

### 3 Fostering Innovation in Care and Support

#### For Providers

This section suggests some conditions that foster innovation (some local authority-led, some provider-led), together with some examples of innovative practice. Use these as inspiration. Could something similar work in your area? Could you suggest these to your local authority through the engagement process?

#### For Local Authorities

This section suggests some conditions that foster innovation (some local authority-led, some provider-led), together with some examples of innovative practice. What do you do currently, or could you do to foster innovation? Use the case studies as inspiration. Could you discuss these with your SME providers?

Standard 10.2 “Commissioners actively encourage and promote investment and innovation in the market and ensure their tendering and procurement processes promote and accommodate the full range of care providers...”  
University of Birmingham/ADASS (2014) [Commissioning for Better Outcomes – A Route Map](#)<sup>15</sup>

The desire for providers to innovate is frequently expressed by both commissioners and providers, yet often neither party can point to innovative practice arising out their interactions. Some conditions that foster innovation are suggested below, together with examples of how these have worked.

Conditions that foster innovation	Case studies
<p><b>Build capacity</b></p> <ul style="list-style-type: none"> <li>■ Offer training for social enterprises, voluntary and community organisations, charities and small businesses to help them bid for contracts</li> <li>■ Identify a designated post to network with SMEs and micro-providers</li> <li>■ Link up with the local authority economic development team</li> </ul>	<p><b>Community Catalysts</b><sup>16</sup> works with local partners (currently over 30 local authorities, health organisations and voluntary and private sector organisations) to stimulate and support the development of high quality and sustainable local enterprises. The aim is to enable individuals and communities to use their abilities to provide a real choice of small scale, local, personalised and high quality social care and health services (in the broadest sense) for local people looking for support and services. One of the common elements is the appointment of a designated co-ordinator to act as a catalyst for change and to provide the appropriate support to existing and new community entrepreneurs (e.g. Dudley, Barking and Dagenham)</p> <p><b>East Sussex’s Guide for Micro-providers</b><sup>17</sup> offers a range of free training opportunities and bespoke training to be purchased, as well as a range of information on how to get support for their business, detailed listings of sources of funding, tools and resources, and key contacts.</p>

<sup>15</sup> <http://www.adass.org.uk/policy-documents-commissioning-for-better-outcomes/>

<sup>16</sup> [www.communitycatalysts.co.uk](http://www.communitycatalysts.co.uk)

<sup>17</sup> <https://new.eastsussex.gov.uk/socialcare/providers/funding/microservices>

## Fostering Innovation in Care and Support

<p><b>Create space for Innovation</b></p> <ul style="list-style-type: none"> <li>■ Use early market engagement, and well-structured procurement processes to create space for innovative proposals</li> <li>■ Develop and run innovation workshops with providers, then harness and encourage supplier innovation</li> </ul>	<p><b>Empowering People Innovation Challenge Programme.</b> Leicestershire County Council is running an Empowering People Innovation Challenge Programme with the aim of assisting providers to develop new, more personalised ways of working together with people receiving services. The programme consists of the following elements:</p> <ul style="list-style-type: none"> <li>■ <a href="#">Bursary Funds</a><sup>18</sup></li> <li>■ <a href="#">Innovation Network</a><sup>19</sup> - successful projects supporting each other</li> <li>■ <a href="#">A 'toolkit' of resources to support providers</a><sup>20</sup></li> <li>■ Ongoing specialist advice and consultancy support for providers</li> <li>■ Sharing local innovations through national networks</li> </ul>
<p><b>Enable Risk Sharing (see also Tool 5)</b></p> <ul style="list-style-type: none"> <li>■ Request full cost recovery in bids, do not expect providers to subsidise the service.</li> <li>■ Talk to providers about what is reasonable. Increased risk for the provider means an increased risk of provider failure.</li> </ul>	<p><b>Social Impact Bonds</b><sup>21</sup>. It's All About Me (IAAM) uses a social impact bond to fund the recruitment of and support for parents adopting 'harder to place' children. The fund pays participating Voluntary Adoption Agencies (VAAs) to put up the up-front investment needed for the harder to place children to achieve a successful adoption. As it becomes clear that the process is working, the local authority repays the fund over several financial years and eventually pays the VAA about 50% more per child adopted than would come through the Inter-Agency Fee. The main savings to local authorities and the state are through saving the continued cost of children being in care should families not be found. Although IAAM costs more than the Inter Agency Fee, it is for children who would be unlikely to be found families through IAF. It uses a model the designers call "risk arbitrage" under which all parties – the funders and the provider VAAs – share the risks of not finding a family or the placement faltering in proportion to their ability to manage them. This enables the funders to invest as debt. Social returns are achieved at the rate of at least £2.6m for every £10,000 invested in the bond. Around 90% of these returns are cashable savings by the local authority, with wider benefits in the stable future lives of the children.</p>

