How to Guide No. 2

Contract, Monitor and Evaluate Innovations
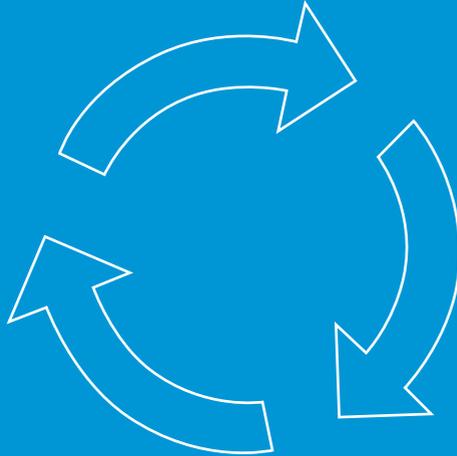
THE YOUNG FOUNDATION

Contents

Introduction

This is the second in a series of five *How to*[1] guides developed to help funders and project leads to set up and sustain innovative projects across the NHS. These *How to* guides draw together the material on supporting health innovation which the Young Foundation has been delivering and refining as part of its support for the Regional Innovation Funds (RIFs).

The 10 Strategic Health Authorities (SHAs) launched the RIFs in April 2009 to tackle the challenge of developing and mainstreaming innovation within the NHS. Fulfilling their mandate to lead service delivery innovation in the NHS, the SHAs have developed a portfolio of projects which attack some of the most urgent issues facing the NHS today by unleashing the imagination and knowledge of frontline staff. The SHAs have developed and refined a great deal of learning on how to promote and diffuse innovation across their areas, embedding innovative practice in day to day delivery.

The Young Foundation and NESTA have been supporting the SHAs in this enterprise, bringing deep experience of public sector innovation to bear. In this series of guides we collect much of the material that we have been using to perform this support role, refined by our participation in the RIFs, in order to contribute to the ongoing legacy of the RIFs.

This guide explains how to effectively manage the contracting, monitoring and ongoing evaluation of innovation projects. The guide assumes users may have some project management knowledge and experience but not be experts on contracting to support innovation. Each section provides a good insight into the topic. Those with extensive project management knowledge and experience can use the guide as a refresher.

> **Contracting, should be proportional to the size of the grants and the capacity of the delivery team. Don't over burden projects.**

[1] *How to find and select the best innovations*
How to contract, monitor and evaluate innovations
How to generate economic evidence for innovations
How to design and deliver support to innovations
How to diffuse innovation
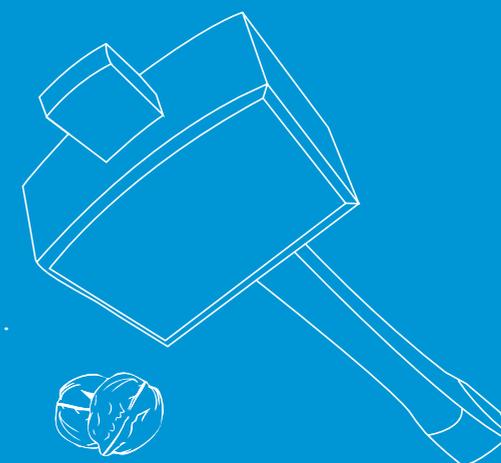
In order to manage innovation successfully it is important to adopt a bespoke approach to project management, and consider evaluation throughout the contracting and monitoring process. One way to do this is by using a theory of change model to map the project in terms of its objectives, activities, outputs and eventual outcomes.

This guide is based on some core principles that are key to the successful implementation of this approach. The overarching process should have the following characteristics:

— 1

Minimal – Reporting structures should not draw often scarce resources away from the primary activities of the project, but be sufficient to adhere to public accountability rules;

— 2

Consistent – A coherent approach to communication will reduce the administrative burden on both project leads and funders, and ensure there is agreement from a very early stage on what the project should deliver through its lifetime;

— 3

Flexible – To reflect the true nature of innovations, and their underlying processes, any approach to managing and monitoring projects must be flexible, dynamic, and sympathetic to the wider environmental context; and

— 4

Instil ownership – It is also important to ensure that any structure takes into account the importance of co-production and co-ownership of contracts, monitoring documents and evaluation.

These four principles can help the contracting, monitoring and evaluation process complement the innovation project and support the project lead to successfully deliver change.

The guide also outlines some issues and techniques to consider when things are not going to plan to help get projects back on track. These include contract management, ensuring relevant learning and experience is captured for future interventions and techniques for managing withdrawing funding.

Figure 1 highlights the overall process described in this guide. The initial activities relate to the contracting process prior to project execution. The production of a monitoring framework will help identify the bespoke key performance indicators and milestones necessary to produce an effective baseline report, which will then feed into the ongoing reporting and eventual evaluation of the innovation project.
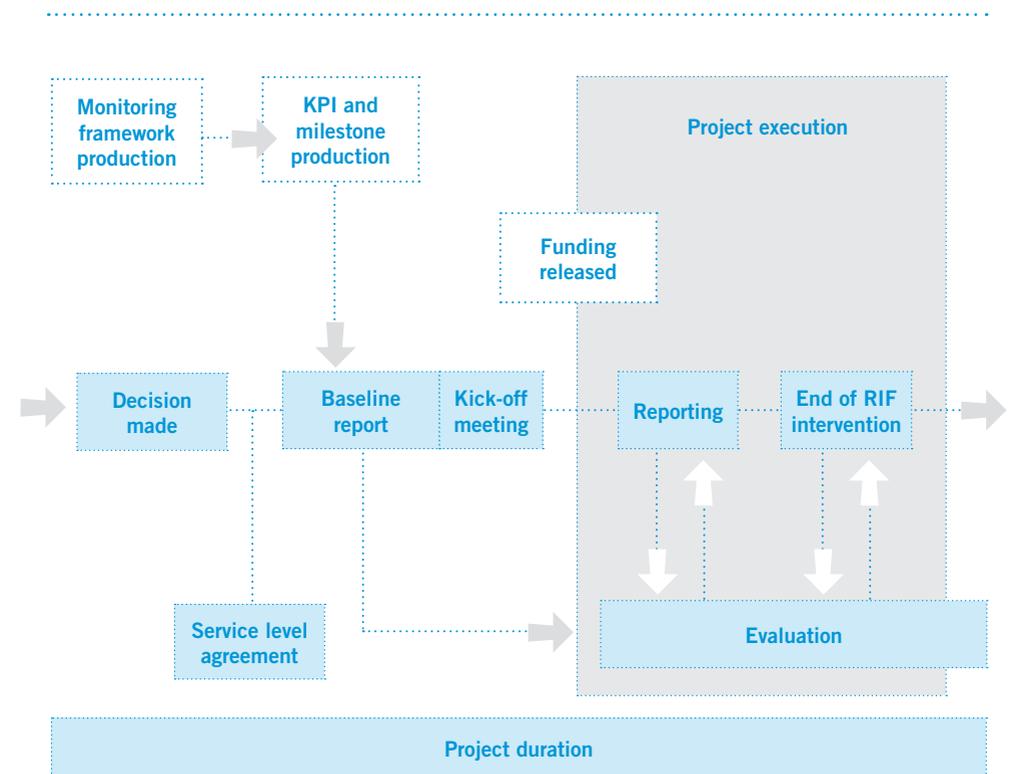

