more than good ideas: the power of innovation in local government
Improvement and Development Agency for local government (IDeA) works for local government improvement so councils can serve people and places better.

We use experienced councillors and senior officers, known as peers, who support and challenge councils to improve themselves.

We enable councils to share good practice through the national Beacons scheme and regional local government networks. The best ideas are put on the IDeA Knowledge website.

Our Leadership Academy programmes help councillors become better leaders so they can balance the diverse demands of people living in the same community.

The IDeA also promotes the development of local government’s management and workforce. We advise councils on improving customer service and value for money. And we help councils work through local partnerships to tackle difficult problems such as crime and poor public health.

The IDeA is a member of the LGA group, comprising of five partner organisations who work together to support, promote and improve local government. It is owned by the Local Government Association and belongs to local government.

www.idea.gov.uk
The National Beacon Scheme recognises and rewards excellence and innovation by statutory authorities in delivering public services. Now approaching its 10th year, it is a self-sustaining - and major - component of local government’s own toolkit for transformational change and improvement. The scheme is delivered through a three-way partnership between the department for Communities and Local Government (sponsor and funders of the scheme), an Independent Advisory Panel (appointed by the Minister, currently chaired by Marianne Hood OBE), and the IDeA (which administers and delivers the scheme, provides the Secretariat for the Advisory Panel, and implements the development of the scheme). Despite its maturity, its popularity with local authorities continues unabated, and it has been identified in independent research by Cardiff, and Warwick Business Schools (2003, 2006 respectively) as a major tool for local government improvement.

Showcasing and sharing their own excellence and innovation, Beacon authorities transfer learning and offer non-judgemental peer-to-peer support for improved outcomes to people and places.

www.beacons.idea.gov.uk

NESTA is the National Endowment for Science, Technology and the Arts - a unique and independent body with a mission to make the UK more innovative. We invest in early-stage companies, inform and shape policy, and deliver practical programmes that inspire others to solve the big challenges of the future.

The Lab, a new initiative from NESTA, is helping to make the UK’s public services fit for the 21st century. It provides flexible capital and expertise for bold, practical experiments delivered in partnership with those who run and use our public services. It shares what works and helps build the conditions in which radical new ideas can take hold.

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foreword
Lucy de Groot CBE - Executive Director, IDeA
Jonathan Kestenbaum - Chief Executive, NESTA ...........................................11

introduction
Sophia Parker ...........................................................................................................14

section one: innovating services for better outcomes

collaboration and innovation: Oldham and In Control
Veronica Jackson - Executive Director, Adults and Community Services,
Oldham Metropolitan Borough Council
Dr Simon Duffy - CEO, In Control Partnerships.............................................. 23

the role of innovation in transforming education in Knowsley:
sustaining radical innovation in challenging circumstances
Mike Rees - Head of Policy and Strategy,
Knowsley Metropolitan Borough Council
Damian Allen - Executive Director of Children’s Services,
Knowsley Metropolitan Borough Council
Valerie Hannon - Director, The Innovation Unit.............................................. 31

innovative approaches to reducing re-offending
Anton Shelupanov - Young Foundation.......................................................... 39

taking on the difficult issues:
Burnley’s good relations programme
Steve Rumbelow – Chief Executive of Burnley Borough Council
Mike Waite – Head of Community Engagement and Cohesion,
Burnley Borough Council .............................................................................. 47
users as producers: innovation and co-production in Camden
Rebecca Harrington - Assistant Director for Strategic Planning and Joint Commissioning, London Borough of Camden
Josh Ryan-Collins - Researcher, nef ........................................................ 55

innovation and the discovery of new public services:
communities and climate change
Peter Capener - NESTA Principal:
Climate Change and Communities .........................................................63

section two: creating the conditions for innovation

people’s lives as sources of innovation:
the story of the Social Innovation Lab for Kent (SILK)
Peter Gilroy - Chief Executive of Kent County Council
Sophia Parker - Founder, SILK..........................................................73

a new relationship between the council and its residents:
Barnet’s approach to innovation
Councillor Mike Freer - Leader of the London Borough of Barnet
Richard Grice - Director, London Borough of Barnet’s
Future Shape of the Council Programme.................................................81

Hull: catching the next wave — the need for innovation
Councillor Carl Minns - Leader of Hull City Council
Kim Ryley - Chief Executive of Hull City Council ..........................89

innovation in partnership working
Councillor Sir Richard Leese – Leader of Manchester City Council
Barbara Spicer - Chief Executive of Salford City Council .....................97
civic leadership and public service innovation
Robin Hambleton - Professor of City Leadership, University of the West of England, Bristol and Director of Urban Answers

section three: an ‘innovation infrastructure’ for local government?

the missing middle
David Albury - Board Director, Innovation Unit
Geoff Mulgan - Director, Young Foundation

Improvement East: supporting innovation in the East of England
Cecilia Tregdet - RIEP Director, East of England
Lucy Ashwell - Improvement East Programme Manager

excellence and innovation: reflections on innovation from 10 years of the Beacon Scheme
Councillor Angela Cornforth - London Borough of Greenwich and Member of the Independent Advisory Panel for the Beacon Scheme
Ruby Dixon - IDeA Head of Programmes (Beacons)

planning from real: how to unblock intractable problems by innovating from the bottom up.
Including a case study on Southwark Circle
Rowena Young - Programme Director of Social Innovation and Finance, NESTA
As we set out to commission the essays in this pamphlet, it felt to us as if innovation had never been more prominent in debates around public services and local government. From the shape of the new performance framework, to the National Improvement and Efficiency Strategy, from the government commitment to a Public Services Innovation Lab to the newly defined remit of the Regional Improvement and Efficiency Partnerships, we could see that innovation is fast moving from being something of a ‘buzzword’ to occupying the heart of the UK’s public policy agenda.

That was in early summer 2008. Since then, the global financial crisis and deepening recession has painted a gloomy picture for local councils. Managing what were already impossibly tight budgets in a period of recession is not a challenge many of us would relish. The pressure is on for all parts of government to deliver significantly better outcomes, for significantly lower costs. Local government is on the front line for these issues, with the pressure of council tax so visible to the public.

In this climate, the need to innovate is more important, rather than less so. The risk is that we see innovation as ‘soft’ work, all about creative workshops, generating ideas, and making everyone feel good about themselves. Far from it. The essays in this publication bear testament to the impressive work of many councils who are taking innovation very seriously, and searching for new approaches to some of the most challenging issues they face. This is difficult, uncomfortable work that requires a high degree of energy and bravery.

As many of the contributions here remind us, such work is often undertaken in a culture and policy framework that mitigates against disruptive innovation. Despite local government’s significant role in achieving the necessary step-changes in both public service outcomes and expenditure, the sector still lacks the necessary infrastructure – the investment, support, methods and relationships – to focus its innovative work in any kind of systematic way. We believe this kind of focus will be critical to local government’s capacity to fulfil its role as a leading voice for innovation in the future.
That is why the IDeA, the Beacon Scheme and NESTA are all working hard to lay the foundations of that infrastructure. Over the course of this year, the IDeA has invested in the Innovation Catalyst programme, delivered in partnership with the Young Foundation and the Innovation Unit. It is designed, in the first instance, to support four councils to generate innovations in the field of youth crime. As well as this practical, focused work on the ground, we have used the opportunity of this programme of work to learn more about what is needed to support local councils wishing to play a proactive and pioneering role in tackling critical social issues. We are supporting a range of other similarly innovative initiatives. Amongst others, these include the Local Wellbeing project (in collaboration with the Young Foundation and the LSE), where we are testing out applied proposals to improve well-being and resilience in three local authorities, and the Leeds Leadership Programme, where we are working with Leeds City Council and other partners to develop an innovative leadership development programme around children’s services.

Similarly, NESTA has been preparing for the launch of the Public Services Innovation Lab, which goes live in the spring. The Lab will provide the freedom, risk capital and expertise to undertake radical experiments – injecting fresh thinking and an opportunity to trial bold new ideas. It is not a physical space or an institution – it’s a series of practical projects, informed by research and delivered in partnership with those that run and use our public services. It will share lessons about what works - and what doesn’t - and create opportunities for people to solve problems together.

We recognise that government alone can’t provide the answers. So, the Lab will combine the experience and ingenuity of the public, private and third sectors, and draw on the insights of citizens and consumers, playing a vital role in helping make public services fit for the 21st century. That said, local government must and will play a key role in its development. Local authorities are essential sites for these practical trials, and we are looking forward to identifying our partners for our first programme of focused work, on the issue of the ageing population and public service provision.
We hope that you enjoy this collection of essays, and that you find as much in here to inspire you as to challenge you. We believe it demonstrates that there is an impressive amount of innovative activity across local government. Despite the depressing state of the economy, members and officers are ready and eager to respond to what can only be described as a daunting set of challenges. The commitment we make in publishing this pamphlet is that each of our respective organisations will do all we can to support, encourage and enable local government to play its full role as a leading voice when it comes to innovation across public services.
In their foreword, Lucy de Groot and Jonathan Kestenbaum outline why innovation is so critically important for local government. Recession coupled with shifting patterns of demand and growing pressure on public services, mean that the sector is going to need to play a pro-active role in achieving significantly better outcomes, for significantly lower costs.

One response to this dual challenge of better outcomes and lower costs would be to retrench and focus on ever greater efficiencies in the quest to make the figures add up and to ensure that limited resources can go further. Of course, efficiency and productivity are both deeply important issues. But in themselves, they will not be sufficient to meet the changing and increasingly complex issues that government is now expected to tackle.

If the pressure on budgets is growing, so too is the pressure on local government to tackle a wider range of issues than ever before: where current policies are not working well enough (for example youth crime, cutting carbon emissions or public health), or where new issues are emerging that have not been on the agenda in the past (for example an ageing population, childhood obesity).

All of these problems share one characteristic: they are defined by an uncertainty about what works. In other words, there is no best practice that exists and can simply be shared – instead the local government sector needs to develop next practice: it will need to innovate in order to achieve better outcomes.

Local government leaders and politicians probably know this better than anyone. As the sector has grown in confidence over recent years, an increasing number of councils are recognising that slicing existing budgets ever more thinly is not enough in today’s world, and that competition and outsourcing alone will not do the trick. An altogether bolder approach is needed, focused on searching out, incubating, and sustaining much more radical and game-changing innovations.

This shift in mindset can be illustrated by imagining the difference in tactics one might use depending on whether you were told to shave 2 per cent of your budget every year for 10 years, or to strike 25 per cent of your budget off the balance sheet in a single year. In the second scenario, your options necessarily become more radical. And, given the nature of the problems
public services are now facing, this second mindset is the one that we need to adopt when it comes to issues such as climate change, social care or public health.

So does local government have the right attitude and skills for the difficult times ahead? Is the sector ready to face new demands with the energy and determination that will be required?

Despite a long history of fostering radical innovations, there are a well-documented set of barriers within local government and other parts of the public sector. These include: a pressure for compliance and risk avoidance, rather than innovation and risk management; a poor connection between insights from the front-line and policy work; a difficulty in finding ways to ‘export’ innovations from local contexts. Many senior staff note the need for a new kind of leadership to stimulate innovation - acknowledging that too often, innovations have the feel of a ‘happy accident’, driven by entrepreneurial individuals who don’t take no as an answer.

The essays here show that despite these inhibitors, the sector is already showing signs that the seeds of its new role in driving nationally relevant innovation have taken root. It is easy to write about the importance of innovation in today’s context, but it is far more inspiring to explore how people are putting such words and arguments into practice. Looking across all the essays collected here, we can see three distinctive but equally important roles that local government can and should be playing when it comes to innovation:

- **Local government as the driver of local innovation.** While this publication is primarily concerned with the role local government can play in fostering innovation in public services, councils also have a unique role as supporters of innovation that is focused on business development, place-shaping and regeneration. As Barbara Spicer and Councillor Richard Leese describe in their essay, the Association of Greater Manchester Authorities are demonstrating in practice what this could look like. By creating Innovation Manchester, AGMA and its partners (including, amongst others, the Manchester Enterprises and NESTA) are mobilising resources
in new ways, and creating a step change in the pace at which the city-region can adapt to changing circumstances, new ideas and fresh opportunities.

How would things look if all councils were as entrepreneurial as Manchester in seeking to build new businesses, products, services and partnership to improve their local area?

• **Local government as a constructive disruptor.** Whitehall sends out many well-intentioned requests and exhortations to local government leaders about innovation. But as Mike Rees, Damian Allen and Valerie Hannon’s essay about Knowsley’s experiences of the Building Schools for the Future programme shows, often it is people operating in local contexts, not Whitehall, who know most when it comes to what conditions, freedoms and flexibilities are necessary for innovation to take hold.

Do we think that there are enough channels for local government to play this role of critical friend currently? And who is prepared to listen – and even more importantly, respond – when councils are able to highlight examples of system failures and conflicting agendas?

The essays in this publication bear testament to the impressive work of many councils – and for every essay included here, there will be many other examples of equally exciting work going on. But local government’s future as a leading voice in public service innovation remains fragile. As Lucy de
Groot and Jonathan Kestenbaum argue in the foreword, part of the response to this fragility must be to strengthen and enhance the ‘infrastructure’ for innovation. Geoff Mulgan and David Albury explore this question further in the final section of this pamphlet. But there are other issues too, requiring further work and resolution, which are highlighted briefly here.

The first of these is the issue of language and contested meanings. There is currently no uncontested definition of what is meant by innovation, and often debates about the subject are clouded by abstract, technical language that feels a long way away from the realities of local government life. Innovation exists in many forms – organisational, technological, and social are the most current. As Councillor Angela Cornforth’s and Ruby Dixon’s essay on the Beacons Scheme describes, it has often been unclear in the past how innovation is distinct from improvement work, or from excellent star ratings. As the public sector begins to invest more in supporting public service innovation, these issues need to be teased out, in order that we can collectively understand the impact and effectiveness of attempts to innovate.

Related to this issue of language is the second outstanding problem – how we go about measuring the impact of new approaches. Current configurations of public services can make it hard to demonstrate the value of particular innovations. For example, an innovation designed to save costs in hospital care will often show up on the social care balance sheet, rather than that of the local Primary Care Trust. Rebecca Harrington and Josh Ryan-Collins’ essay on Camden’s work to measure the social return on innovation, and often debates about around providing preventative services, shows us both the importance of developing new frameworks for measuring costs and benefits, and the challenges in doing so.

Many of those challenges relate to a third issue that remains. Local government – indeed government at all levels – still struggles with managing risk in ways that don’t kill innovative ideas before they’ve even been tested. While audit, inspection regimes and targets can encourage and support positive changes, too often they can impede innovative practice. The reduction in reporting indicators, coupled with the new performance framework, offers the potential to improve this situation.
But on their own, this is unlikely to mitigate the culture of risk aversion. Of course, striking a balance between managing risk and encouraging experimentation will always be a tough task, but navigating this path needs to be at the heart of any public service manager’s role in the future.

The fourth challenge is directed at colleagues working in local government. Are councils doing enough to unlock the innovation potential of their citizens and their staff? Often in the past, the focus has been on the ‘push’ side of innovation – the development of a supply of new ideas. That is why, historically, innovation came to be associated with research in universities and in the ‘R&D’ departments of big business. Important though this ‘supply side’ is, it is only one side of the equation. The test for councils is whether they are doing enough to stimulate demand for innovation – unleashing the potential for new practices and ideas from a much wider range of sources. The essay I co-wrote with Peter Gilroy about Kent County Council shows the efforts to go beyond consultation, to engage citizens as innovators, this can be disruptive work that takes time and effort to get right.

The fifth challenge is similarly directed at local government leaders and their colleagues in other public service organisations. Many of the essays in this collection show how partnership working can be a key driver in unlocking innovation and modelling new approaches to service delivery, funding flows, and governance. But too often, collaboration is seen as a troublesome box to tick – or as one local government colleague bluntly put it, partnerships are little more than ‘the suppression of mutual hatred in pursuit of extra funding’. The nature of the social issues that we face means solutions will never emerge from one organisation alone. Innovations will require deep commitment to real partnership working, with all the messiness, arguments and uncomfortable moments that this will inevitably involve. Steve Rumbelow’s and Mike Waite’s essay on their work around conflict resolution in Burnley describes this challenge eloquently.

To conclude this introduction, I believe there are two essential conditions that are vital, if local government is to play a role in galvanising and supporting bold innovations around critical social issues. The first of these relates to time and focus. The most successful radical innovations are characterised
by key people holding their nerve, maintaining momentum, and staying ruthlessly focused on the outcomes they are trying to achieve – but over a period of years rather than months. As the essay from Knowsley shows here, the work to redefine their entire education system has unfolded over a decade – far longer than a political cycle and indeed longer than the time many people stay in their jobs. Unless we can be more honest about how long truly radical change can take, we risk investing in ‘easy’ innovations that do little more than tinker at the edges of existing services.

The second essential condition for innovation is that of political leadership and support. The biggest risk of innovation’s new place in the limelight is that such profile reduces it to little more than the next fad in the wave of managerial reforms that we are all so familiar with. We must not let this happen: our politicians at local and national level are essential partners in this work. As Robin Hambleton’s essay about Malmö’s incredible revival shows, politicians can play a powerful role in how particular issues are framed, articulating why they matter, and creating popular support for new approaches. When innovation is needed not only in how services are delivered, but also in the very relationship between citizens, professionals and the state, public service managers need the support and the engagement of politicians as well.

I hope that you enjoy the contributions within this publication. I would like to thank all the contributors here for their time, effort and good will in producing the essays amidst the daily demands and pressures of life in local government. Their pioneering work is an inspiration to us all.
The glory days of municipal government in the late Victorian period saw the sector leading the way when it came to providing services such as utilities, public parks and council housing. Today, despite a more centralised system of government, a number of councils continue to lead the way in designing wholly new services. This incubation role is one that local government is uniquely placed to take on, as the following essays show.

In this section, our contributors share their stories of attempts they have made to radically reconfigure existing services. Although their essays span a wide range of policy areas, there are some common themes. First, innovation can emerge from putting people, rather than existing services, at the heart of the work. In doing so, councils unlock a vast amount of informal, community based resources that can be drawn on alongside the resources of formal services. Second, innovation can come from ‘re-framing’ the issue. Often it is easier (and more pressing) to focus on delivery and implementation, rather than standing back and asking whether we have really understood the problem that we are trying to solve. And finally, for innovation with this level of ambition to be sustained, blood, sweat and determination, as well as skills in managing risks and complex projects, are all essential pre-requisites.
The social enterprise, In Control, started in 2003, when a small group of people came together to ask the simple but profound question: how would social care need to change if it started with people’s hopes and abilities, rather than existing services and needs assessments? Over the last five years, In Control has grown into a national movement. Oldham Council was one of the early adopters of their new model for ‘self-directed support’, and has continued to work with In Control to be at the forefront of the agenda to redesign social care for the 21st century.

The combined story of In Control and Oldham is a powerful tale of collaboration, where, as a partnership, our two organisations discovered a pathway to greater innovation - at every level. Together we have learnt about what it takes to support innovation at the level of the individual accessing support and services. We are proud of this work and the positive impact it has had on those individuals’ lives. However, our ambition is that our work benefits every single person who needs some extra help – so we need to do more than that. We are still learning about how to take this innovation at the level of the individual and use it to drive organisational innovation. And we are also beginning to use everything we have learnt to support and drive systemic innovation.

Local government is in a unique position to drive innovation at all three of these levels. As a service deliverer, it can innovate at the ‘interface’ between services and people’s lives. As a ‘place-shaper’, it can organise a range of services in new ways that have a greater impact on outcomes. And as a part of government, it must also recognise the role it has in helping Whitehall departments re-model entire systems of services – social care and health provision, benefits and income support, and so on. To be successful at all these levels requires leadership that blends creativity and agency with determination and drive.

