



National School
of Government

SUNNINGDALE INSTITUTE

Department for
**Innovation,
Universities &
Skills**

The Whitehall Innovation Hub

Foreword

The next phase of public sector reform is all about innovation at the frontline: new ideas to improve hospital care; bold solutions for local transport; fresh approaches to personalised education and training.

The Whitehall Innovation Hub will help to put innovation at the heart of central government – boosting our capacity to support the nurses, police and teachers who keep this country going and making the UK the best place to be a public service innovator.

A handwritten signature in white ink, appearing to read 'Lord Drayson', is positioned above the text. The signature is stylized and cursive.

Lord Drayson
Minister of State for Science and Innovation
Department for Innovation, Universities & Skills (DIUS)

The challenges that face Britain today demand not just innovative public services but also more innovative government, and the search for solutions demands a culture of innovation.

Department for Innovation Universities & Skills (DIUS) has located its Whitehall Innovation Hub within the Sunningdale Institute in order to build a bridge between policy-making, government transformation and the National School of Government's work of building the innovation capability of civil servants.

The National School is therefore delighted to support the hub as part of its strategy of building this capability across government.



Rod Clark
Chief Executive
National School of Government

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Why Innovation Now?

In March 2008 the Department for Innovation, Universities and Skills (DIUS) Innovation Nation White Paper called for the National School of Government's Sunningdale Institute to set up an Innovation Hub which would act as a focal point for innovation across Whitehall – to develop awareness and understanding about innovation in the Public Sector and support its diffusion across the Public Sector.

The hub director is Dr Su Maddock, previously director of the Change Centre in Manchester Business School, now on secondment to the National School of Government.

'Evidence shows that public service innovation is flourishing but that it needs systematic support from government; working with innovators across the public system and creating connections is central to the hub's work.'

Dr Su Maddock, Whitehall Hub Director

Innovation is critical during periods of economic decline – innovative responses are no longer optional and are required not only by local public services but also from government. There are huge challenges facing government at the moment, whether they be:

- climate change, demographics, inequalities, demand for social care, binge drinking or the skills deficit
- the need to keep pace with new technologies for the 'public good'
- or demands from the public for more responsive, efficient and effective services which are also more user-friendly, personal and local.

There are many intermediaries supporting social and public service innovation. The Whitehall Hub is particularly focused on enabling government to become more innovative in its practice and more sensitive to innovation, which is often hidden from view.

Social and public innovation calls for a more agile and flexible government. We are interested in mature innovation not 'blue skies' ideas disconnected from the realities of public service. Innovation is a close cousin of creativity and invention but is about the design of new services and adoption of new practices. Importantly we need to tell stories of what innovation is about. Innovation involves getting close to problems and not assuming solutions too quickly.

The Innovation Hub Strategy

The hub's strategy is to support those actively working to remove disincentives and create connections between those in government wanting to align government practices to innovation demand and flow.

The strategy is based on evidence that social and public service innovation is growing. It is the diffusion of innovation across the public system that is slow, and it is the cultural and institutional barriers to public innovation across government that the hub aims to tackle.

Growing evidence shows that the path of innovation flow is unpredictable and does not follow a linear course. It also frequently goes unrecognised, hidden in the margins.

- Leadership and intermediaries play a critical role in the early adoption of innovation.
- Creating space for innovation and for working offline is critical.
- Incentives are needed to support innovators and their work.
- The elimination of disincentives and systemic change are urgently required if the behaviour and processes that inhibit innovation are to be removed.

The Whitehall Innovation Hub Key Objectives

Objective 1

Build connection and capacity
for innovation across Whitehall

Objective 2

Make innovation integral to the
National School of Government's work

Objective 3

Develop innovation 'know how' and
thought leadership across government

Objective 4

Define and develop effective approaches
to public service innovation diffusion

Objective 1

Build connection and capacity for innovation across Whitehall

The Whitehall Innovation Hub aims to cultivate a landscape for innovation flow by connecting innovation champions through networks across government and with the wider public sector; to help build the government capacity to stimulate and recognise innovation and support the transforming government agenda.

In particular, connect those:

- public leaders in government, the regions and localities who want to support systemic innovation and generate the channels for the diffusion of public innovation across the system
- across government involved in innovative practice
- in the Senior Civil Service (SCS) to explore systemic innovation and forms of leadership that will support public service innovation and develop platforms to support public innovation.

Objective 2

Make innovation integral to the National School of Government's work

The key question for the National School of Government is what are the skills and experiences needed to create the conditions for innovation – how to support capacity building and incentives for innovation in government? Research shows that innovators are motivated by recognition and shared social purpose.

