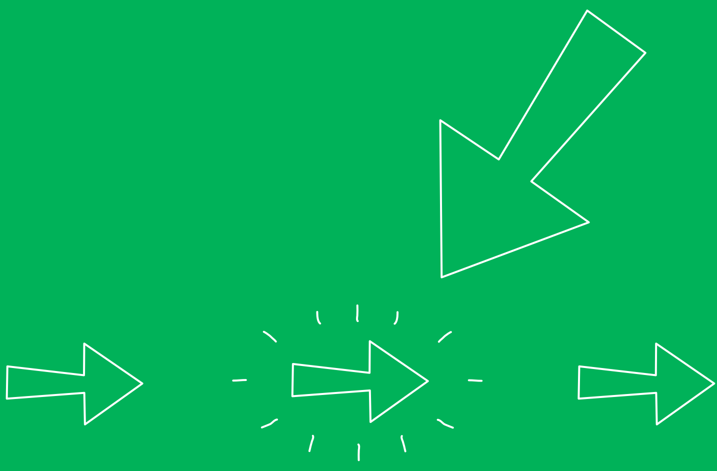
How to Guide No.1

Find and Select the Best Innovations



THE YOUNG FOUNDATION

Contents

Introduction

This is the first 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.

The ultimate goal for an innovation fund is to find and support quality projects that – if value is proven – can secure further funding, are innovative in nature and can provide savings to the system.

The first section of this guide defines quality and outlines important criteria to consider when selecting projects for funding. It is important to take these considerations into account before designing your application and decision-making process, as they will form the framework for what you wish to achieve with limited resources.

The second section of this guide discusses the components of a call for applications, which need to be carefully considered before launching a funding round.

Don't rush the selection stage – investment in this early stage will yield dividends in the quality and appropriateness of innovation ideas. The goal is to attract applications that fit with strategic needs, not just to attract applications.

[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

1
Defining quality

It is helpful to start by developing an understanding of the key characteristics of successful projects – in effect, creating a comprehensive list of factors to investigate and test in the application and selection process. Some of the key characteristics which have emerged include:

— **1** People and idea
— **2** Strategic fit
— **3** Implementability and measurement
— **4** Diffusion and scalability
— **5** Evidence
— **6** Risk
— **7** Portfolio

In practice, decisions are not made solely on one factor, but a balance of factors, frequently weighing strong potential in several areas against less developed abilities in others. The context and strategic direction of the fund can also weigh some factors over others. For instance, a focus on diffusion and scalability will test and weigh these elements. Alternatively, a fund with a significant appetite for risk and trialling very new or original approaches might reach different decisions to a fund focused on creating an effective robust economic case in the short term.

> **Understanding and defining what a fund is really looking for is the first step in developing an innovation fund.**

People and idea

Probably the most important characteristic of a successful project is the competence and experience of the applicant team. The RIF experience has shown that sometimes projects with great potential on paper failed to flourish due to a lack of leadership. Ensuring funded projects include a person with a strong vision and the skills to implement an idea, whilst overcoming difficulties and barriers, is vital. This means it is important to interrogate both the innovation idea and the team during the assessment process.

Beyond the project lead, the wider stakeholder group (partners, sponsors, commissioners etc) will have an impact on suitability for innovation funding. Demonstrated buy-in from senior figures can significantly increase the chances of success for a project, not least through their ability to overcome barriers and leverage powerful networks. Institutional, staff and patient buy-in are also strong indicators that the project is well supported and considered worthwhile. The early engagement of commissioners is also vital.

Strategic fit

The extent to which a project responds to a funder's strategic needs can be a determining factor in close funding decisions. Interrogating strategic fit is easier if the strategic focus of the fund is clear as project proposals will have been framed to correlate to stated strategic aims.

The Quality Innovation Productivity and Prevention (QIPP) agenda has provided a useful focus for investment decisions and, in the current economic climate of the NHS, it has increased the need for projects to demonstrate the following:

— **Quality**
Will the project improve the quality of the service provided to patients?
— **Innovation**
Is the idea truly innovative?
— **Productivity**
Does the project increase productivity without increasing resources – will it offer more for less?
— **Prevention**
To what extent does the project prevent disease or health service use?

In the case of a fund dedicated to promoting innovation, the level of innovation a project demonstrates should be a primary determining factor in its funding. Demonstrable innovation can be built into a decision-making tool, as can predicted productivity gains in terms of both cashable and non-cashable efficiency savings.[2]

In the current climate productivity gains are foremost in funders' minds. Projects that are not able to demonstrate gains will find it difficult to sustain post-innovation funding.

[2] See *How to generate economic evidence for innovations*

> The potential for an innovation project to scale up and spread is a crucial part of selection.

