PRACTICAL GUIDE

RADICAL EFFICIENCY

Different, better, lower cost public services

Innovation Unit

THE LAB Innovating public services

NESTA Making Innovation Flourish

INTRODUCTION

You have picked up this booklet as a leader in a public service organisation who is facing hugely difficult decisions. Spending cuts of up to 25 per cent over the next few years are a daunting prospect. The biggest message from this booklet should be that taking bits out of the current system is not the only option. This 'less for less' approach will be very damaging given the scale of proposed cuts. There are alternatives. It is worth investing the time to explore and develop new approaches.

This booklet outlines a constructive way for you to make between 20-60 per cent cost savings and improve outcomes for service users at the same time – radical efficiency. It is not simply about improving current services, but creating new and different services with much better outcomes for the people you serve.

Our experience working with local authorities on radical efficiency in practice has shown that the process can be mobilising and energising. Although timescales for cost-cutting are tight and the current environment is difficult and draining, radical efficiency offers practical steps and hope for something better in this tough time. It helps public service professionals to pursue the mission that attracted them to their roles in the first place – it is a route to helping improve the quality of people's lives, even as cuts in spending are unavoidable.

This booklet offers practical tips to service leaders on how to start developing different, better and lower cost services. It is relevant for decision-makers in many different services,

from children's centre managers and GPs to social workers and the police. It also offers insights to directors of services and local authority leaders about how they can create a better environment for the 'doers' to make radical efficiency happen.

Importantly, radical efficiency is not an abstract theory – it is based on hundreds of well-evidenced examples of different, better and lower cost services from around the world, from different sectors, contexts and on very different scales. It is also being put into practice in a joint project between NESTA and Innovation Unit, which is working with local authorities to transform early years provision.

The content of this booklet has been drawn from the full report *Radical Efficiency: Different, Better, Lower Cost Public Services* published by NESTA and the Innovation Unit, June 2010 (available at http://www.nesta.org.uk/publications/reports/assets/features/radical_efficiency)

This booklet contains five sections, each of which holds useful content for public service professionals:

- **Why radical efficiency?**

  This section outlines the case for radical reform and why incremental improvement is just not enough anymore.

- **What is radical efficiency?**

  This section outlines the core concepts of radical efficiency to set the framework for the rest of the report.

- **Case studies**

  This section tells the stories of five successful innovations that have delivered different, better and lower cost services. It also highlights some big questions for practitioners to pose when developing their own radically efficient services.

- **Lessons for innovators**

  This section talks about what we have learnt about the ways of working that underpinned successful innovations. These general lessons raise important issues for practitioners and directors of services alike.

- **Applying radical efficiency in your organisation**

  This section offers some first steps for doing radical efficiency in practice, along with some more information about the kind of work that Innovation Unit/NESTA are doing on this.

If you would like to learn more about NESTA and Innovation Unit's work on radical efficiency in practice, please contact sarah.gillinson@innovationunit.org.

CONTENTS

Part 1: Why radical efficiency? **6**

Part 2: What is radical efficiency? **8**

Part 3: Case Studies **11**

- **Case Study 1:** Chicago Citizen Law Enforcement Analysis and Reporting (CLEAR) **11**
- **Case Study 2:** Mental Health First Aid **14**
- **Case Study 3:** Ubudehe **17**
- **Case Study 4:** Patient Hotels **20**
- **Case Study 5:** Make it Work **23**

Part 4: Lessons for innovators **27**

Part 5: Applying radical efficiency in your organisation **34**

Radical efficiency in the UK **39**

Endnotes and picture credits **41**

PART 1:
WHY RADICAL EFFICIENCY?

Radical efficiency is all about different, better and lower cost public services. It is about innovation that delivers much better public outcomes for much lower cost.

Radical efficiency is not about simply improving current services. It is about creating new and different services with much better outcomes for users. This is necessary because of short-term pressures on public finances and medium-term pressures on the old ways of delivering public services.

In the short term, if we simply cut 25-30 per cent out of existing service models, users will suffer. Services are often close to breaking point already. Even with major operational efficiencies – like streamlining procurement or making better use of buildings – with cuts of this scale there will be no choice but to offer the public 'less for less'.

In the medium term, we know that existing services are struggling to deal with big, messy problems like obesity, climate change and anti-social behaviour.

So for the sake of the public and the professionals who are accountable for quality service provision, there is a real case for practitioners to learn how to develop different and better models – not just lower cost versions of existing ones.