The hub aims to:

- develop National School staff confidence and capacity to lead and sustain innovation
- test new innovation deliverables that will develop openness to innovation
- run activities that model more open government and create an awareness about the value of a more innovative government.

Objective 3

Develop innovation 'know how' and thought leadership across government

The Innovation Hub will commission, research and define the 'what more innovative government means' and critical factors in how to support public service transformation.

In particular to:

- capture and define effective models of leadership for public innovation
- develop knowledge co-creation as well as knowledge transfer with partners in intermediaries.

Objective 4

Define and develop effective approaches to public service innovation diffusion

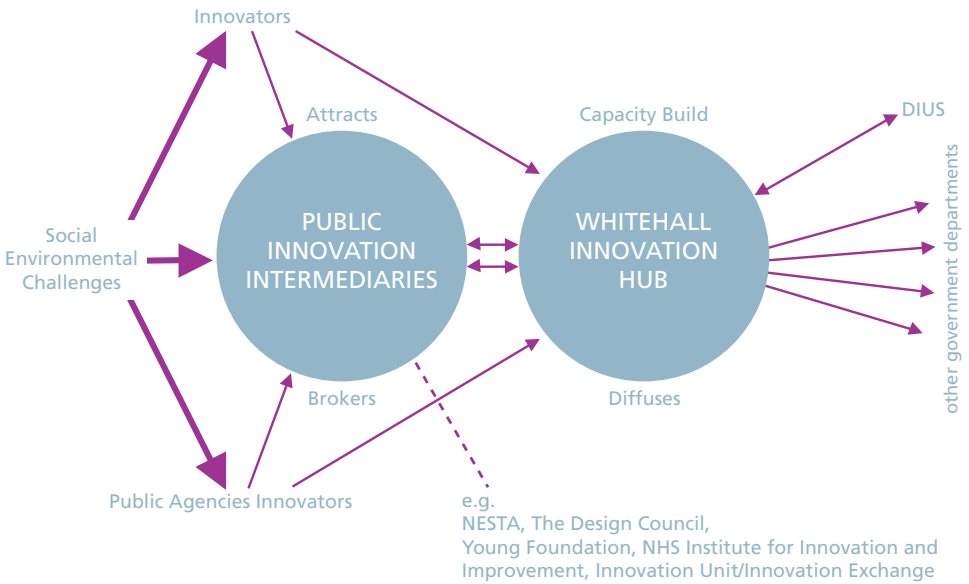
Stimulate and publish working briefs on:

- forms of governance for transformational public services
- local ecosystems for innovation – locality innovation hubs
- connecting policy-making to the front line

The hub's network activity will attempt to forge relationships between innovators to lay the foundations for a new landscape for innovation. These networks will inform policy formulation and innovation strategies.

The hub works with partners in National Endowment for Science, Technology and the Arts (NESTA), The Design Council and DIUS – in particular, disseminating their experimental case-studies to civil servants around Whitehall.

Role of Intermediaries in Innovation Diffusion



Public Service Innovation

Most public service innovation is driven by one or two people passionate about making a difference. Those closest to the problems are usually the first to provide solutions.

Patient Opinion, the Eden Project, Grameen Bank and the Big Issue were all nurtured by social entrepreneurs – and successful government programmes such as Sure Start are dependent on the motivation and commitment of front-line staff.

What is public service innovation?

Some examples include:

Service innovation	Systemic innovation
User-led service design in NHS	Investment Funds, NESTA, SITRA
The Sure Start Programme	Innovation Hubs and platforms
The Open University	Danish fixed tariffs for green energy creating market for wind energy
Creating value through recycling (Lewisham)	Government incentives for new forms of waste and disposal
Barbed Design - recovery model for prisoners in Gloucestershire	Commissioning and procurement for holistic interventions
Women Offenders' personal service centre, Kirklees	Commissioning and monitoring frameworks that value personal/ behavioural change

'What starts as an innovative approach gets bogged down in the treacle, when projects start to come alive it attracts and involves more officials, each with their own view and institutional role, they translate the programme from their perspective and then inertia takes over.'

Director, Department for Environment, Food and Rural Affairs (Defra)

Innovative responses are diverse and vary with each adaptation. However, public service innovation can be characterised as:

- a solution to a particular social, economic and environment problem
 - those coming up with a solution tend to be close to the problem and to front-line staff
 - new ways of working, new relationships and radical new ways of delivering public services – rather than new ideas or products
 - collaboration is at the heart of public service innovation
 - innovation has moved beyond improvement, which is more concerned with making existing systems work faster – and involves a redesign of systems, relationships and practices
- being galvanised by champions of change
 - early adoption of new practices is also usually brokered by intermediaries.