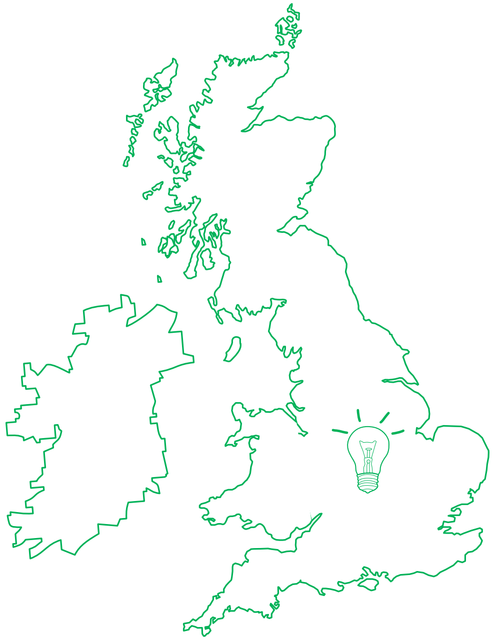
Implementability and measurement

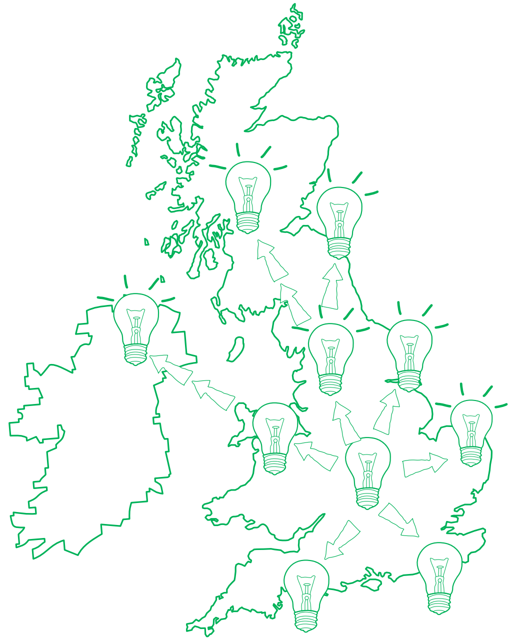
It may be the case that however strong an idea, it is unlikely that it will be implemented within the proposed timeframe – usually one year – if at all. Often very good ideas are simply not practical within the existing context and structures.

The approach to implementation is also important – will the project fully design a pilot service and launch it, or will there be iterative prototyping loops which integrate feedback and design modifications? The most appropriate approach will depend on the contextual factors. However, RIF experience has shown that an iterative approach is advisable for project learning, mitigating risk, and increasing the likelihood of success.

The project will also have to consider how they are going to measure success, including identifying an appropriate baseline and indicative Return On Investment (ROI) calculation[3].

[3] See *How to generate economic evidence for innovations*





Diffusion and scalability

Often the purpose of an innovation fund is to test new ideas that could be diffused across the wider NHS. The potential for an innovation to be successfully spread should be taken into account. This is often based on both the application and assessors' experience and judgment.

However, it is import to bear in mind that even strong applications will often include only a rudimentary diffusion and sustainability plan, which will set out next steps following the end of the initial funding. This might include sources of potential funding, commissioner engagement, formation of a social enterprise or comprehensive lists of future partners and stakeholders[4].

Scalability of a proposal is also important. The input and cost incurred when a project is scaled up beyond the original intervention will partially determine whether it could eventually be mainstreamed.

[4] See *How to diffuse innovation*

Evidence

By its very nature, the evidence underpinning innovation applications is often not as strong as mature, established practices. It is an innovation fund's job to test new ideas and build a body of evidence around its potential effectiveness. The decision-making process should consider supporting evidence in the wider context of the innovation.

If the evidence for the success of an idea is already robust and demonstrable, then the project may be less appropriate for an innovation fund and should perhaps be commissioned through traditional routes. If there is evidence that the innovation could work, but the evidence needs to be strengthened, then it might be more appropriate for support.

Risk

Fund managers will recognise that some of the innovations with the greatest potential are those that include the greatest risk, and that there will be some level of uncertainty around timelines and outcomes. These are often the projects most appropriate for innovation funding.

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.

Range of ideas	Focused portfolio
— Diverse learning opportunities — Demonstrates an inclusive innovation process — Spreads risk — Reaches a wide range of stakeholders	— Opportunity to test a range of approaches to the same issues — Shared management and training resources — Focus on a strategically important area

Figure 1: Diverse vs focused portfolio

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.

Portfolio

A final consideration should be made with respect to the overall portfolio of projects being funded. With limited funding for innovation, funders must decide if it is better to fund a range of ideas across a number of clinical pathways, or develop a strategic focus on one particular technology, process or pathway (see Figure 1). Both approaches have strengths and it is possible to balance the portfolio to achieve both.

For example, a portfolio of ten projects might include two tele-healthcare projects and eight with a different focus. This would allow for a diverse range of innovative ideas and the opportunity to test two different (and possibly competing) tele-healthcare approaches and to share the learning.

Summary

A strong project will demonstrate the following:

— **1 People and idea** It will be an innovative idea, backed by a strong management team, robust stakeholder engagement and buy-in

— **2 Strategic fit** It will address the fund call and contribute towards the strategic aims of the fund manager and wider NHS

— **3 Implementability and measurement** It will have a plausible implementation plan, with an iterative approach, and consideration for the measurement of success

— **4 Diffusion and scalability** It will be able to be diffused and/or scaled up if appropriate

— **5 Evidence** It will demonstrate some underlying evidence to suggest that the project is needed and will have a sufficient positive impact on the target group

— **6 Risk** It will have considered the risk of the innovation and outlined the necessary actions to mitigate it

— **7 Portfolio** It will sit well within the other funded innovations

2 Nurturing high potential applications

With the qualities of a strong project in mind, there are six aspects to consider in planning an application process in order to ensure a high standard of innovation fund applications:

— **1** Strategic focus
— **2** Call structure
— **3** Applicant support
— **4** Process
— **5** Decision-making
— **6** Capturing the learning/re-design

> **Key points**
>
> A **strategic focus** that sets the parameters for applications and funds dispersal should be agreed at the beginning of each application process
>
> —
>
> **Clinical pathways, priorities** and **policies** can all be used to help set the parameters of the strategic focus

1 Strategic focus

In administering large amounts of money to innovation projects, there is great potential for positive impacts on service and product innovation and efficiency.

A strategic focus will define parameters for applications and fund dispersal. Ideally, a range of stakeholders should be involved, including front-line workers, health economists and future commissioners of projects. A robust focus will set out a clear aim for the use of the funds and help develop a picture of what success would look like.

Define a clear aim

What do you want to accomplish in the long-term, besides cost-savings? What is your vision for your region in one year's time? Five years' time? If the fund was perfectly distributed, what would that look like in terms of impact?

