

Social pioneers

THE LAB Innovating public services

In association with the Public Services Innovation Lab

18.03.09 **Society Guardian** Breaking new ground in public services

The only thing I had was lots of passion and determination. Can there be anything more rewarding than making a positive difference to people you care about?

Ali Clabburn, innovator, page 5



Civil society doing its bit: teams compete in the Festival of Football at the Trafford Soccerdome for under-10s and -11s. The scheme is funded by the private sector

Introduction

Celebrate the possible

Necessity is, of course, the mother of invention – and that's as true in public services as any other field. We live in difficult times, but difficult times call for exciting and innovative thinking.

The aim of this supplement is to draw attention to radical ideas that will help transform public services as they face their greatest challenges. We look at ways to fund innovation and discover the managers who have led successful projects. This is, after all, a celebration of the possible.

The Guardian has a long tradition of supporting the best and most innovative in the public sector. Its annual showcase of the brightest projects, the Public Services Awards, highlights the variety, passion and ingenuity of those in public service.

So what should the next steps be for those keen to innovate? Rigorously designed, practical trials are important, but probably more important now is the wider dissemination of knowledge about innovation, about which methods work – and which don't. There are still too many small pockets of innovation – and only the public sector itself has the machinery to scale up small projects to a national level.

It's vital we get this right. That doesn't mean we should be frightened of failure; on the contrary, everyone agrees that tolerating and learning from failure is an important aspect of innovation. But it is important to evaluate projects clearly and agree on what works, before committing large-scale funding to further projects.

In these pages, we highlight many innovative ideas and those who are driving them forward. What unites them is a passion for transformation and a belief that getting public services right is a worthy cause.

Jane Dudman

Recovery through innovation

It is often in the darkest times that bright ideas are most needed. As budgets contract, fresh ideas are needed to bolster society and to recover from the recession, says **David Walker**

Recession need not extinguish the flame of social innovation. Its advocates – including the US president and the leader of the European Commission – say that with clever support from the state, entrepreneurship for social good can flourish, even in these dark days.

Chill winds are blowing on business. Charity income is down and the flash philanthropy of the bubble years is drying up. The public sector faces, at the very least, budgetary turmoil and, possibly, pressure on services. But that need not mean there is no space for growth and enterprise.

Social innovation is defined in Wikipedia as “new strategies, concepts, ideas and organisations that meet social needs of all kinds – from working conditions and education to community development and health – and that extend and strengthen civil society”. In fact, Wikipedia itself is an example of social innovation.

A recent book, *The Unsung Sixties: Memoirs of Social Innovation*, lists consumer advice, Shelter, the Child Poverty Action Group and the Joint Council for the Welfare of Immigrants from that decade as examples. Recently, more emphasis has been put on money-spinning enterprise that also has social benefit: the Guardian recently interviewed Penny Newman, the chief executive of Fifteen Foundation, whose restaurants, established by Jamie Oliver, offer a start in catering to young men and women who have had difficult backgrounds. Newman made no secret of her desire to win customers and turn a profit.

One of Barack Obama's first moves on assuming the US presidency was to set up a new office of social innovation. Extending micro-credit in poor neighbourhoods

and schemes for low-carbon living are among projects likely to be supported. Similar government initiatives are under way in Australia and New Zealand; Italy has a bank for social enterprise, and the European Union is talking about how it might accelerate such social innovation in the delivery of healthcare, the transition from school to work, and drugs rehabilitation. The EU president, José Manuel Barroso, launched a “renewed” social agenda last year, which is being revamped with an emphasis on social enterprise.

In the UK, one of the prophets of social enterprise is Geoff Mulgan, director of the Young Foundation and former adviser to Tony Blair. He says attention on both sides of the Atlantic “has turned to investing systematically in social creativity, whether in relation to climate change, ageing or the challenges of hyperdiverse cities. Few dispute the need to invest in technological innovation. But more are now recognising the need for much broader strategies for ‘recovery through innovation’.”

That's the big question. Philanthropic trusts are pulling in their horns as their endowments shrink. Grants are among the first to go when public sector finance directors come looking for budget savings. Venture capitalists, where they survive, are looking for certs.

Opportunity knocks

Yet optimism abounds. Mulgan is not alone in smelling opportunity. “The crisis has helped to move social innovation from the margins to the mainstream,” he says. “While the bulk of resources have gone into bailing out the banks and big industries, there's growing recognition that societies need to speed up testing and diffusion of programmes that can really deliver results for less money and alleviate the worst harm of the recession.”

Nesta, the National Endowment for

Science Technology and the Arts, an independent endowment at the centre of thinking and investment for innovation, has just set up a Public Services Innovation Lab to test new forms of radical innovation in service delivery at a cheaper cost.

Its chief executive, Jonathan Kestbaum, believes there has been a fundamental shift in public service provision: “The traditional status quo in the UK – of businesses creating wealth and the government dealing with the social wellbeing of the country – has eroded. The old model of taxation to fund social wellbeing will not stand up to the pressures of issues such as an ageing population and climate change,” he says.

“Alongside this, the recession will create a wave of people coming into the workforce with a new set of values who want to work in a commercial environment while making a difference to society. These two factors will come together to encourage social entrepreneurs to look for new ways to tackle both the economic and social challenges we are facing, putting social innovation firmly on the map”.

The language around social innovation is having to change. Writing a paper for the prime minister's strategy unit two years ago, Charles Leadbeater, a visiting fellow at Nesta, talked of a strategy based on finding new ways to address unmet social needs. If, as pessimists say, public expenditure is going to be curtailed, those unmet needs could expand as existing health, education, training and care programmes are cut.

Will it be a question of innovation or plastering over? Two years ago Kent county council established a social innovation laboratory, building on its reputation for fresh thinking that had led to the creation of Kent TV and TeleHealth. But if Kent, like other councils, were to struggle to provide basic services because its

councillors were reluctant to raise taxes or because central grants were cut, could innovation substitute? Recent examples of social innovation such as NHS Direct, come from a period when the public spending taps were turned full on. In a recent social innovation “camp”, a number of the successful entrants – among them a transport guide for people with disabilities and new care management methods – seemed to take for granted adequate amounts of public spending.

Fighting the downturn

Nesta believes enterprise is critical to recovery from the recession and that both public and private sectors must harness innovation to become more efficient.

In a paper called *Attacking the Recession: How Innovation Can Fight the Downturn*, Nesta argues that social responses to recession would come from networks of social and civic entrepreneurs. They reaffirm the case – which both the Conservatives and Blairites uphold – that in between the public and private sectors there is civil society, able and willing to fulfil social needs.

Social innovation is both an expression of, and a way of strengthening, social capital – the basis of trust and confidence on which markets and social life ultimately depend. Newman talks about trust “that we are doing something different” as a vital ingredient in commercial success at Fifteen.

Nesta believes that this precious and paradoxical combination of enterprise and innovation on one side and social trust and mutuality on the other can be put together. A practical question for the next few years, however, is how far the government can afford even the relatively small amounts of money that are needed to prime the pumps and set the social innovators on their way.

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Commissioning editor Jane Dudman
Editorial: 020-3353 3934/4189

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Social pioneers Ageing/Intermediaries

Why we must learn to grow old imaginatively

We need to find new and different ways to care for our ageing population – the most pressing issue facing us, says one social change expert

Robin McKie

The American poet Samuel Ullman once said: “Nobody grows old merely by living a number of years. We grow old by deserting our ideals. Years may wrinkle the skin, but to give up enthusiasm wrinkles the soul.”

It is a neatly expressed point. As our society ages, the need to keep increasing numbers of elderly people lively and enthused, with their souls unwrinkled, will absorb more of our time and resources. Hence, the need for social innovation.

“We need to find new, imaginative ways to care for our elderly and for the sick,” says Robin Murray, one of the nation’s most experienced social innovators. “They will absorb more and more resources. Old age is a time of bereavement and isolation, and people can become very lonely and unhappy.”

It is, in short, a major problem, one that is likely to pose more difficulty for society than any other issue in the near future and illustrates the need to have the most innovative policies possible on hand.