Our case studies of radical efficiency from across the globe demonstrate cost-savings of between 20 and 60 per cent. We are not arguing that these innovations can or should be directly transplanted from Scandinavia, Africa, South America or the US to the UK. We argue instead that the conditions and ways

of thinking that generate radical efficiency should be fostered here.

We expect that radical efficiency might apply specifically to about half of current government spending, including social services, health, education, transport, public order and safety. If innovators in the UK can realise the potential for radical efficiency that we have seen in cities and states around the world, then this would amount to huge savings with much better outcomes for citizens.

PART 2:
WHAT IS RADICAL EFFICIENCY?

Radical efficiency is an innovative approach to redesigning services that saves money and improves outcomes for users. It is described by the model shown on page 10 (Figure 1) and the conditions for success in Part 4.

A brief description of the model

The radical efficiency model helps to distinguish between innovation that delivers 'more for less' of existing services and 'different, better, lower cost' services. It is based on the case studies described in the next part of the report.

'New perspectives on challenges'
On the top half of the model, 'New Insights' and 'New Customers' provide the fuel for asking new questions about what public services are trying to achieve – the catalyst for different and better outcomes.

- 'New Insights' is about new thinkers or other sources of knowledge (like new data) offering new perspectives on your challenge. This could be a totally new thinker on an issue bringing passion and insights from elsewhere. It could equally be about uncovering fresh insights from the community being served.
- 'New Customers' is about thinking afresh about who you are truly serving. This might be as simple as thinking about your users as partners in delivery. It could be about identifying and reaching out to previous non-users. It could also involve

reconsidering the unit of your customer, from an individual to whole families.

'New perspectives on solutions'
On the bottom half of the model, 'New Suppliers' and 'New Resources' provide new tools for problem-solving. They can be applied to tackle challenges old and new.

'New Suppliers' is about rethinking who might be best suited to deliver parts of a service.

'New Resources' is not about finances. Resources are the assets and tools deployed to make things happen – from buildings, to people and technology.

From 'more for less' to radical efficiency

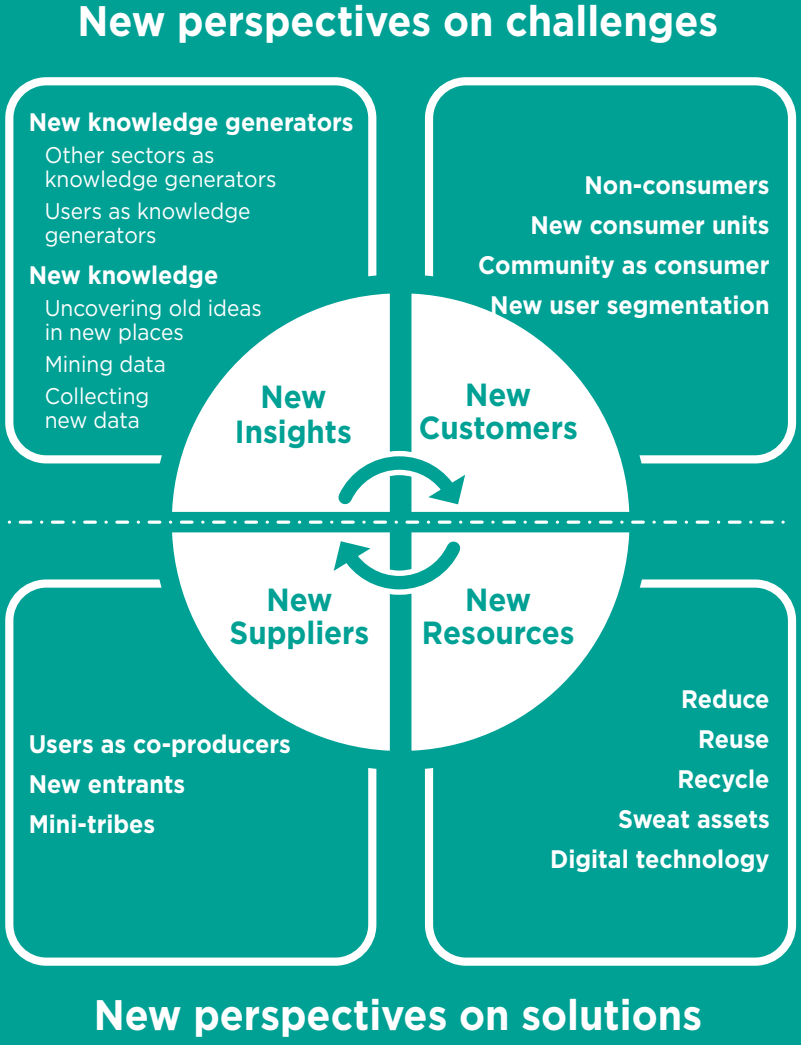
All four of these elements are important and powerful. It is how they are combined that determines whether an innovation is radically efficient or simply offers more for less.