How can you achieve this aim

What issues affect your specific geography and population? What can you change now that will have a long-term, sustainable effect?

One result of having a well-defined strategic focus early on is an ability to streamline the decision-making process for project selection at later stages. In some cases, the key risk when administering funds is insufficient demand, when it may be prudent to have an open call. Another option is to outline a clear, strategic focus defined around pathways, priorities, or policy.

Pathways

Setting a clinical pathway as a strategic priority during a call for ideas will lead to a higher number of applications addressing locally relevant issues, such as long-term conditions (LTCs). For instance, having decided on this pathway as a priority for the region, one SHA attracted ideas and steered innovation in the most beneficial and efficient direction for that region. While not all proposals involved LTCs, it seems that the focus had a positive impact on the overall quality of applications.

> Narrowing the call for innovation ideas to specific pathways, priorities and policies can be a really effective way of channelling scarce resources.

Priorities

Along with specifying a clinical pathway, some SHAs detailed certain priorities. In one SHA, along with setting a target clinical pathway of LTCs, three priority areas were defined: personalisation, supported self-care and co-operation, and commissioning. Stage of innovation can also be identified as a priority area, with some SHAs deciding to focus on the diffusion of proven ideas over the development of conceptual ones. In some circumstances, encouraging early-stage ideas allows room for the ideas to breathe and grow organically. In contrast, one SHA chose to look more closely at projects focusing on innovative methods of diffusion rather than innovative products or services themselves.

Policy

A third method of defining a strategic focus to encourage more targeted applications is by setting policy parameters. This method is generally broader as it could appeal to national policies, such as the QIPP agenda, or to regionally-defined strategic frameworks.

2
Call structure

When structuring the call for innovations, three strategies can be used to deliver a strong portfolio of applications and to maintain a focus on fostering innovation. By choosing to employ a staged process, running concurrent funding streams or releasing funding in rounds, a funder can tailor the approach to match the resource levels available and facilitate the submission of high quality applications.

Key points

Three strategies can be used to structure an innovation fund and help **raise** the **quality of applications**

—

Stages, streams and rounds can help filter applications and support efficient use of resources, as well as ensuring that the strongest applications with the best fit receive funding

> There are a variety of ways to structure funding to get the strongest applications with the greatest potential.

Stages

A staged application process involves two or more phases, as shown in Figure 2. The initial stage normally comprises a short, simple application, used to narrow down general project concepts to a shortlist of the most interesting with the largest potential for success. A secondary stage is then conducted, involving more in-depth and specific questions.

One benefit of this process is to remove barriers to initial applications, promoting a richer, broader cross-section of ideas from a range of applicants. A shorter, briefer application format reduces the time required to complete the first filter. Projects

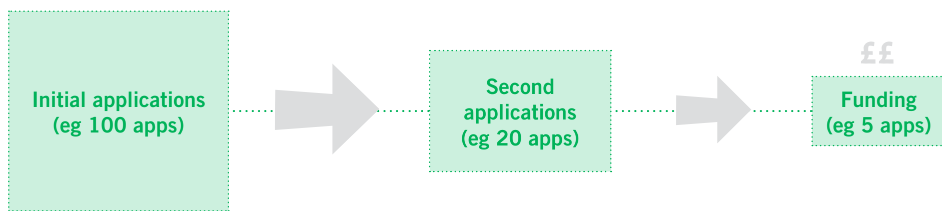


Figure 2: Staged application process

with less potential can be filtered out in this initial stage. Funder time and resources can then be dedicated to more in-depth analysis of a smaller number of applications with the greatest potential.

Stage-gating

An alternative method of running a staged application process is through stage-gating, as shown in Figure 3. In this approach, a large number of innovations receive small grants to support development to the next stage. Those that successfully pass through a stage gate, by meeting a set of specific, pre-agreed criteria, receive additional funding. The criteria relate both to potential impact and feasibility, and expectations are raised at each stage gate. At each successive stage the number of innovations is whittled down and the level of funding for those remaining is increased. At each stage in the process, each innovation receives not only finance but also expert support to increase the chances of success.

The main advantage to this method lies in risk management for the funder by making a series of investments in a particular innovation, with each successive investment getting larger, subject to the innovation successfully meeting the criteria for the next stage gate.

Streams

Running competitions on concurrent funding streams may also help achieve strategic priorities (see Figure 4). Streams can be value-based, awarding different amounts; or category-based, awarding the same amount to successful projects in different clinical pathways or priorities.

By providing differing levels of awards, innovative ideas can be encouraged at all stages in the innovation process. Often, micro amounts of money (up to £5,000) provide the time or kit required to prototype ideas still in the early stages of development. Larger sums should

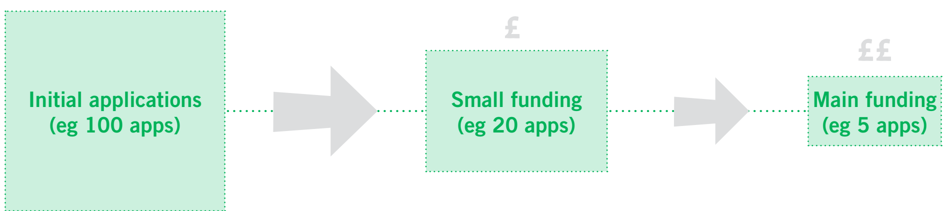


Figure 3: Staged-gated application process

be used to affect systemic change – taking forward proven concepts that have the potential for long-term viability, sustainability and cross-regional diffusion.

Rounds

Staggering funding in a series of rounds can be an effective way of managing large funds and creating an effective feedback loop from earlier rounds to inform later ones. By running subsequent calls, or rounds, learning gathered in the initial round can be used to implement changes to your process, which will increase the calibre of applications received (see Figure 5).