For example, says Murray – a fellow of Nesta and the Young Foundation, which promotes innovation in the health and education sectors – we will have to revolutionise the way we use voluntary care in this country. If we do not make it easy for the people who care for the elderly, usually relatives or close friends, then society will face all sorts of problems. In particular, tax regimes for such people are desperately in need of overhaul, he says.

However, the real problem is that the young and middle-aged have all kinds of social structures to provide stability in their lives – schools, college and jobs. These disappear when retirement age is reached and can lead to rapid disorientation. So what can social innovation offer as a solution? Quite a lot, is the answer.

Here’s one idea that Rowena Young, director of Nesta’s Public Services Innovation Lab, which next month launches a major new programme on ageing, suggests: instead of staff abruptly walking out of their jobs after years of service, an employee could be introduced slowly to the idea of a routine that does not involve being in the office every day and offers more unstructured free time. Their working week would be reduced from 40 hours a week to 30, to 20, to 10, over a year or two, and so bring quiet adjustment to the notion of retirement.

The problem of our ageing society is not the only one that requires the attention of social innovation, of course. It is merely the most pressing. Other issues include the general question of coping with illness in the west.

“In the US, the health care industry is expected to account for 20% of its GDP by 2020,” says Murray. “In Britain, we will be slightly better off. Health care will account for around only 12% of our GDP. That is still a major slice of the economy.”

Earmarking scarce resources will therefore become of critical importance and worthy of imaginative solutions. One project with which Murray has been involved has looked at the way we deal with chronic illness in Britain. “Our team went to study diabetics living in council houses in Bolton and examined how they dealt with their condition. It was an illuminating experience.”

In many cases, they found that a diabetic’s only interaction with a doctor was a 10-minute monthly meeting. These were formulaic and patients rarely got a chance to express their problems and worries: how to deal with the desire to drink alcohol, how to deal with their sex drives, or difficulties with walking.

Card sharp

“We found an ingenious answer: playing cards,” says Murray. A special pack was made with each problem facing a diabetic marked on an individual card. The patient could then discuss these with their family and then present the three that most concerned them to their doctor on their next visit, allowing the latter to focus quickly on specific issues.

“Patients seem to like the system and doctors do too,” he adds. “We have now had chest and lung experts asking us to test out a similar system for their patients.”

Designing new ways of doing things involves looking in detail at what people do and their day-to-day experiences. The same techniques that designers use to improve tea bags can be equally applied to social innovations such as diabetic playing cards.

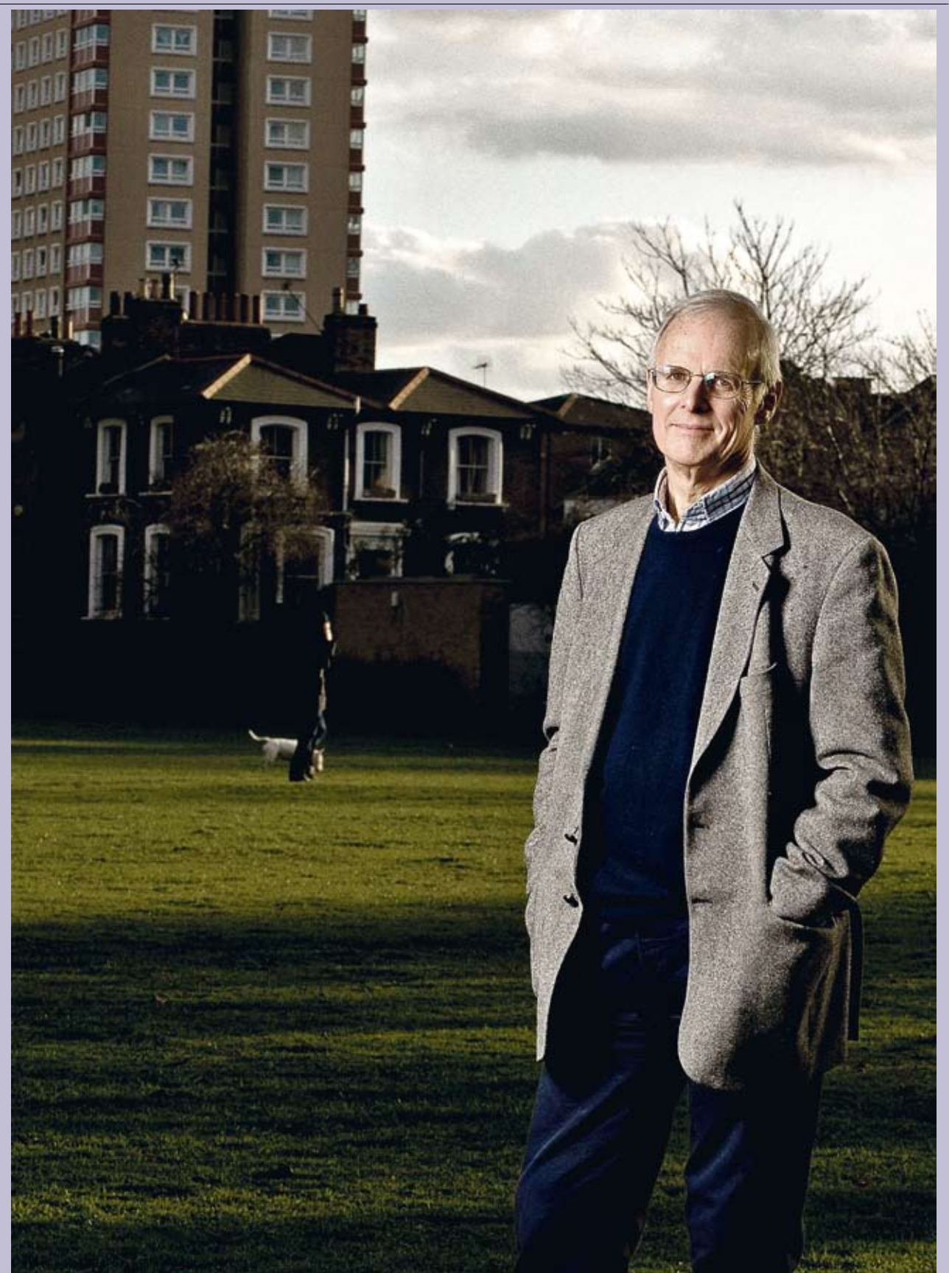
“It is also clear the environment movement is going to lead to a great deal of social innovative change,” adds Murray. “We face massive problems over food and energy production in the UK. We will have to introduce all sorts of innovations to deal with the ecological changes we face.”

These will include alternative energy plants, new ways of dealing with waste and land use. “These will involve ecological protests and many people taking an increasing political role in society, from being involved in local elections to standing as MPs,” says Murray.

And that is the key point: we are entering the era of the social innovator, a person who sees their community and planet changing and is determined to make his or her mark, not just tangentially, but in a real and emphatic manner.

We will have to revolutionise the way that we use voluntary care in this country

The expert innovator Robin Murray



Murray: ‘What is important is that we no longer act like passive consumers’ Shamil Tanna

The son of parents who ran a Cumbrian farm, Robin Murray is a seasoned practitioner at bringing real and effective change to social policy. The 68-old innovator is a former fellow of the Institute of Development Studies, Sussex University, and chief economic adviser to the now defunct Greater London Council (GLC). Over the years, he has acquired vast experience in seeking new approaches to issues that beset both developed and developing countries.

“At the GLC we set up boards that were effectively development banks and tackled issues that ranged from women’s employment to music festivals,” says Murray, who is married with two children.

“I even had to negotiate and sign contracts with major bands, such as the Smiths – right down to the detail of how many roses would be placed on their stage. It is one of the few things I have done that has impressed my children.

“The crucial point is that this was taking place in the early 80s, a time of high unemployment and high property prices. That is when social innovation really makes a difference. It gets things happening when they would otherwise stagnate.”

The GLC enterprise boards soon attracted attention internationally and Murray began work on developing world projects that eventually led to the establishment of Twin Trading in 1985 with

support from the GLC. Twin Trading began to import coffee, sold through Oxfam and Traidcraft, which eventually led to the founding of Cafédirect. Since then, Twin Trading has helped chocolate farmers in Ghana to found the Kuapa Kokoo co-operative, and in 1998 Divine Chocolate was formed, largely owned by Kuapa Kokoo, to market Fairtrade chocolate.

