Occasional paper no. 1

Next up: Putting practitioners and users at the centre of innovation in the public services

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state**services**authority

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The Australia and New Zealand School of Government and the State Services Authority are collaborating on a partnership that draws together a broad network of policy-makers, practitioners and leading academics.

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About the author

Valerie Hannon is Managing Partner of The Innovation Unit in the UK. Her interests include the contribution of other sectors (particularly the creative, cultural and third sectors) to the transformation of public services in the 21st century; the role of leadership; and international approaches to these issues.

Until 1999, Valerie was the Director of Education for Derbyshire County LEA. Valerie has worked independently with a range of Local Authorities, UK public agencies and overseas education systems interested in building innovative capacity. She is a regular contributor to conferences and seminars on these themes, working for both the OECD and ANZSOG.

Those who work in the public services, and more particularly those who use them, are becoming increasingly convinced of the growing need for innovation—that is, fresh thinking that works and creates new value. Public services themselves are, of course, the outcome of innovation. Their creation is a tribute to the inventiveness of societies to make collective arrangements for civilised life.

Since the late '90s, many developed nations have experienced an upsurge in efforts to reform health, social care, and particularly education, recognising that these services had not kept pace with immense changes in technology, work, economies and expectations.

In the UK, as in many other OECD countries, initial reforms were driven by government. In health, government-driven innovations included an increased role for the private sector alongside the free National Health Service (NHS); new relationships based on purchasing arrangements between primary care professionals (general practitioners) and hospitals; and greater choice of hospitals for patients. In education, government introduced a national strategy that specified pedagogical approaches; established an 'academies' program with a major role for private-sector sponsors; and numerous other innovations designed to make education more responsive and accountable.

The objective of both reform programs was to raise standards and improve outcomes. But the case for the particular changes introduced was not always readily accepted by those who deliver the services. In education, many teachers saw no value in involving private-sector sponsors, and regarded the academies program as an unwarranted distraction from the task of creating excellence in all schools. In health, many practitioners found the introduction of the private sector into the NHS inappropriate and inefficient, and the government-set targets as crude and resulting in distortions and unintended consequences.

Nor were the specific changes always well-understood or welcomed by service users. The issue of choice illustrates this well. Whilst some liked the notion of being able to choose the hospital for their operation or the type of school for their child, other service users regarded the move with suspicion, finding the introduction of choice confusing and divisive.

However, few dispute the need for 'innovation' when it is reframed as 'the core renewal process in any organisation' (Bessant, 2003). Are public services to renew, or to face shrinkage and replacement? The drivers of innovation including new technologies; exponential increases in knowledge; and populations with very different lifestyles, expectations and demographics, are well known and documented. However, it is one thing to make strong arguments for the need to innovate; it is another to create a culture of innovation where practitioners *themselves*, in partnership with users, drive the search for new and improved approaches to public service delivery.

This paper is concerned with the problem of establishing such a culture. The argument is that we now understand the conditions required to enable an innovation culture. Two cases studies from the UK illustrate the importance of the role innovation intermediaries play in the developing field of social innovation

What enables an innovation culture?

Recent international research reports (Mulgan, Ali, Halkett & Sanders, 2007) give a good indication of the conditions for an innovative culture:

- demand for innovation (the 'pull')
- supply of workable and communicable ideas (the 'push')
- a means of connecting the two
- ongoing organisational ability to learn and adapt.

This supply-and-demand analysis of how innovation flourishes helps us to see the process differently from the model of government-led reform mentioned earlier. The latter has been described as a kind of 'R&D pipeline' model, flowing from research, to prototype services, to evaluation and subsequently to 'roll-out' and 'scale up' (Bentley & Gillinson, 2007).

In that model, front line practitioners are positioned down the pipeline, on the receiving end of initiatives prototyped elsewhere. Of course practitioners can and should learn from improvements developed in other parts of the system, and organisations must prioritise learning opportunities for their members. But this in itself is insufficient, as it restricts the sources of innovative ideas and energy. We need to expand the innovation pool by providing incentives and enabling new sources of innovation to come into play. Critical to the pool are the practitioners themselves and the users.