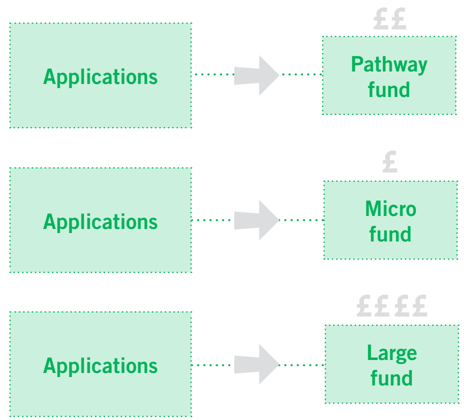


Figure 4: Funding in streams defined by clinical pathway or amount available

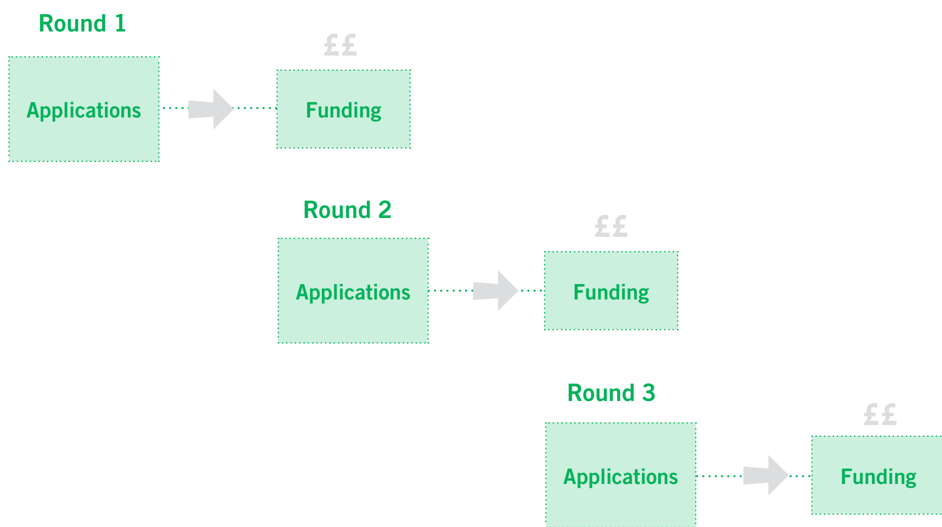


Figure 5: Funding in rounds

3
Applicant support

Every good idea can only be recognised and rewarded if its story is well-told. In order to foster strong proposals, support for applicants should be provided as much as possible before, during, and after an application has been submitted.

Pre-application support

Holding an information session with potential applicants before they enter the process can prove useful in communicating the strategic focus, and can increase understanding of innovation.

Pre-application support can help projects become more ambitious and encourage more radical and innovative ideas. The objective at this stage is to allow projects to think through their goals and modify the project structure.

Key points

To **foster strong** applications, **support to applicants** can be provided before, during, and after an application is submitted

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Events, workshops and **feedback** at key stages are the main tools available to help support applicants and raise the quality of submissions

This support should include both procedural support as well as support in crafting the application and a reminder of issues to consider.

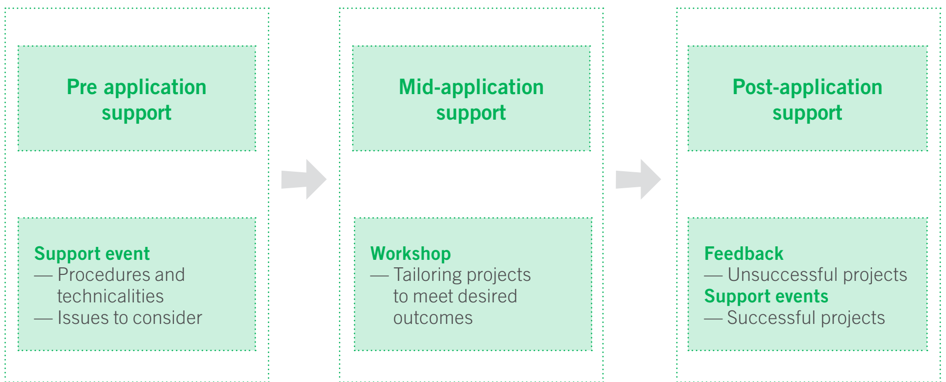
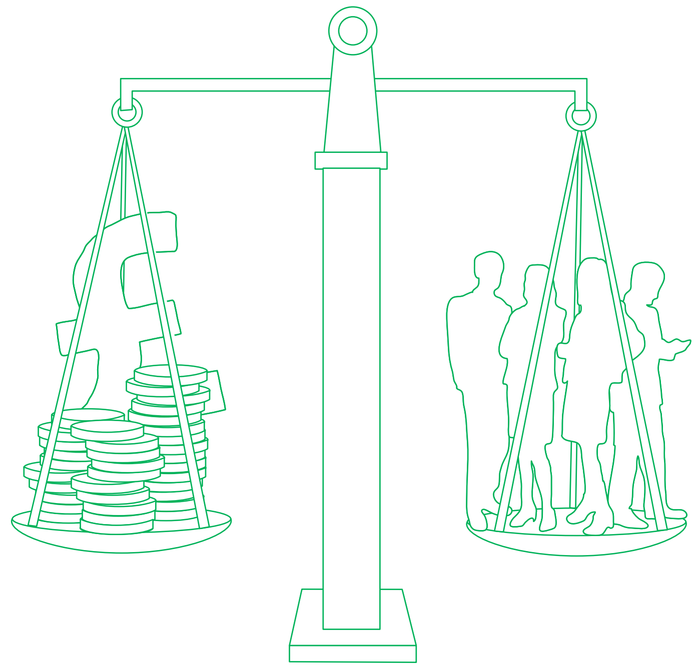


Figure 6: Application support mechanisms



In terms of procedural support the following topics should be covered:

Overview of the fund
— what the aims of the fund are
— why they are being administered
— where the money is coming from
— how it is meant to be spent

Strategic focus
— what the chosen focus is
— why it was chosen
— how it will affect long-term impact

Expectations
— Application length, detail, focus, etc
— Process
— Timeline
— Decision-making criteria
— Post-award procedure
— Post-award commitments (mandatory attendance at support events, etc)

> Helping applicants tell the best possible story they can is a key part of understanding and therefore selecting the strongest applications. Don't be frightened to offer help at this stage before any awards have been made.