“What is important is that we no longer act like passive consumers, but are active in setting up ways that create markets for the kind of products and services we want,” says Murray. “We need a society that is user-oriented and it is the job of people involved in social innovation to guide that process.”

Time to cut in the middleman?



Geoff Mulgan Comment

very true story of social innovation is a messy tale of luck and timing, hard graft and creative insight.

Hospices, Wikipedia, personal budgets and micro-credit: all had their false starts. But in almost every case, success only came when two very different groups found common

cause. There are the “bees”: the creative social entrepreneurs or junior officials, community groups or professionals who develop ideas – driven by passion, anger or loss, or just by the urge to make things better.

In the other group are the “trees” – the big public agencies, companies and non-government organisations with roots, power and money.

As a rule, the bees have energy and ideas but little capacity to put them into effect, while the trees have power and money, but find it harder to think fresh thoughts. Successful change happens when the two come together, when the bees pollinate the trees, and ideas that may have been born over a mug of tea, turn into formal programmes and policies.

There are many methods for helping innovations progress from diagnosis and design through to pilots and growth. Our research with Nesta on methods has

found many hundreds in use around the world, from crowd sourcing (see main story, page 4) to user-led service design, and from social incubators to randomised control trials.

In fields such as medicine, the practitioners of innovation are generally well-versed in the methods that can be used for designing new models, testing them and then spreading them. But it’s a sign of the relative novelty of the field of social innovation that even the most experienced practitioners are familiar with only a tiny proportion of the methods they could be using.

There are many reasons for this, including the still glaring gap between the rhetorical attention to innovation in the public sector, and the consistent unwillingness to fund or manage it seriously.

One reason is that the field suffers from a “missing middle”. In science and technology there are strong institutions

dedicated to linking bees and trees; the creative inventors and small firms on the one hand, and big manufacturers and investors on the other.

These intermediary institutions – technology-transfer units, spin-out teams, venture capital and collaborative research programmes – have grown rapidly over the last few decades fuelled by research showing the vital role they play in making the technology ecosystem work.

Social innovation still lacks similar intermediaries, though the field is beginning to grow. In the UK, intermediaries include organisations like Forum for the Future, the Innovation Unit, Nesta, the New Economics Foundation and the Young Foundation.

Internationally, they include networks like the Social Innovation Exchange (Six), ideas banks, including one in Korea that has a committee of senior politicians to put the best into

legislation, and sector-specific intermediaries like the Centre for Court Innovation in New York.

One of the most interesting, which draws directly on a successful model from technology, is being trialled by the Australian arm of Six, embedding employees of the intermediary in a range of social and public organisations to identify promising ventures from internal intellectual property that managers failed to spot.

It’s long been known that markets depend on brokers and traders to bring supply and demand together. The same is true of innovation. Without these intermediaries, simply building a better mousetrap doesn’t, unfortunately, mean that the world will automatically beat a path to your door.

Geoff Mulgan is director of the Young Foundation. A practical directory of methods will be published in the summer

Social pioneers User-led services



Father figure: projects like Daddy Cool in Sheerness, which helps fathers to spend more time with their children, are working with users to improve services Alicia Canter

'People are the experts in their lives – not us'

Major cultural change is under way in Kent, where public service users are developing the way their services are provided

Saba Salman

Divorced from the mother of his son, Jamie looked forward to Saturdays with his two-year-old child but was running out of places to go. Without a car or income, he was limited to trips to the playground. Frustrated and isolated, he felt he was letting his son down.

But word of mouth led him to Daddy Cool, the fathers' project at the Seashells Sure Start centre in Sheerness in Kent. Now Jamie not only has a safe play space for his son but a vital support network.

Project manager Steve Chevis says: "People in the group look out for each other. Friendships continue outside the Saturday-morning sessions."

The project, where up to 12 fathers at a time can socialise while their children play, is at the heart of a burgeoning plan at Kent county council to achieve that most holy of grails: user-led services.

The dads' project was set up four years ago but took on a new prominence when the council launched its Social Innovation Lab for Kent (Silk) in 2007 as a platform to develop new thinking. Under a year-long bid to overhaul how schemes are designed and delivered, Kent used its family serv-

ices – such as the dads' project – to explore different approaches to community support. Fathers, among other residents, were asked about their experiences of services and how these could be improved. The research culminated in a report, *Just Coping*, which sets out the concerns of local people in unprecedented detail and acts as evidence for future support.

As a result of the views raised by local fathers, the council appointed Chevis as the dedicated dads' worker at the Seashells centre. In addition, the council hopes to launch a discount card for dads later this year, giving users money off at restaurants, shops and children's attractions in the area. The discount card scheme is taking longer than planned due to the recession but the council is in negotiations with local businesses.

Kent's innovation lies less in the physical differences the plan has made so far – it is early days – but in the fact that it is a highly researched vision of how the authority will transform its attitudes to its citizens.

Put simply, rather than working out how existing services might meet need, the new approach asks residents where the support gaps lie. For example, among the ideas suggested by the fathers is a mobile play area for children.

So what did Kent's work involve – and why was it so vital? Robert Hardy, the council's director of improvement and engagement, explains: "We felt there were areas where the way we'd been working hadn't changed things – so we had to change what we did."

The first step in 2007 was to get design

and innovation company Engine to help the council launch a social innovation lab as a forum for generating its ideas. In spring 2007 Kent held a day-long meeting of around 50 residents and council staff, from social workers to teachers and policy officers. The event, according to the *Just Coping* report, revealed "a patchy understanding of how the world looks and feels from the perspective of the families".

The meeting shattered preconceptions about vulnerable families. Hardy says: "For a lone parent to have 50 pence left at the end of the week shows she has been good at budgeting – not bad."

The real eye-opener was that residents wanted more social networks, not services. Staff also realised their work with parents was mostly with mothers, so the dads' project took on a new importance.

By mid-2007 the council had commissioned University of Kent anthropologists to carry out research with eight families. Their study raised issues such as the fact that a utility company overcharging a household by just five pence a week could tip a family's monthly budget into chaos.

Then between spring and summer 2008, Hardy's team collated the research into an easily accessible document, the *Just Coping* report. The challenges, says Hardy, include the difficulty of attempting to be "customer-focused" while traditional public sector culture often dictates that the professional knows best.

What is crucial, he adds, is the leadership from the council's chief executive and senior managers because the desire for change trickles down an organisation.

As for the £80,000 cost of the project, Hardy says: "The costs of doing nothing are higher than doing something." The council used its own money, plus a grant from the government's digital inclusion unit, because the research explored how people use technology to access services.

Kent is on the cusp of major cultural change and although transformation won't happen overnight, as Hardy says, the drive is based on a simple concept: "This is about public services accepting that individuals are experts in their own lives – rather than us being the experts." Some names have been changed.

Weblink

Social Innovation Lab for Kent:
socialinnovation.typepad.com/silk

Jargon buster

Continuous improvement: A key concept, it's important for innovation to be about improving things, rather than change for its own sake.

Improved outcomes: Finding the evidence for whether social innovation is working has been more difficult than you might expect. There is agreement that such measurement should focus on improved outcomes – but getting agreement on which outcomes are to be measured, and how, remains elusive.

Incubator: An organisation or project that will kick-start projects by providing

advice and support, and sometimes funding. Incubators are most often found in the business world but are increasingly being applied to social innovation.

Seed investment: Funding given at the early stages of a project to get it off the ground.

Social enterprise: Organisations that work like businesses, in that they trade in goods or services and aim to make a profit, but with the purpose of meeting social needs.

Social entrepreneur: Someone who uses entrepreneurial qualities to address social needs or issues.

Social innovation: An improvement to products, systems or methods used by people working in and delivering services that meet social needs of all kinds.

Transformative agenda: Change that does not simply build on processes and systems that are already in place, but that is radical and has the power to transform the way people experience public services. Personal budgets, for instance, are a radical way to give people control over their own spending – and that can be controversial.