Figure 1 – Timeline – contracting, monitoring, evaluation

1
Contracting for innovation projects

Key points

Once a project is selected for funding there are **several stages** in developing the formal and informal terms of contract delivery

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The formal process includes agreeing a **service level agreement** and a **baseline review** or report to **better understand** the aims of the project against a set of agreed criteria

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These documents should include a **clear budget** that can be continuously reviewed

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The contracting period is also a **crucial time** to establish a strong working relationship with project leads, understand the aims and create a **culture of open reporting** between and amongst funders and projects

Once a project has been selected for funding[2] it is necessary to draw up a delivery contract and to set out the baselines for the proposed innovation. This could take the form of a service level agreement to confirm that the project will be funded by the grant-giver. This should then be followed by a detailed baseline report designed to explicitly outline the core project details and commitments.

A baseline report or process often signals the shift in a project from a 'winning funding' approach to a 'practical doing' approach. It provides an opportunity for a project to take a step back from the activities proposed in an application (which may have been written some months before) and really consider what is achievable, by when. These documents are for both funder and projects – one clarifies the financial and legal relationship and the other focuses on managing uncertainty and expected achievements. Once these are in place then funding can be released and the project can commence.

From the outset, contracting should be considered a process rather than a series of static documents. The primary reason for adopting this approach is that, unlike other forms of contracting, the outcomes of an innovation project and when they might be achieved are less certain and often dynamic.

Service level agreement

The first step is to draft a service level agreement between the project funder and primary stakeholders (project lead, chief executive, commissioner, and partner organisations). It sets out the basic contractual agreements for funding and delivery. This should be relatively light touch and cover information included in the project application – with additional input from the funder.

It should include:
— a minimal list of obligations
— an account of where money will be spent
— contractual definitions
— an indicative delivery schedule

It is also useful at this stage to include a number of commitments for project leads, including a minimum attendance at any workshops or events in order for necessary training to be delivered, as well as publicity and marketing opportunities.

Baseline report

In order to establish the potential future effectiveness of an innovation project it is important to document the current context and identify key variables which the intervention is likely to influence or change. This is called the baseline. Once this is complete, it is then possible to monitor the chosen variables to assess project performance.

The baseline report, often known as a Project Initiation Document, should form the starting point for the project, building on the original application and include the data requirements from the current and potential future commissioners. It should be easy to complete, bespoke, and ask only for data relevant to the project.

It should include:
— Project overview
— Action plan
— Milestones
— Measures of success and key performance indicators
— Project risks
— Budget
— Project team
— Achieving financial sustainability

Identification of the most relevant data to include in this report will emerge from the production of an effective monitoring framework, which is outlined in section 2.

The baseline report should also include an estimated Return on Investment (ROI) projection to highlight the potential savings a project aims to achieve. It should be simple, based on robust measurement, conservative, and tailored to the audience – usually future commissioners. The NHS Institute ROI model[3]

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[2] See *How to find and select the best innovations*

[3] A copy of the NHSI return on investment tool can be found at: http://www.institute.nhs.uk/quality_and_service_improvement_tools/quality_and_service_improvement_tools/Return_on_Investment_(ROI)_calculator.html

> **Working out a baseline often helps project leads focus on what they think is currently happening and how their innovation will change it.**

has been helpful for many of the RIF projects in establishing projected returns on investment from RIF funding and further information is available in the *How to* series[4].

The report will provide a fall-back point for the project, a document that can be returned to as a reference as the project progresses. It helps projects and funders to develop clarity early on about the project's objectives, activities and deliverables. But it should also be flexible enough to reflect any major changes that might arise during the life of the project.

Experience suggests that these reports are relatively difficult to complete due to the often unknown nature of innovation projects, and require several revisions. Often it is helpful if support is offered to project leads throughout this stage so that the report can be co-produced and include all the relevant data required by both the project funder and lead.

The final baseline document should then form the basis for a project kick-off meeting between the project funder and project lead.

An example baseline reporting framework has been included in Annex 1.

Funding

Project leads will have forecast the project budget during the application phase, but in most cases it will be necessary to revisit the financial model and finalise the costs. The reasons for doing this mainly stem from the uncertainty of running an innovation project, as well as the time that has elapsed from original application to project commencement. Project leads will often need initial support to re-model the financial plan. Amongst RIF projects, this has resulted in increasing budgets (and larger funding awards) in some cases and reducing total funding or staging budgets in others.

Once the contractual agreements and monitoring frameworks are in place, funds can be released to the managing organisation. For larger projects with well-defined milestones and KPIs, it might be preferable to tranche or stage gate the funding to reduce exposure and further incentivise the project lead to demonstrate project progression.

2
Monitoring framework

Key points

Once a project is live it is essential to have a monitoring framework in place; **a logic model** can be used to map **inputs** and expected **outputs**

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A **logic model** helps to **monitor** and **evaluate** a project by describing the sequence of activities that define the project

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Development of a **logic model** should involve **project stakeholders and funders** to ensure joint ownership of the final outputs

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Clearly defined **key performance indicators** and **milestones** will help ensure the progress of the project can be closely monitored

Timely monitoring and evaluation are central to effective project management. Using a logic model to map the project lifecycle from its original objectives to the outputs, outcomes and eventual impact can be helpful. It shows the logic behind a project's efforts to cause a change. The purpose of using this model is to derive clarity of the overall innovation process. This approach includes a shift from the traditional approach of monitoring of inputs towards a greater focus on outputs and eventual outcomes. This is also sometimes called 'outcomes based project management'.

Usually monitoring frameworks follow a quarterly reporting schedule, but this should be reviewed depending on the size and complexity of the project. It is counterproductive to impose quarterly reporting on lower value projects due to the administrative burden this inflicts on both the project lead and funder.