For an innovation to be radically efficient it must employ components both above and below the line – it must offer a new perspective on the challenge as well as a new perspective on the solution.

The next section looks at five of the best examples of radical efficiency in different services and sectors, and on different scales from across the globe. We examine them in depth to understand what makes them truly different, better and lower cost:

- 'Different' – how the innovation is distinct from existing services.
- 'Better' – what the positive outcomes are for users and society.
- 'Lower cost' – what the cost savings are.

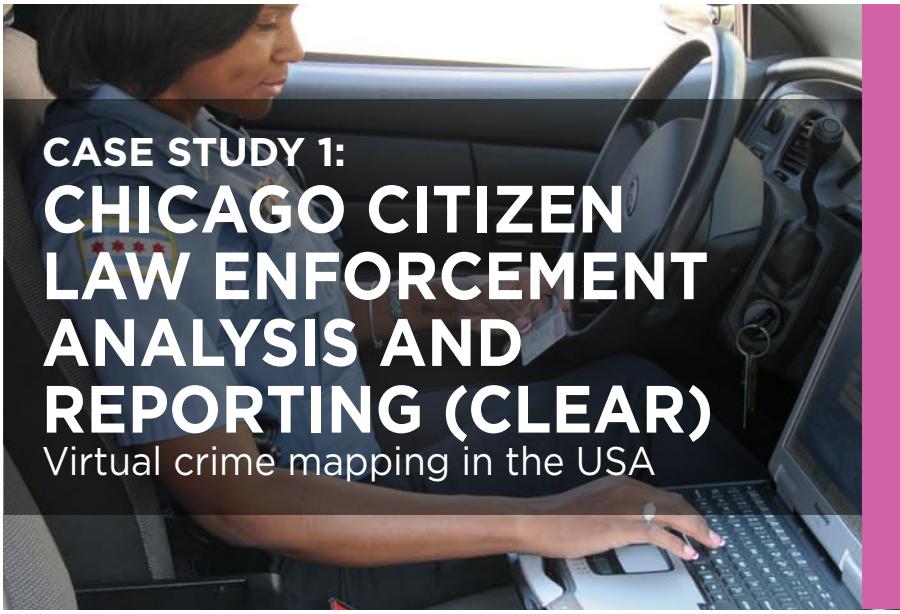
FIGURE 1:
RADICAL EFFICIENCY



Innovation Unit

THE LAB Innovating public services

NESTA Making Innovation Flourish



CASE STUDY 1:
CHICAGO CITIZEN LAW ENFORCEMENT ANALYSIS AND REPORTING (CLEAR)
Virtual crime mapping in the USA

Despite steady progress throughout the 1990s, the Chicago police department was still struggling to fight crime city-wide. To improve community engagement, it decided to tackle three major issues: lack of community trust; fragmented information on crime and criminals; and lack of real time updates.

Its Research & Development unit came up with a simple solution – a virtual crime map, 'CLEAR: Chicago Citizen Law Enforcement Analysis and Reporting'. It is an online tool for the whole city that allows everyone from local children to senior police officers to submit information about crime, and to see what has been done about it.

> *"It is really about empowerment and trusting our officers and members of the public to partner with us to solve problems."*
> **Jonathan Lewin**

Lewin, the commander currently leading this work, attributes the ultimate success of the project to one key factor:

engagement – of both frontline staff and the local community in the design, development and goals of CLEAR:

> *"It took a multi-year development effort that involved three police districts, community organisations, youth groups, businesses, residents schools, to develop a set of functional requirements that the community would agree on."*

Today, the force is equipped with more than 2,000 handheld computers. These enable officers to access CLEAR and contribute information when they are at a crime scene or on patrol. CLEAR also receives information from other city agencies – from schools to the department for buildings whose responsibilities relate to crime fighting and public safety.