Jane Dudman

Vox pop Wise words from innovators ...



Rob Whiteman,
Chief executive
Barking and Dagenham council

The key factor is creating the ambition for change. Frontline public service practitioners have tremendous values, but they work in a very complex regulatory system and it's easy to get bogged down.

One way we're trying to do this is to ensure senior management talk to staff regularly. We have 8,500 staff, but every month we get them together in big groups and encourage open communication. People don't live their lives in convenient departments; they live joined-up lives that combine family, work, healthcare, education – so problems need to be tackled in this way too. Our domestic violence strategy is an example. It's complex and needs a joined-up response. Our response to suspected incidents is to send police, paramedics and a social worker. It's about being dynamic across the range of services.



Amy Kinnaird
Founder, Opportunities in
Retirement, Ayrshire

In 1985 the activity group for retired people in Ayr could sit in four corners of a room: photography, gardening, bridge and money advice. Now, we'd need 80 corners because of all the activities we do, from art to angling to yoga. In 24 years we've helped 1,700 people, and all voluntarily, without direct funding from the authorities.

The key to getting something like this off the ground is to make the best use of the resources available. In our case, it was the people willing to help. Different people have different skills, and these form the foundation of any community idea. You know your own skills, but you need to articulate them in the right way. Listen and learn from others, and use their skills. And remember that sometimes you have to be a little cheeky to get what you want.



Raheel Mohammed
Young Foundation
Helped pilot Maslaha project

The aim of Maslaha [a project with Tower Hamlets and Birmingham East and North primary care trusts to ensure health services are culturally attuned to diverse users] is to produce resources that combine Islamic and medical advice to support positive health messages through practical and creative means.

We wanted the resources to be practical and attractive to the patient and health practitioner while also permeating into everyday scenarios. Finding that initial funding can always be difficult, but the answer is to be proactive, and play to your strengths – which is knowing your community and how it feels, thinks and acts. Be creative and don't rely on the language, format, or systems that have already been used; create your own vocabulary and way of delivering a service.



Fiona Radford
Governor of Ford Prison,
Arundel, West Sussex

You may be surprised to hear that there are lots of ideas for innovative projects in prisons. My staff and prisoners come up with them regularly, and the challenge is trying to fit the ideas into our statutory framework and prison rules.

One of our officers proposed that Ford produce its own biodiesel to fuel our vehicles using waste cooking oil from our kitchens. Another staff member on secondment as the project manager for our award-winning, on-site social enterprise business, *Work This Way*, suggested integrating this proposal with prisoner training.

The resultant project, the Waste Oil in Prison Project, is testing high-quality biofuels production and at the same time developing training for offenders in biofuels production and associated qualifications.



Andrew Coggins
Executive producer,
Dance United

Over the past 12 years, I have seen dance transform broken young lives. It's a powerful tool that can release potential. Without this fundamental shift, other support tends not to last.

The key with this kind of social innovation is to create genuine hope where before there has only been despair. Dance United's *Destino* show, with the Sadler's Wells company, helped reinforce the message that underpins all our work: we should have the same standards for Sadler's Wells as we would with Holloway prison. Everyone deserves the best the artist can offer.

With community projects, it's important that we view marginalised people neither as victims nor as villains; rather we must see them as survivors of a life lived thus far. (Continued on page 5).

Interviews by Mark Smith

Social pioneers Building relationships/Comment

Devolve power to the front line



Phillip Blond
Comment

There is little doubt that public services face a radically different future than that envisaged even 18 months ago. The vast bail-outs of the banks will have a gradual but compounded negative effect on all public sector budgets. The efficiency savings agenda already commits the government to save £30bn in the public sector over the next three years, so the requirement to do far more with even less is the shape of the future.

However, this reality need not engender systems failure - necessity is the mother of innovation. Unfortunately, the present reform agenda remains stuck in 80s politics. And few think that contracting out services with minimum-wage employees will deliver anything but unmotivated workers and a decline in customer experience.

The 90s mantras tried to address this problem through notions of choice and the empowered customer, but these proved equally ineffective as no genuine alternative public service option was provided. Competition so conceived loses as many clients as it wins.

Finally, in desperation, we have seen the imposition of targets, squeezing the last bit of innovation out of the public sector. If the future is simply a reheated amalgam of the above, it is an unedifying prospect indeed. However, other possibilities exist. An associative agenda that reforms both the supply and the

demand side of public provision could deliver real improvements at a lower cost. By associative, I mean new civic and social groups forming around the delivery and receipt of services. Usually, employees work to a preconceived account of delivery to a passive recipient. Instead, customers and providers should associate with each other to deliver things more effectively.

The trend for personalisation of service will not lead to more fragmentation of service but to more group and associative behaviour around the nature and delivery of provision, as those who suffer similar conditions come together using technology to design and build the services they need. Leukemia sufferers, for instance, could pool their budgets and design, with providers and services specific to their needs.

Similarly, on the supply side, workers can recover their ethos by dispensing with the bureaucracy and centralised agenda that has so demoralised them and become innovators who collaborate with clients to foster excellence. They can dramatically reduce their cost base and dispense with wasteful managerialism by recovering the reason they went into the job in the first place - meaningful work and productive labour.

Budgets with built-in cost savings can be devolved to them, and if the outcome is delivered, the team can reward itself with higher wages or investment. Yes, they will have to work together as self-driven units and decide what they take on, what they save and what they expend. But for the first time, the front line will have real devolved power.

The centre can stand back from both - in terms of those it employs, it can become indifferent as to how the mandated service is delivered as long as the desired outcome is achieved. The centre can provide association rather than dictate provision - and step in with solutions only if the compact fails.

Phillip Blond is director of the progressive Conservative project at thinktank Demos



Support social enterprise - but with state back-up



Polly Toynbee
Comment

Social enterprise is a wonderful thing. Social innovation breaks down barriers and refreshes the natural enthusiasm of those toiling inside large institutions. Beacons can be lit for others to follow. If dynamic individuals are free to pursue their interests, new methods spring from their enterprise and initiative.

But one wing of anti-state conservatism imagines Edmund Burke's "little platoons" can take over all the functions of the welfare state. Its supporters harbour a romantic yearning for the days when charities collected public subscriptions for community facilities. They look back longingly at Victorian plaques on libraries, temperance fountains and parks donated by philanthropists. There is nostalgia for what Phillip Blond [of thinktank Demos] has called "the old mutualism of the working class", as if the Oddfellows once did the work of the modern state.

With this misremembered past goes a passion for the "new localism", escaping the central state on principle, regardless of effectiveness. Post offices and credit unions will take over from banks and everything too big will be dismantled, including supermarkets, as the small and local social enterprise reigns. Could everyone be fed from allotments?

The model for conservative localism is the village green - nice places with nice people. Put these Disraelian romantics

down in Toxteth or Meadowhall and they might find it hard to solve the big social problems. The state is not the problem, but the only solution in places with little or no community.

I have seen the New Deal for Communities spark local initiative where there was none. The worst estates with the least sense of community were given money and professional help to create groups to solve intractable dysfunctions, where nothing flourished before. But it took monumental state input. When these projects end, watch many estates regress. Unsupported, little platoons are weak in many - if not most - places.

Look at excellent social enterprises, such as Central Surrey Health, the community nurses who set up a cooperative to sell their services back to the state - determined to find ways to work better. Others should watch and emulate.

But the idea that all services could be outsourced like this is a pipe dream. It has required the state to carry the burden of their pensions. Most people lack the time and dynamism to set up their own companies and most primary care trusts still lack the commissioning skill to handle scores of little providers. And will there be competition when they renew their contracts? If not, will they fall back into set ways? If there is, they risk falling out of business.

Today's UK provides universal services to 60 million people - and to a higher standard than Victorian localists ever dreamed of. The state has its problems, but breaking everything up means leaving things to luck and the often non-existent local social entrepreneurs. Post offices may be loved, but postcode lotteries in services make people angrier than almost any other social inequity.

Of course, we should encourage social enterprise where it arises naturally - but don't pretend you can institutionalise it. That would mean yet another massive reorganisation of state-provided services under new brass name plates.