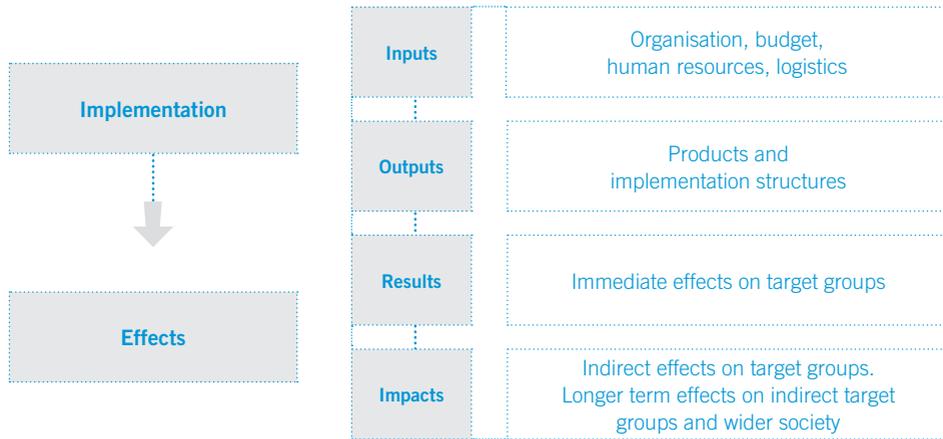| Inputs | Organisation, budget, human resources, logistics |
Outputs	Products and implementation structures
Results	Immediate effects on target groups
Impacts	Indirect effects on target groups. Longer term effects on indirect target groups and wider society

Implementation

Effects

Figure 2: Simple 'conceptual' logic model

The role of logic models in monitoring and evaluation

The RIFs used logic modelling with a number of NHS innovation projects to describe how a project's activities and outputs influence programme participants, customers and/or beneficiaries, leading to the achievement of the intended outcomes in the short, medium and long term.

In a logic model the key links from the activity to the long-term objectives are set out in a linear 'results chain' or 'pathway to success', which identifies key relationships and helps show potential performance indicators along the chain. The model generally takes the form of a diagram or table with text.

The normal role for a logic model in monitoring and evaluation is to map the sequence of activities that define a project. It sets out the linkage between a programme's activities and outputs, outcomes or impacts in the short, medium and long term. Prior to the activities the initial components of the model sometimes emphasise inputs and resources and sometimes objectives, potentially at multiple levels[5].

5   For more information about logic models see http://en.wikipedia.org/wiki/Logic_model
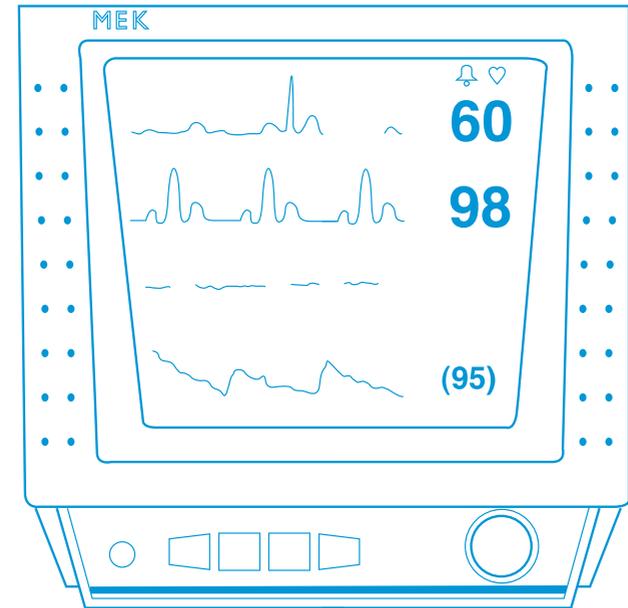
Building a logic model

When building an operational logic model, it is useful to start with a simple conceptual one. This should be as straight forward as possible with the main issues involved in the project presented so they can be easily understood by all; such a model is shown in Figure 2. This model presents the inputs, in terms of budgets, human resources, etc, which lead to the outputs (eg products), which produce results – the immediate effects on the target group, which one hopes leads to long-term impacts.

Whilst this linear approach may seem too simplistic at this stage, it is a useful tool to map the basic elements of a project. The wider complexities of the project should not be ignored and will feed into the broader indicator production described later.

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Early investment in understanding this flow of resources and activity in implementation, and the results and impacts in effects, is also a crucial step in building a grounded, meaningful and robust return on investment model which is relevant to the needs of the innovation project (see Figure 3). The logic model might change as understanding

of process and impact is tested in practice, but this provides a helpful set of assumptions and an expected results change.

This model should then be further developed to take a more comprehensive look at the chain of events, notably objectives, activities and stakeholders,

which are relevant to the needs of the innovation project. The model is a snapshot of the intended logic, but must never be treated as set in stone – it is common for the model to develop and evolve several times through the project life, and should be allowed to do so.

The advantage of this more dynamic version of the model is that it puts stakeholders at the centre. Placing stakeholders and patients, the users of a product or service, explicitly in the middle of the chain of logic helps everyone to think through and explain what leads to what, and what population groups the project intends to serve.

The logic model should also include the actors – those responsible for carrying out the activities and the resulting outputs. Moreover, the model makes explicit the resources, activities and outputs of a project which can form the basis of the Plan Do Study Act (PDSA) analytical approach.

In this model, outputs are the specific products or services, and outcomes are shown as changes or benefits resulting from activities and outputs. This demonstrates that there is flexibility within the model to try new iterations (prototypes), activities and combinations of inputs in order to achieve the desired outputs.

Long-term outcomes or program impacts follow from the benefits of the intermediate outcomes. For example, results from a technology or service re-design may be a short-term outcome, the health benefits an intermediate outcome and a change in behaviour/culture one of the desired longer-term outcomes.

Figure 3: Example of an operational logic model for innovation projects

Guidance on content and completion

It is possible to create a basic logic model for a project based wholly on its original application form. It can be completed in isolation, but should preferably involve both project stakeholders and funders to ensure joint ownership of the final output.

The model will be a snapshot of the project for that point in time. It will evolve and develop as the project progresses.

Objectives

The project objectives can often be placed into a hierarchy based on time to attainment or level of potential impact:

— High-level objectives are those established at the policy/system level (sometimes called policy objectives). These objectives match with the intended 'long term impacts' of a project, programme or strategy. They also often relate to broader issues such as economic growth, competitiveness, prosperity etc;

— Tactical/intermediate/mid-level objectives are more project-specific and correlate well with the 'outcomes' of a programme or a strategy (increased patient satisfaction, reducing infection etc;

— Operational/low-level objectives cover the 'outputs' of a project, programme or strategy and are 'operational' in nature (establishment of a process, a technology etc).