> *"It just makes sense when you are on the street, instead of wasting manpower and downtime... you can start all those reports on the scene."*
> **Officer Corey W**

CLEAR has enabled preventive policing. By mapping community concerns and real-time crime scene information, police officers have a better understanding of where problems are likely to arise – and can resolve the situation before it gets out of hand.

The efficiencies generated by the system enable the force to keep up with increasing demand from staff and from the community. By reducing paperwork and bureaucracy and speeding up information flow, CLEAR has turned every one officer of the past into 1.2 officers today. Lewin also believes the system has played a major role in Chicago's 16 per cent reduction in violent crime since CLEAR was launched.

Big questions for practitioners, inspired by CLEAR:

1) How could you liberate and build on latent community knowledge about what is really happening in your area?
2) Which other services hold useful information about the community that could help inform your work?

Figure 2. CLEAR and radical efficiency

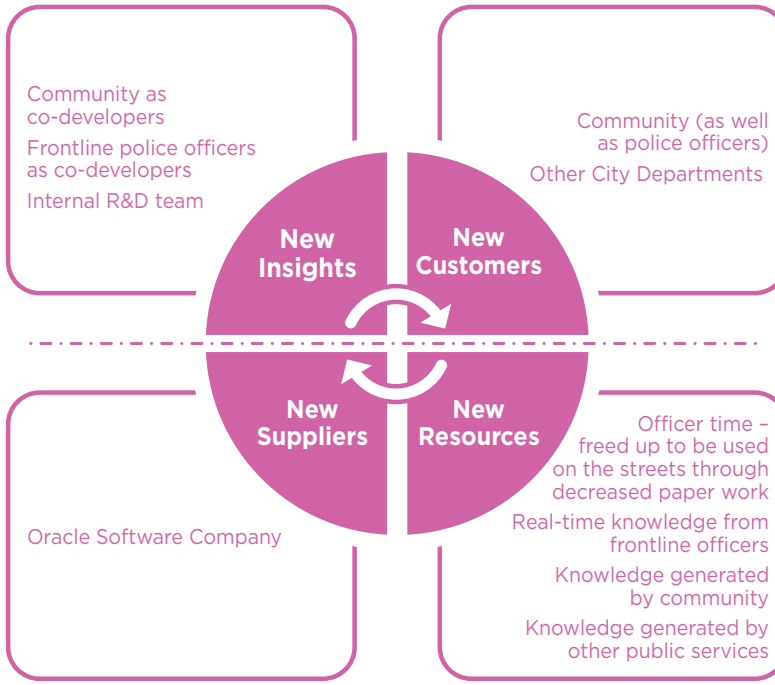


Table 1. Benefits and cost savings from CLEAR

Benefits	Cost savings
16 per cent decrease in violent crime during 2001-03. 20 per cent increase in police time on the streets/police officer efficiency with the same number of officers.	Reduced clerical staff/civilian positions by 340 from 2,042 to 1,702. This equals a reduction in clerical staff by 16.65 per cent.

CASE STUDY 2: MENTAL HEALTH FIRST AID

Community support for people with mental illness in Australia

Betty Kitchener and her husband Tony Jorum started Mental Health First Aid (MHFA), a 12-hour course designed to give ordinary people the skills to help someone who is developing a mental health problem or who is already in mental health crisis. The course ensures early intervention to prevent illness developing into something more severe and offers informed support to people already in crisis.

Starting with a few, experimental workshops in their local community, ongoing evaluation and rapid modifications were key to the programme's success. It is also scalable. This is critical because anyone anywhere can experience mental illness or encounter others who are having problems. MHFA instructors – many of whom have themselves suffered from mental ill health – can independently train members of the public. Partnerships with existing community organisations have also been vital to MHFA's rapid spread across Australia:

> *"We run a very small operation and never thought we could run this across Australia... so we always work in partnership with local organisations... they are different from region to*

region with local knowledge and this is primarily why it has disseminated to even quite remote areas of Australia."

The benefits and savings of MHFA come from people seeking help early in their illness, reducing the severity of their condition and the long-term burden to the system. As Betty says:

"There is evidence that the longer you wait to give people treatment, the worse long-term outcomes people have throughout their lives… we are teaching people to nip it in the bud and address it before it is a full-blown crisis."

MHFA's popularity and impact have resulted in international reach. MHFA now operates in 12 countries, including Japan, Canada, Finland, South Africa, Scotland, Wales and England.