**individual innovation**

Sally lives with an enduring mental health condition. She lives in the community but has frequently been hospitalised for long periods over the past 20 years and is reluctant to accept traditional care services. Sally has now successfully used her personal budget to design support that mirrors her lifestyle. She uses her money to hire a life coach who has designed a life-plan incorporating exercise, diet, positive thinking, spirituality, and a CD...
she can use in the privacy of her own home. She has joined a vegan cookery class to give her the skills to choose and maintain a healthy diet. Doing things her way has helped Sally stay positive and focused, reduce her weight and improve fitness, motivation and general well-being. Sally has broken out of the cycle of anxiety and depression that had become her norm. One outcome of this creative, flexible approach is that she has remained out of hospital for 18 months.

Sally is an innovator. She has, with support, found a creative alternative to the old forms of care that did not work for her. But Sally’s experience is still unusual. Most people who receive ‘social care’ or ‘health care’ find that they are offered fixed services that do not offer the control and flexibility that is central to crafting a good life for themselves.

Most of us take for granted our ability to control our lives and have flexibility: much of what we do for ourselves depends on our ability to shape and re-shape our lives so that they work well. But for some people, especially people who are highly dependent upon the help of others, this capacity for daily innovation in ordinary life can almost completely disappear.

organisational innovation

Sally’s opportunity to bring innovation into her life happened because she lives in Oldham and because in 2004, Oldham began a journey towards the total transformation of their services to a Self-Directed Support system. As other councils have begun to adopt versions of this system, and as Whitehall has started to take notice, Self-Directed Support has often become known by the name of just one of its components – the ‘Individual Budget’ or the ‘Personal Budget’.

In practice, simply giving people a budget would be unlikely to reap the benefits of the new system that Oldham adopted. Self-Directed Support is distinct because it puts the budget in the hands of the person it belongs to, but it also puts an equally important emphasis on the support that person gets in deciding how to spend their budget. With this support, people plan how they will use their budget to get the help that’s best for them from their family, friends, social workers and others. The local authority then confirms the budget, checks that the plans are

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safe and makes sure that people have appropriate representation, if needed.

Not everyone chooses to have control over their budget: they can nominate someone else to manage it, or ask their local authority to do so. The point is that people can use their budget to do what's most likely to help achieve the outcomes that are important to them in the context of their whole life.

It may sound simple, but these are dramatic shifts for how local authorities administer social care services, and how they relate to people using those services. In the past, the budgets rested with each council, and it was the council, not the individual, who assessed need, commissioned services, and measured success. So since 2004 Oldham has worked really hard to progressively re-engineer its services, and to transform its current services over to Self-Directed Support\(^2\). The effects have been incredible:

- over 2000 people now have a budget they can control - that is over 50 per cent of service users
- the system is becoming more efficient, resulting in more people being served
- outcomes and satisfaction with outcomes has improved, especially in the BME community, whose needs had been hardest to meet.

This radical organisational innovation has not been easy to achieve. At its heart is great leadership, at many levels: people willing to identify the new vision and to support its realisation. But more than this is needed - the vision must be rooted in a practical and coherent model of the new system. In other words, innovation is about so much more than a creative session with post-it notes and beanbags. At the heart of our success lies our willingness to take the new vision and work really hard at translating it into the detail of how things like contracting and commissioning need to change, for example.

Partnership was equally important to achieving innovation at the organisational level. Oldham did not go down this path on its own; instead, in 2003, it formed a partnership with In Control that had defined Self-Directed Support. As well as developing an

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early system model for Self-Directed Support, In Control supports the powerful Network for Social Innovation – bringing together councils and others – whose mission is to help create a new welfare system in which everyone is in control of their lives as full citizens.

When Oldham joined In Control in 2004 it was the seventh member of this network. Since then membership of the In Control England network has grown rapidly: by 2008, it included 122 adult service departments, 36 NHS PCTs and 24 children’s departments amongst its members. In addition there are now independent In Control networks running in Australia, Northern Ireland, Scotland and Wales.

Through all the work of the last four years, the relationship between Oldham and In Control has been one of mutual support and enrichment. In Control brought its model to Oldham; but it has been Oldham that has defined many of the practical solutions required by full implementation. In Control has been able to continue to introduce new ideas and to connect Oldham to other interesting innovators elsewhere; but it is the real success of Oldham that inspires other local authorities. The value of an innovation can only be effectively communicated by our peers.

systemic innovation

It is important to notice that this process has not been the straightforward implementation of ‘rolling out the next big idea’. In Control’s model had been developed by citizens and practitioners, who were deeply dissatisfied with the failings of the old system. The mutually supportive partnership between Oldham and In Control means that the early Self-Directed Support system has had a further four iterations, based on lessons from putting it into practice in Oldham and elsewhere.

But all the way through this process, we have been aware that we are implementing Self-Directed Support in the context of national policy frameworks, some of which help and most of which hinder this new system of citizen-centred support. Our experience to date suggests to us that there is a vital role for central government in supporting the wider systemic innovation that is needed to support the innovations taking place at the individual and organisational levels. This will mean:

• supporting open research and evaluation - not expensive closed experiments – to ensure that everyone can learn from everything that is tried in practice
• restricting government guidance to those matters which are well-evidenced

• focusing on the necessary legislative changes that remove blocks to progress. Often it is not that we need central government to do more – actually, we need them to stop doing some things instead.

In the field of social care, we have been very lucky to receive visionary political leadership from Ivan Lewis, the former Minister at the Department of Health who believes that Self-Directed Support has the power to transform the lives of millions of citizens - especially older people, disabled people and people with long-term conditions. The new minister, Phil Hope, also supports this approach. We also have leading civil servants who have worked in the field and understand the challenges of bringing about real change. Support at this level has been essential.

Whilst In Control and Oldham are frequently lauded for our work, it is still the case that much of the national care system does not do enough to ensure that the conditions are there for positive change. That said, today the ideas and practice around Self-Directed Support are being tested in the fields of health, education and work, and enthusiasm seems to grow daily.

But as we have learnt through our partnership, success will take much more than a good idea. The pathway to innovation has also required:

• great leadership at every level - often supporting and protecting the real innovators, who do the hard work on the ground, while understanding the long-term strategy

• strong values and clear vision, well communicated - focused on supporting citizenship for all - the foundation of great leadership

• a coherent model of best practice that can be flexibly adapted to meet local circumstances and which is tested and revised in the light of experience - innovators are hungry for data, they want to know what works
• collaboration and mutual support - when you are solving complex problems it is always more efficient to get people to focus on different parts of the problems - but people will only see themselves as solving the same problem if there is leadership, values and a shared model

• an ‘R&D’ space to support ‘next practice’ – working together with other members of the In Control network to develop new approaches to issues that have no proven pathway to success.

Today much has been achieved at many different levels, but much is left to do and there are systemic pressures that will present new challenges over the coming years. But we’re ready for this. That’s because there is a joy to be found in this way of working which no money can buy. That joy is really the crucial factor that will keep Oldham and In Control innovating together.
Dr Simon Duffy PhD FRSA is the Chief Executive of In Control Partnerships, a social enterprise working to improve the welfare state and put citizens in control of their lives. In Control provides a national network for social innovation in public services and hosts the leading website on Self-Directed Support: www.in-control.org.uk. Simon was a Harkness Fellow in 1994. He is the founder of Inclusion Glasgow and Altrum. He is an Honorary Senior Fellow at the University of Birmingham’s Health Service Management Centre and has a doctorate in moral philosophy. In 2008 Simon was awarded the RSA’s Prince Albert Medal for social innovation for his work in developing Self-Directed Support and personal budgets. Simon is passionate about the need to create a more just and inclusive society.

Veronica Jackson joined Oldham as Executive Director of Social Services in July 2003, moving to Executive Director of Adult and Community Services in April 2006. Veronica was formerly Assistant Executive Director of Supported Living for Liverpool City Council between 2001 and 2003.

Veronica has spent the majority of her career in Northern Ireland. She was Director of Social Work and Quality in the Ulster Community and Hospitals Trust, an integrated acute and community health and social services trust, for four years, before moving to Liverpool.

With extensive experience across health, social care, housing and community cohesion, she has always focussed on improving the customer experience and driving up performance.

Veronica is qualified to degree level with post-graduate qualifications in social work, social policy, management and strategic leadership. She is a member of the Standards and Performance Committee of the Association of Directors of Adult Social Services and leads on Personalisation for ADASS.
In the early 1990s the EU classified the Merseyside sub region as one of the poorest in Europe. Within Merseyside, Knowsley was identified as one of the most deprived areas. From the early 1990s onwards, local government in the area has been driven by an all-consuming desire to combat what was perceived as economic stigma. The outcome of this has been a combination of truly impressive gains but also occasional failures. While the successes and failures of the 1990s were innovative in their outlook, innovative efforts were not particularly focused, and they were prone to unintended consequences. As we explore in this essay, this outlook would come to characterise the response to educational failure in Knowsley.

There is no doubt that the desire to innovate has been constant during the last decade, while what has changed over time is Knowsley’s approach to making the most of that desire and translating it into effective action. In the early years of the transformational education programme we write about here, innovation was often fragile, poorly managed, and weak on evidence. Since then, confidence has grown and we have a deeper understanding of how to focus and discipline that urge to think differently, and to move beyond the constraints of today’s practices and policies. This more structured approach to innovating has led to Knowsley going well beyond ‘tinkering’ with the educational system. It is on the cusp of creating a radical new infrastructure for 21st century learning. The question is whether wider systems of government will stand in the way of Knowsley being able to fully realise the promise of our hard work so far.

early lessons about supporting radical innovation

In the late 1990s Knowsley found itself at the bottom of national education league tables and on the receiving end of a critical Local Authority Ofsted report. The appointment of a new Education Management Team in 2000, initially under the leadership of Steve Munby as Director of Education and latterly of Damian Allen as Director of Children’s Services, allowed for a reassessment of priorities. This took two forms.
The first was to address the immediate weaknesses of the existing system. This was done through the adoption of a ‘school improvement’ methodology focused on leadership, teaching and learning.

The second was to address the long-term structural weaknesses of the school system. This had three elements. A Transformational Learning Strategy sought to scale up known best pedagogical practice; the Excellence in Cities programme targeted deprived areas; and an Independent Schools’ Commission was established to assess the whole system against the needs of education in the 21st Century. Each of these three elements was consciously focused around innovation, defined at the time as ‘the productive implementation of new ideas’.

To some extent the two approaches – tackling weaknesses of the existing system, and addressing long-term structural weaknesses with the school system – did not easily co-exist. Despite the considerable independence schools have from local authorities, the inflexibility of national curricula, and a high-stakes inspection system were the major determinants of schools’ priorities. This meant that school improvement efforts were consistently contained within the focus on improving within the existing system. Schools were under considerable stress, operating as they were in an area where standards were historically and comparatively low. In this environment, innovation was perceived as very high risk.

But for the team in Knowsley, there was a greater prize at stake. They were driven by the knowledge that the prevailing system required radical reform to drive standards to national levels. An alternative strategy emerged, based on the belief that innovation needed to be less chaotic. Instead, it needed to be deployed in an explicit, determined and focused way. Innovation in this period became more structured and disciplined, given context by Excellence in Cities, Neighbourhood Renewal Strategies and the 14-19 agenda.

**whole-system innovation**

2003 proved a watershed, for two reasons. First, the final report of the Independent Schools’ Commission in February challenged Knowsley to raise its ambitions and invest in change. In August, the local authority and its partners published its response to the commission under
the banner of ‘Future Schooling in Knowsley’ adopting almost all its recommendations on structural reform. Secondly, later that year the Government announced the Building Schools of the Future (BSF) programme and Knowsley became an early participant of the programme. This forced the council to confront a dilemma: whether they would choose between a bureaucratic approach to improvement, based on ‘steady state’, or whether to pursue an innovation-led approach.

The decision to pursue an innovation-led approach was supported by the ambiguity – perceived as an opportunity rather than a problem – of BSF’s national objective. The aim of the programme was stated as transformation of the education system, but at the outset there was no real definition or exploration of what that might entail, against which a local authority could test its approach. For example, there was little engagement with the variety of futures-thinking approaches that were becoming available from the OECD, the Innovation Unit and other bodies. Similarly there was little debate at the time around the failure of the national school system to raise standards commensurate with increased government investment – and whether this failure pointed to the need for more radical approaches, rather than more of the same.

In these circumstances Knowsley decided to embark on system-wide reform. Under BSF it proposed, and the Government agreed, to replace its existing 11 secondary schools with seven brand new institutions. Once this was agreed the role of innovation became fundamental, as this provided the framework to examine each aspect of the school system. Consequently local projects were established to assess curriculum, governance, pedagogy, leadership and management, the role of the private sector, the centrality of the community and the learning environment itself. All of these areas of work involved local authority officers, headteachers, governors and many others working together, not without occasional tensions but often with formidable bursts of creativity.

A particular focus (not least because it has been under-estimated as a driving force) was on new forms of system leadership and governance for the new schools. These were to be charged with meeting the needs of all learners in Knowsley, rather
than simply having a single-institution focus. The capacity to lead in new ways seemed essential, and so to develop this strand of work, the local authority was supported by the Innovation Unit’s Next Practice programme, in order to design new models and, more importantly, to seek to develop the leadership partnership that would be needed to underpin success.

This approach was taken to the next level when Partnerships for Schools selected Knowsley as one of a small group of BSF local authorities to be designated as ‘Innovation Zones’. Facilitated by Partnerships for Schools, these areas were chosen for their focus on achieving transformation through the BSF programme on a number of fronts. Knowsley sought more aligned and coherent support from the various national agencies in the field to drive forward its innovative effort. As an example of this, Knowsley worked alongside other local authorities in partnership with Microsoft, to examine the deeper issues around the nature of teaching and learning in a digital age. Again this allowed for the exploration and testing of innovation.

The emerging Knowsley model of governance looks to integrate three broad areas of policy:

- driving performance in secondary school through formal partnerships with the private sector and non local authority based public sector;
- integrating services for children and families as envisaged in the recent Children’s Plan; and
- ensuring that such investment is central to developing sustainable neighbourhoods.

an uncertain future

Knowsley’s suggested future plan (which is in the hands of government at the time of writing) proposes a local trust consisting of local private and public stakeholders. It would include but not be dominated or controlled by the local authority. Below this, it is envisaged that each of the new BSF Centres for Learning partner with a trust member, along the lines of the academy approach, who would sit as part of its governing body. The potential remains for each Centre for Learning to be re-designated as an academy but the view of Knowsley is that the local trust would be the sponsor. The integration of private
and public sponsors potentially brings the benefits of private sector expertise as envisaged in the academies programme together with the public sector expertise required to deliver in the long term on the ‘Every Child Matters’ agenda. It holds significant potential if there is a will to take it forward.

The debate about academy status is crucial here. As Knowsley was developing this new model of governance, central government was also considering the nature of education innovation in deprived areas. By 2005/6, Whitehall’s preferred approach crystallised around academies. At this point, the Knowsley programme was well advanced and the attempt to integrate an academy into Knowsley’s BSF programme failed at feasibility stage. There is now a question about whether Knowsley will be permitted to continue to develop the work it has been shaping over the last decade without introducing the academies agenda.

In many ways, this is a debate about the freedom of local areas to innovate. Knowsley has made unprecedented improvements since 1998, when its 5 A*-C GCSE pass rate stood at 17 per cent. A decade later it stands at 57 per cent - a dramatic improvement that has been wrought by a combination of incremental and more radical innovation. Of course, there is still more work to do: the success rate in English and Maths still stands at 30 per cent. But the hope in Knowsley is that the systemic change enabled by BSF will provide the acceleration in performance that will raise it to national averages. Remarkable strides have been made, through a genuine partnership between the schools and the local authority. It is this, much more than the introduction of new government initiatives at this stage, that will provide the kind of momentum and shared drive that is so crucial to achieving step-change.

Education policy in England remains prescriptive and directive on certain questions. The pre-eminence accorded to the academies model illustrates this. Critics point to the trend for academies to do little more than re-establish conventional 20th Century models of learning and teaching. Supporters contend that they can become the vehicles for more radical 21st Century approaches. In Knowsley a view is emerging locally that the schools that have engaged in eight years of innovation-led approaches will now need to take this forward.
through an academy-style approach. Neither of the major political parties appears inclined to trust localities to determine context-sensitive approaches to innovation outside their firm commitment to academies as the way forward.

There is much learning here for the education system as a whole. It sharply illustrates the difficulties faced by local authorities that are looking to integrate education into local place shaping. It tests the degree to which government is prepared to let localities take the lead on fashioning their own solutions, despite the obvious point that local circumstances and context are critical and that these are likely to condition the success of innovation. The tension between local and national government is unresolved on how innovation should be enabled and released. The case of Knowsley suggests that central government cannot give up the habit of micro-management. And yet the story of Knowsley’s journey of change and improvement demonstrates that local authorities, supported by appropriate partners, are capable of system-level innovation informed by evidence and intelligent scanning of other environments.

Michael Rees is the Head of Policy for Children Services at Knowsley. His professional background is in the regeneration of regions profoundly affected by post industrial change and specialises in aligning major public investment to innovation. Mike is the central architect of the Knowsley BSF programme placing it at the heart of local regeneration. Prior to Knowsley, Mike worked for the Policy & European Affairs Unit at Mid Glamorgan County Council working alongside the European Commission to tackle the impact of the collapse of the coal industry in South Wales. He is married with two daughters and is a committed historian.
Damian Allen is the Executive Director for Children and Family Services for Knowsley Council. Damian has led the Directorate of Children’s Services to achieve Beacon status for both Integrating Children’s Services 2005/06 and Transforming Secondary Education 2003/04. Knowsley Local Authority is one of the twelve nationally to be in the first wave of the DCSF’s ‘Building Schools of the Future,’ which will contribute up to £150m to rebuild and radically transform the borough’s secondary education system. This involves local system reform by closing all of the ten current secondary schools and replacing them with seven new, ‘state of the art’ award-winning, ‘Centres for Learning’, which will be the ‘hubs’ for a range of local service delivery, linked to the borough’s neighbourhood delivery agenda.

Valerie Hannon is the Director of Strategy for the Innovation Unit, which seeks to build the innovative capacity of public service organisations. She is responsible for the unit’s Next Practice Programme, and she also commissions their stream of publications and thinkpieces. Until 1999, Valerie was the Director of Education for Derbyshire County LEA. Formerly Deputy Director of Education in Sheffield; she has worked in a broad range of local authorities, and was an advisor to the Local Government Association. Before joining local government she was a senior research fellow in the University of Sheffield and a teacher. She is a former USA Harkness Fellow. Valerie sits on a wide range of advisory committees and Trustee Boards. Her interests include creativity, learning, leadership and international approaches to innovation.
innovative approaches to reducing re-offending

Anton Shelupanov - Young Foundation

introduction
The criminal justice sector is one of the so-called ‘low-innovation’ sectors. This is in part due to the quasi-military heritage and culture of various criminal justice agencies (such as police and prison services), and partly due to financial and organisational incentives and disincentives. For example, many of the 900 or so non-governmental organisations (NGOs) working with or on the fringes of the criminal justice sector attempt to innovate but are often hampered by such structural barriers as the commissioning process.

The current situation in the UK around crime and justice is not an encouraging one. The prison population continues to rise, and stands at a record 83,139 at the time of writing. More children are being locked up – a 550 per cent rise from 1996 of under 14s going to prison. Perhaps even more worrying than this breathtaking increase in the use of custody is the fact that re-offending continues to rise among youngsters leaving custody – 77 per cent last year, up from 73.1 per cent the year before.