It is helpful to take time at the beginning of a project to build up understanding of the project aims and intentions.
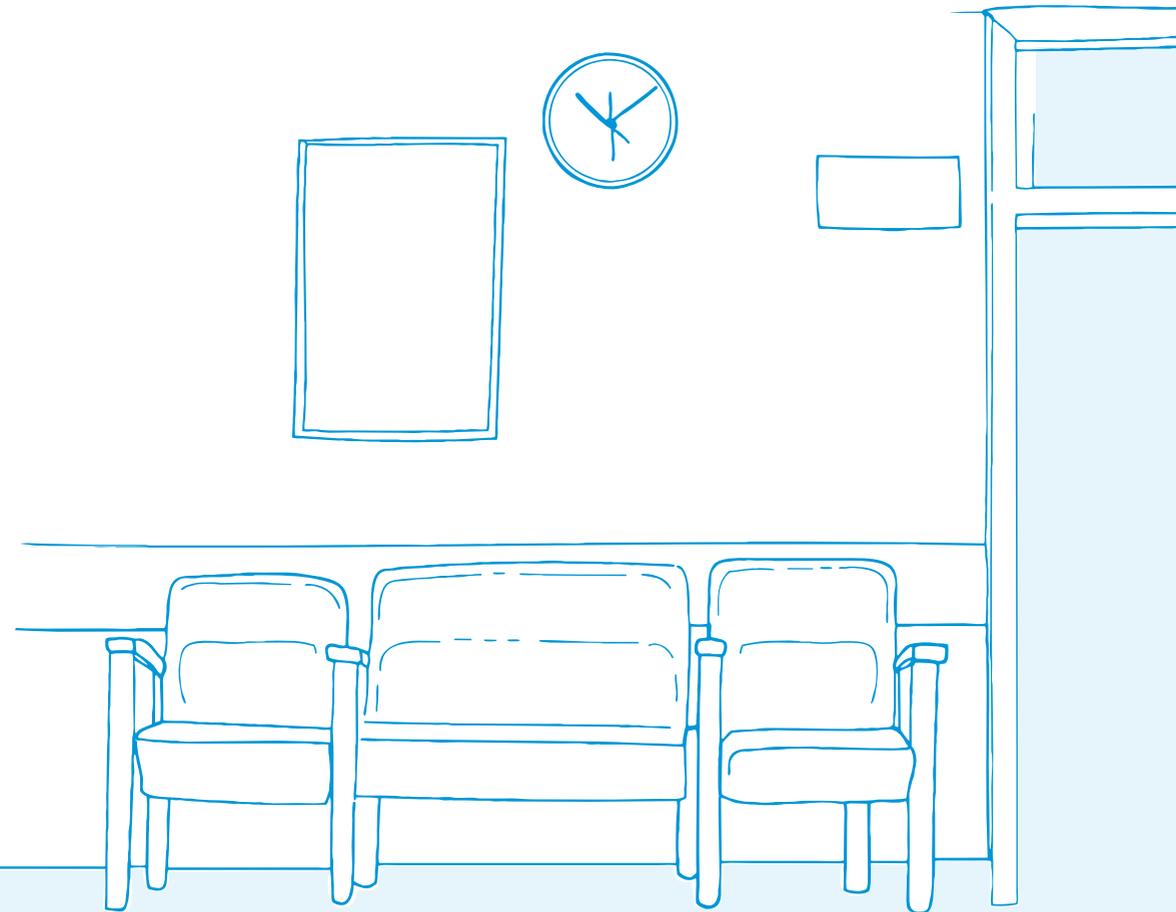
> **Innovation projects often require project leads to think early and deeply about broader factors affecting the development of the project. These are often broader contextual and social factors. A PESTLE analysis can be a useful tool to identify these.[6]**

Resources

Every project will have a series of resources (inputs) that will be converted to outputs to help realise the objectives of the project. Whilst money is the most obvious resource available to a project lead, it is usually the case that a combination of resources will need to be coordinated in an appropriate manner in order to maximise outputs.

Resources might include:
— Money
— Staff time
— Technology
— Support
— Access and clearance
— Credibility and authority

Activities

Activities should describe any action or series of processes undertaken during the project to create outputs – essentially its implementation plan. Any variance or deviation in the project can usually be traced back to the activities stage of the logic model.

Outputs

This is where the results of the activities are captured. Testing and measurement of outputs is necessary to ensure that the activities undertaken are correct and appropriate. It is at this point that corrective actions can be recycled back into the resources stage and activities modified.

Stakeholders & actors

The identification of stakeholders and actors is probably one of the most important aspects of the logic modelling exercise and is where the management team will start to understand the scope and breadth of the intervention. It highlights key project facilitators and potential pressure points early on in the process, helping project planning and management.

....
6   An analysis of the Political, Economic, Social, Technological, Legal and Environmental factors. http://en.wikipedia.org/wiki/PESTLE

Outcomes

Much like objectives, the outcomes of a project can be broken down into a hierarchy based on a chain of events by time or level of impact. They should circle back or, at the very least, relate to the original objectives.

— Immediate outcomes relate to the short-term changes that result from the outputs created by the programme/project

— Intermediate impacts cover the impacts of the immediate outcomes

— Long-term/high-level impacts are the ultimate behavioural or cultural changes that result from the programme or project

Environmental factors

A critical feature of performance is the identification and description of key contextual factors external to the project and not under its control that could influence its success either positively or negatively. It is important to look at the external conditions under which a programme is implemented and how those conditions affect outcomes. This helps clarify the project focus and the assumptions on which performance expectations are set. Explaining the relationship of the problem or issue addressed through the project, the underlying need for the project, and external factors, helps project managers to show that the project is addressing an important problem in a sensible way.

A sample logic framework has been included in Annex 2.

> **Meaningful indicators of performance are usually focused on what will directly and immediately affect success in a project. Measure what's important, not just what is easy to measure.**

Key performance indicators

Once the project has been mapped out on paper, it is possible to identify and assign key performance indicators for each stage of the model.

There are a series of guides from the NHS Institute which offer an in-depth look at statistical significance, data monitoring and analysis (SPC, run charts, etc) which are beyond the scope of this guide, but will support in the handling and understanding of KPI data.[7]

Type	Description	Examples
Contextual indicators	Providing background, benchmarking or other related data used for making judgements and explanations about the activity	Demographic data, behavioural data, environmental data
Baseline indicators	Providing information about the point of departure of an action. These are crucial when the proposed indicator is of the nature 'increase in/ decrease in' since without them the measurement is not possible	Current readmission/length of stay rates, access rates, percentage of population with ailment, survival rates
Inputs	Input indicators will be used relative to output/impacts for performance measurement, efficiency and effectiveness assessment	Finance, staff hours
Output indicators	Used to count or measure the direct results of activities, and mainly relate to operational objectives	Number of papers/conferences, establishment of new services/ processes, quality of outputs
Effects indicators	Used to measure short-term outcomes (changes), mainly relating to tactical objectives	Improvement in process/service, new readmission/length of stay rates, access rates, quality/ satisfaction rates, survival rates
Impact indicators	Measuring long term or high level change – the high level objectives	Perception change, behavioural change, environmental change
Net attribution/ counterfactual indicators	Used to try to establish the proportion of the change that can be attributed to the programme/project	Relating to the above indicators, but in a context or situation that has not yet been affected by the intervention under investigation

Figure 4: Key performance indicators – typology and examples

7   http://www.institute.nhs.uk/safer_care/primary_care_2/measurement_for_improvement.html

Milestones

Having mapped the project and developed a robust portfolio of indicators it is then possible to draw up a series of project milestones. These should be realistic and set out important 'pressure points' in a project that determine whether it can proceed as planned, or whether it requires re-planning/repetition, or should be halted.