18 [http://www.leics.gov.uk/index/social\\_services/asc\\_support/social\\_care\\_providers/support\\_for\\_social\\_care\\_providers/fundingsupport/innovation.htm#bursary](http://www.leics.gov.uk/index/social_services/asc_support/social_care_providers/support_for_social_care_providers/fundingsupport/innovation.htm#bursary)

19 [http://www.leics.gov.uk/index/social\\_services/asc\\_support/social\\_care\\_providers/support\\_for\\_social\\_care\\_providers/networkingsupport/innovation\\_network.htm](http://www.leics.gov.uk/index/social_services/asc_support/social_care_providers/support_for_social_care_providers/networkingsupport/innovation_network.htm)

20 [http://www.leics.gov.uk/index/social\\_services/asc\\_support/social\\_care\\_providers/support\\_for\\_social\\_care\\_providers/fundingsupport/innovation/innovation\\_toolkit.htm](http://www.leics.gov.uk/index/social_services/asc_support/social_care_providers/support_for_social_care_providers/fundingsupport/innovation/innovation_toolkit.htm)

21 [www.iaamadoption.org](http://www.iaamadoption.org)

## Fostering Innovation in Care and Support

	<p><b>Calderdale Council introduced a Risk Enablement Panel</b> in autumn 2014. This is a forum to support people to manage risk and be more creative with how their outcomes are met. The Panel consists of the person, their advocate as appropriate, the Social Worker, the provider who would be offering support and if relevant the nurse or therapist. A typical case is James (name changed) who was a profoundly physically disabled young man who had been in and out of the care system and transitioned to adult care. James had decided that he wanted to move out of shared, 'supported' living and into his own home. The nurse and therapist involved in his case were very alarmed by this and wanted the Social Worker to get involved. The Social Worker brought the case to Risk Panel who supported James' right to have his capacity to make decisions about how he wanted to live his life assumed. Further panel discussions supported James' decision to employ his own PAs, his particular choice of PAs, and the purchase of an ordinary car rather than an adapted vehicle. When he got his car, James arranged to go with his PAs on a camping tour of summer festivals in England which the Risk Panel again endorsed. This case highlighted how, by working with local authorities, providers of support can be creative and responsive in helping people live real lives of their choosing.</p>
<p><b>Design in the potential for innovation</b></p> <ul style="list-style-type: none"> <li>■ Ensure terms and conditions are flexible enough to allow for changes in technology or service approach during the life of the procurement</li> </ul>	<p><b>Salvere</b>, then a fledgling social enterprise, was commissioned by <b>Lancashire County Council</b> to provide support services to people receiving direct payments in 2012. The contract is comprised of two aspects, split 2:1 in value. The first is to provide advice around Direct Payments, the second is to innovate in the provision of support planning. The council pays a fixed amount for the delivery of the first aspect, with funding drawn down on a case by case basis for the other. From the beginning of the contract, quarterly meetings were held between Salvere's Chief Executive and the Council's Director and Head of Service to talk about the strategic perspective. Operational staff from Salvere and Lancashire met monthly for an Operational Steering Group to talk through the changes staff from both organisations would be making as part of the transformation in delivery. Working in this collaborative way has allowed for considerable scope for Salvere and Lancashire to test, learn and refine practice, process and operations – focusing on continuously improving quality and pace. Over 6,000 support plans have been developed in 2 years, with 88% returning a package that is less than the indicative budget. Reflecting the success of the partnership, the Council is now planning to restructure the funding of the contract to eliminate the transactional costs of drawing funding down on a case by case basis.</p>