The wider cost of crime is difficult to calculate, but the Home Office estimates it to be in the region of £60 billion a year. The Social Exclusion Unit (now Taskforce) has estimated that re-offending by ex prisoners may cost up to £11 billion. Those who end up in custody often represent some of the most excluded segments of society – according to the Office for National Statistics (ONS) some 90 per cent of prisoners are mentally ill, around a fifth of all new heroin addictions are acquired in custody and prisoners are 15 times more likely to suffer from infectious diseases such as HIV and tuberculosis.

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3 Unlocking Potential: Alternatives to Custody for Young People, Barnardos / 4 Children, 2008
5 Reducing Reoffending Among Ex-Prisoners, Social Exclusion Unit, Cabinet Office, 2002
6 Singleton et al, Psychiatric Morbidity Among Prisoners. ONS, 1998
And in terms of education and skills, the picture is no better. More than half of male and more than two thirds of female adult prisoners have no qualifications at all. Nearly three-quarters of prisoners were excluded from school at some stage, and 63 per cent were unemployed at the time of their arrest. Many children in prison have a background of severe social exclusion. Of those in custody of school age, over a quarter have the literacy and numeracy ability of an average seven-year old, and roughly 45 per cent have been permanently excluded from school. Despite these significant issues, between 2002-2003 an average of £1,185 per prisoner was spent on education in jails. This compares to roughly £4,500 spent on each secondary school pupil in the UK. According to the Offender Learning and Skills Service (OLASS), less than a third of the prison population is attending education classes at any one time.

Against this backdrop, there is a growing view that simply increasing the use of custody as a punishment is not enough to reduce re-offending in the long run: instead, more needs to be done to work with people before and after they enter custody. It is here that local government really matters. There are many opportunities to innovate new services by joining up, forming partnerships, and investing existing offender learning funds in different ways, as routes to reducing reoffending. This essay explores some of the recent and groundbreaking work Southampton City Council has done around these issues.

**tackling re-offending through a focus on skills and jobs**

The National Reducing Re-offending Action Plan identified seven ‘pathways’ out of offending. These are: accommodation, drugs and alcohol, children and families, health, finance benefits and debt, education training and employment, and attitudes, thinking and behaviour. Simply listing these pathways here hints at how important it is to challenge the perception that responsibility for resettlement and reducing re-offending rests with criminal justice agencies alone. There is a clear role for local councils, who have significant commissioning, strategic and delivery powers in relation to all of these.

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9 Bromley Briefings: Prison Factfile, Prison Reform Trust, May 2007
Having a job is generally agreed to be the most effective means of reducing re-offending, by between a third and a half, whilst having stable accommodation reduces the risk by a fifth\textsuperscript{10}. Building on this insight, Southampton City Council has taken a unique approach to reducing re-offending among former offenders in the city, focusing on skills and employment issues rather than offending itself. It has been testing out its approach through four discrete but related projects:

- **offender Learning and Skills Service (OLASS)** for unemployed offenders in the community
- **building Bricks**, which offers construction skills and employment
- **exodus**, which offers supported employment for short-term sentenced prisons, and for prolific and priority offenders
- **equal Engage**, a project across three regions, designed to engage employers, and to match their requirements to ex-offender skills

All of these projects are currently supported by European funding, and offenders are referred to the programmes by prisons, probation, and youth offending teams. Between the programmes, Southampton Council is supporting approximately 800 unemployed offenders each year, at an annual cost of around £750,000. For Southampton, the ultimate goal is sustainable employment. That’s why officers are focusing on working closely with employers, alongside vocational skills providers. For example, the council is building partnerships with the construction industry, using planning agreements to encourage those firms working on the redevelopment of the city to provide opportunities for ex-offenders.

**has it made a difference?**

By putting the council at the heart of efforts to reduce reoffending, Southampton has been able to offer an individual, holistic service for offenders through creating dedicated Information, Advice and Support Workers. As a council, they are in a unique position to join up services in ways that mean something to offenders – linking accommodation, substance misuse, children and family support, and employment.

\textsuperscript{10} The National Reducing Reoffending Delivery Plan, NOMS, 2005
The early evidence also suggests that through working in this way, Southampton are making better use of finite resources than the traditional approaches to supporting ex-offenders to find work and avoid re-offending. Traditionally, much of the mainstream funding is focused on provision for training for those people in custody. And within this, much of that funding is then spent on developing basic and essential skills. Of course, these are important, but such an emphasis means that too little is done to support offenders in vocational preparation and training.

But it is only when you start to do the sums for the likely savings that this kind of approach can generate, that the true potential of the Southampton’s work to date becomes clear. The council has made use of Police national computer data to monitor the impact of its work for a cohort of offenders – an approach to measuring impact which in itself was innovative, and a unique way of using police data.

The anonymised details of 588 offenders showed that these offenders had collectively committed over 1863 crimes in the year prior to their involvement in one of the Southampton projects. Comparing this to the year after their involvement in the projects shows a 62 per cent reduction in offences, to 664 crimes. The majority of the reductions were in crimes against people and property, and drugs related offences. What makes these figures even more impressive is that of the cohort, 115 of the offenders were MAPPAs (serious and violent offenders) or PPOs (Prolific and Priority Offenders), and of these, over 70 have not re-offended since involvement in the project.

a fragile future

To date (December 2008), the council has worked with over 1000 offenders; more than 60 per cent of them have progressed on to learning and work. The goal for Southampton now is to build on these solid foundations and go even further. So, for example, they will be considering the council’s new role in planning post-16 learning (which will include young offenders’ institutions), once the Learning and Skills Council’s remit is transferred back to local government.

However, this work is fragile. To date it has proved very difficult to focus mainstream funding around such community-based vocational skills and training, rather than the basic skills work for people in custody.
Until now, Southampton have relied on pilot funding from the EU, but they are struggling to move beyond pilot status, despite the measurable impact that the projects so far have shown. For this work to continue in the future, it will require the collective commitment of local partners, including the council, the probation boards, and the National Offender Management Service (NOMS) regional offender manager.

The lack of funding and expertise available for scaling up (or mainstreaming) pilot innovations within the public sector has a major impact on projects like this. Innovation needs money for research, trials, training and evaluation. Literature in the field suggests a minimum of one to two percent of turnover should be earmarked for innovation, higher amounts in the most challenging fields\textsuperscript{11}. The challenge of moving innovation from the margins to the mainstream needs skilled expertise – whether bespoke teams within the organisation with a good track record of bringing change, or intermediary organisations like the Innovation Catalyst who can support and broker the space needed for innovations to be adapted as they are scaled up.

**learning from elsewhere**

Southampton is not unique in its desire to generate innovative approaches that produce significantly better outcomes for significantly lower costs. Gateshead Council is piloting an approach pioneered in the US called Justice Reinvestment. Here, the focus is again on integrated, joined up support across the range of services involved in resettling ex-offenders, from housing, to education, work and health care.

Furthermore, the Young Foundation, in partnership with the Improvement and Development Agency and the Innovation Unit, are working on the Innovation Catalyst programme, partnering with four councils over the course of this year to support them in generating innovative responses to the issues around youth crime. This partnership is providing each of the participating councils with fresh research, expert innovation consultancy, opportunities to network, and develop new ideas together. These will lead to better outcomes around the issue of youth offending.

\textsuperscript{11} Ready or not? Taking innovation in the public sector seriously, G Mulgan (2003)
The four partner councils are Essex, Knowsley, Sheffield and Westminster, and their projects focus on diverse areas. These include:

- reducing the number of first time entrants into the criminal justice system through identifying factors which preclude some young people offending but not others
- focussing on how families of young offenders can assist staff with improving outcomes
- looking at innovative ways to ensure that young people on intensive supervision orders do not breach them and end up in custody
- and examining how intergenerational work can help improve the perceptions which young people and older members of the community have of each other.

As part of the Innovation Catalyst programme, the Young Foundation and the Innovation Unit are developing a website designed to bring together research, innovation in practice, and fresh perspectives around youth crime. The site will share the methods, approaches and tactics each of the participating councils have used to ensure that the models they are developing are genuinely innovative. As others in this publication have argued, innovation requires new methods, new perspectives, and often new ways of working. That is what Southampton has so admirably achieved; we hope that our work with Essex, Knowsley, Sheffield and Westminster will add to that knowledge base and enable other councils to take inspiration and build on the foundations of the work being undertaken through the Innovation Catalyst programme this year.
Anton Shelupanov is an expert on innovation and justice. He currently heads up the criminal justice programme of work at the Young Foundation. Prior to that he worked at the International Centre for Prison Studies where he led on security sector reform and prison healthcare and managed a number of high profile projects in Europe and Asia. Anton has worked with criminal justice systems of over 30 countries and has been an adviser and consultant to a number of governments and organisations including the Council of Europe, the World Health Organisation and the United Nations Office for Drugs and Crime.

To find out more about the Innovation Catalyst programme, and to check out our growing bank of innovation methods, case studies and links, please visit www.innovationcatalyst.co.uk
introduction
Five years ago, Burnley’s reputation as a town – and as a council – was taking a battering. As one of the northern towns that suffered serious social disturbances in the summer of 2001, we were already recognised as facing serious challenges on race relations. Media attention only increased the following year, when Burnley became the first council on which the British National Party (BNP) won representation. The party built on this initial success to become the second biggest political group on the council for a short time in 2003.

These controversial events served to define the popular image of Burnley, but the council’s leadership remained focussed on the task of serving the borough’s people in relation to all of our key responsibilities.

Our 2004 Comprehensive Performance Assessment established that Burnley was a good council with a track record of steadily improving performance. More improvements have been made since then. Street scene services have been restructured to better engage residents and respond to neighbourhood priorities, building on much improved systems for waste collection and recycling. The council is delivering major programmes on housing market renewal, and is working to realise a challenging economic development strategy, so that we are as well positioned as possible to weather the challenges of the current ‘crunch’. And, in partnership with the county council, the University of Central Lancashire and the local further education college, we are making the most of the opportunities provided by major investment in education.

But councils are not only charged with delivering excellent services, important though they are. Given the difficulties we faced at Burnley, our role as place-shapers has been critically important. As a council, this was partly about drawing investment to the borough. However, being proactive in place-shaping also meant refusing to shy away from sensitive and controversial issues which, left unresolved, could undermine sustainable regeneration.
Issues around community cohesion are too often treated as an ‘easy’ area of policy and activity, focused on making everyone feel good, rather than confronting challenging realities. The truth is, that genuine cohesion, and genuine conflict resolution are difficult and uncomfortable to achieve. They require a sensitive approach to empowering different groups to explore controversial issues together. As we describe here, the scale of the challenges we faced in Burnley mean that we have been determined to unpack and address even the sharpest issues.

**early steps**

East Lancashire’s housing market renewal pathfinder, Elevate, took on board key lessons that Burnley Council had learned from the investigations into the 2001 disturbances. One of these was that major regeneration programmes carry the risk of creating anxiety and resentment if their social impacts are not tracked, anticipated and managed, and if the case is not made for why resources are being targeted at particular neighbourhoods. In order to develop a skilled approach to handling these issues, Elevate and the council invited a Belfast based organisation - Mediation Northern Ireland – to work in the area and apply some of the lessons they had learned from involvement in the peace process to the very different circumstances of Pennine Lancashire.

The initial stages of what became the Burnley ‘Good Relations Programme’ were ‘scoping’ visits and meetings by ‘the mediation Northern Ireland (MNI) people’ to assess the situation and to build up relationships.

The council, MNI and Elevate then organised a series of day-long workshops to explore contentious issues in the borough, and improve understanding. Some of these workshops were for ‘civic leaders’, some for workers and residents at neighbourhood level, and some brought the ‘different levels’ together. There were electric moments – for example, a workshop in which BNP councillors and activists set out their feelings about the place of Muslim people in Burnley directly to members of that community, and Muslim residents and community workers in turn directly questioned the BNP.
making an impact
The workshops provided structured opportunities for residents to question senior representatives of the county council’s education department, government office and Elevate about the impact that their programmes and plans were actually having at grass roots level. Registering the anxiety residents had about change has – we believe – directly led to these programmes proceeding in a more inclusive way than had previously been the case. Building positive relationships and working in an emotionally intelligent way has proved to be as important a part of our regeneration initiatives as the ‘actual’ spend on capital works.

The initial series was followed up by a more outcome driven set of workshops, to illustrate early on that the Good Relations Programme was not a ‘talking shop’. For example, the Local Strategic Partnership has hammered out improved systems for tension monitoring and information sharing between agencies around community relations, that have been embedded in local work, and picked up nationally as an example of good practice.

Commitment to making a positive impact shaped subsequent stages in the early growth of the programme. We committed to train ‘local practitioners’ in the mediation skills used by MNI staff to run workshops, in order that our local staff could work directly to manage and resolve conflicts in the area. We know now that this is critical to community relations, and an essential way of strengthening relations within and between communities. The training involved study visits to Northern Ireland, building up links with the similar programme that had been running in a slightly different way in Oldham, and developing partnerships with the local voluntary sector mediation service, which has taken on key responsibilities for the programme.

what we have learnt
As the programme began and developed, there were a range of sensitive issues for the council: our commitment to ‘tackling the difficult issues’ involves significant risk taking which requires considered judgements and confident leadership.
Of course, resources are the perennial issue when it comes to testing new approaches; but in addition to this we saw a risk to our already battered reputation in ‘bringing in’ people from Belfast. Would the press spin this as an admission that things were more dramatically dangerous or tense than we thought that they were?

There were some initial questions too, about who to involve. But it was quickly clear that a programme committed to dialogue and unpacking controversy needed to include, at least, the full spectrum of political opinion represented on the council. To do anything less would have disrespected and disregarded the legitimacy of elected representatives.

That said, we have also learnt to educate people on what to expect from getting involved. We now make it clear to agencies and people engaging with programme initiatives that they are likely to find themselves open to question and challenge by taking part. This reality has raised anxiety for the Police, housing associations and the council itself as cases have developed: it can be unsettling to be ‘put on the spot’ in a workshop or meeting being run by a programme practitioner. These issues have been explored thoughtfully by the multi agency management group now overseeing the programme’s development.

Performance has been another focus for our management group. Though we are clear that cohesive communities provide the bedrock for building a positive future in relation to health, education and the economy, it is admittedly difficult to ‘measure’ good relations work in quantifiable terms. Our approach has been to put in place robust systems for tracking outputs – numbers of people trained, numbers of residents contacted through case work – at the same time as beginning a series of stages of research. The plan is to assess some of our work through ‘participant observation’ by suitably qualified academics, and then to carry out field research, which will provide strong and credible evidence about the effects of our work on the quality of life in the borough. Anecdotally and emotionally we already know a real difference is being made to quality of life issues; but like all innovators, we know how important it is to create a
robust case for the impact of the work and we are working to do so.

looking to the future: where next?
We are now at a key stage. We have a track record of working on ‘cases’ – disputes and issues of contention involving members of the community, agencies and individuals. One of these involved strained relationships between networks of community activists and the Police following the death of a man in custody. Another centred on support to pupils, parents and school staff members in building up dialogue in the aftermath of a series of racial incidents and attacks at the school – anxiety multiplied by irresponsible press coverage.

And we have trained a small but growing set of local practitioners who are building up their confidence, skills and surefootedness. These include council staff, housing officers, youth workers and people from the voluntary and community sector. All of these state that the skills they have learned to be mediators have also proved very useful in other aspects of their work.

We are proud of our progress so far, and are now beginning to take on more complex and ambitious projects: bundles of work involving separate cases and series of workshops, aimed at addressing the underlying issues which give rise to ‘visible’ disputes and issues of contention. A set of issues connected to demographic change in part of Burnley is our main current focus.

With Elevate’s support, we are also proposing to extend the Good Relations approach to another Pennine Lancashire district. Part of this is based on our recognition that the approach is not only relevant to places associated in the public mind with particular conflict issues. Approaches that have worked in Belfast, Oldham and Burnley will generate ways of working and particular skills that can help to prevent difficulties and conflict arising in the first place, as well as offering a means of moving on from them.

We are clear that this ambitious work programme will generate challenges for us and for our partners. In particular, there is a need to recruit and train more
practitioners, and make their work an integral part of the ‘day job’ in their organisations, rather than feeling sometimes like an ‘add on’. But the evidence suggests that the Good Relations approach is already making progress on this issue of mainstreaming.

The managed risks that we have taken mean that this work is widely recognised as an innovative approach to some of the most difficult issues local councils have to deal with. This programme has played its part in building up Burnley’s reputation as a place that faces up to its challenges and addresses them positively and effectively. On this basis, we have been central to wider partnerships for work for community cohesion across Pennine Lancashire and the region. From being seen as a ‘troubled town’, we are now recognised as providing a strong lead to partners and neighbours on the type of cohesion issues that face local authorities across the north and more widely. The key lesson from this work is that ‘place shaping’, creating better neighbourhoods and confident communities, requires brave and strong community leadership.
Steve Rumbelow took up the post as Chief Executive of Burnley Borough Council in July 2006. He was previously Director of Housing at Manchester City Council where he worked for eight years. Steve has worked in local government for 25 years, with Leeds City Council, Ashfield District Council and Rotherham Borough Council.

Mike Waite is Head of Community Engagement and Cohesion at Burnley Borough Council, having previously worked for the council in community development and regeneration management roles. He is an IDeA peer mentor.

Further information:  
www.goodrelations.info  
www.burnley.gov.uk
When innovating in the public sector, we are by definition entering uncharted territory and confronting all the challenges and opportunities that go with that. However, it is worth reflecting on why we innovate at all, given our operating environment – where so much is at stake for so many, and the implications of failure are so profound.

In some cases, we innovate because we can. Technological advances in particular open up a great many opportunities to do things differently, and to bring about improvements. Sometimes possibilities and capabilities are ahead of thinking, and it takes a while for someone to imagine how something could be applied in a wider sense. Sometimes, ambitions and aspirations exist and we’re waiting for the technical developments that will realise these. Either way, there is an intellectual curiosity and willingness to push the limits, and bring about change.

In other cases, we make a conscious choice to seek out a new way of doing things because we want to. We might appreciate that services being delivered are adequate, but we also know that they could be better. Or perhaps there is a shift in the underpinning values that mean basic assumptions are challenged and we look at things from a different perspective. An example of this would be the recent shift to involve service users more in the design and delivery of services – a move to a model of co-production. Many public sector organisations have been historically ‘provider-driven’, with experts determining both service user requirements and the response to the requirements.
This move to co-production is gathering momentum across public services, and there are now few providers who would disagree with the argument that the most successful and sustainable services require the involvement and input of service users, as well as the hard work of committed professionals. There is a broad acceptance that by involving service users in the design of services, the result will be a better meeting of needs. And ultimately, the kinds of outcomes we are now trying to reach cannot be achieved without taking account of what each of us as individuals do, as well as what formal services deliver.

The shift to co-production is not the only fundamental shift that councils are grappling with. Increasingly we live in a world where the public sector is commissioning services, rather than directly providing them. Here in Camden, we have been working with nef (the new economics foundation) on a project that seeks to find a new way of putting both these developments – co-production and commissioning – into practice. Initially supported through the Treasury’s Invest to Save budget, we believe that in this project we have the seeds of a genuinely new way of working that changes the relationship between our service users, our professionals, and the council itself.

**Commissioning for outcomes**

Working closely with the council and its providers, nef created a ‘sustainable commissioning model’. This sought to move commissioners towards focusing on outcomes at both service and wider community levels. Beyond service outcomes, the team drew up a menu of wider social, economic and environmental outcomes and indicators, all of which drew upon Camden’s Sustainable Community Strategy.