Milestones might include:
— Requirements gathering phase
— Launch phase
— First trial
— Feedback and learning phase
— Evaluation phase
— Continuation or close

Milestones can also be used to help structure funding in larger projects, with money being released after each successive milestone is competed.

3
Reporting & monitoring

Funders should recognise that often the innovations with greatest potential are those that include the greatest risk and some level of uncertainty around timelines and outcomes. Higher risk proposals can be actively managed through the reporting and monitoring process provided no unmitigated risks are taken with patient safety or quality of care.

Funding should be allocated for an innovation where risk is openly acknowledged and agreed upfront so that the recipient is not penalised for acceptable failure, provided such failure does not result from mismanagement.

Reporting and monitoring is the primary tool for managing these risks and differentiating uncertain outcomes from under-performance or mismanagement.

For most projects over £20,000 in value, it is advisable to adopt a quarterly reporting and meeting schedule to monitor project progression. These reports can form the basis on which to release further tranches of funding.

Key points

A **quarterly report** based on the project initiation document and logic model should be used, when appropriate, to report **project progress**

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A **traffic light system** can be used to depict the **status** of the various elements of the project; this will quickly highlight any areas of concern

[**Reporting should include
an invitation or 'amnesty' to
project leads to be as truthful
as possible when feeding back
project progress.**]

This report builds on the baseline report
and offers the project lead the opportunity
to report progress on the original indicators,
identify areas of strength and weakness,
clarify and discuss where activity is
deviating from expectations; it allows for
funders to understand the progress of the
project and understand early impacts.

The report should contain the following
information:
— Overall project status
— Updates on activities planned
   for the quarter
— Measures of success
— Project risks
— Project budget
— Activities for the next quarter
— Lessons learned

Much of this information can be taken
from the original baseline report. To make
it easily accessible, a traffic light system
(red, amber, green) can be used to highlight
areas of success and concern.

An example quarterly reporting framework
has been included in Annex 3.

4
Evaluation

Evaluation has an important role to play in
innovation projects as it helps those involved
to understand the process, as well as the
impacts of the intervention. It is also a useful
self-reflection exercise for stakeholders and
provides a codification of key lessons for
future innovations.

The questions asked as part of any
evaluation must be driven by the logic of
the project that is being carried out. If these
questions and their associated indicators
are divorced from their context they become
meaningless.

This section will outline the basic
characteristics that evaluation questions
should consider whilst being formulated in
a bespoke manner for the specific project
and stakeholder needs.

Key points

Evaluation questions should be
based on the logic of the project and
cover six areas: **relevance, efficiency,
effectiveness, utility, sustainability
and coherence**

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Evaluation can be carried out
internally or **externally** depending
on the size of the project and the future
plans for funding

[**Evaluation should be a joint activity and
it is crucial to produce tailored questions
that address both the needs of the funder
(current and future) and the project lead.**]

Evaluation stages

It is often preferable to undertake both a mid-term and final evaluation but this will usually depend on the scale, duration and value of the project.

A mid-term evaluation looks at the initial formation and start-up of a project to ensure it is in line with the original plans and highlights any changes that may have been necessary. It will also check the plausibility of the project once it has become operationally active. Of interest here are questions around relevance, efficiency and coherence.

A final evaluation is more focused on testing the achievement of objectives and resulting outcomes and impacts. Questions concerning effectiveness, utility, coherence and sustainability will form the backbone of the final evaluation.

Impact is usually difficult to determine at the immediate close of a project, with some impacts likely to occur many months or years after the original intervention. In these cases a final evaluation will look at the likelihood that these impacts will be achieved – or at least that the necessary processes and outputs have been put in place to ensure that in the long term the impacts will be achieved.

Evaluation questions

Evaluation questions fall into six broad categories: relevance, efficiency, effectiveness, utility, sustainability and coherence. Figure 5 shows how they relate to the original project logic model.

Relevance questions

'The extent to which the objectives set are pertinent to the needs, problems or issues to be addressed.'

In the first instance, it is vital to test the relationship between the demonstrated need for a programme/project and the objectives set out in the planning phase.

Efficiency questions

'The extent to which the desired effects are reached at an acceptable or reasonable cost.'

Acceptability of cost is important to consider and should not only take into account money, but also the multiple types and levels of expenditure (time, effort etc.) concerned with converting resources into outputs.

Effectiveness questions

'The extent to which the objectives set were achieved.'

This will investigate the relationship between the original objectives and the outcomes emanating from the project outputs.
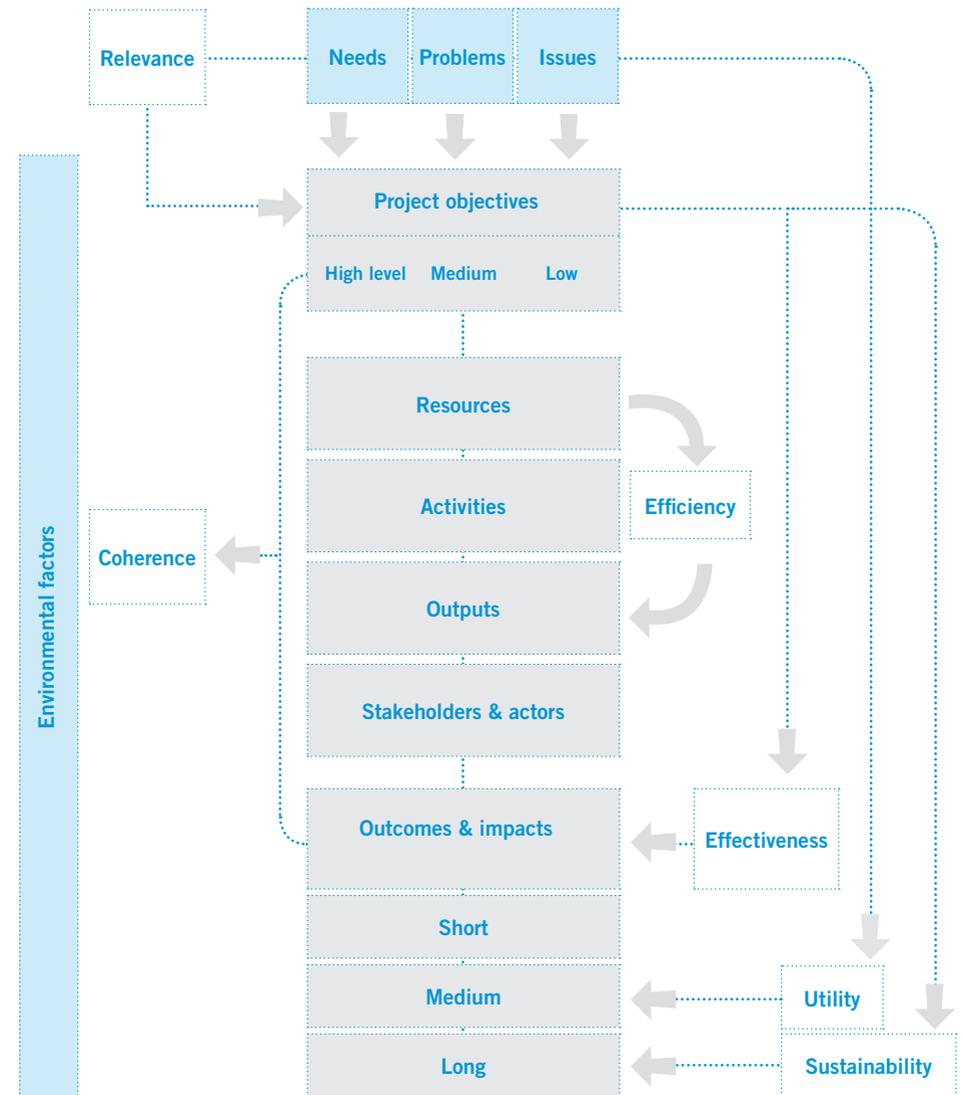
Figure 5: The logic framework and associated evaluation questions

