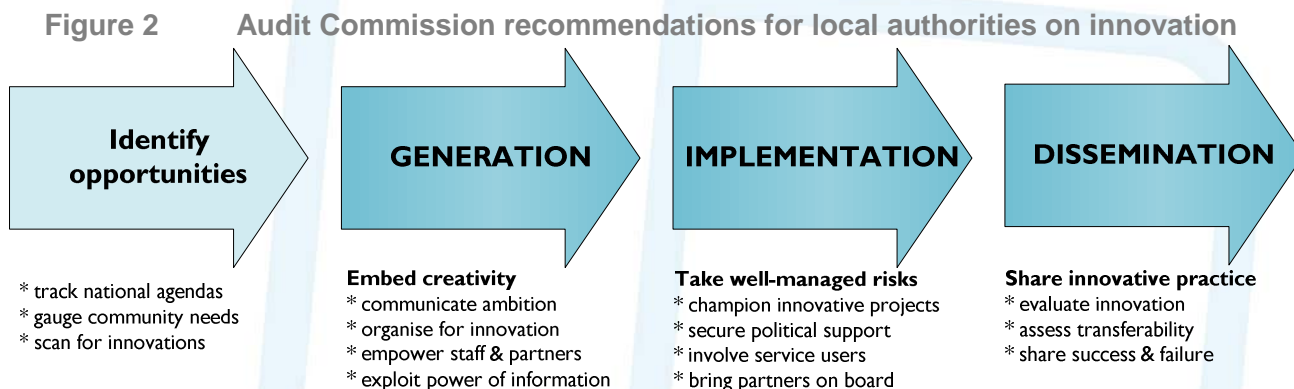In a public sector context, further dimensions may include:

- the *theory of change* on a particular issue, eg, in the thinking underlying how and why a particular intervention can be expected to achieve a particular outcome
- *targeting*: in rethinking or redefining 'customers' and how best to encourage them to take up services on offer
- *strategy*: new goals or purposes of the organisation or partnership
- *governance*: eg, in new forms of citizen engagement, locality decision making, participatory budgeting, etc
- *partnership delivery*: where collaboration and co-ordination can create synergies
- *evaluation:* in finding new and better ways of assessing the efficiency and impact of services
- *procurement*: where services are purchased or commissioned in ways which encourage innovative solutions

Hartley (2005) notes that innovation may lead to a deterioration in performance, eg, where:

- innovations are poorly implemented, and there are weak feedback loops between the front-line and policy makers
- innovation may provide additional choice for users, but this may not be welcome or a wider range of services does not necessarily guarantee better services.
- there may be 'over-adoption' as a consequence of management or policy fashions, or where the innovation does not sit well with local needs, culture or context

Hartley also highlights typical situations where the innovation leads to a temporary performance decrease but lays the foundations for improved performance in future, eg, as operational processes or bugs are ironed out, or as staff get used to new ways of working. *"Innovation can be a journey that is non-linear and not necessarily rational, one that can lead to dead-ends, mistakes, adaptations and obstacles to be overcome."* (p10). Furthermore, less successful innovations can offer a great deal of learning which leads to subsequent improvements.

The Audit Commission reviewed innovation in local government in 2007, summarising their recommendations in the diagram below (Figure 2):

Figure 2   Audit Commission recommendations for local authorities on innovation

Identify opportunities	GENERATION	IMPLEMENTATION	DISSEMINATION
* track national agendas * gauge community needs * scan for innovations	**Embed creativity** * communicate ambition * organise for innovation * empower staff & partners * exploit power of information	**Take well-managed risks** * champion innovative projects * secure political support * involve service users * bring partners on board	**Share innovative practice** * evaluate innovation * assess transferability * share success & failure

NESTA[1] is playing a significant national role in promoting innovation, through research, advocacy and investment in early-stage companies. It has recently launched 'The Lab' (www.nestalab.org.uk/the-innovation-imperative/) to take forward its work with partners on social innovation, looking to inspire others to solve the big challenges of the future. Priorities for the Lab in 2009/10 are Climate Change; Ageing; and Well-being and long-term health conditions.

Previous reports by NESTA include 'Transformers: how local areas innovate to address changing social needs', which stressed the fundamental importance of building collaborative networks, and linking people from different organisations to share information and ideas.