The team decided to test this model in practice by focusing on day services for people with mental health problems. This is a priority issue for Camden: we have the highest Mental Needs Index score in London, and above average levels of alcohol problems and suicide. Furthermore, we had an opportunity to re-commission existing services, following a review in 2006 which indicated that these services were not meeting the needs of some groups of Camden citizens – in particular younger people and ethnic minority groups suffering from mental ill-health.
This review had also indicated that services could do more to promote the independence and recovery of service users, and to involve those service users more directly in design and delivery processes. These findings were in line with wider developments in national policy around mental health, which began to shift from a model of diagnosis and cure to a social model that values recovery and social inclusion.

In creating the contract to re-commission these services – worth £2m over three years – the council devised a tender specification that explicitly included the principles of co-production, and also stated that ‘the service should be delivered in partnership with service users’. The tender was won by a consortium of Camden-based third sector organisations which had involved service users in the development of the tender, and which promised a ‘collaborative learning approach’, which put monitoring, evaluation and service-user consultation at the heart of all its activities.

The consortium has been providing the re-commissioned centre-based services since the beginning of October 2007. Beyond that, the sustainable commissioning model and co-production approach have since been incorporated into the council’s corporate procurement manual as a way of beginning to mainstream our innovation, and further pilots of the model are taking place with a £3m homecare and dementia contract, and around Camden’s supporting people contracts, which are worth around £30m.

**an asset-based model of public service provision**

Central to putting these objectives into practice was the development of a time banking model. Time banking is a way of going beyond simply involving users in service design, by incentivising service users to become more deeply involved in service provision and as a result experience services differently. Through the Kings Cross timebank, participants in the centre-based services earn credits for engagement with the service, and for helping one another out. One hour of time entitles individuals to one hour of someone else’s time.
Equally that hour can contribute towards participating in an activity organised by the consortium, or another organisational member of the timebank, which includes other Camden social services departments, a local café and a theatre.

A total of 483 hours of time has been earned in this way so far. Timebank members spend their credits on a variety of skills and services offered by individuals, including computer tuition, language lessons and DIY. As well as spending credits on services from other people in the timebank, members can also spend credits on a variety of activities offered by the day centre. Examples include a trip to Broadstairs, where 26 members paid eight time credits each to cover costs and transport.

By viewing and treating service users and the wider King’s Cross community as potential assets, rather than as passive recipients, the consortium delivering Camden’s day centres has been able to leverage previously invisible or neglected resources – the capacities and knowledge of service users and the wider community itself. It has enabled the consortium to focus on the broader social, environmental and economic aspects of the service, as well as to focus on preventative work that encourages independence and inclusion amongst those dealing with mental health issues.

In other words, the 483 hours of time represents far more than just additional labour or volunteering. Because service users are both giving and receiving, they are building social networks and finding peer-led solutions to their issues. This is crucial as clinical evidence shows that relationships and connections are just as important as medical treatment when it comes to recovery.¹ ²

sustaining innovation work
This work has been powerful for the council: it has helped us to see that sometimes, finding ways of making more of the resources that already exist in the community can be as valuable to our service users as adding more services to the mix. By seeing service users as passive, ³

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and not recognising the assets of the community, we risk limiting the kinds of solutions and strategies that are possible when it comes to achieving outcomes.

Of course, doing things differently like this doesn’t just happen. The journey from an initial idea to transformational change is often a long and difficult one, characterised as much by hard work as it is by creative workshops. There are few situations where innovation projects in councils can be free-for-all experiments: the risks involved require careful management, and project management still matters too. The stakes are simply too high not to pay attention to these matters.

There are some other risks when seeking to innovate in service provision that will no doubt be familiar to others working in the public sector. The popularity of the ‘devil you know’ is compounded sometimes by service users – often the most vulnerable and excluded in society – clinging to services that are poorer than they have the right to, simply because they are familiar. Even where councils are successful in initiating a new service, it can sometimes be hard to scale back the old model. This hinders real change, and increases costs and complexity.

The inspection regimes that scrutinise our work often support innovation in headline terms. But in practice they can push back when confronted with unconventional or non-traditional service delivery models and arrangements. In this context, it is not enough for innovative projects to assert their impact: we need to devise new ways of documenting evidence. We are just beginning to explore a holistic measurement model in Camden that creates metrics based on service users’ own views of how they are progressing and focuses on outcomes. It’s not easy work but we know finding new ways of measuring impact is of great importance.

Innovation is hard, and we need to create the space and conditions for it to happen. It is here that our strong values at Camden have been so important. Within the council there is a genuine appetite for further improvement, and a real determination to maintain this culture, and our status as a successful council at
the leading edge of the sector. Equally important has been our commitment to nurturing talent – giving the practitioners who work with us the tools to reflect on what they are doing and empowering them to think about how they could work differently. We also value those opportunities for looking across fields and drawing on different perspectives – as we did through our partnership with nef – to see what ideas emerge. Ultimately, we must never stop trying to deliver better services, in order to bring about better outcomes: for most of us in the sector, this is what excites us, and it is why innovation, as well as being challenging, is a necessary condition for success.
Rebecca Harrington has been developing Strategic Planning and Joint Commissioning across all community services for Camden Council and NHS since the post was established in 2005. She has managed and commissioned services in North London Councils and NHS for a number of years. She took a lead role with the National Prison Health team in supporting the new Prison-PCT partnerships across the country as commissioning responsibility transferred to the NHS.

Josh Ryan-Collins is a researcher at nef (the new economics foundation). His work focuses on sustainable procurement, commissioning and co-production in public services, and how public spending can be shaped to support local economic well-being. Josh is leading on nef’s work on the development of a new Sustainable Commissioning Model (SCM) for locally provided services, in partnership with Camden Council and funded by HM Treasury and the Cabinet Office. Josh has presented the SCM to local authorities, Primary Care Trusts, Third Sector Organisations and national policy makers at conferences and run workshops on the model around the UK and Europe. He has written on commissioning for The Guardian and Public Finance Magazine.

nef is an independent ‘think and do’ tank (and a registered charity) that works globally and locally. nef believes in an economy based on social justice, environmental sustainability and collective wellbeing.
photograph of Hackney City Farm, by Sean Pollock, taken for the London Borough of Hackney
For some time, society’s response to climate change has been dominated by the search for a technological ‘silver bullet’ and a reliance on business orientated market mechanisms. In this context, each of us as citizens could be forgiven for assuming that the need to deal with climate change has nothing much to do with us: perhaps all we need to do is install a bit of loft insulation and a few low energy light bulbs, and then just carry on as normal.

Of course, basic efficiency measures are an essential part of tackling climate change. Technology and business are also absolutely vital to this agenda, and have already demonstrated significant progress. However the 80 per cent cut in carbon emissions that has recently been recommended by the Government’s Climate Change Committee¹ will undoubtedly demand far more. There needs to be a deep-seated change in people’s attitudes, behaviour and lifestyles. Put simply, not only do we need to invest in making cars more energy-efficient, we also need to stop driving them a few yards down the road to the shops. Public bodies – and in particular, local authorities – have a key role in developing the conditions within which radical social change can flourish.

As the Department for Environment, Food and Rural Affairs’ (DEFRA) framework for Pro-Environmental Behaviours² made clear, generating such radical social change will require more than a few high profile marketing campaigns exhorting people to alter their lifestyles. Building on extensive social research into environmental behaviour change, this framework made a strong case for grounding any initiatives in local areas. Local organisations and intermediaries are likely to have the credibility, trust and confidence that will be essential to building local ownership of the issues. It is only through such organisations that local leadership can be developed. Local action demands local participation.

There are many exciting examples of this beginning to happen around the country. The Energy Saving Trust’s CAfE network (Community Action for

¹ An 80 per cent cut in carbon emissions by 2050 is the level recently recommended by the government’s new climate change committee. The committee have said this target should also include emissions from aviation and shipping.

Energy, www.energysavingtrust.org.uk/cafe/) showcases many of these and provides valuable inspiration to people looking to make a difference. As do www.lowcommunitycarbon.net and www.transitiontowns.org. All three networks provide collaborative resources for communities interested in taking action. These are encouraging examples, but it is also the case that many communities struggle to understand how they can take action, what change they can make, and how to go about this.

If the goal is to get communities leading the way on radical behaviour change, the challenge is two-fold. First, how can we extend the reach and breadth of existing community activity? A recent study\(^3\) by the South West Regional Assembly and Friends of the Earth identified over 250 community groups in the south west that had climate change within their objectives, with the majority of these established in the last few years. These groups engage around 25,000 people in the south west, and as such they represent a real force for change, potentially. But 25,000 people is still a fraction of the nearly five million people in the region. More needs to be done to involve more people, and support more community-based activity.

But simply growing the number of active communities isn’t enough, and herein lies the second challenge. Too often, existing community groups are used simply as conduits for sharing information – and yet we know that information alone is not enough to convert latent community energy into action, or to effect behavioural change. So as well as extending the reach of community-based activities, we need deepen the nature of those activities, and find ways of going beyond information dissemination. In the future, work in this area will need to embrace approaches that build the community’s capacity to take action for itself.

It is here that the role of local authorities is critical. Local government has a role as an enabler, a place maker and a community partner in tackling climate change. National frameworks are shifting to reflect this new role. Communities in Control, the white paper published in July 2008, set out an agenda to enable communities to gain greater power and influence.

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3 Press release at www.southwest-ra.gov.uk/nqcontent.cfm?a_id=3463&tt=swra, link to full report on same page
over decisions that affect their lives. The new performance framework that will be in place from 2009 – the Comprehensive Area Assessment – will focus on measuring success by assessing the degree to which councils behave as enablers and convenors of a range of local partners, rather than simply as service delivery agencies.

The issue is therefore how councils can seize this new role for themselves in relation to climate change, making use of the relevant national indicators, and the opportunities that come through the new emphasis on partnership working, and community empowerment. Local authorities need to see themselves as the vanguard of action on climate change.

**shifting old mindsets**

Positioning the local authority as the enabler of community-led change is a significant shift in mindset when councils in the past have been measured on their success in delivering services and creating ‘solutions’.

With climate change, there is insufficient practical experience about what kinds of services or initiatives work when it comes to changing people’s behaviours. There is a poor evidence base about what is effective – for which populations and around which issues – and indeed at what cost. In this situation, local authorities need to get into ‘learning mode’, engaging in dialogue with their communities, in order to understand which interventions and services are most helpful in unlocking and supporting creativity and enthusiasm for change within those communities.

Alongside other partners, local authorities will need to sustain a deliberate search for innovation, weeding out those initiatives that don’t deliver, and backing and accelerating those that do. Innovations need to be measured and evaluated tirelessly – not to meet the needs of performance frameworks, but for real impact and effectiveness.

Finally, local authorities will need to think creatively about how to support approaches that build community capacity and facilitate behaviour change. Sometimes these ‘solutions’ will come in unfamiliar packages that are hard to express in the typical business of a council. Not all interventions can be described through a service level agreement, or funded through a revenue grant. Unless councils enter into dialogue with communities with a new
mindset, and unless they engender an openness to innovating in how they support interventions, they are unlikely to be successful in galvanising the scale of change that is now needed.

making new markets
In October 2007, NESTA launched its Big Green Challenge, a £1m prize fund designed to encourage and reward community based organisations developing and implementing approaches to delivering significant carbon dioxide emission reductions.

Attracting over 350 entrants, NESTA is now developing an insightful knowledge-base about the potential power of new forms of community-led action on climate change - and the infrastructure (support, finance, organisational arrangements and policy) needed to maximise the potential of these innovations. Whilst the CHALLENGE prize is focussed on community-led initiatives, many are actively involving their local authorities. It will be interesting to see the developing role local authorities will play in fostering each of the CHALLENGE initiatives.

The Big Green Challenger Finalists (10 in all) are only just starting their challenge year and we will need to wait and see what level of carbon reduction they can achieve. However, they will be demonstrating approaches to a range of key issues affecting community action on climate change. So for example finalists will be demonstrating the importance of:

- working with established networks where levels of trust and community connection are already high – e.g. the strong interfaith partnership in the faith and climate change project in Birmingham
- building community capacity through community embedded volunteer programmes – e.g. Establishing ‘green ambassadors’ in the Back 2 Earth project based at Hackney City Farm
- generating greater community commitment through local community ownership of both technologies (e.g. hydro power schemes in the Brecon Beacons) and approaches (e.g. establishing a community based energy service company – The ‘Household Energy Service’ in Bishop’s Castle, Shropshire)
• involving young people as a force for change – e.g. Involving young volunteers in developing roof gardens on local businesses to grow food in Kings Cross London, or pupils at St Bede’s school in Lancashire looking to establish a carbon neutral school with a particular focus on responding to the increased need for pupil transport arising from the changes in the 14-19 curriculum

• generating innovative financial solutions – e.g. Meadows Ozone – a community energy company in Nottingham developing a home improvement loan scheme – or the Community Sustainability Trust in Oxford, developing its own self-styled ‘renewables building society’, establishing renewable energy projects that will generate an income to be reinvested in further emission reductions

• integrating new services to meet established needs – e.g. the production of biofuels from waste oil by resettlement offenders at HMP Ford in West Sussex to supply fuel to both the prison service and possibly the local council, or energy self sufficiency for the Isle of Eigg in the Hebrides.

These examples, together with many that didn’t make the final 10, will in themselves hopefully make a significant impact. The real prize however will be the extent to which we are able to draw out the learning from all the Big Green Challengers and provide insight, practical ideas and inspiration to local authorities and other stakeholders looking to integrate approaches to community partnership within their mainstream delivery. Together with the local authorities already taking action outside the Big Green Challenge, for example those local authorities delivering their own ‘climate friendly community’ initiatives, we will begin to develop the new tools, models and ways of working necessary to underpin change within local authority practice.

**bold collaborations**

As these examples illustrate, no one type of agency can undertake this sort of task alone. Behaviour change is not a public service that can be delivered in the traditional sense. Ushering in new behaviour-based approaches to meeting public outcomes calls on all of us involved to step outside our comfort zones, partnering to combine new sources of technical expertise, strategic planning, skill sets. Politically, transformation
calls on powerful alliances between service users, managers, leaders in local authorities, and councillors. Culturally, we notice successful groups find ways of maintaining collaborations with sometimes deeply countercultural groups long enough to establish common reference points. Collaboration can also offer routes to economies of scale that individual action alone can’t provide.

Tackling climate change will need action on all fronts – behaviour, technologies and business incentives. Although they play a critical role, in this context councils cannot carry the weight of responsibility alone. They need to work alongside others to find new solutions. This is where intermediaries, such as NESTA’s forthcoming Public Services Innovation Laboratory, or the Innovation Catalyst for local government, can play an important and supportive role.

Such intermediaries can offer some freedom for councils and others to solve problems outside the usual constraints, by drawing on and developing deep wells of enabling expertise from strategy to social finance.

Encouragingly it has been NESTA’s experience4 that public bodies who set themselves the challenge of solving problems find the means to do so, but more could benefit from building networks of innovators with common interests to make this process easier and more efficient. That is why NESTA will also be working in partnership with the Ashden Trust to promote examples of good practice, through sponsorship of the local authority category of their UK Sustainable Energy Awards.

**Conclusion**

The challenges we face require us to question whether current approaches to climate change mitigation are fully fit for purpose. Within this context, local authorities have the opportunity to apply creativity and ingenuity within the development of new services designed to meet community need, whilst responding to the threat posed by issues such as climate change.

NESTA can help as it creates a number of resources and programmes to analyse and spread lessons derived from the understanding gained.

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4 Outlined within the NESTA/Young Foundation report - ‘Transformers – how local areas innovate to address changing social needs’ NESTA 2008
through the Big Green Challenge. There is experience, ideas and inspiration to be drawn from the practical examples of progress illustrated by both communities and local authorities.

The need for social change poses as many challenges for organisations working with communities as it does for the communities themselves. For local authorities in particular, the benefits of developing new approaches to delivery are both significant and far-reaching.

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Since 2002, Peter has worked as an independent sustainable energy consultant for a wide range of private, public and voluntary sector clients. Currently Peter is also a technical assessor for the EDF Energy Green Fund, a judge for the Ashden Trust UK Sustainable Energy Award, a director of Regen SW, a trustee of CSE and was until recently the chair of the Education and Community Working Group of the Energy Efficiency Partnership for Homes. Peter has an MSc in Energy Resource Management.
There was a time when ‘innovation’ was associated with lone inventors in sheds having eureka moments. In today’s world, innovation is understood as an interactive, iterative process that occurs in many places, not just labs, sheds or ivory towers. The role of users and front-line staff in the innovation process is seen as vital, as is the importance of inter-disciplinarity and ‘space to think’, away from the constraints and pressures of day-to-day life.

In this context, creating the right conditions for innovation to take hold is essential work. The essays in this section offer stories from councils who have experimented with new ways of overcoming the well-documented cultural and organisational barriers to innovation in local government. As all of them describe, creating the conditions for innovation to flourish is just as important as sponsoring specific projects. So for example, in Kent, this meant exploring new methods and techniques to engage users as innovators; in Manchester it meant building new partnerships; for Barnet it meant redesigning the organisation itself.
why set up a social innovation lab?

Kent County Council (KCC) has a well-earned reputation for incubating and developing radical innovations in policy and practice. We strive to be an organisation that supports innovation – but more than that, an organisation that demands innovation from all of its staff.

We constantly seek to learn from other places about how we can value innovation and build it into the fabric of our organisation. We know that providing space for experimentation, and taking a ‘pro-innovation’ approach to risk is essential. We try to treat initiatives and pilots from central government as opportunities to develop new thinking and demonstrate new forms of value. Indeed, for a long time now we have played a leading role in helping Whitehall shape its own thinking. For example, we were the first council to set up our own Public Service Board as a way of bringing together public services across local organisations, in order to improve outcomes for the people of Kent.

But supporting innovation has required more than obtaining freedoms and flexibilities from central government, useful though that can be. We seek to create and communicate an explicit mandate for all 42,000 of our staff to innovate. For example, we produced pledge cards for staff to carry around spelling out their role as innovators. We sponsored the Kent ‘Year of Innovation’ in 2007-8. This was a celebration of our successes, and featured a range of activities and events that happened across the county to spread good ideas and reinforce the permission we want to give people to follow their good ideas and develop new practice.

Visibly committing financial and human resources – making innovation someone’s job – is as important as working hard to make it everyone’s job. In 2006, we restructured to create the Strategic Development Unit, which was explicitly charged with formulating, capturing and developing innovation. We also have the Change Through Innovation team, whose task is to scan the horizon for emerging technologies and run prototyping projects to explore how KCC might make the most of them.
people’s lives as sources of innovation: 
the story of the social innovation lab for Kent (SILK)

Since the beginning to 2007, we have started to pay more attention to an area of growing interest in the commercial as well as the public sector. Increasingly users – people, customers, citizens – are being recognised as crucial sources of innovation that often go un-noticed and under-used, particularly in the public sector. To underline just how rich a source of innovation we might be missing, an American academic found that 85 per cent of innovation comes from the front-line – those people using any number of the countless services we provide.

To try to unlock this tremendous resource of user insight and energy, we began in early 2007 to incubate our own Social Innovation lab for Kent, or SILK. Our ambition was to create a Lab that did two things. First, it would run projects around some of our most intractable social problems, using a ‘person-centred’ approach and involving our citizens in the innovation process. Second, it would build the whole organisation’s capacity to start with people, rather than existing services. This is easy to say, but the journey to seeing services as users do, to getting out of institutional mindsets, is a long and hard one.

The remainder of this essay tells the story of SILK so far.

**how we started**

We knew that we needed to understand how to make a person-centred approach work specifically in the context of local government. Therefore we created a SILK prototype that tested our thinking in practice through two ‘demonstration’ projects. The first of these focused on families at risk in Kent, and the second on how people access information about social care, and the role of our online directory of providers in this.

We used these projects to test our hunches about what approaches and techniques might work: from a much deeper phase of insight gathering – using methods from the worlds of design, business and ethnography, to a more structured approach to ideas generation, to creating much more diverse teams for the projects, bringing in a range of perspectives. We learnt a tremendous amount from these practical prototypes of our new approach.

