



**THE
LAB**



Innovating
public
services

The Innovation Imperative

from here to delivery

Changed circumstances call for radical innovation

- Accelerating innovation in public services is a vital part of attacking the recession
- Some problems remain intractable
- Postponing these challenges carries intolerable costs
- We need radical new approaches

What is radical innovation?

- Focused on significant outcomes
- Upwards of 30% gains in health and social impact; similar costs savings
- New ways of doing things eg Wellbe, Neuroresponse

Timeline

September 2008: NESTA and Oracle host an open innovation session to select future business opportunities. 15 Oracle customers attend.

November 2008: Building on ideas from the initial session, a range of corporate partners and SMEs attend a brainstorming session, identifying a range of promising ideas.

Early 2009: WellBe is one of three ideas selected to progress; participants flesh out a business plan

2009: Oracle, BT & NHS build platform and launch pilot. Business model development, funding sought.

How were the ideas generated?

- Oracle leverage their wider corporate network to convene the group through NESTA Open Alchemy programme
- Bringing unusual partners together – from corporate giants to small technology start-ups. Giving them common purpose

How were ideas supported and incubated?

- Initial event selected focus areas of business interest
- Projects met strategic needs of organisations involved
- Individual commitment to try the unknown

How much has been invested? In what form?

- NESTA & Oracle funded the programme of activity
- Oracle has invested in developing the Wellbe platform
- BT and NHS provide additional funding and data centre capabilities

What were the key challenges?

- Providing a focus in the context of 'day jobs'
- Creating the commercial entity to frame collaboration

How were these challenges overcome?

- Belief in the solution & personal commitment
- Accepting each realises own value in own way

What impact has been achieved to date?

- ORACLE have developed a software suite which enables tracking of individual activity levels and the allocation of rewards
- A prototype system is being trialled

What are the next steps?

- Move from open collaboration to WellBe as a incorporated venture
- Engage wider partners in developing a national business
- Make that a financially sustainable activity
- Make people more active

What does this mean for the NHS?

- Savings of £15-20bn by 2011
- Some analysis suggests half will come from efficiencies
- If not innovation, then cuts to services?

High level strategic frameworks

- The what: *A Future Vision for Mental Health*
- The how: the QuIPP Operating Framework – coming soon

Organising for innovation

Efficiency

Approach: wise allocation of resources

Situation: known destination, known routemap

Key actions: specify programme

Governance model: implement and monitor

Example: cap tariff best practice levels, eg eye surgery, the Easy services approach

Innovation

Approach: creating value

Situation: known destination, unknown routemap

Key actions: define desired outcomes, identify and prioritise sources of innovation, analyse barriers, specify innovation methodology

Governance model: learn, adapt, spread, improve conditions

Example: Age Unlimited

A menu of methods

Funding approaches

1. Small grants programme
2. Stage-gated investment programme
3. Large grants programme
4. Evergreen fund
5. Embedded innovation brokers / Social Entrepreneur in Residence
6. Adapt and adopt
7. New solutions: Mediated user voice
8. New relationships: Supported self-management
9. New insights: Research into practice

Initiatives to improve the demand for innovation

10. Health impact partnerships (including surrogate investment)
11. Payment by outcome

Initiatives to improve the supply of innovation

12. Small business research initiative
13. Advance/Accelerated Market and Purchase Commitments
14. Social impact bonds
15. Challenge prizes
16. Design-led innovation

Promising entry points

For commissioners

Accelerated Purchase Commitments

- A lever for diffusion of proven innovations
- Mental Health Trusts collaborate to run co-ordinated commissioning cycle to penetrate target populations
- Innovators have access to larger market and are incentivised to develop early stage innovations

For innovators

Prototyping

- Ensures contingent relationship to new ideas
- Can be adapted to improving ideas, testing them, building demand, adopting and adapting
- Low risk for high gains
- Cheap
- Democratic

Neuroresponse

Timeline

June 2008

Innovator (Bernie) receives £5K + support to enable her to work one day a week for three months on concept development and user involvement

September 2008

Bernie secures £25K for development of NeuroMail, NeuroView and NeuroDirect services. Pre-pilot testing

June 2009

NeuroResponse Ltd. created, a joint venture between UCLH, Bernie Porter and The Young Foundation. £300K joint investment to deliver 12 month pilot service in two locations. Interest from two commissioning PCTs to procure (pilot) service after six months

How did the fund find the opportunity?

- Health Launchpad has an open application process supporting early stage entrepreneurs and clinicians to develop ideas into new sustainable services

How did the fund support growth and diffusion?

- Helped draft **business case**, project plan etc.
 - Provided commitment & **PR help**; media coverage helped convince sceptical management
 - Coached and **mentored** Bernie
 - **Designed pilot** at UCLH which has potential to expand clinically into other conditions, and geographically via commissioning

How much has been invested? In what form?

£5K pre-investment support - grant
 £25K concept dev. and pre-pilot testing - grant
 £150K (+matched £150K in kind) - quasi-equity

What were the key challenges?

- Clinical responsibilities prohibited Bernie from dedicating time to develop the idea.
 - Bernie did not have entrepreneurial skills to design service pilots, write business plans etc.
 - The Hospital had no experience in creating a new service through a Social Enterprise

How were these challenges overcome?

- Pre-investment grant to secure dedicated time.
 - Business support and user-led service design provided to develop sustainable service model.
 - Joint investment and support persuaded Trust to “take the plunge”

What impact has been achieved to date?

- An innovative service has been delivered to MS patients from August
- £180K fund investment has secured a further £150K
- Significant commissioner interest should fund further development and roll-out
- Acute hospital interested and has knowledge in creating new services in primary care setting
- Potential for investment recovery via service income generation
- Nurse Consultant developing and using new skills, maximising her clinical expertise
- Culture shift for organisation and staff

Reading and resources

From NESTA:

The Innovation Imperative

Ready or Not? - innovation in public services

Transformers – local innovation

In or Out of Synch – scaling and spreading innovation

Coming soon... directory of methods

'How tos' we like:

Finding the Sweetspot – David Pollard

Practical help:

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