Polly Toynbee is a Guardian columnist

Playtime for ideas

What are the new ways to build relationships between sectors and get creative ideas off the ground quickly? Well, here's a few ...

Mark Gould

Where can we find solutions to some of society's most pressing problems: obesity, unemployment, youth crime and chronic ill-health in an ageing population?

Political policy or departmental diktat have their uses, but to reach the mother lode of ideas and innovation, public managers are turning to new methods. You may not have heard of "crowd sourcing" or "immersive weekends", but these are the new touchy-feely creative huddles, both in the virtual world and the real one, where disparate groups of people can get together and brainstorm answers to social issues.

The Open Ventures Challenge, for instance, is using crowd sourcing - where a task is outsourced to an undefined large group - in aid of Cancer Research UK. Devised with Nesta in collaboration with Mo.jo, it hopes to generate ideas that the charity can develop into three fundraising schemes that will raise £10m for research.

The charity's head of innovation, Kevin Waudby, explains: "We were aware that we have a broad base of support from people who are very passionate and committed to finding cures. We wanted to harness that passion and conviction to generate multi-million pound business ideas at the lowest cost that will mean we have more money to spend on research."

Ideas camps

Gathering together online, via a specially designed web portal, and at face-to-face "ideas camps", members of the public and people from the third sector and industry have already generated around 130 ideas for the challenge. Over the next few months, these will be whittled down to three plans that must demonstrate they

all have the potential of a successful, standalone business.

Similarly, the government-financed Innovation Exchange runs an online brokerage, scouring the public and third sector for ideas that could have wider applications and linking them up with local authorities, health services, the criminal justice system or potential developers. It holds one-day events around the country, where people from all these groups can meet in the flesh. The next such "festival of ideas" is in Leeds on 24 March, with the theme of addressing challenging behaviour in teenagers.

The exchange's director, John Craig, says the organisation was set up to bridge the gap between charitable innovators and the public sector. Its pitch to the third sector is: "Don't give your idea away, but don't keep it to yourself."

Craig adds: "A social innovator working on youth unemployment might not have the phone numbers for the directors of youth services for Haringey or Hertfordshire, so it's about collaboration and building contacts," he adds. There are a lot of social innovators looking for answers to issues that are challenging society today, such as unemployment, youth crime and the ageing population. "They burn slow, but they burn really big."

These are huge social problems, but public sector workers, used to the daily grind of firefighting, do not have time to think about them in new ways. Now, says Craig, different ways of thinking are vital for weathering the recession. "This sort of innovation will be crucial to improving public services and getting better value for money."

The Innovation Exchange has helped broker 15 high-potential, third-sector innovation projects to concept stage. One of them, Making the Case, aims to provide joined-up, high-quality mentoring services for all 16-to-25-year-olds leaving custody. It will bring together a consortium of groups, working to a set of minimum evidence-based standards, and will provide training and support for mentors. It hopes to produce a web-based interactive map, available to each prison, providing details of the nearest scheme.

Ann Maybank is one of the coordinators

▲ Form and function: Kitchen stools featured on the award-winning website Enabled By Design, which highlights innovative designs for everyday items tailored for people with disabilities

of the experimental organisation Social Innovation Camp, which generates internet-based answers to practical problems via "immersive weekends". These weekends bring social entrepreneurs, designers, members of the public and people from the third sector into contact with a rarified group: open-source software developers from a community that, unlike large software companies, shares software and ideas to create new products. "They do it not necessarily for monetary gain, but because it's enjoyable and there is an element of personal fulfilment," says Maybank.

Designer Dragons' Den

There is a focus at these weekends on a real end product that is sustainable and for which there will be a market. Harnessing the goodwill of philanthropic software developers means that ideas generated in these sessions can produce a rough-and-ready website in a couple of hours.

The organisation also runs twice-yearly camps where social business ideas vie with each other in what Maybank describes as a "more friendly" version of the TV entrepreneur show Dragon's Den. The next is scheduled for the summer.

Last year's winner, Enabled By Design, is a web portal that came from an idea by Denise Stephens, who felt the living aids she was provided with as a multiple sclerosis sufferer did not meet her needs, and had the feel of a "factory-farmed health service". Creating an interactive website linking disabled people with the design community means clever, stylish and modern answers can be found to make daily tasks more manageable.

Weblinks

Innovation Exchange: innovation-exchange.org/
Social Innovation Camp: sicamp.org
Mo.jo: ovc.mo.jo

Social pioneers Risk

It's not about money, say the risk takers

To enact change, public service leaders must give staff permission to try out new ideas – and accept that sometimes they'll fail

Guy Clapperton

It would be easy to suggest the credit crunch is going to zap innovation anywhere, let alone the cash-strapped public sector. This is to assume that all innovation is going to be costly and also to suppose it won't save money in the short term (long term is fine, but in a recession the wait may be unaffordable).

Organisations such as Nesta deny that cash is the main stumbling block when it comes to introducing new ideas. According to Nesta, flexibility is a much more powerful factor for change. Other authorities point to the factors that will enable innovation to happen. Research group Gartner suggests a four-pronged approach that includes creativity, challenging and collaborative behaviours and then cooperative behaviours for the implementation phase as the most likely heralds of success.

It's easy to find examples of innovating public bodies: South Bedfordshire council has implemented an initiative where call centre nurses advise staff who think they are too ill to come to work this has brought about a 30% fall in absenteeism, saving £175,000. Sandwell Homes has used the same system, resulting in a similar drop in absenteeism.

Equally instructive is to look at the culture that allows innovation to take place. Dame Sue Street, strategic adviser business services specialists, Deloitte, and formerly permanent secretary at the Department for Culture, Media and Sport, is not convinced it's in place. Caution, she says, is the new watchword.

"In the climate of regulatory failure, we can expect the public sector's appetite for risk to reduce even further," she says. "After all, innovation is, by definition, untested, and in a world of 'evidence-based policy', how can you try anything new?"

Lack of management support

The system gets more difficult when there is a problem, she says. "If something goes wrong in the public sector, the permanent secretary of the department is hauled in front of the Public Accounts Committee for ritual humiliation. Not much incentive."

Matt Kingdon, chairman of the innovation company, What If!, agrees. Governments change but civil servants often don't – so they need room and opportunity to innovate, he says. "For them, often there is no consequence of failure, so what's their motivation?"

Kingdon rejects the lack of cash argument, too. "You don't need huge budgets to innovate – ask any entrepreneur," he says.

Mark Napier, managing director of the consultancy Centre for Public Innovation agrees. "Money is a perennial issue, but I think the bigger obstacle is lack of management support. No one will innovate in their organisation if they do not feel they have support from their leaders. Risk-taking is not a favoured practice in the public sector, but innovation depends on some risk-taking. It is the role of leaders therefore to give their staff permission to innovate – and to accept that sometimes this will lead to failure."



Turnaround: community officer Helen Wichall with teens who have gone from causing menace on bonfire night to hosting a successful neighbourhood event Sam Morgan Moore

There is a need to co-ordinate efforts though, adds Napier. "Some innovation work is under way in a variety of departments so there needs to be some oversight to ensure that the work is not being done at cross purposes." Some of this function is delivered by the Whitehall Innovation Hub established to support innovation in government and the public sector.

It is important not to develop innovation for its own sake. Napier's centre uses a simple definition for innovation: "Change that outperforms previous practice."

Jonathan Kestenbaum, Nesta's chief executive, says: "Experimentation is not about reckless risk taking. It is about trialing a carefully planned way of doing things, building in appropriate milestones and being clear on anticipated outcomes."

The idea of a culture that welcomes failures will be anathema to many in the public sector, where cash is short. But if innovation is to thrive, this may be precisely the vision that's needed.

Weblinks

The National Endowment for Science, Technology and the Arts: nesta.org.uk
Centre for Public Innovation: publicinnovation.org.uk
?What If!: whatifinnovation.com

There'll be fireworks From disruptive teens to social activists ...

Guy Fawkes night, Devonport, Plymouth, 2007. It was the date residents were dreading, when bored and disruptive local teens would set off fireworks around the streets and start illegal bonfires in the park.