Innovation tools

NESTA argues for social innovation on a much greater and more systematic scale than currently practised. Necessary conditions for this include culture, capacity (including skills, tools and techniques), appropriate evaluation methods and mechanisms for spreading successful innovation (where, for example, bodies like IDeA and Regional Improvement and Efficiency Partnerships can play significant roles).

There are many tools that can be used in stimulating innovation, including:
- customer experience: finding out from service users their experiences of using particular services and crossing the 'boundaries' from one provider to the next
- whole systems techniques like 'future search' and 'world café'
- a host of creativity and problem solving tools, as, for example, the 'Thinking Differently' approach promoted in the Health Service[2]

One source is the Improvement Tools section on the Improvement Network website, www.improvementnetwork.gov.uk/imp/core/page.do?pageId=1 . There are introductions to some of the other tools in the L2D briefings on Customer Insight, Customer Journeys and 'Thinking Systems'.

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[1] NESTA is the National Endowment for Science, Technology and the Arts, and is sponsored by the Department for Innovation, Universities and Skills. www.nesta.org.uk
[2] NHS Institute (2008) 'Thinking Differently' provides a suite of tools for use in a health sector setting www.institute.nhs.uk/building_capability/new_model_for_transforming_the_nhs/thinking_differently_guide.html

Social Innovation Lab for Kent
Kent County Council set up the Social Innovation Lab for Kent (SILK) in 2007 capitalise on the potential of user and front-line perspectives focusing on the most intractable social problems and attempting to view the world through the eyes of users rather than persisting with institutional mindsets. SILK started with two projects, one focusing on families at risk, the other on how people access information about social care. These projects tested hunches about what approaches might work: gathering insight through methods from the worlds of design, business and ethnography, techniques for idea generation, etc. They posed challenges for conventional ways of looking at services, away from services to service users. *"There was no real insight before the project into the importance of family and friendship networks, the desire to avoid many public services, and the impact of a very poor physical environment on accessing those services. It quickly become apparent that the public service assumptions about empowerment, independence and personalisation would have to be rethought."* The work of SILK is now informing staff and management development programmes and the County's engagement strategy. It has also stressed the need for the local authority and partners to get much better at gathering and using customer insight. Source: NESTA/IDeA (2009) *More than Good Ideas*

Spreading innovation

There are many examples of successful innovation which have not been spread effectively, because insufficient consideration has been given to the factors that work for and against this. It can be argued that there are five dimensions to consider:

- *readiness*: is the innovation ready to be spread?
- *receptivity*: what strategy is needed to ensure that innovations are received favourably by new users?
- *resources*: what resources are required to put the innovation in place in new situations?
- *return*: what is the relative advantage of adopting the innovation?
- *risk*: what are the risks that potential users are likely to run in adopting an innovation in their own situation?

There has been a great deal of attention within the NHS to what is referred to as 'sustainability and spread' (ensuring that successful changes 'stick' and are disseminated and adapted by others).

Many programmes in the past have expected funding bids to demonstrate 'innovation' but until recently have not treated seriously how successful innovation is promoted effectively. A shift, however, is shown in Home Office's drug system change pilots programme[3] and in Connections to Opportunities (C2O), where AWM are seeking alternative thinking on tackling worklessness, helping to bring people who are furthest from a job into mainstream provision. There is a serious desire in C2O to test different approaches, assess the factors behind relative success and failure, and identify what can be replicated in future interventions – a role being supported by Learning to Deliver.

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[3] http://drugs.homeoffice.gov.uk/news-events/latest-news/pilots-programme-invitation

briefing

Evaluating innovation

Merton (2002), in producing guidance for innovation in youth work, argues for five steps, building in evaluation of the innovation from the outset (Figure 3):