Public service innovation requires support and encouragement from government

The public system needs to have the capacity to reinforce innovation behaviour and approaches, not hinder them.

Public service innovation calls for government transformation and commensurate innovation in policy making and governance. Public service innovation pilots often fail to take root because of a lack of investors, or appropriate or sustained government support.

'People like me are not rewarded, I'm less interested in money and more in recognition. There are no incentives or alignment between performance appraisal and innovative work. I've always been interested in improving processes, but managers do not listen.'

Government Official at Civil Service Live 2008

It is too early to be prescriptive about managing innovation but developing a new landscape for innovation and the networks and relationships that will build connection between those in government procurement and commissioning with social and public innovators will be critical.

Barriers to public service innovation

Diffusing innovation across the public services is an ongoing challenge – not least because of the lack of contact between policy and practice and the fact the spread of public service innovation is often stifled by:

- a concern with process rather than with outcomes and impact

- a linear model of knowledge transfer when innovation flows between receptive players not through formal channels
- few incentives and too many disincentives – innovation is not at present career-enhancing for public servants
- short-termism and unrealistic expectations

Transforming Government

'Innovation flow depends on responsiveness and proactive support for innovation, on transforming government, especially in policy-making and on current practice and on cultural and behavioural change in departments.'

*Ursula Brennan (Ministry of Defence)
and Natalie Ceeney (National Archives)*

Creating the conditions for innovation calls for a more open and innovative government

Creating the conditions for innovation calls for transformational government and new models of innovation flow. Generic models tend to portray the stages that particular innovations go through before becoming widely accepted. This journey tends to reflect stages of ideas, early and later adoption and then embedding in the mainstream, which usually demands more receptive corporate strategy and functions.

However, those involved in innovations do not know how the journey will proceed and who will support them before they embark on it. New ideas and practices are adopted by those who are receptive to them, creating a flow or process of

diffusion; innovation rarely follows a linear or predictable path. This is because the diffusion of new practice is determined by innovators, who respond to opportunities presented to them and the obstacles they encounter. Innovation diffusion, when in practice, looks more like a 'delta' than a 'pipeline'.

Although each innovation on reflection goes through stages, the reality of practice at the time is that each context and innovator determines the trajectory and pace of innovative diffusion in different and diverse ways.

The challenge for government is that creating the conditions for innovation involves creating space and time for emergent conversations and practice – giving room for development and later

'Consultation tends to present people with a set of plans at a time when it is difficult to change them. We need to meet up with people earlier for all sides to share their views and create a new landscape for communicating with the public.'

Joe Montgomery, Director General Partnerships, Communities and Local Government (CLG)

auditing on the basis of impact rather than predefined process.

A model of open innovation will help those throughout the Public Sector attempting to support service and government innovation.

Open innovation is characterised by:

- a convergence or alignment between those with a shared interest in innovating
- a journey involving many people who share, collaborate and adapt practices according to their particular challenges
- curious, open and flexible attitudes to problems and more regard for customers, staff, partners and stakeholders

- network forms of organisation
- an acceptance of diversity – new ways of working emerge when people from many backgrounds come together to address a common problem and forge new solutions whether they be in the form of system re-design, new services or products or paradigms.

The web and new technologies have dramatically improved the opportunity to connect with people; this has enabled companies to spot new ideas and involve a wide range of people in design.

Open Source and social networks

In order to create a new landscape, new mechanisms for communicating with staff, partners and, in particular, service

'We are going to have to innovate, we are going to have to find very, very different ways of approaching the challenges we have got.'

Sir Gus O'Donnell, Head of the Civil Service

users and the public, are required. Open Source techniques have been used by Lego, Linux, Peugeot and a growing number of companies, and they are also being adopted across the Public Sector – for instance there are 'communities of practice' in education and health, and obvious to see in most social movements like the plastic bag campaign and web-based blogs such as Facebook and YouTube.

'User-led design' was a phrase coined by Eric Von Hippel as a way to connect better to customer and service user experience, a move to more open learning about what people wanted. This model has become known as open-sourcing and is now widely adopted by business and many public bodies as a way of moving beyond 'consultation'.

Technologies can be the platform for innovation and for improving service efficiencies – but it is the connection between people that drives the innovation insight and process of adaption.

Over the last two years, innovation has been recognised as a priority for the Public Sector and senior civil servants. A focus on innovation is critical to addressing current and future challenges. The question for policy makers is how to incentivise innovative behaviour and public servants who are agile, adaptive, collaborative and less risk averse. Transforming the Public Sector demands a new type of professional and an alignment between local and front-line innovation and those in government.

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