In terms of guiding the content and direction of applications, applicants should be made aware of the following:

— Peer networks of innovators and deliverers are key sources of support
— Ensure innovators are not over-committed to other priorities – carving out time to focus on developing innovations is crucial
— Innovative ideas are often amended and changed as they develop. Taking a staged approach to planning, development and reflection will enable projects to learn and adapt ideas quickly to build a case for further growth and support
— Innovators can be over-whelmed by too much money too soon – advice and seed capital help most when defining and proving a promising idea
— Support for innovation is needed from all levels within the organisation. Senior level buy-in matters to innovation, but middle managers will be needed to help operationalise a new service, and front line colleagues must be enthusiastic

Mid-application support

If the application process is staged, there is an opportunity to work closely with shortlisted projects to ensure they are able to fully articulate the case for their projects. If a Dragons' Lair-type event is to be held at a later stage of the project, pre-event training in communicating effectively is useful to ensure that interesting proposals do not get overlooked due to poor skills.

If resources allow, a workshop with shortlisted projects before a secondary submission can strengthen final applications. Investing in support at this stage can help encourage more strategically focused and tailored projects.

Post-application support[5]

For successful projects, post-application support in all aspects of project management should be provided and considered a mandatory and contractual obligation for projects accepting capital from a fund.

For unsuccessful proposals, feedback is helpful where possible and practical, helping to manage applicant expectations and building innovation capacity and understanding. An applicant should be informed of strengths and weaknesses in order to aid them in redesigning their project or rethinking their idea. Projects find it most useful if feedback contains specific examples and points.

[5] See *How to design and deliver support to innovations*

4 Process

Once a clear, strategic focus has been agreed, the structure debated and the applicant support designed, a well-defined process for fund delivery should emerge (see Figure 7).

Timeline

A timeline for the entire process should be set out at the start of the project, and should allow ample time for decision-making and potential delays. Ownership of each aspect of the process should be assigned and deadlines enforced.

Key points

An **optimal application process** follows a clear and logical **timeline** including strategic focus and pre-, mid- and post-application support

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Marketing the application process effectively is critical to ensuring a high response rate of relevant and quality applications

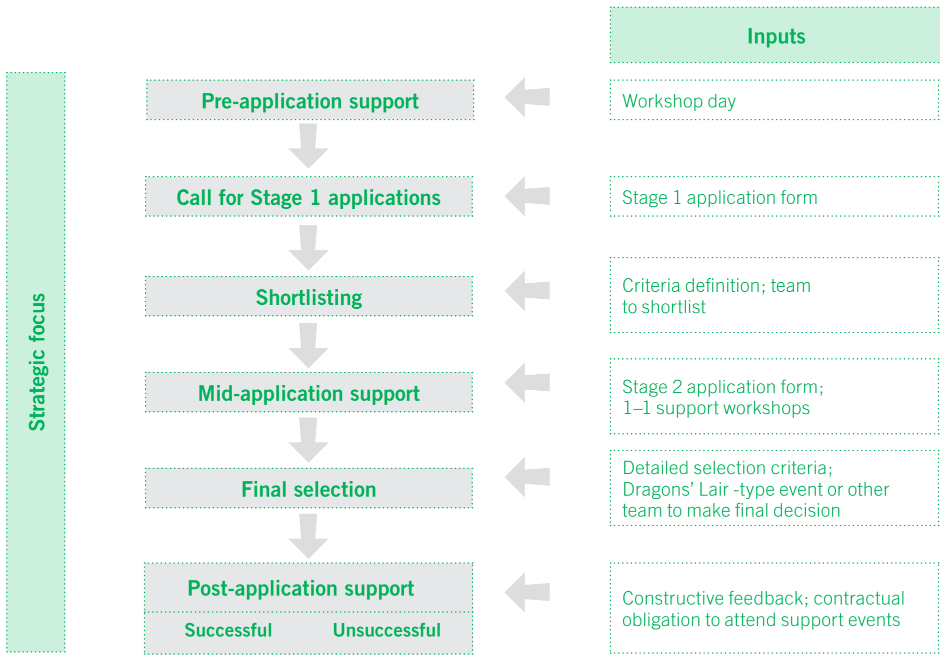


Figure 7: Optimal application process

The timeline for the application process should be made explicit in any communications with potential applicants. A simple, clear timeline should be available online and include the overall funding decision and fund release timing.

Application forms

Application forms should be designed in advance of the fund opening and structured to extract crucial information. Information headings can include some or all of the following:

- details of lead applicant individual, organisation and any partners
- project title
- project summary (max 200 words)
- innovation stage (early, late or intervention, adoption, diffusion or all)
- innovation type (product, service or both)
- clinical pathway alignment
- problem addressed
- detail of innovation
- evidence base
- strategic fit
- implementation plan
- measurement and evaluation plan, including outcomes and expected impact
- overview of team composition and expertise
- key risks and mitigation plan
- plans for scalability and diffusion
- sustainability, post-funding
- stakeholder involvement and governance
- preliminary return on investment (ROI) assessment

Sample application forms can be found in Annex 1.