But on 5 November that year, the youngsters pulled on their new fluorescent jackets and picked up their clipboards to guide bonfire-night revellers around a local park. Others staffed the barbecue, serving up burgers and hot dogs to neighbours and other visitors.

The change is thanks to Operation Talents, a council-backed police initiative to encourage community projects across Plymouth. In 2007, a £500 police grant was matched by local authority cash and officers worked with young people to devise a fun and safe bonfire night. The event is now annual and the young people recently won a chief constable's award for their hard work.

"The very same young people who were seen as problems not only devised the solution – laying on an attractive

fireworks night for everyone – but took on health and safety, and food hygiene training," says Jim Webster, Plymouth police commander chief superintendent, who launched the scheme.

Under Operation Talents, police community support officers are given a £500 grant each to invest in an initiative. The idea is to secure more funding, from the council or the private sector, for example, to help solve local problems.

Operation Talents is now in its fourth incarnation, with funding boosted by £55,000 of Home Office money awarded through the area's local strategic partnership.

The scheme has benefited 60 local projects and initiatives since 2007. These include the conversion of a disused toilet block into a community centre and a remote-controlled model car competition for disaffected teenagers.

Webster says police officers, as well as the community, benefit. "Creating an effective workforce is about empowerment – you want to make things happen," he says. "There's this idea that resources

and decision-making rest with senior management. Although police officers need to be social entrepreneurs, those skills come after years of service. Operation Talents gives young officers the chance to have a role as social activists, as well as policing the streets."

It is vital to keep the pots of money small: "You mustn't make the sums big enough so people can just buy things with it – that's too easy. The point is to account for the cash and increase its value."

The hardest aspect of the work, says Webster, is encouraging officers to "step outside their comfort zone." He adds: "There may be an expectation that things could go wrong – people might drop out of the community project, for example – and, culturally, police officers tend to avoid things going wrong. But you just need to get on with it. Be bold, be innovative." **Saba Salman**

Weblink

Devon and Cornwall Constabulary: devon-cornwall.police.uk

Vox pop More wise words from innovators



Simon Berry
Founder,
ColaLife

Hold on to a clear, simple vision, but don't try to control everything – facilitate. Value every conversation, remember names, make links. The trick is to be dogged without being dogmatic – you won't have all the answers.

Listen. The knowledge is in the network, so find some and get plugged in. Always carry publicity material – I've used Moo cards – they look special and I've even auctioned a "first edition" set to raise funds. Go with the stones that roll to get some early wins.

Thank you's are free and will come back to you tenfold. Be flexible and open to offers. Be patient, persuasive and pragmatic – once you engage with bigger players it's like riding a wave: there's no

point haranguing, use the momentum and be prepared for the next one. Use a "multi-channel" approach – with potential supporters everywhere, you need to be everywhere too. Getting online isn't everything – I use face-to-face meetings and traditional media too – but it can build support amazingly quickly.



Tasha Lancaster, manager,
Big Green Challenge project,
Isle of Eigg

Projects that seem impossible or far too massive to comprehend – like being completely energy self-sufficient – can be done with a community focusing on a simple initial outcome. The sum of each individual's knowledge, experience and involvement can be a powerful driving force. Every project always encounters problems along the way – it's a fact of life.

But they are always valuable as learning experiences.

Any community can be an island like ours, be it a tower block, a street, a group of flats. If you join together to save CO₂, start a community garden, or share a car to work; the power of people is incredible and anything is possible.



Ali Claburn
Founder and director,
Liftshare

Change provides opportunities to solve problems in an innovative way. We're always trying to develop our service while providing a system that people love and trust.

Changing people's habits when market conditions are stable is very tough; it's much easier in a crisis. Getting someone to share a car is not so hard when fuel prices

go crazy. Social enterprises have to be very strategic, with detailed plans and a clear vision. We do take risks but learn from the mistakes we make. The past 10 years have been full of challenges, but the first few were the hardest.

I had no money, no relevant skills, no office, no market knowledge... no market. The only thing I had was lots of passion and determination. Can there be anything more rewarding than making a positive difference to people you care about? Be brave.



Faisal Rahman
Chief executive officer,
Fair Finance

Using social enterprises allows innovators to view opportunities and develop ways of delivering services that are new, unique and add value.

Whereas banks believed the poor were too costly and complicated to deal with, we believe that everyone is bankable. This simple change in philosophy allowed us to start from our clients' needs, build products around their situations, and inform us how to deliver the service: simple things, but never done with a social mission.

Success will be driven by good staff and board members who will need to marry business and social interest – hard-headed and soft-hearted. Take your time to find them as they are gold dust, but ensure you let others go who don't share the vision. Being a change-maker is not easy, and sadly there is no shortcut to achieve social and financial success together.

Making lasting and positive change will need the best people, and few will be successful. If you can make it work, you will have achieved something precious few can, and many more aspire to.

Interviews by Mark Smith

Social pioneers Finance/Innovation

Capital ideas

Public sector funding for new ideas needs to be as inventive and radical as the projects it is helping to get off the ground

Mike Scott

At the same time as the government is - reluctantly - concentrating ever more power and ownership of the financial sector into its own hands as a result of the financial crisis, a new vogue for decentralisation is emerging elsewhere in government.

"The public sector is facing increasingly complex challenges, such as the impact of the global recession, global warming, greater public demand for personalised services and the health and welfare implications of an ageing population," says David Evans, director of innovation at the Department of Innovation, Universities and Skills (Dius). "These are new challenges in a fast-paced world that require fresh thinking. The public sector needs to be flexible and agile, working with partners to find new solutions."

In an attempt to introduce some structure to the process, the health service has

introduced regional innovation funds - £2m for each of the 10 English regions this year, growing to £5m in subsequent years. "This will enable frontline staff in the NHS to make their own ideas improve services to patients," says an NHS spokesman. "The funding will also encourage the NHS to work with partners from academia, the scientific community, the private sector, third sector and other areas to develop joint solutions to healthcare challenges."

Examples include the NHS's Productive Ward initiative, which recognised that frontline staff are often best placed to identify where improvements can be made. The scheme has led to a 45% increase in direct patient-care time by saving staff time in day-to-day tasks, says Evans.

However, innovation funds do not address the systemic problems of public sector innovation, says David Halpern, director of research at the independent research body, the Institute for Govern-

'The public sector needs to be flexible and agile, working with partners to find new solutions'

ment. "We want to create a situation where innovation creates a return, so we need targets that are more cross-cutting and enable money to be assigned across different budgets."

There is a feeling that centrally directed and funded initiatives heavy with targets have started to run their course, says John Hayes, director of services at the Improvement and Development Agency for Local Government (IDeA). "There has been a shift in performance regime from inputs and outputs, to outcomes, which has led to a new emphasis on innovation."

This need for innovation stems partly from the general risk aversion of the public sector and partly from the recognition that, while government tends to function in departmental silos, many social problems - ranging from teenage pregnancy to the ageing population - cut across several departments and government is not best placed to deal with them. Government would never have come up with the idea of the Big Issue to tackle homelessness, for example, says Halpern.

Toby Eccles is a director at Social Finance, an organisation working to introduce a "social impact bond" that would allow foundations and government agencies to invest in programmes to tackle social problems. He says the costs of dealing with many issues tend to

be very tightly focused, while the benefits are more widely spread.

Much current funding is aimed at certain issues only when they reach crisis proportions, Eccles adds: "Lots of money could be saved if resources were put into dealing with problems at an earlier stage."

According to Nesta, the argument for this approach has already been won in the Stern Review and in the International Finance Facility.

Outside help

Bringing in outside finance is part of a recognition that government cannot do everything, say many social commentators. Some issues threaten to overwhelm it, such as the ageing population, while in other areas - like attempts to cut re-offending rates - current policies just have not worked.

However, some commentators say the public sector is not well-suited to experimenting with different ideas to find the one that works best - nor with early intervention, where the benefits are harder to quantify. At the same time, a number of social entrepreneurs claim the rigours of the private sector allow people to experiment with different approaches and be rewarded for those that are most successful.

This sort of trial-and-error process is familiar to anyone involved in venture

capital investing, whereas the government's approach is coloured by its experience with private finance initiative (PFI) investments.