Utility questions

'The extent to which the effects correspond to the problems and needs to be addressed.'

It is also important to look at the relationship between the original objectives of a project and the outcomes (short, medium, and long) to ensure that there is a match between the two.

Sustainability questions

'The extent to which the (positive) effects are likely to last after an intervention has ended.'

The resources required to undertake a project are often finite and limited in their reach beyond the immediate outcomes. It is therefore useful to examine the probability and possibility of the project's effects continuing beyond the life of the original activity and spend.

Coherence questions

'The extent to which the objectives, activities and outputs are in line with existing arrangements and the wider environment.'

Finally it must be recognised that no project sits in isolation, and that it will undoubtedly have a significant impact on its immediate environment. Therefore there should be a consideration of the alignment of the project to ensure that any positive and negative impacts are identified.

Example evaluation questions have been included in Annex 4.

Carrying out the evaluation

The evaluation can be carried out internally by the project team or, for larger projects or those that are seeking independent validation to secure onward funding, an external evaluation team can be brought in. In either case, the evaluation questions should be co-produced by the project lead, project funder/future commissioner and, if necessary, the external auditor. In addition, the scale (time, money spent, scope) of the evaluation should be relevant to the size of the original project.

It should seek to gather the right data to answer the evaluation questions from all relevant stakeholder groups and a wide array of data sources (primary and secondary) to ensure that outcomes and impacts are fully measured and understood.

Key evaluation methodologies include:
— Document analysis of original contracts and needs reports
— Interviews with key stakeholder groups
— Analysis (quantitative and qualitative) of output and outcome data
— Workshops and surveys of beneficiary groups
— Investigation of similar contexts where the project did not take place

Once the data has been brought together it can be delivered in the form of an evaluation report that documents the original project objectives, an assessment of how well these were achieved and, most importantly, recommendations on what should happen next with either the project or its key lessons.

5
Managing and driving project progress

Typically, the 'ideal' project develops more or less along the lines originally intended and amending or stopping funding is often seen as a last resort and/or a failure. However, the experimental nature of innovation projects often means this happens more regularly than in more traditional projects. Building in expectation that some projects will not work as expected and thinking early about ways of managing these developments is a crucial part of the contracting process.

By their very nature, innovation projects can be uncertain and frequently do not follow traditional project paths. There are often instances where projects develop from original plans, hit barriers or lose momentum. In these cases it is first necessary to take time to fully understand the circumstances affecting the project, and then act to re-engage the project and ensure its continuing development.

There are several potential steps in managing project progress:

— **Flag**
In the first instance it is necessary to flag a project as potentially underperforming against stated targets and objectives;

— **Meet**
A simple meeting to discuss project performance is usually enough to identify and unblock any issues that may arise with a project;

— **Help**
Projects should then be offered further support to understand and overcome the issues relating to the project's progression;

— **Warning**
If further tailored assistance does not provide a solution, it may be necessary to issue an informal warning to the project lead and relevant stakeholders. This should enforce a renewed sense of purpose within the project team and refocus their efforts towards the development of the project;

— **Meeting with sponsor or chief executive**
In order to remove hierarchical or resource blockages, a meeting between the project funder, lead, and the sponsor/chief executive should be held. It need not be a formal meeting and it can help clear issues by involving a more senior member of the organisation;

— **Review**
Going back over the original project rationale and objectives may highlight changes that can be made to refocus the project in a more appropriate direction;

— **Reduce/withhold funding**
As a final intervention, it may be necessary to reduce or withhold funding to a project until an issue is overcome; and

— **Discontinue**
If the above steps have not rectified the issues then it may be necessary to stop the project.

Discontinuance (stopping a project) and learning

Across a diverse portfolio of innovation projects it is natural that some projects will be less successful than others, and that some projects will not progress as planned. In such cases it is necessary to reassess the viability of a project and its support needs.

Reasons might include:
— Context and original underlying assumptions on which the project is based can change
— Project lead or key stakeholders leave the organisation
— Institutional barriers
— Poor leadership
— Turns out to be a poor idea after initial testing
— Failure to engage stakeholders and commissioners

If it becomes apparent that a project faces an insurmountable barrier and sufficient support has already been committed with little or no impact on progress, then it should be either re-defined or discontinued.

If there has been a decision to discontinue a project then both the project lead and funder have a responsibility to extract learning points from the project – what worked, what did not work and, most importantly, why. Once these key lessons have been documented and disseminated, the value of a discontinued project will live on through the success of future projects.

A checklist for discontinuance might include:
— Relevant stakeholders accept the decision
— Sufficient resource to overcome barriers/ issues has already been expended
— Re-definition of the project is not viable or appropriate
— Contracts and resources can be repurposed or wound-down at an acceptable cost (i.e. cost of discontinuance is less than completing the project naturally)
— The impact on vulnerable groups is negligible or has been mitigated
— Lessons learnt and further actions can be recorded and disseminated

Discontinuance is not a failure and must not be viewed as a negative outcome, as long as lessons are learnt.
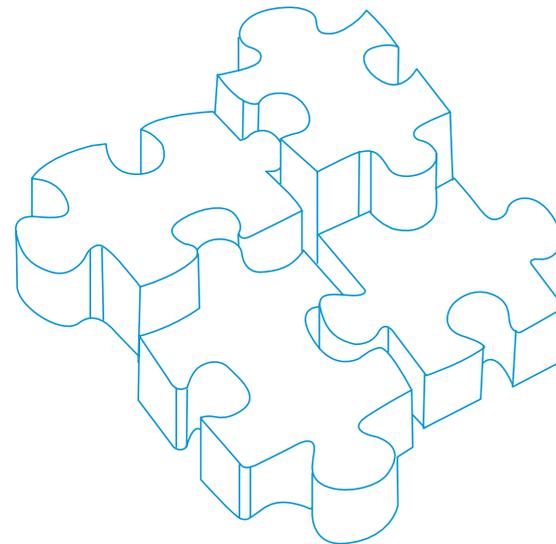
Annex 1
Example – baseline reporting template

NHS xxx Innovation Fund [year]
Project baseline report
[Month, Year]

Project title:...
Project lead and lead organisation:...
Partners:..
Objectives:..
Timescales:...
  Budget:...
  RIF:...
Match funding:..
Stage of innovation:..
Overall risk rating and reason:..
Project governance arrangements:..