It’s easy to run a great project once; it is far harder to do it again. Our prototyping phase therefore invested some time and money in capturing
what we learnt from these projects – often through getting things wrong as well as getting things went right. Working with Engine, our design partners, we created a person-centred project planning tool. This isn’t a rigid methodology, but it does help staff to plan their projects, by taking them through the phases, and offering them a wide range of tools and methods they could use to gather insights, engage with people, and generate new ideas. We think this is unique in local government.

As well as the projects, the prototyping phase tested out ways of getting wider conversations going around the council about the importance and the potential of user-driven innovation. For example, we were the first council to host The Public Office1 - a two day installation that used video ethnography and facilitated conversation – to bring over 100 of our senior managers together to reflect on the issues.

outcomes so far

Inevitably, the impact of our early projects will take time to filter through. But the work with families has shaped both the strategic plan of our Children, Families and Education Directorate, and our determination to focus on the elimination of poverty and the development of resilience. A number of follow-up projects have resulted from this early work. The most developed of these works with one of our children’s centres in East Kent to redesign their services for fathers. Another is exploring how new technologies might reduce isolation and loneliness, in collaboration with the Digital Inclusion Team at the department of Communities and Local Government (CLG).

Similarly, the work on how people access information about social care has had a catalytic force. The outcomes of that project are now part of the groundwork for a much bigger initiative to develop an online resource to help people plan their care in an era of personal budgets and self-directed support. We are doing this important work in collaboration with the South East Regional Improvement and Efficiency Partnership, the Young Foundation and NESTA.

But SILK was never intended to be just an internal consultancy. Its role in effecting culture change, in helping our staff to genuinely start with people and their lives, is as important
as its project work. The staff that made up the team who worked on the families project reminded all of us how institutional barriers can stand in the way of ‘seeing and hearing’ our citizens. For example, the team imagined that many of these families’ lives would effectively revolve around the public services they accessed. There was no real insight before the project into the importance of family and friendship networks, the desire to avoid many public services, and the impact of a very poor physical environment on accessing those services. It quickly became apparent that the public service assumptions about empowerment, independence and personalisation would need to be re-thought.

As this implies, we learnt during the SILK prototyping period that generating innovations from gaining a deeper understanding of people’s lives is not easy work, particularly for government. Unlike the best commercial organisations, government does not have a strong skills-base in ways of gathering customer insight. It is often overly reliant on survey-based data and feedback from only those sections of the community who are the most articulate. This can be simultaneously superficial and misleading. Finding ways of complementing this mass information approach with one based on insight and deeper understanding is essential, but it takes hard work and commitment.

In this light, it is hardly a surprise that we believe that SILK’s real potential will only really be delivered when the person-centred approach part of the mainstream ‘way of doing things’. Work is now underway to embed SILK’s methodology in the toolkit we are producing for our Comprehensive Engagement Strategy. We are also building on the early connections made between SILK and some of our staff development programmes, such as the talent management programme and our graduate programme. SILK approaches need to become part of the core ‘curriculum’ for staff and of the management development courses we run.

the future
The future of SILK must rest in combining its ability to pull together multi-disciplinary teams to run focused projects on key social issues, with a programme of building capacity within KCC and our partners. This will mean that SILK approaches become part of the day job. A comment from one
of the family project team members is a reminder of how SILK challenges current working cultures: ‘we think we work on the ground here but this work reminds me that we don’t always know what’s really going on…’. Or another: ‘we need to embed these principles into every area of our work’.

We learnt during the pilot that without some serious sponsorship from the top of the organisation, it is very hard to gain the purchase necessary to work in new ways. It is only with senior management sponsorship that the outcomes of SILK’s projects can truly act as springboards for greater innovation.

As well as positive senior sponsorship, one of the most exciting aspects of SILK’s development was the opportunity it presented us with to meet new people from beyond the world of local government. Traditionally, local government can be quite insular and poorly networked. Through SILK, however, we are making connections with social innovators across the UK and indeed internationally. We are keen to continue this dialogue as there is tremendous richness in learning from others.

It’s still early days for SILK, but from 2009 onwards, it will move into a more mainstream phase, with a small core team, and a budget that enables us to engage with a wide range of innovation and user insight experts from beyond local government. We think it’s an important principle that SILK continues to attract funding from other sources too – in particular, we believe that teams or services wishing to run SILK projects invest as a sign of their commitment to engage and learn from the process.

The other question we are still working on is SILK’s relationship to more formal governance. As a prototype, it was helpful to ‘shield’ SILK from too much scrutiny and performance measurement. However, as it becomes a mainstream part of the council, we will need to address the question of how it relates to our day-to-day business processes – financial planning, partnership working, priority setting – more explicitly.

It’s not been a completely smooth path, but SILK in many ways bears testament to KCC’s willingness to grab every opportunity we perceive with both hands. When we started to prototype SILK, we knew that there would be an ever-greater emphasis on
customer focus and user engagement in the second round of Local Area Agreements and the new performance framework. We watched with interest as service design and innovation processes shot up the Whitehall agenda. We hope that what we’ve learnt here will help other innovators – both in councils and nationally – to avoid some of the ‘noble mistakes’ we made, as well as to take inspiration from what we have achieved so far.

Once firmly established, SILK will help KCC and its partners to meet the needs of Kent’s residents in new ways. It will help us to plan for the future, and to provide the all-important ‘rocket fuel’ for innovation. In a world of ever-tightening budgets, rising expectations, and new challenges, this is not a luxury but a necessity.
Peter Gilroy is the Chief Executive of Kent County Council. Peter’s career has taken him into the public and private sector in the UK and USA. He has worked in Health and Social Care and was Strategic Director of Social Services in Kent before becoming Chief Executive. He chairs the South East Centre for Excellence and has a national reputation for innovation. Peter is a member of the Advisory Board for the World Health Care Congress and chairs the Kent Film and Television Board. He took the lead with the Health Service in Kent in commissioning Europe’s largest telehealth pilot – with a thousand people expected to be involved by the end of the year.

Sophia Parker is a consultant with IDeA, and a partner at ESRO. Having started her career as a civil servant, she went on to work at the Design Council, before becoming Deputy Director at London thinktank Demos. Since leaving Demos in 2006, she has worked in a freelance capacity, most recently setting up the Social Innovation Lab for Kent, the first ever innovation lab within UK local government. As well as her practical work in this area, Sophia is a regular writer and commentator on the question of how to connect everyday life with policy and politics.
Barnet is a high performance, low cost organisation. Our schools are excellent, our streets are clean, our residents are comparatively very happy with the work we do, and on some measures we have the lowest cost back office in London. We have achieved what we have in the last five years through a rigorous focus on priorities, efficiency and quality. We have invested in strong performance management and built consistently good services.

But the world we work in is changing and, as ever, solutions we put in place for a previous time frame will become problems in the next. Primary amongst these is that we know that being a good service provider is no longer sufficient to meet people’s changing needs and expectations. The pressures of providing more holistic, more ‘human’ services and, crucially, the need to change the nature of public services’ contract with citizens in order to co-produce outcomes, are sufficient in themselves to make us look anew at the way we operate. But even if they were not, then our financial outlook would force us to work differently. We have already taken £60million out of the council’s base budget in the last five years but, if we carry on operating as we do now with our current expectations of poor grant settlements, we will have to make savings of several million pounds more each year for the foreseeable future.

So, the status quo is not an option for us. The combination of frugality and our commitment to finding out what really works in tackling the most complex issues has led us to investigate ambitious proposals for the reconfiguration of public services across the borough. But the ‘letting a thousand flowers bloom’ approach to innovation will not work for Barnet. If we are to take the risk of changing the ways we operate when we are performing well, we need to do so in the firm knowledge that we are focusing on the right things. So our innovation is aimed specifically at:

- reducing costs further while maintaining quality
- joining up services across the borough
- prevention
- promoting behaviour change.
starting small: experiments in behaviour change

As we describe later, we are currently testing the potential of a huge and ambitious project that will seek to redefine the whole system of public service design and delivery for Barnet. But this project did not emerge from thin air.

In recent years we have tested and developed our thinking through investing in some smaller-scale – but nevertheless risky – work in the areas of behaviour change and prevention in particular, as they are both critical aspects of what we want to develop more systemically.

At the heart of our behaviour change work is our belief that if we really are to solve the tough problems, we need to find new ways of engaging people. The tyranny of the mass user survey has had its day in Barnet. Instead we want to engage with residents as if we were having a conversation at the school gate or in the pub. The best example of this at the moment is our work in the complex area of fear of crime.

There is evidence to suggest that ‘crime’ is used as a label for more general feelings of anxiety and dissatisfaction that can mostly be traced back to relatively small annoyances and social rather than crime problems¹. If we can provide platforms for our residents to tell us how they feel about their areas, and can do this in an open and conversational way, we might unpick some of these small annoyances and deal with them differently. Then we can encourage an alternative view of local crime.

To help us develop this understanding we have used a social networking approach to set up the whereilive project. Whereilive is a place to tell stories about Barnet. As the publicity material says:

‘It’s about where you live, about your street, about your area, about the people who live all around you. It’s about the good and the bad, the things you love or not, the things you want to stay the same and the things you’d like to change.’²

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² See www.whereilive.org
Residents can use the website, for example, to tell a story, post a picture, upload a video or start a blog. The project is already providing insights that we have never previously achieved through traditional consultation approaches.

By collecting individual stories we are starting to see interesting patterns in the links between fear of crime, anti-social behaviour, social capital and use of public space. We suspect, for example, that when councils shout about the number of ASBOs served in an area, even innocuous activities - such as young people gathering together at a bus stop – can feed fear of crime – surely the opposite of what we are trying to achieve.

Shouldn’t we be communicating the norm that the majority of young people are just as they always were and pose no more threat to society at large than their predecessors - i.e. ourselves? Could we ‘nudge’ an attitude change in the general population if we better understood the underlying causes of fear of crime, from listening to what residents say in their own words about what it’s like to live where they do?

New approaches to communication and engagement also sit at the heart of our determination to focus on preventative work. The work we are doing with residents of a particular street in Barnet to tackle fly-tipping is a good example of this. The problem is that the entrance to the street looks like a back alleyway, rather than a place that people walk through on their way to and from home. To some, this is an invitation to dump refuse. Up to this point, we have provided the responsive, delivery-focused service that gets you four stars – that is, the residents tell us there is problem, we clean it up. A few months later the same thing happens and we clean it up, and so on – the process repeats itself. Groundhog day for citizens and staff alike. Wouldn’t it be better for all concerned if we dissuaded people from dumping rubbish there in the first place, without the cost of CCTV, enforcement and the like?

So we are currently working with this group of residents to design a visual approach that clearly identifies this street as the entrance to people’s homes, using ‘I live here’ pictures, window boxes, clothes lines, etc.

Will this change the behaviour of the people who dump rubbish on that street? We don’t know, but we need

to find out, otherwise residents will be forever frustrated with the service and we will be forever clearing the street.

**innovation at scale**

All of this work is at an early stage and it has been difficult to put together. But that is the nature of the early stages of innovation. Importantly, we have not jumped straight into ‘solutions mode’, which is our tendency in public services. We are taking time to think, prototype, review and develop our work through initiatives like those we describe above. But these are relatively isolated cases and we want to go much further. For Barnet, the real prize is in re-shaping public services across the borough, which is why we are looking at ambitious proposals for the future shape of the council itself. We believe that the emphasis on co-production, behaviour change, and prevention, require a fundamental renegotiation of the relationship between local government, professionals and citizens, and it is this journey that we are now embarking upon.

We are clear that in order maximise impact for the citizens of Barnet, the council should focus its energy on the activities where it alone can add value; and at the same time we should enable other organisations to do those things that they can do as well or better than the council. While we must remain democratically accountable for outcomes and for all of the services we fund to achieve them, we should be strategic rather than operational, focused on convening and working with partners to prioritise and commission the public services that should be provided in the borough.

Our current thinking - and we should add that this is at an early stage and currently entering a six month feasibility study - would entail shrinking the council to its strategic core and working closely with those undertaking similar activities in local strategic partnership (LSP) organisations to commission services that will deliver the outcomes that the community needs.

As with all disruptive innovation work, there has been a flurry of media attention recently, which has focused on one central element of our thinking in particular: the establishment of a specialist function – perhaps a specific vehicle – that would have the capacity and expertise to change and potentially re-order the way public services are currently configured in
the borough, in order to achieve the aims of the council and its partners. In effect, this vehicle would bring in different people, new approaches and methodologies, all of which would disrupt current thinking on service configuration, commissioning and procurement.

The ‘semi-detached relationship’ with the council that we are investigating could, we think, enable it to attract expertise in areas such as service design, alliance management, and market development. These are key skills for the future, that are not in abundant supply in the public sector, following years of centralised, target driven delivery. This vehicle would then be able to work closely with markets to test and develop models of service delivery in a way that is very difficult for people engaged in the day-to-day business of departmental-driven delivery.

This is a fundamental piece of work for us but it has not been a straightforward one. The need to change, to do things differently, is a difficult message to communicate to staff who have so far done everything that has been asked of them, and we have learned some lessons along the way about key factors in driving ambitious innovative thinking across the council and our partners. Primary amongst these is the importance of committed leadership at both a political and officer level to create the space to develop, float and test ideas. There have been many voices encouraging us to jump to conclusions too fast over the last six months, which would result in either poorly thought through recommendations or insufficiently radical thinking. Innovation takes time and is hard work. It can feel relentlessly difficult when you are in the middle of it, and the ability and willingness of leading politicians and senior officers to ‘hold the vision’ is a critical component of keeping an ambitious programme of innovation moving forward.
This brings us to our other key lesson: really radical innovation is inherently risky, and we have to acknowledge this risk and deal with it as best we can. We cannot manage it out of the equation. According to Ronald Heifetz, an enlightening thinker on this issue: ‘residents crave solutions, not trial efforts or pilot projects, and therefore put a great deal of pressure on politicians and public servants to overstate the promise of new policies and programmatic instruments.’

This was evidenced by the recent press attention and profile in Barnet around the Cabinet’s discussion of what at this stage are just proposals to carry out a deeper feasibility study.

In the world of targets and performance measurement, all that counts is success and delivery. In the brave new world, driven as it will be by innovation and adaptive behaviour, what counts is experimentation and learning through trial and error. The real question is therefore: are we prepared to become the kind of politicians and officers who can lead residents and staff into this difficult terrain, where the future is uncertain and trial and error is valued over quick wins and red, amber, green systems of performance measurement? We are moving this way in Barnet. Whether this becomes an embedded approach across the sector remains to be seen.

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Councillor Mike Freer is Leader of Barnet Council and also is portfolio holder for Resources. He has previously held portfolios for Policy and Performance working on both budget management and performance improvement. Mike has been instrumental in reducing waste and inefficiency at Barnet, whilst improving services and customer satisfaction. (Barnet as the UK’s 10th largest Unitary Authority enjoys one of the highest customer satisfaction rating of any outer London Borough).

Mike is a Governor of Middlesex University and of the Queen Elizabeth School for Boys. Also a Non-Executive Director of the London Development Agency and Executive Member (Health and Adult Social Services), London Councils.

Richard Grice is the Director of the London Borough of Barnet’s Future Shape of the Council Programme described in this article. He previously held several posts at the IDeA, latterly as Head of Strategy and Development, where he led the organisation’s input and response to the national policy agenda. Richard also has senior level experience in the national and local voluntary sectors where he was recognised by the Joseph Rowntree Foundation as one of the sector’s ‘leaders of tomorrow’. He started his career by setting up and running his own successful business in the health and fitness industry.
The Kingston Communications Stadium, Hull
There are some who would argue that we are at our most innovative in public services when we have the least to lose. It is certainly true that a willingness to take (well-managed) risks is a key prerequisite of major change. And change is the one thing we have seen a lot of in Hull in the past few years.

One of the goals of the civic leadership which has co-ordinated this process of regeneration in Hull has been to increase the expectations of local people about the quality of the public services they receive locally – and to show that we can make a visible difference to people’s quality of life. We believe this has been essential, despite the unavoidable risk of failure in delivering an unprecedented programme of physical and social re-engineering in the city.

At the same time, Hull’s residents have become more sophisticated judges of what constitutes real value-for-money, whilst sharing the widespread reluctance to see their tax burdens increase. As a consequence, when major investment is needed to bring a wide range of services into the 21st Century, simply meeting our efficiency savings targets will not be enough.

Although it was a necessary first stage, we knew that we would have to quickly move beyond simply producing steady, continuous improvement in service delivery. Our particularly challenging circumstances in Hull have given us an opportunity to fundamentally re-engineer the way we work, based on innovative new paradigms of integrated and devolved public services. Also, the council’s response (with our local partners) to the unprecedented scale of last year’s floods in the city gave us confidence, by demonstrating what we were capable of when there was sufficient motivation to throw away the rulebook!
From these inauspicious beginnings, our ambitious Transformation Plan was born. Its eight major change programmes are designed to fundamentally reshape the whole organisation – and the way we work with our partners. Perhaps more than any of the others, one of these programmes, ‘creating the conditions for success’, is crucial. This is designed to change organisational culture – attitudes and behaviour – by legitimising the creation of space for reflection and experimentation by staff at all levels.

Our recent achievements have given us the confidence that we understand how innovation works and that we can bring about transformational change on this scale. The trial and error of our experiences over the past few years has enabled us to identify some of the things that both drive innovation and those that act to inhibit it. Indeed, from this, we have posed a number of key questions we need to answer as an organisation, which seem pertinent and timely, as we seek to catch and ride the next wave of change in local public services.

**innovation drivers**

**leadership**

Without permissive support from senior managers and local politicians, such change will not be seen as a priority and will not be driven in a way which overcomes or removes potential barriers. Innovation needs to have legitimacy, and even our most creative staff will be reluctant to engage without this, and without permission to experiment and to fail (so long as you learn from the experience). Leaders can also lead by personal example – like the local councillor who organised residents to ‘borrow’ a mechanical digger and build an earth bund, to save houses on one of our estates engulfed by last year’s floods.

**customer first**

The focus of such transformational change is not simply about improving the product, service, or place, but rather is about improving ‘the customer experience’ – so that they receive a consistently good, integrated (seamless) response, which meets their particular needs, in a form, place and time that suits them – and that they are not excluded from the benefits of living in an affluent, democratic society. Shaping people’s ‘experience of place’ is as important
as ‘place shaping’ itself, and we need to find new ways to increase well-being, by making life easier and more enjoyable.

**staff engagement**
Innovation in delivery comes largely from those at the front-line. It is not new and has always been going on somewhere in the organisation – often despite our systems and procedures. This is a positive force, but we make a mistake if we think we can require it or design it from above. In fact, more often than not, our policy frameworks force front-line staff to innovate around them. For example, there is little evidence that ‘world class commissioning’ will produce innovation by itself: even the best outcome-based service specifications can create a bureaucracy that stifles imaginative responses, and commissioners will procure on the basis of what they know worked well in the past. So, we need to empower front-line staff to bring forward innovative ideas with confidence, and incentivise middle managers to find ways to put these good ideas into practice.

**technology**
Technology may provide part of the solution, particularly for the younger ‘Facebook’ generation, who will actively seek out new access channels, largely on a self-service, less dependent basis. Technology will also support a better co-ordinated response to meeting customer needs, not least by enabling a deeper understanding of what these are. But, massive investment in the latest ‘all singing, all dancing’ computer systems is not a prerequisite of innovation. Some new equipment can help, however, like the £10 alarm clock that made a huge difference in our initiative to reduce the number of ‘not in education, employment or training’ (NEET) youngsters in Hull. As part of a new form of ‘wrap around’ support, it brought order and purpose to the lives of the members of one dysfunctional local family. The creative part, though, was the insight of the care worker who saw the potential return from such an investment.