Figure 3   Five steps in evaluating innovations

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┌─────────────────────────────────────────────┐
│         STEP 1: Define innovative features   │
│            * What is new & different?        │
└─────────────────────────────────────────────┘
                        │
                        ▼
┌─────────────────────────────────────────────┐
│         STEP 2: Develop indicators           │
│  What changes & improved outcomes do you expect to see │
│      happening – & how will you measure these?         │
└─────────────────────────────────────────────┘
                        │
                        ▼
┌─────────────────────────────────────────────┐
│         STEP 3: Collect evidence             │
│  How will you ensure that you can gather good quality  │
│                    evidence?                 │
└─────────────────────────────────────────────┘
                        │
                        ▼
┌─────────────────────────────────────────────┐
│         STEP 4: Interpret the evidence       │
│  Assess whether or not the expected changes and outcomes │
│   are being/ have been achieved? If not, why not?      │
└─────────────────────────────────────────────┘
                        │
                        ▼
┌─────────────────────────────────────────────┐
│         STEP 5: Use the findings             │
│  How will you spread & embed the learning? Decide what to │
│      develop, stop, scale up or scale down?  │
└─────────────────────────────────────────────┘
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Developed from Merton (2002) *Build it in: evaluating innovation in work with young people* National Youth Agency

Part of the evaluation methodology may be to choose a 'control' area or group, where the innovation is not applied, in order to help substantiate the extent to which the innovation brings about outcomes which would not have occurred otherwise, or to an enhanced degree. Further aspects of the topic are covered by the L2D briefing on LAAs, Efficiency & Value for Money.

The need for improved measurement of innovation in public services is highlighted in 'More than Good Ideas: the power on innovation in local government' (NESTA/IDeA 2009), in recognising that it can be difficult to demonstrate impact where the benefits and costs savings accrue to a range of organisations and stakeholders. There is considerable and growing interest in the application of Social Return on Investment (SROI) techniques[4], which seek to identify, quantify and value the benefits from different perspectives in trying to provide a more rounded picture of impact than conventional methods that rely on available data and narrow evaluation models.

One recent review, by Advice UK (2008) 'It's the System Stupid! Radically rethinking advice', applies systems thinking in analysing the extent of 'failure demand' in the work by legal advice centres which is caused by failings further back in policies processes and practices adopted in the administration of public services. This approach opens up considerable scope for innovation through improving feedback relationships with policy makers and administrators, increased collaboration between advisory bodies and a step away from funding based on 'advice transactions'.

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[4] See, eg, www.neweconomics.org/gen/newways_socialreturn.aspx

Implications for LAA planning and delivery

- encourage experimentation, but avoid 'initiativitis'
- focus on areas where the gaps between performance and aspiration are greatest[5]
- seek stimulus to innovation from promoting 'customer' dimensions:
  - understanding their experiences as service users (eg, through customer journey analysis)
  - consulting and engaging users in service development
- build evaluation in from the outset to test the value of innovations and the potential to scale up provision and spread successful practice
- create conditions for innovation:
  - accept that not everything will be successful
  - be clear about what is being tested and critical risks to successful outcomes
  - build in rapid feedback from providers, front-line staff and customers
  - develop a culture which encourages managed risk-taking and problem-solving – and avoids laying blame for unsuccessful ventures
- make sure that partners keep scanning for good practice and bright ideas in other parts of the country and beyond
- provide opportunities for creative discussions away from day-to-day pressures
- ensure that procurement and commissioning are managed in ways that:
  - maximise the likelihood that tenderers produce innovative solutions (eg, through a focus on outcomes rather than prescriptive inputs and outputs
  - avoid discriminating against smaller suppliers who may be adept at creative ways of working

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Strategic Health Authorities and their Duty to Promote Innovation

Strategic Health Authorities (SHAs) have been given a duty to *"promote innovation for the purpose of securing continuous improvement ion the commissioning and provision of health care".* Department of Health guidance suggests that the need to shift to a position where staff see innovation as everyone's business, focus on investment not cost, and strive to develop, adopt and adapt good practice.

SHAs are expected to ensure that innovation takes place as close to patients as possible, and that Primary Care Trusts secure innovation in contracting through specifications of quality and outcomes. Health organisations leaders are exhorted to promote innovation by providing time, opportunities and simple tools for staff to develop innovative ideas. The NHS Institute for Innovation and Improvement is charged with providing support, through, eg, the NHS Innovation Centre and tools such as 'Thinking Differently' – processes for stimulating creativity, and Experience-Based Design – methods of involving patients in service improvement, based on their user experiences.

Source: Department of Health (2009) *Creating an Innovative Culture*

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[5] For further recommendations on actions by local authorities, see Audit Commission (2007) Seeing the Light: Innovation in local public services. There is an equivalent report for central government from the National Audit Office (2008), Innovation across central government

Resources

Advice UK (2008) It's the System Stupid! Radically Rethinking Advice
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