Marketing

The success of an application process depends largely on targeting the right people, in the right way, with the right information. To ensure reach to all relevant target audiences, it is helpful to map who the fund is trying to reach and which communication approaches will work best.

First, ascertain the resources available including budget, skill set and networks. Designing posters, hosting information sessions and advertising in medical journals can include direct costs or indirect staff and internal costs.

Next, develop key messaging on who, what, why, how and when to attract and inform your audience. Producing succinct, reader-friendly e-flyers, website information and e-newsletters can be the most cost effective and far reaching approach to disseminating primary information to potential applicants.

To support this awareness strategy, plan for printed material to be made easily available at points of interest, known as points of access, to each target group. This could be hospitals, seminars or community offices. Simple, punchy pamphlets work best with a strong ‘hook’, i.e. a bold statement that draws in the reader. Similarly, web content should be creative and user friendly. Relevant, bold images help to achieve these goals – along with consistent messaging should come consistent images.

Key points

An **equitable and robust** method of **evaluating** applications should be based on a scoring framework, which incorporates several key considerations

—

Interviews at the final stage of the application process can help determine the skills of project leads and the likely success of projects

5

Decision making

When dealing with large numbers of applications, ensuring an equitable and robust method of evaluation is important to achieving high quality awardees. This stage can be both resource-intensive as well as subjective, so developing a clear evaluation and selection standard early on in the process is essential.

The primary methods employed in the selection process are:

1. A scoring framework
2. Interviews – one-on-one, assessment panel, Dragons' Lair-style

The complexity of the decision-making process will depend on the size and nature of the fund. For smaller awards, a selection framework should suffice, and larger awards (over £20,000) can be taken through both a selection filter and interview process.

Method: scoring framework

A tailored scoring framework should be developed to standardise the criteria against which all applications will be judged. A panel of adjudicators should be assembled, and clear instructions on what to look for should be provided; in addition, give specific consideration to the strategic focus of the call. It is preferable (resources allowing) to assess each application by two or three separate adjudicators, then average the scores. If there is significant variance between adjudicators on an application then this should be investigated and agreement reached.

A scoring framework can be used to draw up a shortlist of applications and designed to filter out applications. Care should be taken when scoring projects over multiple criteria as overall scores may not differentiate exceptional projects with a few weak aspects from average or below-average projects (Figure 8 illustrates this point).

Two scoring frameworks are included in Annex 3: the first, a general tool for selection of health innovations; the second, a more focused tool based on the needs of fund managers to incorporate the QIPP agenda.

[Plan selection and scoring frameworks and procedures in proportion to the size of funds being awarded. Avoid being too labour intensive for small awards.]

Method: interviews

The importance of meeting project leads face-to-face should not be underestimated. This can be in the form of an individual interview, assessment panel, or a Dragons' Lair-type event. Meeting project leads helps convey a better understanding of both their abilities as well as the project itself. It is also helpful to have the opportunity to ask specific questions relating to implementation or sustainability, or to challenge some assumptions presented in the paper application, providing helpful insights into the potential value and future success of the project.

In some instances, a Dragons' Lair-type event, where applicants pitch their projects to a live panel of experts who then pose relevant questions, has been used as a final stage. It is essential that the people acting as 'Dragons' have enough business expertise and clinical knowledge to ask pertinent questions relating to both the long-term financial and non-financial impact of the projects.

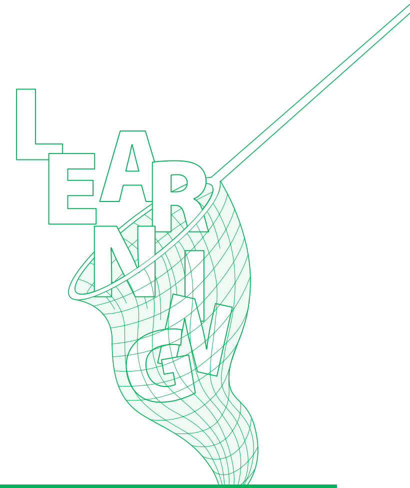
The advantages to this method are that weaknesses in project applications become immediately apparent and, regardless of outcome, project leads walk away with a fresh perspective on their ideas. The disadvantages are that great ideas are obscured by applicants with weaker presentation skills.

Pitches can also be recorded on video if possible in order to provide greater detail in feedback to applicants and project development opportunities.

	Project A	Project B
Strategic fit	3	2
Innovativeness	3	2
Implementability	0	2
Final Score	2	2

0=low, 3=high
Two projects, A and B, are assessed and both score an average of two out of three. On first look they might be considered equal; however on closer inspection, without specific support around implementation, project A would be potentially unworkable.

Figure 8: Scoring framework – beware the average



6 Capturing the learning/re-design

At the end of the application process, there will be much to learn from what has gone well and what has not gone as well. It is very important to capture this learning and to incorporate any strategic changes into your next call.

An ideal way to gather these insights is to use the structure of this guide to shape feedback to key stakeholders. All stakeholders involved in the application process should be involved, including applicants, adjudicators and funders.

Key points

At the end of the application process the **learning acquired** can be **captured** to help improve future calls for funding

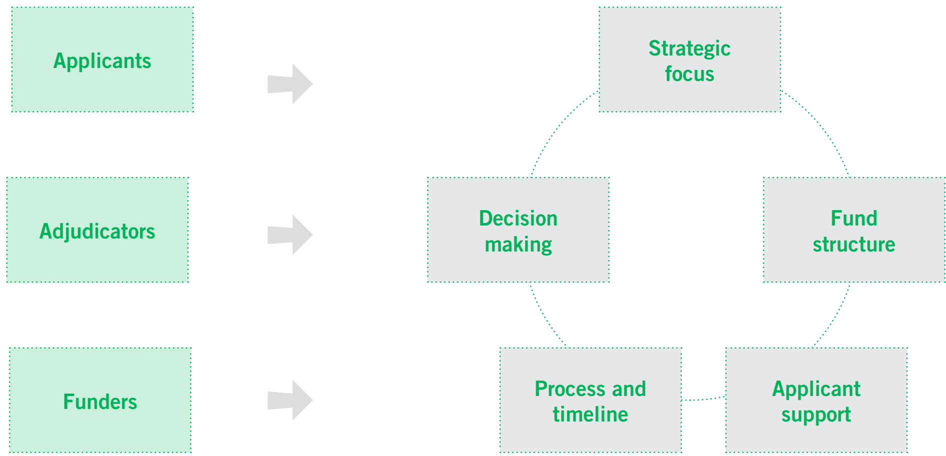


Figure 9: Capturing the learning

Some of the key questions are included in the table below.