"The government looks at this and thinks 'PFI'," says Eccles. "But if you are trying to reduce re-offending, we don't really know what works, so what is needed is some experimentation. The government is worried about paying for failure, but social financiers can take on some of the capital risk as long as successful outcomes are rationally and consistently rewarded."

The global downturn also means that there just isn't the money for the government to deal with many social problems, says Rod Schwarz, chief executive of social-investments.com. "For the last 25 years, we have lived well beyond our means and it was unsustainable. If we still want social services, we are going to have to find more innovative ways of funding it."

Weblinks

Social Investments: socialinvestments.com/catalyst_si/index.jsf

The Young Foundation: youngfoundation.org.uk/

The Institute for Government: instituteforgovernment.org.uk

Social Finance: socialfinance.org.uk/

How lateral thinking can break down barriers

Many groups want to make a lasting impact on society but, as our two examples below show, success often comes more easily with innovation

Joanna Clarke-Jones

Social innovation can take very different forms. One of the examples below is led by the private sector - with investors getting together and putting up money to invest in social enterprises, which can prove they have a social impact as well as a good business model. The other looks at ways of freeing up people working in a statutory service - mental health, often considered the most resistant to change and innovation - to come up with new ideas of working with service users.

Both want to have a longer-term impact on changing cultures - one to make it easier for social enterprises to grow and flourish, the other to break down traditional barriers and empower people.

Bridges

The Bridges Social Entrepreneurs Fund was launched last year as a way of supporting social enterprises and helping them grow their businesses. The fund, spun off from Bridges Ventures, a venture capitalist fund that invested in businesses with a social impact, came about as the directors spotted a gap in the market. Small social enterprises are reliant on grant funding and charitable donations but find it hard to get money through traditional business investment sources, as they do not provide the necessary short-term level of return to investors.

The new fund has found a number of investors, including Nesta, Apax, Deutsche Bank and 3i as well as high net-worth individuals. It now has £4.25m and aims to invest between £500,000 and £1m in enterprises that have a proven social impact and the management capacity to grow but need longer-term funding and support.

Typically the support will last over a period of five to 10 years, by which time the enterprise will have developed the capacity to repay its investors.

The selling point is that it has been set up as an "evergreen" fund with charitable status, meaning money recouped from the original investors will then be reinvested in other businesses.

This is what makes the fund, the first of its kind based on this sustainable funding model, so attractive to investors, says Antony Ross, its director. "Enterprises will be expected to scale up their social impact as they scale their business," he says. "There is a bit of a gap for ambitious enterprises looking to get beyond the start-up phase. There is some capital around but not much of the supporting capital needed to create the next Cafedirect or Fifteen."

Ross says the fund hopes to open up new markets for social enterprises, which he believes may be uniquely placed to



benefit from the recession as government and local authorities look to alternative providers at the same time as traditional charity funding may dry up.

And what do the investors get out of it? They "truly believe in entrepreneurship and want to help scale up businesses that will make a difference, as an alternative to making a charitable donation. Social enterprises can make a very important difference to addressing real issues in the current climate in the way that the government can't."

This pilot project will be able to share its learning, if it proves that the model works, with the aim of opening up the market to new funds, says Ross.

Ross: 'Enterprises will be expected to scale up their social impact as they scale their business'

Hill: statutory services and NHS hierarchies often stymie innovation - 'There's a certain amount of sabotaging by middle management whose attitude is, 'you don't know your place'.' Anna Gordon

Mental Health Foundation

The Mental Health Foundation became involved with a range of organisations last year to come up with a project for innovations in mental health. Its aims were to stimulate local ideas for services that could be rolled out nationally. The scheme had £500,000 to invest and out of 491 applications, 11 are now being supported by the foundation for a year.

Kathryn Hill, director of mental health programmes at the foundation, says: "mental health doesn't tend to be the first port of call" when people think about innovation. That is because the NHS and statutory services are generally hidebound by culture and hierarchy, and have been tethered to prescriptive top-down command and control policies, she says. "If someone junior goes off and does something and comes back to the organisation with a new idea, the chief executive and senior management may love it, but there's a certain amount of sabotaging by middle management whose attitude is, 'you don't know your place'."

Among the projects being supported for a year is one based on animation therapy, working with young people through non-verbal communication; and a project where tenants and staff of a housing association made a DVD about the subtle forms of abuse people with mental health problems suffer. There was also a buddy scheme in Kent, where nursing, therapy and social work students buddy up with mental health service users. This project persuaded comedian Jo Brand, a former mental health nurse, to do the voice-over on a DVD it produced.

Hill says she hopes schemes like these can help change the culture in mental health services, which is also very risk-averse. "It's very difficult working in mental health - staff are criticised when things go wrong. It's good to see things making a positive impact, and hopefully it will make a real difference to people's daily lives. If it can work in mental health, it can work anywhere."

She adds that secondary innovation - that is, changing systems and structures, rather than inventing a swanky new product - can have a big impact, as it forces people to challenge the status quo.

It has also changed the way they do things within the foundation, where Hill is trying to establish a more collaborative culture. At an away day, staff were encouraged to come up with ideas for a product to help a person with a disability live a more independent life. This was so popular it was extended to competitions among staff at Christmas and Easter. "If people step back they can often see things differently. This isn't just about an awayday, it's part of the work we do on a daily basis."

Weblinks

The Bridges Social Entrepreneurs Fund: bridgesventures.com/investment_soc_centre.php

The Mental Health Foundation: mentalhealth.org.uk

Social pioneers Health/Lessons learned



Time and commitment: Dr Gráinne Fadden's family-centred mental healthcare scheme required 'a very large shift in thinking' in the NHS

Saving lives is ultimate reward for enterprise

A range of new incentives have given NHS staff freedom to experiment and develop innovative new healthcare ventures

Jo Stephenson

Barts and the London's heart attack centre is saving lives. Based at the London Chest Hospital, it has halved deaths among heart attack patients because of innovative treatment and ways of working.

The treatments include having heart specialists on hand around the clock and the use of primary angioplasty - a minor surgical procedure to clear obstructions in blood vessels.

The centre, run by the Barts and the London NHS Trust, and others like it have led to plans for a network of heart attack centres covering most of England and Wales.

It is a prime example of innovation driven by frontline clinicians and, according to specialist registrar Dr Rodney de Palma, there is plenty more where that came from. He says: "There is a huge pool of talent within the health service but the issue is harnessing it."

The need to foster innovation was identified by health minister Lord Darzi in his recent review of the health service, and the government has promised incentives and structures to boost innovative treatments and models of care.

New social enterprise healthcare ventures have been developed by former NHS staff after changes in policy meant they were able to leave the service without giving up their public-sector pension. The aim is to create opportunities for alternative healthcare providers in either the public or private sectors.

Health Launchpad is a foundation supporting social enterprises that focus on long-term conditions. It is working with Birmingham East and North primary care

trust on a reward programme that will see patients earn points towards shopping vouchers, mobile phone credits and gym memberships in return for achieving health goals such as losing weight.

The programme is run by a standalone social enterprise, co-owned by the trust and Launchpad. This allows surpluses to be reinvested in improving the service. Another social enterprise project, led by Bernadette Porter, nurse consultant at the National Hospital for Neurology and Neurosurgery in London, is using a phone-based service to improve support for people with multiple sclerosis.

"You wouldn't be able to do this within the NHS," says Joop Tanis, Health Launchpad's programme manager. Operating outside traditional health service structures means that people can draw on the latest technological, marketing and business expertise. It also allows freedom to experiment without affecting day-to-day care and a chance to build something sustainable that does not simply rely on the enthusiasm of one person, says Tanis.

Patient power

One area that has become a focus for innovation is the use of patients' experiences to shape services. Carol Bristow, who leads user involvement in secure services at Lancashire care NHS Foundation Trust, has devised a board game to help mental health in patients influence the design of wards. She believes her design background offers a fresh perspective.

"I see things differently from maybe a nurse, doctor or psychologist and that's been really useful," she says. The game is simple, cheap and effective, encouraging discussion and expression in a way questionnaires do not.