1. Action plan

Please break down your project into phases and activities, including key milestones and who is responsible for each.

Activity	Responsible

2. Milestones

— Month x: Milestone 1 – [description]
— Month x: Milestone 2 – [description]
— Month x: Milestone 3 – [description]

3. Measures of success

Please detail which measures you will use to monitor and assess how well your objectives have been achieved.

Measures	Initial baseline	Final target	Q1 projection	Q2 projection	Q3 projection	Q4 projection
Patient outcomes						
Economic outcomes						
Innovation culture outcomes						

4. Project risks

Please detail the risks you have identified for the success of your project. Estimate the likelihood of it occurring and the overall impact on the project. Each risk needs robust mitigating actions, along with a person responsible for them. Please add rows as required.

Risk and description	Risk likelihood	Risk impact	Overall risk rating	Mitigation and responsible person

5. Project budget

Please detail the budget and forecast expenditure for the year.

Budget Item	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Cost 1												
Cost 2												
Cost 3												
Add more where needed												
Total RIF												
Total match funding												

6. Project team

Please list the key project stakeholders, their roles, and an indicative governance structure within the project team.

Name/Organisation	Role in the project
Project governance	
<Please include a diagram or brief description of the team structure>	

7. Achieving sustained funding

Please outline your plan to achieve sustained funding at the end of the RIF intervention.

Who are the key stakeholders that need to be convinced, and what is your engagement plan with each?

Stakeholder	Engagement plan

8. Next quarter

Please describe the activity you will undertake for the next quarter, any likely challenges and how you plan to overcome them.

9. Attached indicative ROI template

Please attach your latest ROI template.
(This will either follow the Young Foundation tool or the Institute ROI tool).

Annex 2
Example – logic framework analysis

Figure 7 (left panel)

Environmental factors
Environment... Blocks, demographics, culture, way of working, enablers, boundary spanners, etc

Objectives

What is the project ultimately trying to achieve?

High level	Medium	Low
Cultural change	Save money	Reduce bed days
Change public perception	Improve quality	Reduce infection
	Improve efficiency	Reduce admissions
	Improve satisfaction	

Resources	What resources are available?	Money/Time/ People/Access

Activities	What will the project do to achieve its objectives?	Create something/Prototype/ Pilot/PDSA/Engagement Requirement gathering

Outputs	What will be the immediate outcomes from project activities?	Something created/ New process/New product/ New service

Stakeholders
Identify who will be involved, who will be impacted upon, and who must be involved

Objectives

What outcomes and impacts will the project produce?

Short	Medium	Long
The immediate change	Reduced infection	Cultural change
An improved process	Reduced admissions	Change in public perception
Better service	Reduced bed days	Environment change

Figure 7: Logic framework template

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Figure 8 (right panel)

Environmental factors
Current provision for homeless people and associated costs

Objectives

What is the RIF project ultimately trying to achieve?

High Level	Medium	Low
Improve homeless people's access to healthcare	Reduce number of A&E attendances/ Reduce VHIU support/ Signpost self-ref engagers	Improving healthcare professional's knowledge & understanding of homeless people's health needs/ knowledge & understanding of the healthcare system

Resources	What resources are available?	£100,00 RIF Funding and match funding/ Time and support

Activities	What will the RIF Project do to achieve its objectives?	Create prog. board, develop network work programme, comms and stakeholder plan/Recruit mentors /Commissioning model/Training packages, planning

Outputs	What will be the immediate outcomes from RIF Project activities?	Work programmes, network feedback / Mentors & Peers recruited/Training modules/Project team meetings / Interaction between stakeholders

Stakeholders
Operational steering group/Local PCT/Homeless population/Local and National charity/Hospital A&E/ Medical Centre/Surgery/Homeless Health Team/TB Find and Treat Team

Objectives

What outcomes and impacts will the RIF project produce?

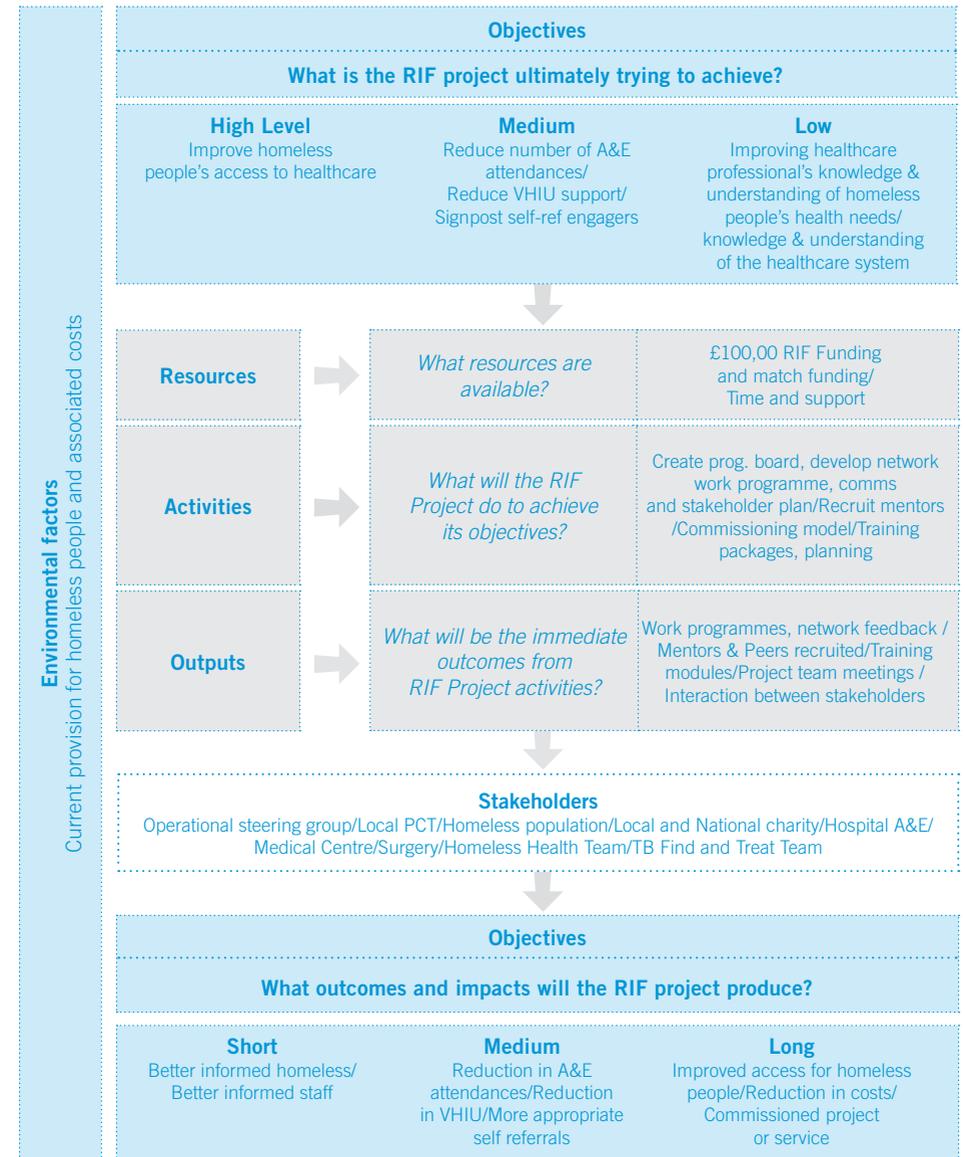| Short	Medium	Long
Better informed homeless/ Better informed staff	Reduction in A&E attendances/Reduction in VHIU/More appropriate self referrals	Improved access for homeless people/Reduction in costs/ Commissioned project or service