Big questions for practitioners, inspired by MHFA:

1) What existing opportunities for talking with users could you build on to discuss and respond to how services are working for them?
2) Which community organisations are already working with people who you believe could benefit from your services?
3) How could you make your successful service blueprint openly available to others to use?

Figure 3. Mental Health First Aid and radical efficiency

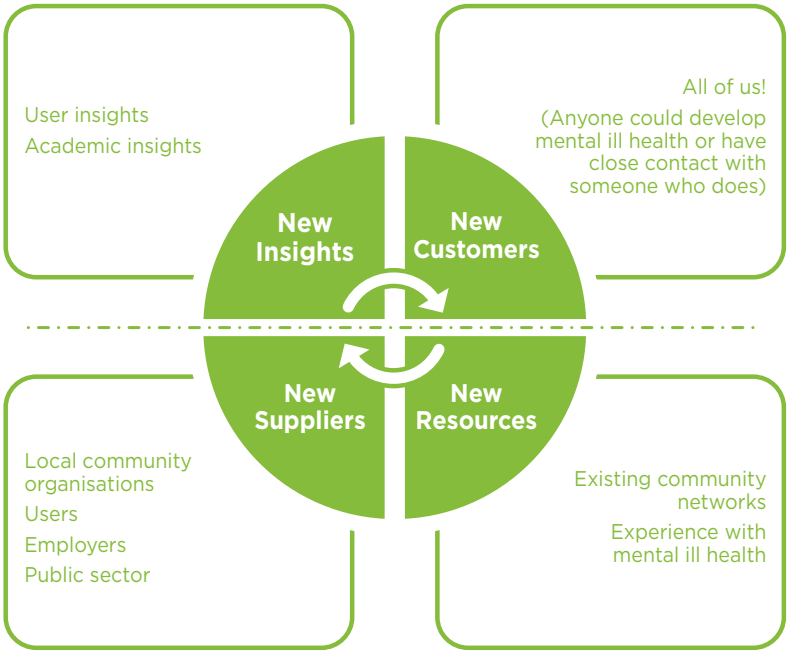


Table 2. Benefits and cost savings from Mental Health First Aid

Benefits	Cost savings
Increase in the number of people helped with mental ill health. Improvement in participants' own mental health.[1] Spread in agents/people capable of early intervention. Increased awareness of mental illness: compared with a control group, people who participated in MHFA increased their awareness of mental illness and their confidence in being able to deal with it.	Similar to conventional First Aid, evidence of direct costs savings is difficult to assess as MHFA programmes are run almost entirely without government funding.

CASE STUDY 3:
UBUDEHE
Community-led public projects in Rwanda

'Ubudehe' literally describes the traditional practice of Rwandan communities working together to dig the fields in preparation for the rains and planting season. Contemporary Ubudehe projects describe an ambitious experiment in participative community development, which touches – and improves – the lives of over one quarter of Rwanda's population, radically cutting the cost of community projects in the process.

> *"[Ubudehe aims] to help community groups and some poor households to create their own problem solving experience... starting from [their] aspiration, ability and traditions."*[2]

In early 2001, the modern Ubudehe process was iteratively tested in the old Butare Province. This began with five 'cellules' (now 'villages') in February, 2001 and rose to 679 by June of that year. The pilot was jointly funded by the EU, DFID and by the Rwandan Government.

Ubudehe has four main stages which are delivered by trained

local facilitators:

- Mapping: generate a shared understanding of the levels, causes and consequences of poverty in a village of between 100 to 150 households.
- Prioritising: generate a long-list of community problems, prioritised to five and then one.
- Action: appoint a 'Development Committee' to come up with a plan of action; check plan with the community; submit for approval to the central government who release funds to the village bank account.[3]
- Monitoring: appoint a 'Control Committee' to oversee the implementation progress of the 'Executive Committee' and correct mistakes.

From its earliest days, evaluations of Ubudehe have reported on the project's relevance and impact: 96 per cent of participants reported a decrease in poverty as a result of Ubudehe; for 71 per cent of people this meant a doubling of their income or more; 89 per cent of participants state that Ubudehe has had a great or very great impact on social cohesion – crucial in a country torn apart by genocide only 15 years ago.

Ubudehe's success has now spread within and beyond Rwanda. The Ministry of Health is using Ubudehe mapping to identify its poorest citizens so that they can receive an insurance health card. Preliminary discussions have also been initiated with neighbouring Burundi to begin using the process.