'There is a huge pool of talent within the service, but the issue is harnessing it'

Seeing an innovative idea through takes time and commitment, says Dr Gráinne Fadden, director of the West Midlands-based Meriden Family Work Programme. This scheme, which has pioneered family-sensitive mental health services in the UK and abroad, celebrated its 10th anniversary last year. Even though its approach, which involves training clinical staff, carers and patients to work with families, has been shown to work, not everyone was keen to adopt it.

It required "a very large shift in thinking" for professionals schooled to treat individual patients, explains Fadden. "You have to be persistent because there is an ethos in the NHS that things come and go," she says. "You have to say, 'This is not going to go away'."

Alasdair Liddell, senior associate of the health thinktank, the King's Fund, believes the NHS has been slow to adopt technology widely used in industries such as banking and travel. People can see real-time train arrivals online but cannot email their GP, he points out. "Innovation needs to be championed much more aggressively and there needs to be a much stronger lead from the centre."

Nigel Edwards is head of policy at the NHS Confederation, the membership organisation for NHS organisations and independent health providers.

He agrees there are barriers, including fear of change. National bodies such as the NHS Institute for Innovation and Improvement have been successful in spurring developments in areas like the performance of operating theatres. But Edwards says innovation must be encouraged and supported at a local level to succeed. "That's the challenge for NHS leaders and managers," he says.

The current financial climate may mean some reluctance to invest in ideas, but Edwards believes it may also boost efforts to find cost-effective ways of delivering good care. With the health service facing significant social challenges such as obesity, an ageing population and care for people with long-term conditions, it cannot afford not to innovate.

You win some, you lose some

In this business, failure can just be part of the learning process. Here, we look at one such project, and (below) at five others still going strong

Jane Dudman

One of the big messages about social innovation is that failure shouldn't be seen as a loss - it can be a positive experience, providing valuable lessons.

The Aspire community project is a great example of how failure can lead to new things and led to the flowering of several different ideas. In 1999, a social enterprise was set up by Aspire UK to employ former homeless people in a catalogue business.

"The idea was to get people out of the rut of having no home and no work," explains Paul Tipler, the regional manager of Aspire in Bristol, where the original Aspire UK was based. People were employed by Aspire to deliver catalogues featuring Fairtrade products. They delivered them door-to-door, returning to pick up orders. A mail-order catalogue business was later introduced.

A further 10 regional offices were then set up and by 2003, when the scheme came to an end, it was employing some 250 people.

So what went wrong? It was a number of things, according to Tipler. "There was certainly a lack of proper business support and advice and there were some problems with the business model that could perhaps have been addressed if there had been enough funding, but the scheme was underfunded," he says.

Project funding had originally come from a number of sources, including the government's homelessness directorate and the Prince's Trust.

"To work, the scheme had to generate enough income for Aspire UK and the regional companies who were delivering catalogues door-to-door," explains Tipler. But it was the mail-order catalogue that proved the most profitable arm of the enterprise and this ran foul of a classic

Clean break: Aspire in Bristol learnt from mail-order mistakes to develop a successful window-cleaning business

snarl-up that many a small business will recognise - trouble fulfilling its order. Following its best-ever trading period, in which it had a turnover of £1m, the business found itself unable to fulfil all its customers' orders. Costs soared as goods had to be flown in rather than sent by ship. The result, according to Tipler, was that the business "just ran out of cash". It was, he acknowledges, "absolutely classic".

But not all has been lost. "A lot of lessons were learned about managing cash-flow, about managing different funding streams and about getting enough funding and that made us stronger and able to move on," says Tipler.

Although the original catalogue business has come to an end, half of the original regional Aspire organisations remain in business, running a number of different schemes. In Bristol, for instance, the organisation began several different businesses, including recycling goods, window-cleaning, painting and decorating, and gardening and landscaping. "We have gone from strength to strength," says Tipler. "At any one time, we have about 20 or 25 people on work placement and we have 10 employees. It has been very successful."



Five of the best Thriving projects

Digibridge
Community interest company,
London

Digibridge assists low-income households become computer users and get into the world of IT and the internet. It does this by providing low-income households with recycling computer equipment, but also by providing an eight-week training course on IT and the internet, covering relevant skills, such as how to use spreadsheets and wordprocessing.

The lessons are supplemented by home visits from volunteers, which continue for six months. It also provides cost-effective IT support to voluntary and community organisations and to small and medium-sized businesses.

Bikeworks
Cycle services,
east London

Bikeworks is a social enterprise in east London's Tower Hamlets that offers cycle services to organisations and to the public.

Its services include cycle training courses, repairs, bike recycling, travel planning and sales of new and second-hand bikes. It also creates employment and training opportunities for disadvantaged communities and has the environmental aim of getting more people cycling and making cycling itself as green as possible, through recycling used bikes.

Patient Opinion
NHS user service,
Online

Started by Sheffield GP Paul Hodgkin, Patient Opinion is a website that enables patients and carers to share their

experiences of using the NHS.

The aim is to improve healthcare services by reflecting the real opinions of those who use them and creating a place for ideas about how to improve them.

Hill Holt Wood
Specialist training,
Lincolnshire/Nottinghamshire

Hill Holt Wood is a deciduous woodland situated on the Lincolnshire and Nottinghamshire border.

Its owners, Karen and Nigel Lowthrop, bought the woodland in 1995, and have used it to develop an education and training social enterprise that employs 22 people, including the owners themselves.

The social enterprise primarily provides vocational training for young people who have been excluded from school or who are unemployed, and it has contracts for this with statutory agencies.

Through the education and training provided, it is able to address wider issues relating to youth crime, dysfunctional behaviour and educational exclusion.

Hackney Community Transport
Local transport services,
London/Yorkshire

The well-established HCT group is an award-winning and rapidly growing social enterprise that provides public transport and related training services in the UK.

Originally founded in 1982, it runs transport services from six depots in London and two in Yorkshire.

The company operates mainstream bus routes, education transport for children with disabilities, social services transport for older and disabled people, yellow school bus services and a wide range of community transport services.

Social pioneers Guidance

Advice centre Tips for social innovation

● Different people have different skills: make sure you're using the skills of the people around you in the best way

● Stay grounded: keep listening to the people you are working with and working for, to ensure you remain practical and attractive and don't go off-piste

● But do expect more from people. Challenging people's expectations and pushing them out of their comfort zone is a necessary and important aspect of innovation

● Stay alert for ideas from all quarters. Don't rule out things because they come from unusual sources; when it comes to social innovation, some of the best ideas have come from unlikely areas

● Persist. The first few years are likely to be the hardest, but passion and determination will get you a long way

● Be bold. True innovation isn't about making small steps, it's about radical new ideas, so think big and think laterally

● Keep funding expectations small. You don't need huge budgets to be innovative - and you're unlikely to get large amounts in the present economic climate. So be prepared to do the most you can with relatively small amounts of money

● Don't be scared of failure. Lots of lessons can be learned when things go wrong - take note and move on

● Use expertise from everywhere. Public service innovation isn't just about building on existing public services; and expertise from other sectors is invaluable

● Think big. You may have to start small, but it's a good idea to bear in mind how any innovative project could be scaled up



PHOTOS: DAVID LEVENE, PAUL KINGSTON, GUZELIAN, COLIN MCPHERSON

How leaders can nurture innovation

● Create the ambition for change among frontline staff, as Rob Whiteman has done in Barking and Dagenham (see page 3) and ensure that those designing services have good contacts with those receiving them

● Build networks and connections to link up to other innovative organisations

● Think about what's needed, both internally and working with partners, to create services that really are more joined up

● Provide the time, the space and, if you can, ringfenced finance, to enable your staff to step back from daily activities and think about how they'd really like to do things differently

● Don't be scared of offering new technologies to those who need it: in South Tyneside, binmen were given Blackberries to record comments and ideas

● Be clear about the problems you're trying to solve, to ensure innovative thinking is a means to an end

For more details on the Public Services Innovation Lab, see: nestalab.org.uk

An investment revolution begins

UnLtd is the leading provider of support to social entrepreneurs in the UK and offers the largest such network in the world. www.UnLtd.org.uk

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