Figure 8: RIF Homeless Project

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Annex 3
Example – reporting template

Project monitoring
xx – xx 2010

This document uses your approved baseline report as a starting point. Please copy and paste content from it as indicated then fill out the relevant updates. If a section does not apply to you (eg if some of your measures are not measured in this quarter) then please indicate N/A.

Significant areas of concern

Some areas of concern

No significant areas of concern
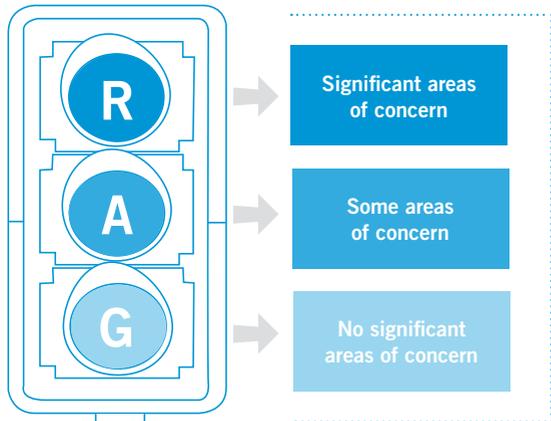
RAG ratings

Please use the adjacent Red Amber Green (RAG) rating system to rate the overall status of the project as well as the overall status of individual areas such as risks and measures of success.

1. Overall project status

Before you fill in progress on the individual areas identified in your baseline report, we'd like your assessment of the current project status as a whole.

Overall RAG rating [please choose one and delete others]:
Please summarise the current project status:

2. Update on activity planned for quarter xx – xx 2010

Overall RAG rating [please choose one and delete others]:   R A G

Please copy and paste content for columns 1-3 from your approved baseline report and then complete columns 4-5.

Activity	Milestones	Lead	Milestone met? Y/N	Progress update

3. Measures of success

Overall RAG rating (please choose one and delete others):   R A G

Please copy and paste content for columns 1-3 from your approved baseline report and then complete columns 4-6.

Measures	Initial baseline	Final target	Q2 projection	Q2 result	Variance	Explanation and remedial action, if relevant
Patient outcomes						
Economic outcomes						
Innovation culture outcomes						

4. Project risks

Overall RAG rating [please choose one and delete others]: R A G

Please copy and paste content for columns 1-3 from your approved baseline report and then complete column 4. Please also add any new risks identified if appropriate.

Risk and description	Overall risk rating	Mitigating actions and responsible person	Second quarter update

5. Project budget

Overall RAG rating [please choose one and delete others]: R A G

Please copy and paste content for columns 1-4 from your approved baseline report and then complete columns 5-11. We may require proof of actual expenditure and evidence of receipt of match funding.

RIF expenditure										
Budget item	Planned			Actual			Variance (planned-actual)			Explanation and remedial action if needed
	Jul	Aug	Sept	Jul	Aug	Sept	Jul	Aug	Sept	

Match funding										
Budget item	Planned			Actual			Variance (planned-actual)			Explanation and remedial action if needed
	Jul	Aug	Sept	Jul	Aug	Sept	Jul	Aug	Sept	

6. Activity for the next quarter xx – xx 2010

Please summarise the main activities you'll undertake, the challenges you face, how you plan to overcome them and any support that NHS xx could provide.

7. Lessons learned

One of the key elements of the innovation programme is capturing the learning about what works, and doesn't work, when trying to innovate in the NHS, and the lessons for the sector from this. This section is intended to capture this and should be informed by the discussions you have at the learning events.

Think about:

— What has and hasn't been achieved as planned, and why
— How your project has changed and developed, and why
— What you've learnt about: leadership, engaging stakeholders, project and performance management, resources, innovation methods and approaches

What's gone well?	What would you have done differently?	What lessons could others learn from your experience?

Mid-term evaluation

Relevance
— To what extent does the project address one of the four challenges set out in the RIF call?

Efficiency
— To what extent is the use of RIF money (project activity and outputs) appropriate and measured?
— To what extent will the expected return on investment demonstrate an appropriate use of RIF money?

Effectiveness
— How likely is it that the project will achieve its stated objectives?
— What actions might be required to maximise the potential impacts of the project?

Sustainability
— What actions are necessary to ensure learning from the project is captured?
— What actions are necessary to ensure the effects of the project will be felt beyond the current funding year?

Utility
— To what extent do the expected outcomes and impacts of the project correspond to the needs and problems identified in London SHA?

Coherence
— How well does the project fit within the current environment (its context) within the SHA, as well as nationally?
— With hindsight, could the project have been funded elsewhere?

Final evaluation

Relevance
— To what extent did the project outputs and outcomes meet one of the four challenges set out in the RIF call?

Efficiency
— To what extent was the use of RIF money (project activity and outputs) appropriate and measured?
— To what extent did the return on investment demonstrate an appropriate use of RIF money?

Effectiveness
— To what extent did the project achieve its stated activities, outputs and objectives?
— What actions might be required to maximise the impacts of the project?

Sustainability
— To what extent will the effects of the project will be felt beyond the current funding year?

Utility
— To what extent do the outcomes and impacts of the project correspond to the needs and problems identified in London SHA?

This series of guides is designed to help funders and project leads to set up and sustain innovative projects across the NHS. The *How to* guides draw together the material on supporting health innovation which the Young Foundation has been delivering and refining as part of its support for the Regional Innovation Funds (RIFs).

The methods, techniques and approaches described within should act as a guide to the innovation process rather than a definitive and restrictive roadmap to success. By embedding these principles into future innovation activities we hope to further increase the quality, support and eventual success of innovators in the NHS.

These guides have been collated by the Young Foundation and NESTA working to support, advise and increase the capacity of the RIFs.

NESTA Making Innovation Flourish