Big questions for users, inspired by Ubudehe:

1) How could you systematically understand and record levels and types of need in your community?
2) How could you engage the community in overseeing the quality and integrity of local projects?

Figure 4. Ubudehe and radical efficiency

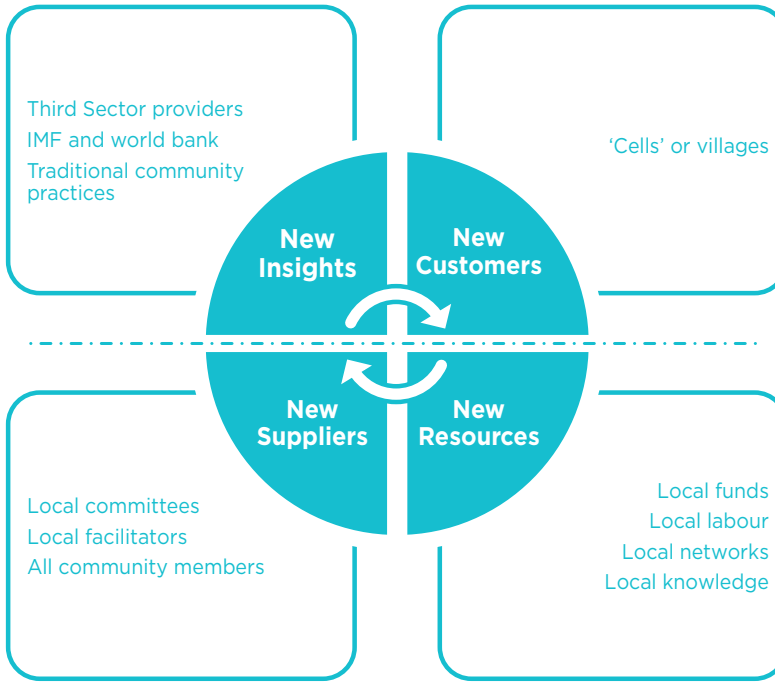


Table 3. Benefits and cost savings from Ubudehe

Benefits	Cost savings
Poverty reduction. Increased social cohesion. Increased relevance of public spending. Improved management of public funds. Culture change: 'spirit of entrepreneurship'.	Up to 80 per cent savings on local construction projects. Increased growth with poverty reduction (World Bank).[4]

CASE STUDY 4:
PATIENT HOTELS
Spaces for rehabilitation in Sweden

Patient Hotels began in 1988 when Lund University Hospital needed more beds to meet increasing demand for hospital services but had insufficient budget to fund them. They recognised that many patients were capable of managing their own conditions and just needed a safe, comfortable space for recuperation. So the Lund team designed spaces where patients could largely manage their own care – from bandaging to meals – and let them wear their own clothes.

This meant rethinking service processes and the physical environment. The Scandinavian hotel chain SAS partnered with the hospital to design Patient Hotels. Doctors refer patients to the hotel and are responsible for the patient's treatment – from afar – throughout their stay. The absence of doctors is important in reinforcing the sense that guests are not solely 'patients'. As Maria Lipinska, manager of the hotel explains:

> *"I think the biggest difference is that there is a little distance for the patients from the hospital... people feel fresher here... they are guests... often we are told by nurses at the*

wards that [the patients] can't do this and this and this, but after one day here they do it."

The hotels are designed to accommodate families who can enable patients to move around and provide important emotional support. The relaxed environment also enables longer-term guests, such as cancer patients receiving radiation treatment, to gather in the restaurant or lobby to socialise and talk about their treatment.

"They meet each other relatively quickly, and then they start having lunch and dinner together and enjoy each other's company... a lot of people say when they leave here that what should be so bad was actually ok here – time just went by."

Since opening, the Patient Hotel has nearly doubled its rooms from 95 to 160 (108 for guests, 52 for relatives) in response to demand. The patient hotel is popular with policymakers as well as with its guests. Patient hotels make sense financially. The average cost per night for a bed at the hospital in Lund is 3,000 Sek (£260). A bed at the patient hotel costs 823 Sek (£71). As Maria Lipinska puts it:

"The patient hotel is highly cost effective and often runs a surplus – this has allowed us to lower costs to patients several times over the past few years, which is good for everyone!"