'Open innovation' is now being adopted by a wide variety of companies, with significant commercial results. This approach embraces ideas external to the organisation from sources such as suppliers, inventors and universities (Bughin, Chui & Johnson, 2008). How can similar processes become commonplace in public services?

In short, we need to establish the conditions of an effective market—connecting a supply of workable and transferable ideas and practices, with the demand from users, commissioners, investors and policy makers. We know there is no shortage of creativity or good ideas amongst public service practitioners. However, there is also an understandable aversion to risk. Hence the need for the third condition for enabling an innovation culture—the means of connecting supply with demand. It is this need that the new breed of innovation intermediaries in the UK is seeking to meet.

The role of innovation intermediaries

The notion of innovation intermediaries is not new in the business, commercial and scientific sectors, where they have been active for some years. They are familiar as science parks, technology transfer units and business incubators. In England, the newly-formed Department for Innovation, Universities and Skills (DIUS), in its recently published White Paper *Innovation Nation* (2008), notes the emergence of analogous organisations in the field of social innovation. These organisations include units within or closely aligned to government departments such as the National Endowment for Science, Technology and the Arts (NESTA) and the NHS Institute for Innovation and Improvement (access www.nesta.org.uk and www.institute.nhs.uk). Other organisations include those that have spun off from government departments, and completely independent entities such as foundations and start-up companies.

There are numerous European examples, such as Finland's SITRA and Denmark's Mindlab (access www.sitra.fl/en and www.mind-lab.org/inenghlish). Responding to the emergence of this field, DIUS has set up a Public Services Innovation Laboratory to trial new methods of supporting innovation, search for innovation in public services around the world, disseminate lessons to delivery organisations, develop training, tools and services for practitioners, and influence policy. Over time, this has the potential to strengthen the embryonic innovation intermediary field.

What do innovation intermediaries do? In a recent study of innovation intermediaries in the public sector, Horne (2008) lists their functions as:
- diagnosis and problem definition
- expert consulting (expertise in innovation processes)
- enabling the sharing of professional experience and reflection
- brokering (matching with partners, creating fertile relationships)
- benchmarking (identifying leading practice in other organisations, sectors and countries)

- change agency (providing coaching, consultancy and training).

Additionally, innovation intermediaries seek to influence public policy, alerting government to important successful developments and to the kinds of policy environments that can support them. They can also advocate for the users. As such, innovation intermediaries give the public a voice in the innovation process about how to do things differently. In England, intermediaries such as the Social Innovation Lab for Kent (SILK), Participle and The Public Office (TPO) have developed frameworks and processes to put individual users and families at the centre of the change design effort (access www.participle.net and www.thepublicoffice.org.uk). A critical role of innovation intermediaries is to offer methodologies to help practitioners work systematically and purposively, using evidence-based approaches to guide their work.
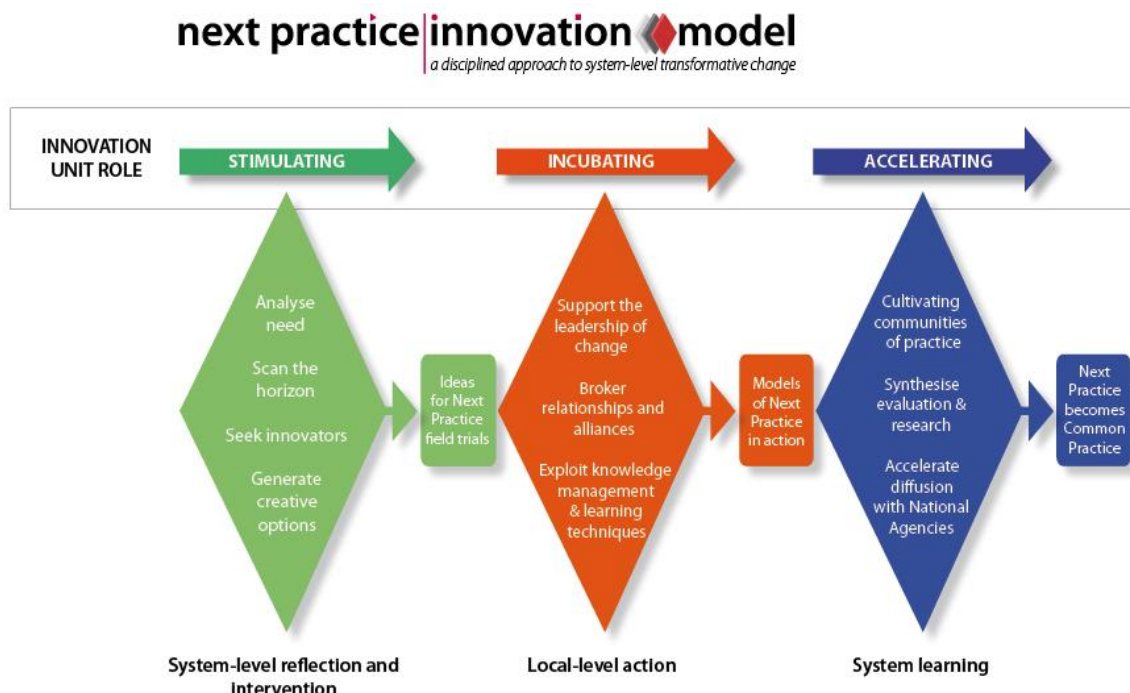
The following two case studies illustrate how two such intermediaries in England are seeking to enable practitioners and users to take centre stage in driving social innovation.