Area	Questions
Strategic focus	Was the focus appropriate? Was the focus clearly communicated? Were strategically aligned innovations received? How can the focus definition be improved?
Fund structure	Did the fund structure encourage innovation? Were the amounts of money available comparable to the needs of the applicant community? Should we incorporate stages, streams or rounds?
Applicant support	Was the amount of support provided adequate? Was it useful? Too much? Too little? Did it result in stronger applications? Did it result in stronger projects? How can the support provided be improved upon? What information was missing?
Process and timeline	Was the timeline adequate? Was there enough time for submissions and judging? Was the process transparent? Were enough applications received from a wide enough network? How many hits did the website get? Was that too little? Too many?
Decision-making	Did the strongest applications succeed? Were the criteria transparent and equitable? Did the process make efficient use of resources?

Figure 10: Post application process feedback model

Annex 1
Example – template application form

Innovation Fund Application 20XX/20XX		
Part 1 – About the applicant		
Name		
Email		
Phone number (Must provide at least one contact number)		
Position		
Employing organisation		
This application is from (Tick which applies)	An individual Please detail:	
	A team Please detail:	
	An organisation Please detail:	
	A partnership Please detail, including roles of partners:	
Part 2 – About your project		
Project title	Provide a succinct project title that explains the overall aims	
Project outline 200 words maximum	Describe the project's objectives, timescales and principal activities	
Is your innovation at the	Early stage: Idea, invention, design, initial assessment, proof of concept, demonstration	Y / N
	Late stage: Development, evaluation, adoption, implementation or diffusion	Y / N
	Please explain (60 words maximum)	

Is your innovation a	Product	Y / N
	Service	Y / N
	Both	Y / N
To which of the eight Darzi priority clinical pathways does your project most closely align? (choose as many as necessary)	Maternity & newborn care	Y / N
	Children's services	Y / N
	Staying healthy	Y / N
	Long-term conditions	Y / N
	Acute care	Y / N
	Planned care	Y / N
	Mental health	Y / N
	End of life	Y / N
	Other	Y / N
Problem (200 words maximum)	Describe the current situation and why a solution is necessary.	
Innovation (200 words maximum)	Describe how the project is new and has the potential to deliver radical innovation that can transform services quickly rather than incremental improvements.	
Evidence base (200 words maximum)	Please summarise the evidence on which your project is based – e.g. identification of need, research background, viability of the innovation.	
Strategic fit (200 words maximum)	Explain how the project aligns with the strategic goals of our organisation.	
Implementation plan (200 words maximum)	Detail timelines, key deliverables, project management arrangements and milestones.	
Measurement and impact (200 words maximum)	Detail the measurable impact on outcomes that the project will have in terms of quality, productivity and prevention for commissioners, providers, patients and staff, when these will be realised and the metrics you will use. Also outline the baseline case and what you intend to identify as success factors of your project.	

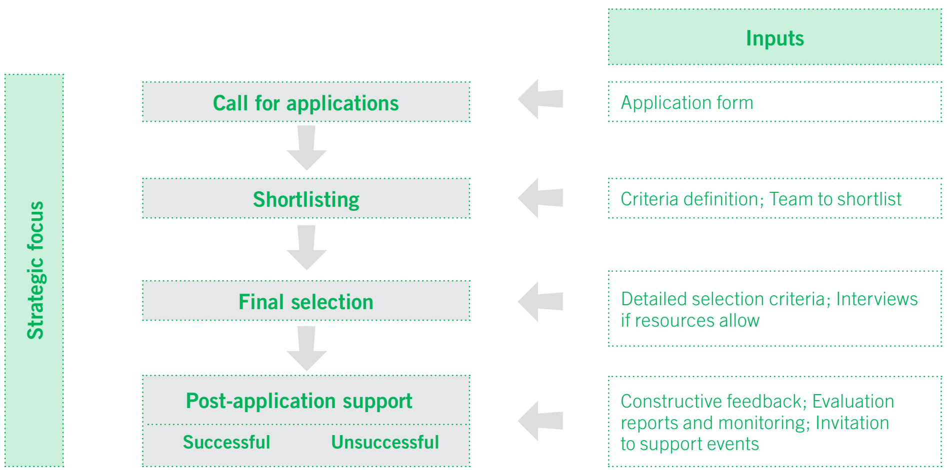
Project team (200 words maximum)	Describe you and your team's capacity and capability to deliver the project, including past experience.	
Risk and mitigation plan (200 words maximum)	Tell us about the risks to the successful delivery of your project and how you will manage these. Through the fund we will enable appropriate risk-taking, in order to achieve a step change in quality and improved outcomes.	
Risk and mitigation plan (200 words maximum)	Please summarise the evidence on which your project is based – e.g. identification of need, research background, viability of the innovation.	
Scalability and diffusion (200 words maximum)	Explain the potential of your project for replication, adaptation or adoption regionally and nationally.	
Sustainability (200 words maximum)	Describe how your project will viably continue after RIF funding stops, including other funding already identified.	
Stakeholder involvement and governance (200 words maximum)	Explain how your project has, or has planned to, involve key stakeholders in the operations as well as the promotion of your idea. This may include the formation of multi-dimensional steering groups, as well as involving future commissioners in the planning and execution of your project.	
Part 3 – About your funding requirements		
Funding requested (£)		
Detail what the funding will be used for (200 words maximum)	We are looking for evidence that you can deliver the completed project within budget and that you have researched and planned your costs in detail.	
Contributions from other sources	Source/s	Amount (£)
Total project funding (£)		
Return on investment (200 words maximum)	Please include an estimate of the return on investment.	
Do you require other support (200 words maximum)	Please describe any other support you feel you need e.g. ideas or business case development, evaluation, innovation expertise.	