So, the question is, how do we create the conditions within which innovation can thrive and how do we incentivise our staff to engage creatively in it?
innovation inhibitors
culture change
New behaviours are required from service providers if innovation is to flourish, but this change is difficult and slow, particularly in large organisations or where a blame culture still lingers as a disincentive to risk taking. (Hence the need for clear leadership).

So, how do we change our processes of staff recruitment, reward and development to produce more of the ‘right attitude’? Indeed, is it possible to teach people to be innovative, or at least to recognise and exploit it when they see and experience it?

appetite for risk
Ironically, this may be low in those organisations which are performing well under current performance regimes. Also, politicians (national and local) tend to be more risk averse, particularly just before elections! In other words, failure is not allowed, even though successful innovation depends on (well managed) risk taking.

How do we design performance frameworks that promote, rather than stifle, innovation? In other words, should risk be judged in future more on the basis of a failure to innovate – even though some innovations will inevitably fail?

a supportive infrastructure
Working at the cutting edge of change is high risk and expensive – and the public sector does not have a consistent track record of managing this well often because such work has been done in service silos. New approaches to change management in public services are required, based on empowered, specialist, multi-agency project teams, who are trusted and motivated to overcome obstacles through delivering effective solutions – and who have the time and investment resources needed to do this well.

Sometimes, we need to back the team, as well as the good idea. Without this infrastructure to support the transfer of ideas into practice, innovation will fail.

How do we create frameworks which enable such expertise and experience to be shared, so that good practice is disseminated quickly, through self-managing (vertical and lateral) informal networks of motivated practitioners?
the customer is not always right

The demands and involvement of service users can drive innovation, by showing where it is needed. We should always start here, but it is a fallacy that service users can guarantee you will design better solutions to meet their needs or even that they want to do so. Recent research shows that most of our residents are not clear about what is possible or even what they actually want, other than for someone to make their life easier. As Henry Ford said, ‘if I had asked people what they wanted, they would have said faster horses’. The public are often limited by what they know and have experienced before, and are (at best) ambivalent about rapid or radical change, even where it contains the likelihood of improvement. Asking people what they want is not enough. We need new skills to enable us to take their experiences of our services through a structured process of ideas generation, which the public feels involves them and gives them influence over the improvements which result. There is much here we can learn from the efforts of others to do this - in Kent, Southwark, Barnet and elsewhere.
So, the question is how do we create a new trust in the ability of frontline practitioners to understand, anticipate, and deliver what people want? How do we create a new kind of public service ‘professionalism’?

**learning faster by learning together**

Our learning so far, as an organisation experiencing major change, has taught us that finding our own answers to these key questions will be critical to our success. Our new culture change programme is intended to involve all our staff in this search for new ways to ‘work smarter, not harder’, through a whole system approach. Paradoxically, this will require bold leadership from politicians and managers, in facilitating the new culture of empowerment and experimentation.

Our goal is to shift the whole organisation, so that this approach simply becomes ‘the way we do things around here’. But, the real prize will be to see this reflected more widely in positive changes of behaviour amongst local people, as we tackle the legacy of ‘wicked issues’ we have inherited. This win:win situation will provide better quality of life for Hull’s residents, and more satisfying and secure jobs for our staff, in an increasingly turbulent world. In emulating the recent success of Hull City Football Club, we are convinced that this is the way to ensure that we also get to play in the premier league!
Councillor Carl Minns was born and raised in Stockton on Tees on the North East coast of England.

Carl moved to Hull in 1994 to study Politics and Regional Studies and was the first of his family to go to University. Whilst at University Carl developed his political ambitions and became Student Union President. Following graduation Carl worked for various IT training companies in London before returning to Hull in 2000 to work for Comet’s internet team.

Carl was elected as Ward Member for Kings Park Ward in 2002 and shortly after became Portfolio Holder for Life Long Learning. Carl was elected as Leader of the Liberal Democrat Group in 2005, and as Leader of Hull City Council following the local elections in May 2006.

Kim Ryley is the Chief Executive of Hull City Council. After pursuing an initial career in higher education, Kim worked in local education authorities in London and the South East of England. In October 1995, he became Director of Education with a new Welsh unitary authority and, in April 1999, was promoted to Chief Executive, leading it to become the highly commended runner-up as the ‘most improved council of the year’ 2004.

On the strength of this track record, Kim joined Hull City Council in November 2004, where he is leading the transformation of Hull as the capital of a city-region which is one of the country’s largest ports complexes.

Kim is the principal adviser to the Regional Improvement and Efficiency Partnership for Yorkshire and the Humber, and is Junior Vice President of the Society of Local Authority Chief Executives.
Lowry Bridge, Salford Quays, Manchester
Innovation is hard to define, hard to identify and impossible to mandate, yet it is vital that local government embraces innovation as a natural way of working to improve performance and deliver more efficient and effective services to the people they serve. The sector is operating in an era of enormous global challenges – such as ageing populations, climate change, global insecurities from pandemics, financial crises and terrorism – and these challenges are combined with rising public expectations. So governments, whether local or national, must develop the capacity to stimulate and adopt new ideas to deliver their services and use their resources more effectively.

Manchester\(^1\) has a long tradition of innovation, not only in industry and business but also in social provision. The ten authorities that make up the Association of Greater Manchester Authorities (AGMA) likewise have a deeply embedded approach to working in partnership and acting collectively for the benefit of all their citizens. The creation of a multi-area agreement is a natural extension of the way in which the civic leaders of the 10 authorities had been working for many years. The opportunity to innovate in Manchester’s governance in order to better position the city region for its long-term economic future was embraced with enthusiasm by all concerned. This article describes how in meeting this opportunity, innovative approaches have been released. We describe some of the underlying cultures and conditions for success and continuity.

**innovating governance**

The Sub-National Review of Economic Development and Regeneration (SNER) review paper (July 2007) outlined the Government’s plans to refocus both powers and responsibilities, in support of its objectives to encourage economic growth and tackle deprivation at every level, by:

- empowering all local authorities to promote economic development and neighbourhood renewal, with greater flexibility; stronger partnership working and cooperation from other agencies; and better incentives for achieving economic growth, and for ensuring disadvantaged areas benefit from,
and contribute to, economic development

- a differentiated approach that supports local authorities in all areas to work together more effectively where they so wish

- streamlining the regional tier outside London, based on more effective and accountable RDAs which would be responsible for preparing a single strategy for the region, in close collaboration with local authorities

- sharpening the focus of central government departments through clearer objectives, and stating Whitehall’s responsibilities to provide more effective support and better coordination for economic development and neighbourhood renewal at all spatial levels.

The AGMA authorities have seized this opportunity to strengthen our informal working arrangements and to create a new governance arrangement. This will provide a suitable balance between the democratic accountability of elected members, the primacy of existing statutory authorities and the reality that there are other major stakeholders in the aspiration for the city region. We have eschewed the option of an elected mayor, on the basis that not only is there a long history of collaborative working, but there is also a recognition of distinctive identities in local towns and neighbourhoods. This would be challenged by a single elected official.

The governance arrangements strengthen partnership working without challenging the sovereignty of each of the individual authorities. An Executive Board of the 10 Leaders sets the strategic direction for Greater Manchester. A series of Commissions with delegated responsibility for specific policy and delivery functions, such as economic development, health, environment and planning and housing will deliver the strategy and a Business Leadership Council enables the private sector to undertake an advisory role to the Executive Board.

New governance arrangements do not come easily – not only are there legal hurdles to be gone through but there are major representational issues which must be addressed to keep all the relevant partners engaged and committed.

Core to the change in arrangements lies trust across the authorities and a shared vision that all need to work together for the success of all in the city-region. Manchester has the
ambition to address continually the challenges of its industrial past while embracing the opportunities that lie in the modern global knowledge economy. There can be few cities where need and opportunity coincide so strongly and where collective action has achieved so much in the face of severe challenge. This long-term working means that many of the recognised enablers of innovation are present in the city-region – such as the scope for experimentation, support from the leadership to encourage a bottom-up approach, an ability to accept and manage risk and an attention to the views of all stakeholders.

Through work on our multi-area agreement, the Department for Innovation, Universities and Skills (DIUS) are supporting Manchester to properly understand and take forward the role and relationship of both local and central government in driving innovation into our future economy.

This culture has enabled the city to have the confidence to commission the Manchester Independent Economic Review, the most comprehensive and objective examination of a city’s economic perspective ever undertaken in the UK.

innovation Manchester: innovation and economic development

In a recent NESTA publication Geoff Mulgan comments that:

‘John Kao has written that the most important characteristic of an innovative firm is that it has an explicit system of innovation which pervades the whole organisation, which is visible, known about, generates a stream of new ideas and is seen as vital to creating new value. No public agencies have anything quite comparable.’

In Manchester the public sector is seeking to enable partners to create that new value. Innovation Manchester is a partnership between Manchester City Council, Manchester: Knowledge Capital, Manchester Enterprises, the North West Development Agency (NWDA), and NESTA. It aims to increase the capacity for innovation. So far, Innovation Manchester has brought together over seventy of the city-region’s business leaders to form Innovation Teams across six potential growth areas for.

Manchester. Working at a fast pace over a few months, the teams have developed a set of six mini-business plans with over 20 ideas to transform products, services and partnerships across the city-region. The first of its kind in the UK, the process has led to an ongoing and continuous approach across the city to support innovation, mobilise resources and create a step-change in the pace at which the city-region can adapt to challenges, adopt new thinking and seize opportunities.

The Manchester Innovation Investment Fund was established to drive a step-change in the Environment for Innovation across the Manchester city region. The key investors (NESTA, the NWDA and Manchester City Council) have delivered a total of £7 million to invest over the next three to four years to stimulate innovation. This fund is being used to fast-track six of the initial projects from the Innovation Teams’ work, which are being championed by private sector leaders. Ideas range from graduate apprenticeships with local companies to modern manufacturing fabrication laboratories in schools and a digital sounding board for the city. Driven by business enthusiasts, working with university colleagues and actively encouraged by city leaders (including the authors), this dynamic process has released energy and commitment, has the scope for experimentation and has generated a community of innovators that now feel part of the city-region team.

Manchester, the original industrial city, a place that has always embraced innovation is modernising its governance, its infrastructure and its networks of innovators for the future. Innovation is lengthy, interactive and social; many people with different talents, skills and resources have to come together\(^3\) to make it a success – we are merely at the beginning of that journey.

**Councillor Sir Richard Leese** is the Leader of Manchester City Council. He previously worked as a teacher in Coventry before moving to Manchester to take up a post as a youth worker. He was employed variously in youth work, community work, and education research before being elected to the City Council in 1984. Sir Richard was Deputy Leader from 1990 to 1996 having previously chaired the Education Committee (1986-90) and Finance Committee (1990-95).

Sir Richard’s political interests include the links between economic development and social policy, developing open democracy and the community leadership role of local authorities; and the role of cities in creating a sustainable future. He is heavily involved in regeneration activity including being on the board of the East Manchester Urban Regeneration Company. Sir Richard is also Chair of Manchester Airport Group’s Shareholders’ Committee.

**Barbara Spicer** is the Chief Executive of Salford City Council and the Greater Manchester Police Authority. Barbara led the bid to relocate the BBC to Salford Quays as part of mediacity:uk, creating a development of international significance. She represents Salford in the City Region and is advisor to the Economic Development, Employment and Skills Commission. In that guise Barbara is also Chief Executive Lead on the multi-area agreement.

Barbara also plays a leading role on public protection. Additionally, she sits on the national Chief Executives’ Advisory Group for Building Schools for the Future.

Barbara is a trustee at the Lowry, a board member of both the Central Salford Urban Regeneration Company and Manchester Knowledge Capital.
The Øresund Bridge - runs from Copenhagen in Denmark to Malmö in Sweden
Innovation involves doing something nobody told you to do. This is because, by definition, when you innovate you invent something new. Nobody could have told you about it beforehand.

Accepting this simple proposition has profound implications for those in civic leadership positions – both nationally and locally. Ministers and local politicians, civil servants and local government officers, and, indeed, public service managers across the board, will need to shed some fairly well entrenched attitudes if innovation in public services is to flourish.

This is because the old ‘command and control’ or ‘target driven’ approach to leadership needs to be jettisoned. In simple terms, fostering a culture of innovation requires leaders to forget about creating management regimes that seek ‘conformance’, and to start fostering problem solving behaviour that breaks new ground in order to enhance public service ‘performance’. Shifting from ‘conformance’ to ‘performance’ models of leadership is demanding as it requires a deep shift in prevailing attitudes.

To advance fresh thinking in this area I make two suggestions. First, the public service innovation debate needs to pay more attention to the implications for leadership – local and central. Unless this weakness is corrected quickly the push for innovation could falter. Second, the UK debate on innovation can benefit from considering experience with innovation in other countries.

In relation to the leadership theme, it is important to recognise that ‘leadership’ is exercised by many players in the local government system. Council leaders and chief executives carry enormous leadership responsibility, but the good ones know that effective local authorities cultivate dispersed patterns of leadership - both inside and outside the organisation.

Figure 1 takes this idea forward and offers a new conceptual framework for thinking about locality leadership. It suggests that there are three overlapping groups of leaders all contributing to ‘place-based’ leadership in any given locality – elected politicians, appointed officials and non-governmental leaders1.

1 This framework is elaborated in Hambleton, R. (2008) Civic Leadership for Auckland: An International Perspective. Research Paper for the
There is a welcome expansion of writing by practitioners on innovation and many of these contributors have drawn attention to the importance of learning from service users\(^2\).

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It is helpful to extend this argument and ask what might be needed to make more of this resource. Thus, as well as giving more attention to the ‘interface zones’ between the state and the citizens it is there to serve, I believe we should also look at the spaces between the different realms of leadership encountered in any locality.

There is anecdotal evidence to suggest that the zones of overlap between these realms of leadership provide fertile ground for innovation. Indeed, we can think of them as potential ‘innovation zones’ – see Figure 1. This is because actors operating in these zones, if they are open-minded, can discover different perspectives. Better than that, the processes of collaborative working that take place in these zones can spark fresh thinking and creative action. Aligning all forms of leadership – political, managerial, and community – can unleash powerful and far-reaching innovations.

We can explore this idea of ‘innovation zones’ by examining an example of very bold and successful locality leadership in Sweden. In the last decade or so civic leaders in the City of Malmö have promoted a startling amount of innovation, and this is partly because all three realms of leadership within the city have been brought together to good effect.

Malmö: from rust-belt to eco-city

In the early 1990s the bottom dropped out of the Malmö economy. The port city, located just across the water from Copenhagen, had grown to become the third largest city in Sweden. In the 1960s this successful industrial town had enormous shipyards that could rival any in the world. Now the docks and associated traditional industries have vanished.

While the Malmö fall from economic grace mirrors the decline of many UK industrial cities it was probably more dramatic and more sudden than many. In the three-year period 1992-94 the city lost a third of its jobs.

Anders Rubin, Deputy Mayor for Housing and Urban Environment, who has been an elected councillor since 1985 and knows Malmö’s industrial past very well, put it graphically: ‘In three years we lost everything. We went from industrial town to no industry town.’
A decade or so later and Malmö is lauded as one of the most far sighted cities in Europe for sustainable development. In an astonishing turn around the city has reinvented itself as an eco-friendly, multi-cultural city. Malmö has an array of imaginative environmental initiatives delivering new ways of responding to climate change and is pioneering approaches and practices that will be of real interest to UK local authorities. So what’s happening in the innovation zones?

zone 1: political and managerial leadership – the Øresund Bridge and the city plan

The political leadership of Malmö should be given credit for being willing to set very high expectations in relation to innovation. Anders Rubin again: ‘The disappearance of traditional industries was so fast and so complete that we had nothing to be defensive about. We simply had to come up with a new approach. And we decided that the way forward was to create a modern city that was at the very top when it comes to environmental issues’.

Ilmar Reepalu, leader of the City, sums up the achievement of the last decade: ‘Our city used to be viewed as a declining, former industrial town on the periphery of Sweden. Now we have positioned ourselves as a modern city at the centre of the Øresund region knowledge economy’.

The construction of the magnificent Øresund Bridge linking Malmö and Copenhagen was, of course, a major strategic decision made at national level by the central governments of Sweden and Denmark, but local politicians and their officers pressed for it. Opened in 2000 the bridge, with its international rail and road links, is contributing to a reshaping of the socio-economic geography of the whole Øresund region.

Within this new regional context the political leadership has orchestrated the preparation and adoption of the Comprehensive Plan for Malmö 2000. Politicians and officers have worked closely together to develop a sophisticated urban plan providing for mixed uses within the city. Christer Larsson, the Director of City Planning, explains how the plan lies at the heart of the movement to create a sustainable city: ‘The structure of the city is crucial to our approach to climate change. Through careful

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planning designed to ensure mixed-use developments close to railway stations we can reduce the need for car travel enormously’.

zone 2: managerial and community leadership – the Western Harbour

Politicians in Malmö trust their officers to get on with the job and the Western Harbour area provides an outstanding example.

This is a stunning development where urban designers, architects, environmentalists, structural engineers and city planners have been let loose. Even without mentioning the astonishing ‘Turning Torso’ tower – a 54 storey mixed use skyscraper designed by Santiago Calatrava – the Western Harbour represents a break through in sophisticated environmental design tuned to an urban context.

In line with demanding eco targets set down by the political leadership, the area is served entirely by renewable energy from sun, wind, water, refuse and sewage. Here, people on foot and cyclists have priority over cars, walls and roofs are covered with plants, and green roofs of moss-stonecrop sedum carpet are found on almost all properties.

The extensive hydrological features manage rain runoff and support a broad range of birds as well as creating a ‘city in a garden’ feel. And the whole neighbourhood is carbon neutral, mainly because the district heating system stores heat down in the limestone beneath the neighbourhood in the summer and draws on it in the winter.

Architects, planners and other professionals have worked closely with local people to create a truly innovative urban environment – one that now attracts visitors from across Europe.

zone 3: community and political leadership – decentralised city services

In 1996, Malmö City was divided into 10 geographical areas – each run by a City District Department. In common with similar efforts to introduce decentralised management in many UK local authorities in the 1990s, the aim is twofold: to develop and strengthen local democracy; and to improve public service responsiveness.
This decentralised approach is relevant to current UK discussions of community empowerment as it reminds us that organisational redesign is critical. Adding ‘empowerment’ mechanisms onto the ‘edge’ of unreformed organisational structures is a recipe for failure.

In Malmö the decentralised system enables city government to gain a comprehensive view of the needs of the population in a given district and gives citizens enhanced influence over conditions in their area. The four main areas covered by the City District Departments are:

1. pre-school and compulsory school
2. health and medical care
3. individual and family care, and
4. leisure and culture.

Decentralisation frees the political leaders to concentrate on strategic concerns. Anders Rubin put it this way: ‘I am not interested in driving the car of city administration. Other people should drive the car. My job is to work with my colleagues on creating the map so that we can ensure that the car goes the right way’.

lessons for the UK

The strategy Malmö has pursued in the last 10 years or so provides an example of bold innovation. The city still has many challenges to confront – for example, connecting the eastern part of the city to the central area is a high priority for the City Planning Department. But few cities have been so effective in taking practical steps to tackle climate change. The key lessons for the public service innovation agenda in the UK can be summarised as follows:

• bold political leadership can establish a vision for a city that creates space for breath taking innovations that lead to striking improvements in the local quality of life
• political leaders cultivate civic leadership across the entire city. They need to recognise that local leadership at the neighbourhood level is just as important as ‘big strategy’ leadership stemming from city hall
• radical decentralisation of decision making to the district level enhances public involvement and service responsiveness
• recruiting creative officers, and giving them authority to take risks, means councils are likely to come up with new solutions

• recognise that powerful elected local authorities can make spectacular progress when it comes to innovation

• strengthen the financial power of UK local government and discard the over-centralised performance regime created in recent years.