Case study one: The Innovation Unit

The Innovation Unit (IU) is an intermediary that was initially located within government, and subsequently evolved into an independent not-for-profit agency. Its first program focused on education and children's services. The IU identified four key themes as priorities—the need for *system* leadership (as distinct from the leadership of single schools and institutions); personalisation of learning; enlisting communities in the learning process, and the consequent shifts in teachers' roles; and parental engagement in learning (Hannon, 2006).

At the heart of the IU's work is a methodology, or framework, for promoting innovation, which is based on the available evidence. The framework is premised on the concept of 'next practice'—an idea developed from the work of C.K.Prahalad. Schools in the first next practice program were invited to think about the need for new approaches in the four priority areas. The approximately 400 institutions selected to participate in the program formed 'field trial sites' (often in collaboratives), which were the practitioner-led centres of innovation. Throughout, the importance of the student voice and a user-centred perspective has been emphasised. Descriptions of the work of these practitioner-innovators can be found in *Next Practice in Education Programme: Final Report* (Innovation Unit, 2008).

Space precludes a detailed discussion of the methods of the IU, which are evolving and developing in real time. Full details can be accessed at the IU's website at www.innovation-unit.co.uk. The IU's methodology, however, is summarised in the following figure:

next practice|innovation ◆ model
a disciplined approach to system-level transformative change

INNOVATION UNIT ROLE — STIMULATING → INCUBATING → ACCELERATING

STIMULATING: Analyse need · Scan the horizon · Seek innovators · Generate creative options → Ideas for Next Practice field trials

INCUBATING: Support the leadership of change · Broker relationships and alliances · Exploit knowledge management & learning techniques → Models of Next Practice in action

ACCELERATING: Cultivating communities of practice · Synthesise evaluation & research · Accelerate diffusion with National Agencies → Next Practice becomes Common Practice

System-level reflection and Intervention   Local-level action   System learning

In this model, the challenge of 'scale up' is addressed in the third diamond. It is conceived as 'accelerating' the diffusion of emergent practices. The techniques of knowledge management suggest that establishing communities of practice is critical to engaging practitioners beyond the initial pioneer innovators. Communities of practice bring together (both virtually and face-to-face) peer practitioners currently working on related themes in various contexts to enable them to share thinking, progress, skills and resources. In addition, practitioners can share detailed experiences of their next practices on an on-line 'acceleration space' on the IU's website.

The IU acknowledges that it is essential that this be supplemented by opportunities for face-to-face work. The National College for School Leadership is providing such opportunities through its regional network arrangements. The practices and approaches developed within the field trial sites are also informing the development programs offered by the major national agencies: the National College for School Leadership and the Training and Development Agency.

Schools and local authorities in the program were encouraged to be as radical and ambitious as they felt able, since there is plenty of incremental improvement in the system and this program created the opportunity for deeper change. For example, in the north-west district of Knowsley, the eleven existing separate secondary schools are being closed and a system of seven 'Learning Centres' with linked, federated leadership and governance is being created to provide twenty-first century learning opportunities for all young people in the locality. State of the art technology will support personalised pedagogy, more deeply engaging young people in their learning journey.