Annex 2
Running a small challenge fund (£5,000 and less)

Running a fund with small amounts of money will invariably result in a less efficient use of resources. For this reason, it is important to keep the process as simple as possible and ensure that decision-making is clear and quick.

What remains important is an initial estimate of ROI, as well as an implementation plan and timeline. A robust plan for the measurement and evaluation of outcomes is quite crucial as well, in order to ensure that the funds are not misspent.

Micro amounts of funding, up to £5,000, are most often used as capital expenditure to purchase key machinery or tools. It is less important, therefore, to critically analyse the full team background, partner organisations and long-term sustainability strategies.



Annex Figure 1: Challenge fund process

Annex 3
Example – scoring frameworks

This is a generic scoring framework designed for the Department of Health by The Young Foundation to assess health innovations across 10 characteristics, covering innovation, quality, implementation and cost-effectiveness. Each is assigned a score between 0 and 3. Care must be taken when averaging the scores to come to a final total to ensure there are no major hurdles that produce a score of 0, which might render the project unworkable.

Health Innovation Assessment Tool	Poor performance (score = 0)	Excellent performance (score = 3)	Score (out of 3)
A) Innovation – ambition & urgency			
A1) Ambition	Not likely to have much impact on the agenda	Likely to promote very substantial change	
A2) Urgent priority issue	No particular urgency or priority to address the issue in an innovative way	Key priority area with an urgent, innovative response greatly needed	
B) Quality			
B1) Improved short-term health	No improvement on what's there already	Excellent at reaching vulnerable groups with unmet needs and/or has much greater effectiveness than current approaches	
B2) Satisfaction with service	No improvement on what's there already	The proposal is radically better than existing methods, moving up two points out of ten or more	
B3) Creates wider social value (see sheet 'Wider')	No substantial direct impact on public agendas apart from health issues & little scope for direct economic benefits	Promotes major improvement in outcomes of other key agendas (cohesive, safe, prosperous, well educated communities) and/or major economic benefits	

Health Innovation Assessment Tool	Poor performance (score = 0)	Excellent performance (score = 3)	Score (out of 3)
C) Implementation			
C1) Stakeholder engagement and buy-in	Adopted without reference to wider stakeholders	Substantial staff/ community/public enthusiasm for taking forward the innovation, building on previous successful engagement	
C2) Risk management	Risks of project not well understood	Risks for the innovation are well controlled	
C3) Management	No record of delivery in this space; or ineffective way of working, with inflexible, silo-based approach and mixed reputation with peers	Good track record on project so far, backed up by previous strong record of delivery by core team and partners in the field	
D) Cost-effectiveness			
D1) Financial savings	Limited impact on costs and/or quality is significantly lowered	Major cost savings (20% plus) while maintaining outcomes and not cost-shunting	
D2) Supports longer-term savings through prevention approach	No or very little limited impact on prevention angle	Major advance in one or more of accident prevention, alcohol, check-ups, diet, drugs, exercise, smoking, social connections – or key local target	

The second example framework is an evolution of the first, but centred around the QIPP agenda and in addition implementability. This framework has been used by The Young Foundation to assess RIF projects across the 10 SHAs.

QIPPI	Low score (0)	High score (3)	Score (out of 3)
Quality			
Improved outcomes and safety or prevent adverse events?	No health benefits, no increased safety, no change to adverse events	Improvements in safety, HAIs, reduced prescribing errors, improved compliance	
Improve patient experience and outcomes (patient, carer, family)	No improvement in patient experience or outcomes to any stakeholders	Positive patient feedback, fewer re-admissions, reduced length of stay, quicker back to work/home, better quality of life	
Generate social value and sustainable communities	No impact on wider social environment and communities	Improved social networking, mutual/peer support, community resilience	
Innovation			
To what extent is the innovation already in use?	Small localised innovation which may need to be pulled up through incubator	Scope for change through system/product/ process transformation	
Is there good evidence that it work – or is it at least plausible?	No evidence or indications that this will achieve proposed impacts	Strong evidence from previous evaluations to support approach – or plausible that it will achieve system/product/ process transformation	

QIPPI	Low score (0)	High score (3)	Score (out of 3)
Prevention			
Increases "healthy" and/or independent life expectancy (through lifestyle change)	Does not impact on health in the short term	Increases length of "healthy" life and/or independence	
Productivity & cost effectiveness			
Productivity gain non-cash releasing)	Does not improve productivity or cost effectiveness	Achieves significant increase in productivity or cost effectiveness	
Scope for change and scale of cash released	Innovation does not provide a step change in current provision or release a significant amount of cash relative to project funding	Forecast that innovation will achieve significant step change and cash releasing potential, many times greater than original project funding	
Implementation			
Speed of implementation	Change not likely to be visible within 3 years	Change likely to be visible within at least 1 year	
Transferability/ adaptability to a new context	Change limited to original location/sector/context	Change can be applied within multiple locations/ sectors/contexts	
Scalability to target population	Not possible to scale beyond original intervention patient group or population	Possible to scale and diffuse to at least 80% of target patient group or population	

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 principals 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