The Malmö experience shows that local councils can make a significant contribution to innovation in modern society, but only if the central state recognises the value of local government and respects the right of different places to do things differently. Swedish local authorities have much more power than their UK counterparts and they have the political legitimacy to experiment. This is the central lesson for those wishing to promote innovation in UK public services in the next decade.

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From 2002 to 2007 he was Dean of the College of Urban Planning and Public Affairs at the University of Illinois at Chicago. His latest book, co-edited with Jill Simone Gross, is Governing Cities in a Global Era. Urban Innovation, Competition and Democratic Reform (Palgrave 2007).
section three

an ‘innovation infrastructure’ for local government?

Other sectors that take innovation seriously can demonstrate a well-developed infrastructure to support innovative activity, as Geoff Mulgan and David Albury explore in their essay in this section. The rest of the contributions here go on to explore the work of other organisations seeking to provide support and grow capacity for innovation in the local government sector. As all of them argue, their role is not to ‘deliver’ innovation on anyone’s behalf: instead they describe their task as growing the market – increasing the appetite for innovation, and increasing the range of support that is on offer for those people seeking to innovate.

The UK economy invests some 2-3 per cent of turnover on innovation, and many advocate a similar proportion for public services. It is hard to assess currently how much the local government sector invests in supporting innovation, but given the current economic circumstances, these essays together make the case for a more systematic commitment of funding, resources and focus on innovation, in order to put local government in the driving seat of a field which is set to become a key priority across the public sector.
The Houses of Parliament, London
Innovation matters not because it is a good in itself (it’s not) nor because it’s fun (it can often be unsettling). It matters because in the long-run it is the only way to achieve greater impact. In the private sector, there’s universal acceptance that greater productivity and increased performance depend on innovation, and not just on improvement or better management of existing models. The same is true in science and medicine. But in the public sector there is still resistance even to the idea that innovation might matter or be of more than marginal interest, and only a tiny fraction of the resources devoted to improvement and performance management is invested in systematic innovation.

We make two key arguments: first, that in a much tougher economic climate, pressure for public sector and public service innovation will grow, not diminish; second that the British system suffers from what we call a ‘missing middle’, with strong traditions of top down innovation, usually led by Whitehall, and strong traditions of small scale, grassroots innovation, but a lack of effective intermediate level institutions and processes for incubating good ideas and taking them to scale. The result is the paradox that the UK both innovates too much (in the sense of imposing often unproven models on the whole country) and innovates too little (in the sense of nurturing, testing and then growing practices and organisations that can achieve better outcomes and impact in fields such as crime reduction, eldercare and education).

Over the last couple of years innovation has moved to the centre of public policy. It has been paid lip-service for decades, but only now are governments considering seriously how to develop structures, budgets and skills to make it happen. The Darzi review of the NHS included a welcome commitment not just to investment in pharmaceuticals and medical instruments but also to service innovation. The Department for Innovation, Universities and Skills’ (DIUS) Innovation Nation was the first innovation White Paper to talk about innovation in the public sector – and committed to setting up a Public Services Innovation Laboratory. IDeA have invested in an ‘Innovation Catalyst’ programme to support innovation in local government.
A major reason for this focus on innovation is that government faces many persistent and deep seated problems on which progress has been limited. Youth crime, drugs and inequalities are obvious examples where it’s clear that just doing more of the same, or even doing more of the same more efficiently, is unlikely to be enough. Another factor is the realisation that new challenges such as climate change and an ageing population are bound to require new solutions. Again it’s inconceivable that just doing more of the same more efficiently will be an adequate response.

Tying both of these together is the dawning realisation that two decades of emphasis on improvement and performance management has reached its limits, and that sharp improvements in productivity and performance, in impact and outcomes, will depend on much more radical, and systematic innovation. The strong focus on performance over recent decades has undoubtedly achieved significant improvements. But it’s come at a huge cost (at the beginning of this decade the inspection costs for local government alone were estimated at £600m), with a fairly weak evidence base (ironically the countries which didn’t follow the UK and US model still outperform us on most measures of quality), and in some cases has impeded the adoption of new and more effective alternatives. The strength of the improvement field reflects the seriousness with which reformers filled in the middle level institutions between exhortation from the top and better management at the bottom. These included the Audit Commission, IDeA, the many inspectorates, Beacon Schemes to raise awareness of current best practice, and a host of training courses and supports for capacity-building.

By contrast equivalents are almost wholly missing in public sector innovation. Instead the British tradition has defaulted to two approaches to innovation. One is state led, centralised and top down. New ideas come from politicians or think-tanks and are then quickly turned into legislation or new programmes. Margaret Thatcher and Tony Blair perhaps exemplified this approach, using strong majorities to drive through the reforms they believed would work.
The other tradition has been bottom up – letting a hundred flowers of creativity from social entrepreneurs and public agencies blossom – a tradition which has equally deep roots in the fertility of British civil society and local government. The Tories before 1997 and New Labour after 1997 primarily relied on the first method while rhetorically backing the second.

But over the last few years the inadequacies of these approaches have come to be widely recognised. Top down innovations tend to be blunt and costly. Bottom up innovation often remains undisciplined and too small in scale to have much impact. In other sectors systems of innovation connect the two together with dedicated institutions, budgets and people as well as intermediary institutions which connect supply and demand. Look for example at the innovation system around low carbon technologies, or new treatments for cancer, and you find not only very substantial investment in basic research, but also a dense network of institutions to provide capital for promising ideas (angels and venture capital), of intermediaries who help firms and laboratories understand the potential value of their ideas, of networks that promote and spread promising practice, as well as a dynamic pull from firms or practitioners hungry for better ways to do their job.

Very little equivalent capacity exists in and around the public sector. There are some exceptions, including the organisations where the authors work, and some of the initiatives described elsewhere in this pamphlet. But all of these remain very modest in scale. Five years ago after we published a report through the Cabinet Office which argued that the public sector needed to move beyond anecdote and exhortation, the sums involved and initiatives to drive forward innovation remain very modest, whether by contrast with governments’ investment in innovation in hardware or its spending on improvement. It’s a remarkable fact that the budgets for all of these initiatives dedicated to service innovation across the UK public sector total less than 1 per cent of the budgets for inspection and audit.
That’s why the priority now is to build up the embryonic new institutions appearing in different parts of the public sector, and to ensure that they have strong backing from leaders, adequate resources to make a difference and the skills to smartly and systemically support innovation. For them to thrive, however, five other key characteristics of innovation systems need to be in place.

First there needs to be a culture that recognises the importance of innovation. That doesn’t always mean favouring the new over the old. In many public services the highest priority is to be aware of the options – the innovations that have grown up elsewhere and deserve to be adapted or transplanted. The public sector remains woefully bad at doing this, with no dedicated organisations for scanning promising models as well as established best practice. These are every bit as important as new experiments and trials.

The second is a mature approach to risk. No-one wants wanton risk taking in public services. But equally there is no chance of long-term improvement if there isn’t some carefully judged risk-taking, particularly of higher risk but higher impact alternatives. Much work has been done around the world on how to manage risk around public sector innovation – but it’s still little understood in the UK context.

Third, there needs to be disciplined and systematic support for potential innovators: not just financial support through innovation funds, and the full panoply of types of investment (from backing individuals through loans to equity), but also the kind of support for ‘next practice’ that’s been pioneered by the Innovation Unit and has played a part in Knowsley’s efforts to create an infrastructure for 21st Century learning discussed elsewhere in this pamphlet.

Fourth the field needs to improve and professionalise its skills and methods. The Young Foundation with NESTA is currently surveying the field of methods used worldwide in this field, so as to better guide innovators and commissioners to the methods that work best for everything from small scale service innovation to innovation in big systems like waste. At the moment most practitioners are largely unaware of the methods they could be using, and the skills base is low.
Fifth, and finally, the biggest challenge of all of all for the public sector in this new environment will be to be open to fundamentally new, but more effective practices. We know from abundant research that it’s usually organisations on the edge of, or outside, the mainstream that are most imaginative and most likely to come up with radically new models (such as the Open University, NHS Direct, integrated childcare, nurse/family partnerships or the recently launched ‘School of Everything’). We also know that large public agencies tend to be good at resisting or ignoring ideas of this kind. That’s why the role of commissioner is so important – unless they are rigorous about what really works, tough-minded about decommissioning services which aren’t up to scratch, and creating space for the new, public services are likely to stagnate.

The current economic climate should quicken the pace in this area. All research on innovation shows that it’s usually accelerated by crisis and necessity. The relative plenty of recent years made it feasible for the public sector to concentrate more on incremental improvement than radical innovation. But
that will cease to be the case as pressure mounts for step changes in productivity and impact.

So innovation is neither a fad nor a fetish. It’s central to delivering value to the public. But at the moment, despite many lively innovators, Britain lacks a mature system of innovation, an equivalent to the strong institutions that support innovation in other fields like science and medicine, or indeed an equivalent to the institutions that have embedded improvement. Without addressing this missing middle, no amount of exhortation and warm words will meet the pressing need for the public sector to sharply raise its game.
**David Albury** is an independent organisational and policy consultant, specialising in developing and implementing strategies to address complex issues in public services. From 2002 to 2005 he was Principal Adviser in the Prime Minister’s Strategy Unit. His current work focuses on transformation and innovation in public services. David has advised local, national and international organisations across the full range of public services and has coached teams of and individual top managers and professionals. Before becoming a consultant, after a decade as an academic researching, writing and teaching about technological innovation, organisational development and cultural change, David held a number of senior management posts in higher education with responsibilities for corporate strategy, regional partnerships, educational development, information systems and engagement in urban regeneration. He is a Board Director of the Innovation Unit, an Honorary Professor in Innovation Studies at King’s College London, a member of DIUS’ Public Sector Steering Group, an Expert Adviser to Capgemini, and an Associate of Demos.

**Geoff Mulgan** is director of the Young Foundation, which combines research, local projects and the launch of new public, charitable and commercial ventures. Before 2004 Geoff had various roles in the UK government including director of the Government’s Strategy Unit and head of policy in the Prime Minister’s office. He was the founding director of the think-tank Demos. He is visiting professor at LSE, UCL, Melbourne University and the China Executive Leadership Academy, and part-time adviser to Prime Minister Kevin Rudd in Australia. His most recent books are *The Art of Public Strategy* (Oxford University Press 2009) and *Good and Bad Power* (Penguin, 2006).
The Norfolk coast, the East of England
Local Government faces a continuous challenge to reduce costs while improving services. To help councils achieve this, the Regional Improvement and Efficiency Partnerships (RIEPs) were set up in April 2008, with significant funding that has been granted for year one and is indicative for years two and three. The RIEPs are a partnership of all the local and fire and rescue authorities within each region. The publication of the National Improvement and Efficiency Strategy last year set out an ambitious role for the RIEPs in supporting councils to deliver greater efficiencies as well as better outcomes. This is an exciting time for us.

As relatively young organisations, the RIEPs are all at different stages of development. At Improvement East, the East of England RIEP, we therefore believe that as well as supporting individual and groups of authorities in our own region, the RIEPs all have a crucial role to play in helping one another, and learning from the others. It is also clear that we will all have a role to support and generate more innovative solutions, as a means of helping local authorities, and the fire and rescue authorities, sustain the huge achievements of recent years. As a RIEP, we feel we can generate solutions that are simply not viable for individual, or even smaller groups, of authorities.

The East of England is one of the largest of the English regions at just over 19,000 square kilometres. It extends from the fringes of London in the south to the North Norfolk coast. At the current time there are 60 authorities in the region: 44 district/borough councils, 6 county councils, 4 unitary councils and 6 fire and rescue authorities.
The east is distinctive from the rest of the country because it faces two challenges not faced elsewhere: we have three of the four national growth areas, and 50 per cent of our county areas/region faces local government review in 2008/09. It is therefore a particular challenge to work together and share ideas with this kind of context but also, particularly important that we try!

There have been lots of discussions about how to encourage innovation in local government and the bottom line is that we need to start by giving employees space and time away from ‘the day job’. We need to go further than that and we need to make innovation a part of the day job. To achieve that, we need to foster a creative environment and give council staff the permission to try ideas that might, or might not work out as expected without casting blame. We need to help stimulate ideas and allow free thinking.

This is a great philosophy, and easy to say, but in practice, how can a regional partnership actually help to make that happen? We believe that we can give practical support to changing cultures and creating opportunities for ideas to flourish in a number of different ways. The remainder of this essay describes our current approach to supporting and stimulating innovation in the region of the East of England.

focusing innovation around key themes

The partnership itself is an example of a cultural shift: although our governance arrangements include a Member Panel and Executive Advisory Group (EAG), we are working through ‘Cluster Groups’ for each of the main priority themes we have identified for our region; performance, local area agreements and local strategic partnerships, efficiency and skills and capacity. These cluster groups include members and officers from the Member Panel and the EAG acting as theme champions. This is helping to get high level buy in to the emerging programmes.
As well as looking at bringing people together around key issues, we are also experimenting with connecting people in smaller geographic areas to work in new ways. So, for example, we have invested in and supported the Peterborough Solutions Hub. This enables partners in Peterborough to get together and work on specific issues related to their local area. The first topic to be addressed is teenage pregnancy and the various organisations (including health and the police for example) have identified everyone working on this, in order to bring all the practitioners together. The group has shared ideas and information, in order to generate more efficient and effective ways of working which can have a real impact in the local community. We are monitoring this project to share the learning and to consider how we might roll out the model to other authorities in the future.

building networks of innovators to share practice and work together

The East of England Regional Assembly runs a variety of regional networks and we have been working closely with those networks in identifying difficulties and potential programmes of support, in line with our theme-based approach described above. In particular, we are funding a local strategic partnership co-ordinator, who has helped us to work with the local area agreement (LAA) informal network, in order to identify common LAA targets which are potentially difficult to achieve. We are considering how to catalyse action for each of these, perhaps through the ‘festival of ideas’ approach that has been pioneered by the national Innovation Exchange for the third sector.

Sharing and celebrating innovation is a vital part of supporting it and communicating its importance to staff. In the East of England, the Performance Improvement Network set up an ‘Innovations Day’ four years ago to provide a forum for authorities in the region to showcase their innovative practice, and to create an opportunity for others to learn, amend and implement ideas that had
come from elsewhere. No idea was too big or too small and any idea that could be learned from was welcome – whether or not it achieved the original objectives.

The event has developed over time, and last year it included a ‘Dragon’s Lair’ section where a number of shortlisted authorities could make a direct appeal to the Improvement ‘Dragons’ for investment in new projects. Improvement East plans to continue to invest in and support this event. Last year, over 170 delegates attended the event to share their ideas, discuss the current challenges with their peers and come up with new ideas to take away.

Sharing practice can be done at events, but we also know that we need to make it easier for new knowledge to travel around the system. In local government, so often innovations remain trapped ‘on location’. Our decision to support the use of the regional Interchange system1, to set up ad hoc discussion groups across authorities, is part of our commitment to ensuring that innovation travels, and that innovators do not feel that they are pursuing new ideas in a vacuum.

It is in the nature of local government to have only one or two people in an authority working on a particular topic and those people can feel isolated. Through the Interchange system they can identify peers doing similar work in other authorities in the region and arrange to meet up to share ideas and generate solutions. Through an incentive scheme, the host authority for the discussion group can claim a relatively small sum of money to pay for venue hire and refreshments or even to put towards a facilitator for each meeting. These groups may meet just once, they could form action learning sets, they could continue indefinitely.

The important thing is that they get to take a step back to consider the overall picture. They can help each other to overcome barriers and they can do some innovative thinking. The most recent discussion group is about Business Process Improvement. Representatives from a variety of authorities are sharing their own ideas and methodology and working together to help develop a regional programme of support.

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1 Interchange is a scheme to help facilitate the exchange of good practice and personnel between authorities. Each authority has an Interchange manager who can electronically upload development opportunities available in their authority or requests for opportunities from their staff.
incubation and implementation funding

Improvement East recognises that there are many innovative ideas that never get off the ground because there just aren’t the funds available, either to incubate the seed of an idea, or to implement a more developed one. This can lead to a situation where people stop trying to come up with new ideas because they do not believe there will be any support. To create the right environment, people need to feel that their ideas will at least be considered seriously and have a chance. Regionally we can help to develop the right culture by targeting some specific funding to support ideas development.

The Innovations Fund will be open to all authorities, provided that they are working in partnership with at least one other. The main aim is to pump prime some of the smaller initiatives that may get lost on the bigger picture. If an idea is generated in an individual authority, they can use the partnership search on the Interchange system to float their idea and to get support from partners. In the past, we have found that some requests are for as little as £5,000 but that the investment can make a real difference. We will insist on
sharing the learning from any projects we fund and in this way, we hope to spark ideas for variations and improvements.

At this stage, Improvement East is also considering a Dragon’s Lair event related to innovative technology. Having received the funding for the first year, we have been approached by a number of companies offering new software solutions, which could revolutionise the way we work. We are aware that many of them are also visiting authorities within the region on an individual basis. We need to alert the partnership to the new systems available and help the authorities link up to combine their purchasing power where that is possible. For particularly helpful technology the partnership could look at part funding systems for the whole region.

Improvement East will need to consistently consider how to foster innovation so we anticipate building on and expanding our current ideas as the partnership continues on its journey.
Cecilia Tredget has worked in local government since 1982 and up until 10 years ago worked in north London in the area of housing, then regeneration.

In 1998 Cecilia moved to East Cambridgeshire District Council where she took up the position of Assistant Chief Executive and then in 2000 became the Deputy Chief Executive.

Cecilia Tredget has recently been appointed as Director of Improvement East. Cecilia appreciates the effort from those involved in setting up Improvement East and has described her joining the team as leaping on to a moving train! Although the Regional Improvement and Efficiency Strategy has been written and signed off by ministers, Cecilia’s immediate task is to translate the intentions set out in the strategy into a delivery plan for the partnership.

Lucy Ashwell started working in local government in 1992 in quality assurance of social services and has been working in a regional role since 1996. Her background is predominantly in HR but she started working on regional improvement projects in 2005. In 2007 she played a lead role in developing the Innovations Day event in the East of England and has been monitoring the progress of the successful Dragon’s Lair projects.

Lucy worked for the Regional Improvement Partnership in the East of England (Building Capacity East), overseeing partnership projects within the various authorities and was transferred to the new RIEP – Improvement East – from 1 April 2008.
In local government, the relationship between innovation, excellence and improvement is a complex one that remains poorly understood and beset by assumptions. Despite this, in recent years local government has done extremely well against all three elements. Over 70 per cent of single and upper-tier councils have now secured three or four stars in the Comprehensive Performance Assessment (CPA) ratings. Local government is widely perceived to have improved at faster rates than most Whitehall departments. And while many innovations remain ‘trapped’ wherever they were developed, the number of innovations incubated by local areas is high. The agenda is now to find ways of building on this success – to move local government from ‘good to great’, and to take council performance to the next level.

Furthermore, a punishing economic climate has focused conversations about the future of the Beacon Scheme yet further, encouraging the Independent Advisory Panel of the Scheme to ask whether the sector is doing enough to test, encourage, incubate, support and ‘scale up’ innovative activity in public services, particularly those approaches that address the most intractable social problems. We have asked ourselves what we know about the shape of an effective innovation ‘system’, and what it might look like in the context of local government.

**looking back to look forward**
Recent years have seen the emergence of a new field for research and knowledge: namely how to support and stimulate innovation in the public sector. Whilst not as developed as the evidence base on innovation management in science or business, there is a growing amount that is understood about the nature of
innovation and the conditions required to stimulate, incubate and diffuse it within public services.