Innovations in other schools included:
- pioneering 'learning villages' (reducing transitions and anonymity)
- involving expertise from within the community to expand the resources available to teachers (including artists, gardeners, scientists, and dance/fitness experts)
- changing the timing of when learning takes place (early morning and late evening sessions to fit into young people's lifestyles)
- developing 'emotional resilience' programs for young people
- embedding 'learning to learn' programs across the curriculum
- incorporating peer tutoring and a structured 'personal challenge' into every learner's program.

Interesting as developments such as these might be, their full potential will not be realised unless other practitioners can engage with, evaluate, adapt and adopt these practices into their own repertoires. The IU tries to promote this by supporting growing communities of practice and working with the major national agencies responsible for the continuing professional development of teachers. The interface with the policy development process is of course equally important. What do the individual next practices that these schools have pioneered add up to? How will they influence the overall direction of the system as a whole?

Charles Leadbeater, a leading writer on innovation and creativity, has captured all these innovations in his pamphlet, *What's Next? 21 Ideas for 21stC Learning* (2008). Leadbeater proposes a set of policy recommendations arising from the work of these practitioner-innovators. Part of the work of the IU as an intermediary must be to refresh a policy dialogue about how education could develop if it taps into the innovative energy of practitioners in schools: that is, connecting the supply of innovative practice with the demand for better outcomes.

Case study two: The Innovation Exchange

The Office of the Third Sector sits within the UK Cabinet Office and has overall responsibility for voluntary organisations from major charities to social enterprises. In 2007, it invited tenders to run an Innovation Exchange. The intention was to prototype a model of how innovation from the third sector could be grown, and enable greater impact upon the public services as a whole. It would do this by connecting third sector innovators with each other and with commissioners and social investors.

The consortium running the Exchange considered that the problem for innovation in the third sector was the classic one of market failure. The supply (of excellent ideas and enterprises springing up from within the third sector) needed to be connected with demand (from those charged with creating radical improvement, coping with fewer resources, or both). The Exchange has set about helping to make those connections. It is working as a broker to create the conditions in which third sector innovators can be supported to develop their ideas and emergent practices, and find the commissioners of services or social investors whose objectives they can advance.

The Exchange's initial focus is on independent living and excluded young people. It will be modelling the methods of intermediaries, and has begun establishing networks of innovators through its interactive website. The Exchange has held 'Festivals of Ideas', which have brought together the key players to explore potential innovations and connections. Fostering collaboration within a competitive environment is a key task for the Exchange. It is a similar situation to that in the business sector, where the mix of collaboration with simultaneous competition is thriving. Examples of successful collaborations can be found at www.innocentive.com.

The Innovation Exchange will be running a 'next practice' program for selected innovative third sector organisations working on the two substantive themes. The organisations will gain access to customised support, connections to commissioners, and direct investment from a dedicated NESTA Innovation Fund.

The Innovation Exchange is important for the social innovation it promotes and the scope of its operations. It is also invaluable as an opportunity for self-conscious learning, reflecting on the potential for this form of prototype intermediary to become a significant, established element of a strategy to create an innovative culture. As such, it is vital that the evaluation does not only judge success, but also explores the strengths and weaknesses of this approach to promote real policy learning. Full details of the Innovation Exchange's activities can be accessed at www.innovation-exchange.org.

Towards a culture of innovation in the public services

We need a new *model* of social innovation if we are to succeed in creating a public sector that can transform itself to cope with the changing conditions of this century. The implications of the work described here, and the premises on which it is based, are that we need to conceive of the problem less in terms of 'scaling up' or 'dissemination' of innovation, and in more interactive, systemic terms. Practitioners, close to the needs of service users, must be enabled to lead innovation on behalf of the system, developing, evaluating and adapting it with their peers.

To regard the problem as one of supply and demand, incentives and opportunities, is more fruitful perhaps. This emerging area, with a growing if fragile field of innovation intermediaries committed to transforming the public service landscape, will be the source of valuable insights in the coming years. They will be vital for our public services to engage genuinely in those core renewal processes that are so urgently needed.

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