## Fostering Innovation in Care and Support

<p><b>Directly fund innovation</b></p> <ul style="list-style-type: none"> <li>■ Seed/start up 'innovation' funding from state and independent bodies</li> <li>■ Make use of new EU procurement rules (see Section 5 – procurement need not 'get in the way' if someone has a good idea)</li> </ul>	<p><b>Hackney Healthy Ideas</b></p> <p>Healthy Ideas provides grants of up to £8,000 for projects which test concepts to tackle one of their two priority issues: Substance Misuse and Sexual Health. The aim is to attract new approaches to addressing these issues; the council will work with successful bidders to develop these concepts into practical activities which could be introduced in Hackney and elsewhere. Their approach explicitly recognises that not every innovation will succeed:</p> <p><i>“Your idea, proof of concept and associated articles will remain your intellectual property - Hackney Council will make no claims on the proposal or scheme you devise. We do not anticipate that all ideas will be successfully converted into effective activities - we are funding how these ideas are tested and (hopefully) proven, but if at the end of the process you feel the new approach would not work we don't consider it to be a failed project. We hope to attract radically new concepts, and recognise that some of these may not work in practice. We have designed the assessment criteria to balance our appetite for testing radical solutions with our responsibility to the taxpayer.”</i></p>
<p><b>Facilitate access to funding</b></p> <ul style="list-style-type: none"> <li>■ Signpost providers towards alternative sources of funding and support</li> <li>■ Provide explicit support, if appropriate, of projects if funding is sought from other bodies</li> </ul>	<p><b>VISTA and the VCS in Leicester City.</b> VISTA was elected by the local Voluntary and Community Sector (VCS) and customer representatives as the lead agency to take forward a major bid to the Big Lottery Fund “Fulfilling Lives: Ageing Better” programme. This shared initiative between the City Council and VISTA brought together a range of SME providers from the VCS at a stakeholder meeting. This set the scene; undertook an initial needs analysis to meet the Big Lottery requirements and then organised further stakeholder and customer engagement meetings which both assessed providers' appetites for taking the process forward and gathered customer views.</p> <p>Once past the initial application stage, this process had to be led by one organisation from the VCS and involve the wider sector in delivering the Big Lottery funded project. Leicester City Council (LCC) arranged an event at which local VCS groups and customer representatives could hear presentations from agencies as the basis for electing their chosen lead agency. VISTA was elected and then took the work forward with LCC and others as part of the governance structure, with LCC continuing to provide support in kind such as meeting venues and refreshments etc. The project had an excellent result with VISTA seeing through a successful bid for £5m which will deliver various services for older people through a range of SME providers in the city. In addition to the service benefit, the project consolidated and enhanced an already positive relationship between the council and the VCS and confirmed the reputation of LCC as an organisation which supports the VCS and shares its goals.</p>

## Fostering Innovation in Care and Support

### Explore alternative ways to allow greater participation of SMEs, including charities, in a prime contractor capacity

- Specifying consortia delivery for a contract
- Making contracts smaller
- Providing more support
- Longer commissioning timescales to allow consortia building

**Age Concern Newham** have led a consortium of eight organisations that provide health and social activities to older people in Newham. It was formed in 2007 in response to Newham Council's published intention to commission four health activity networks for older people linked to community forum areas, providing a range of services focusing on bettering health and improving outlook through positive activity. Age Concern identified a number of learning points during and after the commissioning process and suggested that organisations should consider the following:

- Can your consortium adapt to commissioners' demands?
- Does the consortium have a clear process for membership and what happens when members change?
- Does the consortium take care about what information it shares and how it is protected?
- Getting the contract is only the first part. Do you have robust processes in place to manage and monitor delivery and do they work for all partners?

Age Concern Newham states: *"The consortium members are all very different to each other. This is a huge strength as between us we offer access to many different communities and we can learn from each other's skills and traditions"*.