In many ways, the journey of the Beacon Scheme mirrors this development of knowledge and understanding. The scheme has fared quite well in this maelstrom of change but it can’t stand still, and must continue to learn and to innovate in this fast changing and dynamic world. The scheme has some important insights that need to guide both the future shape of the scheme, as well as wider decisions about the innovation ‘infrastructure’ for local government.

In its early days, the Beacon Scheme was closely associated with shining a light on innovative practices from the very best performing authorities. Overall, success breeds success because the best CPA-rated authorities continue to secure Beacon status and proactively share their learning with others. However, it is no exaggeration to say that as the scheme developed, its assessment process became more robust, and the focus shifted: from seeking evidence of innovation, to searching out evidence of performance. This meant assessment and evaluation of past and present activities. The old adage: ‘How do you kill innovation?’

Answer: you set a structured performance framework around it’, captured the Beacon Scheme’s dilemma. Was the scheme about recognising proven excellence through awards or stimulating innovation, and supporting peer learning from it?

To help us resolve this dilemma, we turned to the innovation literature to review the drivers for innovation in the public sector. With the support of Professor Jean Hartley and Lyndsay Rashman of Warwick Business School, we identified the following drivers for innovation in the public sector:

- policy: top down (central government, policy makers)
- organisational: bottom up (demand led, meeting needs and expectations of users)
- profession: sideways-in (comparison with other organisations, sharing best practice)
- user: citizen engagement and empowerment (developed by citizens and users, e.g. co-production).

This work was an important reminder that innovation is not linear; nor is it ‘owned’ by any one agency or organisation. It can come from many places; it can be incremental in the
sense that it adapts existing practice, or radical in the sense that it challenges old paradigms. Any of the catalysts described above will require the appropriate combination of support, leadership and investment: it is unlikely that a singular approach will be sufficient.

In this context, the findings of the longitudinal evaluation of the Beacon Scheme (2004/08), shows that the Scheme makes a distinctive contribution to supporting innovation in a number of key ways:

- it mobilises local expertise and partnership working
- it identifies leading edge thinkers and innovators in local government and recognises their efforts
- it identifies ‘learning authorities’ – those councils that have clear learning and improvement models, and those councils who are receptive to peer support and collaboration for innovation.

The Beacon Panel has now been working hard – along with the LGA, Communities and Local Government (CLG), and the IDeA – to use these insights to shape a new-look Beacon Scheme. We share our thinking so far next.

untangling innovation, improvement and excellence

The Beacons Scheme has helped to clarify the question of the relationship between innovation, improvement and excellence. Our evaluation challenged our early model, which treated innovation and excellence as either synonymous or closely related. It questioned whether best practice is always innovative, and whether innovation always leads to excellence.

For example, the development of the scheme reinforced earlier findings that innovation does not emerge solely from market leaders or shapers1. Applicants show that innovation may be prevalent in the context of a crisis, or other pressures such as budgetary constraints, or threats of externalisation. Opportunities might also drive innovation – for example, a new political administration, chief executive or leader. In short, as Kim Ryley also argues in this publication, innovators do not have to be the very best performers: they can be aspiring or ambitious authorities who are transforming and reinventing themselves.

What they do share – and the question is how to spot these people, given they can come from anywhere in the sector – is some hard-nosed determination as well as simply the ability to have a good idea. Innovators know how to put their idea into practice. They are savvy about demand, supply, measuring value, and the resource costs and benefits involved.

So, if innovation and excellence are no longer synonymous, what of the connections between innovation and improvement? Our view, shaped by lessons from the scheme’s evolution, can be presented in the diagram here.
<table>
<thead>
<tr>
<th>high improvement</th>
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<tr>
<td>2. improvement but no innovation</td>
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<tr>
<td>• continuous improvement methodologies.</td>
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<td>4. innovation and improvement</td>
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<tr>
<td>• user needs match by increased choice</td>
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<td>• solid performance</td>
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<tr>
<td>• innovated service/produce are scaleable and mainstream</td>
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<tr>
<td>• other organisations learn from it</td>
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<td>• innovation is valuable in financial, human and consumer terms.</td>
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| 1. no improvement and no innovation |
|• stable environment |
|• organisational inertia. |

| 3. innovation but no improvement |
|• increased choice but not user desired |
|• loss of performance due to learning curve/operational setbacks |
|• innovated service/produce unsuccessful but useful for organisational learning |
|• innovation not valuable. |

<table>
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<th>low improvement</th>
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| high innovation |

What this diagram underlines is that improvement is not a necessary step towards innovation. Nor is innovation in itself ‘a good thing’. These are two essential insights as we start to think about the future of the Beacon Scheme, and its response to the dynamic needs of a more confident, credible sector.

**the future Beacon Scheme: a mixed economy for innovation support**

Any mechanisms of support for innovation must be grounded in what the sector needs. Reflecting on what we have learnt from 10 years of running the Beacon Scheme, these needs are likely to fall across a broad spectrum. This spectrum moves from improvement mechanisms to share, adopt and adapt best practice, to pro-active approaches to peer learning, to experimentation and next practice development.

Therefore there needs to be a ‘mixed portfolio’ approach to public investment, reflecting the different kinds of risk presented at different points along this spectrum. Those of us working in local government will recognise the research that shows that innovation thrives where risk management is used as a creative tool, and where the fear of blame is removed for ‘failing’.

There is also a need to find new ways of articulating the value of innovation in the public sector. This is complicated by the outcomes of innovation work, which are often intangible and hard to quantify – unlike the business sector, public outcomes cannot be measured by profitability alone. We need to take account of social justice, public value, and improved trust with democratically elected members and partners too. But the difficulty in measuring should not put us off the hard task of describing the value of this work. Innovators want to know that what they are doing is working, and being asked by peers to articulate the narrative of innovation is a powerful way to reflect on how and why they have done certain things.

As well as providing insights and contributing to knowledge and practice on these questions of investment and measuring value, the future Beacon Scheme will bring some distinctive support for innovation to the sector. It will provide the forums to help bright ideas (invention) become new approaches that can be
implemented by a range of authorities (innovation). Nearly all participants of Beacon events have been motivated to learn about innovation and new ideas (93 per cent), to take fresh ideas into their own organisations (91 per cent), and to identify knowledge that they could adapt to their own situation (91 per cent).

The Beacon Scheme also facilitates peer-led innovation. A good idea that works in one context cannot necessarily be taken by central government and ‘rolled out’ unchanged everywhere else. A ‘scale-up’ model that is more likely to be successful is one based on adoption, not adoption, and herein lies a key strength of the Beacon Scheme. Replication is not always possible or appropriate, given the unique needs of particular communities, and the specific nature of local circumstances. The Beacon Scheme offers a more distributed model of sharing learning.

Moving forward with the scheme, we know that if we keep putting in more of the same, we will get out more of the same. That is why we are undergoing a radical review, seeking to build upon these lessons to shape our future. In particular we will focus on:

- spontaneous (customer driven) versus facilitated (structured/ nurtured) innovation; the new-look Scheme will have to accommodate both, but just with a greater clarity between the two models of innovation support
- models of learning and knowledge transfer
- widening opportunities for partner peers (e.g. in the commercial or third sectors) to test and develop new ideas.

This hints at the need for a plural approach to innovation support within the sector. One size doesn’t fit all, and nor does one support organisation. The Beacon Scheme can however make an essential contribution, all the more so as our next phase sees a growing emphasis on loosening our assessment space in order to recognise potential innovation, both incremental and radical. For example, the scheme has a unique capacity to identify innovators through communities of practice, and through its own award assessment process. Where it doesn’t work directly with these innovators itself, either alone or in partnership with other organisations seeking to support the development of next practice, it will aim to act as a ‘feeder’
for related organisations, such as the Innovation Catalyst and the Regional Improvement and Efficiency Partnerships.

In short, we believe that the sector needs a mixed economy for innovation in order to be ready to meet the challenges of the future. But this belief poses us with a challenge as well: to ensure that support for innovation and improvement adds up to more than the sum of its parts. Only then can we equip ourselves for the ‘unknown unknowns’ that face us in challenging times of self-assessment and regulation, extreme efficiencies, persistent intractable social problems, and the rapid global and technological diffusion of consumer uncertainty.
Councillor Angela Cornforth has been a Cabinet Member in the London Borough of Greenwich for five years. Prior to this, she was a councillor in Lewisham for eight years. She has worked on various committees, including housing, neighbourhood renewal and education. She was a board member of Deptford City Challenge, and is a board member of South East London Heat and Power Plant. From 1998 to 2003 Angela Cornforth was the Director of European Studies in a large secondary school, and is a school governor and OFSTED inspector. She is also an independent consultant for school improvement and the co-editor of the Quality in Education series.

Ruby Dixon has been head of the Beacons Scheme for four years, and covers strategic, operational and people management for the scheme. Before joining the IDeA, Ruby worked across different sectors and in improvement consultancy for many years, both in a self-employed capacity and in consulting houses (e.g. 3i plc, Enterprise Plc). At the Agency, she has led a range of projects and programmes, including European peer reviews, manager development, community cohesion, and overview of local area agreement (LAA) support (to no/one and two star rated authorities). She has worked in local government, and joined the IDeA from the Office for Public Management (OPM). Ruby is previous Runner Up in The Guardian ‘Women in Management’ National Award (1996). She has an MBA from Manchester Business School (Director’s List - Special Merit).
The boom in long term conditions. A mental health pandemic. Climate crisis. Check. Immigration and local cohesion. Youth crime, and particularly, the perniciousness of urban knife crime. The timebomb of an ageing population. And, of course, a global recession, deep and long.

The roll-call of big, audacious challenges that face our society trip off the tongue, so familiar have they become to us. But does our familiarity with such issues make it any easier to tackle them in reality? Given the difficult political, economic and managerial questions they all pose, it would be entirely understandable if those people charged with working out how on earth to mobilise an adequate response to any one of these might feel tempted to duck and run.

But, far from running away, as the contributions in this publication show, many local authorities are facing up to these challenges squarely. As the sector grows in confidence, it is beginning to lead innovation. Taking stock in this brave new world characterised by high uncertainty, local authority leaders are recognising they have a powerful and unique set of assets with which to tackle the emerging set of system challenges: substantial service delivery channels and levers, residents’ identification with the places, communities and institutions they habituate, and the discretionary effort unleashed by the interests, passions and experience of both residents and public service staff, are all important resources when it comes to finding new solutions to problems that have previously been judged intractable.

Despite these assets, local government and other public service organisations enjoy nothing so comfortable as a blueprint for transformation. Those that have embarked on the road of innovating their way into new opportunities have some useful lessons under their belts. But it remains the case that the public sector lacks a well-developed support system for this kind work, as David Albury and Geoff Mulgan argue in their essay. Too often, innovations that emerge are the product of a happy accident, or an energetic individual who has bucked the system. We at NESTA are committed to ensuring a Public Services Innovation Lab, which we launch in the spring, provides the support and networks that are so essential.
a public services innovation lab

The Public Services Innovation Lab is a new facility which will trial practical ways of fostering radical responses to some of the UK’s most pressing social challenges. This isn’t about more theory, or more seminar room discussions about contentious issues. Drawing on the extraordinarily diverse expertise and knowledge we have access to, NESTA will bring new methods for uncovering, stimulating, incubating and spreading compelling innovations to public service leaders and organisations. We want to work in partnership with local councils and others to trial these methods, focusing our efforts on the most critical social problems. The Lab will be grounded in practical work, and we will learn by doing.

As many of the other contributors to this publication have argued, compelling innovations are unlikely to emerge from the endless management techniques that have rained down on local councils in recent years. New approaches and methods are needed. From service design to risk capital, software to pedagogy, behavioural change to impact measurement, to market making and cultivating systemic change, NESTA will provide public services with a place to learn more about what works. Furthermore, the Lab will be able to provide those all-important resources that local innovators say they so desperately need – time and space, encouragement and flexible capital. By extending the range of methods at the disposal of innovators for the public good, and documenting and spreading them, the Lab will enable a much wider community of practice to develop. This way, it aims to make a material contribution to the current knowledge base around innovation.

stimulating a new innovation system promoting readiness for ageing

While we are deeply interested in developing a better innovation infrastructure and knowledge base for public services, this work cannot be done in a vacuum: it must be driven and animated by those social challenges where innovation is most needed.

A significant programme in the Lab’s launch portfolio will focus on ageing, and in particular, on spreading active ageing. One in three of us in the UK is now over 50 (of whom nearly a third below pensionable age are economically inactive). By 2025, that figure will rise to half. By 2020, the
number of over-80s, for whom care needs are greatest, will double. And by 2050, the UK will only have two people working, and paying tax, for each pensioner, compared with four today. However, private pension saving rates are declining, with about half the workforce putting nothing aside.

But striking as the demographics are, they barely begin to describe the fundamental challenge to society heralded by an aged population. If we were to design an age-friendly society, what mix of housing, shops and services should we put together to promote mobility, sociability and security? How would we plan public transport to work at a neighbourhood level, connecting soft infrastructure such as walking groups, with a wider range of mobility aids and community transport? What delivery arrangements would orientate health services efficiently around homes and these very local settings? What aspirations would we aim to meet for productivity, sustained learning and personal resilience? How to connect the generations, now that extended families cannot be relied upon so readily to socialise children to a range of ages? And the question weighing on the minds of local authorities, how to pay for growing demand for public services from this population?

At the Lab, all these questions are important to us. Ultimately though, it was thinking about the need for cultural change that led the Lab team to a different starting point. Our hypothesis was that shifting deeply held assumptions, which equate age with retirement and increasing dependency, could improve individual livelihoods at the same time as reduce demands on the state and give us a solution which is both popular – with some caveats, many want to work longer – and affordable. Our overarching goal is now framed as a question of how to stimulate the innovation that would extend working age, coupling explicit attempts to influence attitudes and behaviours with replicable models of age management in the work place and beyond.

Of course, we were not the first to recognise that a preventive approach could be promising. Government policy has for some years acknowledged that active ageing could be good for individuals as well as potentially forestall a spike in demand for social care and other services. It is also likely to ramp up its commitment in a forthcoming ageing strategy. But it is also true that the good initiatives already in existence have not in themselves provoked a
widespread shift in perception, either in the importance of the ageing issue, or in recognising the extent of the adaptations we will need to make. We are still tinkering at the edges.

In this context, the role for the Lab lies in prototyping the models that could accelerate practical action, but also in identifying what role innovation can play in overcoming the wider cultural and systemic barriers, helping to usher in a genuinely transformational agenda.

focusing the work
The Lab will focus in particular on three key areas where we think that innovation could have a real, deep and lasting impact:

• supporting individuals to prepare for ageing. We would like to promulgate the concept of ‘ageing readiness’, developing a host of innovations that help individuals – and public service professionals – challenge the fatalism that still colours most people’s ageing experiences

• working with employers to develop innovations that help to keep people engaged in work. For the active ageing agenda to really take hold, we know that employers are critical

• building new models of local support and self-help. We know that already this can provide important transitional routes for people when they leave work and the Lab team believe that much more could be developed to make better use of these approaches.

New models of service delivery in these areas are an essential part of the jigsaw, but in themselves won’t be enough. We believe concerted efforts to encourage people and policy makers to reframe ageing constructively and proactively will be key. New norms are needed as well as new models of services.

Creating new norms is not easily done through traditional policy making routes. Here at the Lab we will be experimenting with methods like age-friendly towns or cultural activism, using street art, for example, to engage local people and expand the repertoire for achieving social change and the reframing of ageing that is so important to that change taking hold.

If this all feels like an impossible task, we in the UK are lucky that we can look internationally for inspiration. The Finnish work ability programme set an ambitious target of raising working age by three years within a
ten year period. To achieve this, they
combined a national screening and
mapping exercise and index to help
target interventions responsively,
with a service for individuals and for
employers. By looking holistically at
individuals’ likely ability to sustain
employment, considering such factors
as the demands and organisation of
their work, the quality of leadership
shown by their employer on managing
older workers, personal aspirations,
learning and development, and health
and well-being, the government
identified where problems could occur
and offered advice, training and a high
profile communications campaign to
reduce the risks.

The work ability programme is said
to have achieved an increase in
working age of a year and a half,
within a three-year period – a real
inspiration for the Lab. Such success
has taken hard work, a good deal of
negotiations between a wide range of
stakeholders, and the essential level of
political commitment to set, and then
stick to, bold objectives.

Here in the UK, our work in designing
the Lab’s ageing programme over
the last few months has led us to
conclude that the barriers to similar
progress are not a lack of will: we have
only encountered open doors. Rather,
the UK’s ability to respond to ageing,
and develop a holistic active ageing
agenda, is faltering for want of know-
how when it comes to combining
different resources in new ways.
Furthermore, we lack the mechanisms
and networks to spread and share
the successes of those places that are
already beginning to develop new
models to support active ageing.

Issues of the order of the ageing
population are everyone’s
responsibility, and deep change is
likely to be messy and complex as
the many different stakeholders
come together and feel their way to
new possibilities. The Lab sets out to
help this process by providing some
new models for moving from policy
to delivery. Innovation calls on staff
at all levels to exercise considerable
judgement, and results are not
assured - both difficulties in highly
pressured and scrutinised settings.
But, given the costs of issues like an
ageing population, we can ill afford
innovation by half measures.
case study: Southwark Circle

There is little doubt that Britain’s ageing population will have a profound effect on the commissioning and delivery of public services in the coming decades. Over the next 25 years, the number of people aged 75 and over will increase by 76 per cent, which, coupled with a decline in the proportion of the population that are of working age, will impact the way local authorities are able to care for older people.

Having recognised the challenging environment in which social care service will operate in the future, in September 2007, Southwark Council began to work with Participle, and project partners at Sky and the Department of Work and Pensions, to develop a new approach. Participle’s ‘transformation design’ process began by learning from and understanding older people and their families, during the project over 150 older people and family members in Southwark contributed. A highly iterative process of user research, idea generation and prototyping different models showed that older people value participation, relationships, control and the dignity that comes from having choices. Furthermore, public funding is just one of many resources utilised to support older people – from unpaid carers such as adult children, voluntary sector organisations, private services and peer-to-peer support. An effective approach must mobilise all these resources.

After nine months of work, a new organisation called Southwark Circle has been developed, which will launch in early 2009. Southwark Circle is a membership organization of people over 60 and their neighbours, designed to provide the relationships and support that older people value through a combination of ‘on demand’ services and social networking tools. Crucially, it focuses not only on what older people need in terms of help and support, but also what each older person can contribute to the Circle.

Innovation and design have played a major role in the development of Southwark Circle and have been used to better understand Southwark’s 25,000 elderly residents. Thinking afresh about how people experience old age by involving them in the
design process has helped generate new insights and solutions. We know that the results of this process will be highly relevant and powerful in other places. Indeed, this unique model will be developed further and shared across the country, enabling a whole generation of older people to benefit from this approach and enjoy a rich and fulfilling third age. Southwark Circle will showcase this innovation and help older people take care of household tasks, forge social connections and find new directions in life – all of which older people themselves have told us are important.

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Rowena Young runs NESTA’s public services innovation Lab.

Rowena has played a formative role in the development of social entrepreneurship, innovation and finance in the UK, most recently as Founding Director of the Skoll Centre at the Said Business School, and previously as Chief Executive of the School for Social Entrepreneurs. She cut her teeth on a range of entrepreneurial ventures, launching simplyworks, the UK’s first business run by long term drug users, expanding Kaleidoscope’s innovative community services and helping Children’s Express (now Headliners) take its news service by young people across the UK.

Previously she worked at the think-tank Demos and in journalism. As a governor, she helped turn around the country’s longest failing secondary school, and presently she chairs the Fair Trade fashion company, People Tree, is a director of the Channel 4 Britdoc Foundation and sits on the UK Committee of VSO.
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