## Fostering Innovation in Care and Support

### Create capacity

- Providers could engage with their own trade associations, consider extending the range of services they offer, etc.
- Consider umbrella arrangements to foster SME engagement

**Devon Voluntary Action (DeVA)<sup>23</sup> – a mandated voice for the sector.** DeVA runs the Voluntary Voice programme through which representatives from organisations get their mandate to speak on behalf of the sector on various strategic partnerships. After attending any of these meetings, representatives prepare reports that are distributed to communities of interest and the issues arising are summarised and communicated back to strategic decision makers. This method of representation is used for the sector's voice on Devon County Council's Provider Engagement Network at:

- County Strategic Provider Group (which considers strategic issues about commissioning, procurement, quality, regulation and workforce development)
- Joint Strategic Commissioning and Procurement Sub Group (which undertakes market analysis, continuity of service, market shaping and commissioning processes)

DeVA also produced a 'Third Sector Overview of Devon 2014' that provided a profile of the voluntary sector in Devon and the contribution it makes to the economy. This is intended to be a useful source of information for both statutory agencies and the voluntary sector by providing background information and evidence to support the ongoing development of services.



## Fostering Innovation in Care and Support

<p><b>Share intelligence about gaps in the market, and encourage solutions</b></p>	<p><b>Halton Borough Council</b> is employing the entrepreneurial talents of staff and customers to provide a radical alternative to the traditional model of social services day care. Using resources diverted from traditional bricks and mortar-based day care services, Halton is initiating start-up businesses. The approach is based on recognition that customers want to be valued and play a part in their community. Revenues generated by Halton's micro-businesses are used to pay permitted wages and profits are ploughed back into each venture to reduce the overall cost of the service from the baseline day services' budget. Halton is extending the range of business placements and expanding its citizen delivery portfolio to include a brewery, hairdressing salon, bicycle workshop and bowling green in addition to its catering and gardening businesses. In the long-term their ambition is to use enterprise to lift people out of benefits altogether.</p> <p><b>Nottinghamshire County Council</b>, working with a dedicated 'micro-market co-ordinator' from Community Catalysts, analysed the market and developed an outline strategic plan identifying target areas/priorities for micro-provider development. Funding grants of up to £1,000 were available from the Council to all new and developing micro-providers. Preference was given to enterprises offering new or innovative services, services to groups or communities currently under-provided for and to providers with strong links to their local community<sup>24</sup>.</p> <p><b>Lancashire, Wigan, Gloucestershire</b> and the <b>London Borough of Richmond</b> have all used the Working Together for Change<sup>25</sup> tool to collaboratively capture information about what is working and not working locally and what is needed in the future.</p>
--	--

Taking the ideas and examples above, complete the table below to consider:

- **Providers:** Could something similar work in your area? Can you suggest it to your local authority through the engagement process?
- **Local authorities:** What do you do or could do to foster innovation?

24 For further information see <http://www.nottinghamshire.gov.uk/living/business/supporting-social-care-businesses/smallsocialcarebusinesses/> and Community Catalysts (2014) Nottinghamshire Micro-enterprise Project. Last accessed 16 April 2015 at [www.communitycatalysts.co.uk/wp-content/uploads/2014/08/Nottinghamshire-Micro-enterprise-Project-Final-Report-July-2014.pdf](http://www.communitycatalysts.co.uk/wp-content/uploads/2014/08/Nottinghamshire-Micro-enterprise-Project-Final-Report-July-2014.pdf)

25 DH (2009) Working together for change: using person-centred information for commissioning. Last accessed 16 April 2015 at [www.thinklocalactpersonal.org.uk/\\_library/WTFC\\_Final.pdf](http://www.thinklocalactpersonal.org.uk/_library/WTFC_Final.pdf)

## Fostering Innovation in Care and Support

<b>Conditions that foster innovation</b>	<b>Providers:</b> Could something similar work in your area? Can you suggest it to your local authority through the engagement process?	<b>Local authorities:</b> What more could you do to foster innovation?
Build capacity		
Promote Innovation		
Enable Risk Sharing		
Design in the potential for innovation		
Directly fund innovation		
Facilitate access to funding		



## Fostering Innovation in Care and Support

Conditions that foster innovation	Providers: Could something similar work in your area? Can you suggest it to your local authority through the engagement process?	Local authorities: What more could you do to foster innovation?
Explore alternative ways to allow greater participation of SMEs, including charities, in a prime contractor capacity		
Create capacity		
Share intelligence about gaps in the market, and encourage solutions		



**Myth:** If we have identified a potential safeguarding risk to delivering a new activity or intervention, that means we can't do it.

**Reality:** Doing anything has an inherent risk. If you think there may be a safeguarding risk don't automatically discount the activity or intervention, but speak to the safeguarding team in the local authority beforehand, and get advice about how to manage that risk.