Big questions for practioners, inspired by Patient Hotels:

1) How could you support users to do more for themselves?
2) How could your service build on and respond to the strength and importance of family relationships?
3) How could you create a more real and 'human' environment for your services?

Figure 5. Patient Hotels and radical efficiency

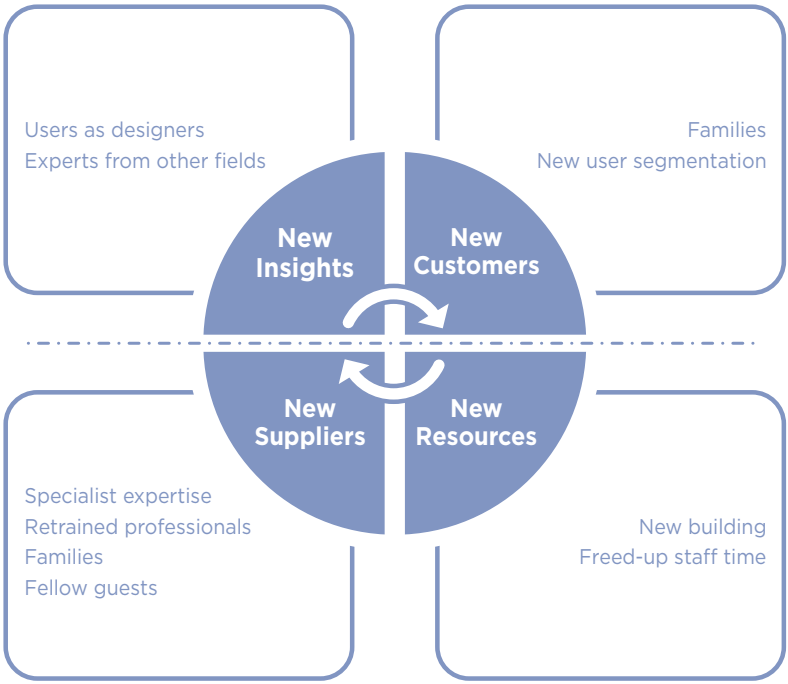


Table 4. Benefits and cost savings from Patient Hotels

Benefits	Cost savings
Increases wellbeing for patients and speeds up recovery. Increases wellbeing for families. Reduces pressure on hospital and need for expensive hospital beds by translating these into cheaper patient hotel beds.	One hospital bed costs 3,000 Sek per night, whereas one patient hotel bed costs 823 Sek per night. This amounts to a saving of 2,177 Sek per hotel guest. Estimates from Norway and Denmark, where patient hotels are widespread suggest that the average cost reduction per patient hotel bed compared with a hospital bed is 60 per cent.[5] (The patient hotel's 108 inpatient capacity makes up 12 per cent of the hospital's 900).[6]

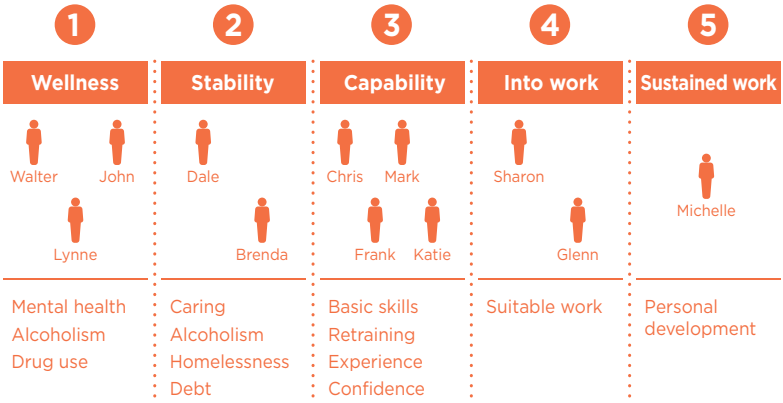
CASE STUDY 5:
MAKE IT WORK
Tackling worklessness in Sunderland

In 2007, 26 per cent of the working age population in Sunderland was economically inactive. Sunderland City Council was spending a significant amount on potential 'solutions' like Job Centre Plus and on benefit claims, yet very little progress was being made. The council put out a tender asking for new ideas to tackle the issue. They awarded the contract to Livework – a service design company – on the strength of their distinctive approach to understanding and tackling the problem of worklessness from the perspective of Sunderland's economically inactive population.

> *"Livework's approach is to think about services from a service user perspective, so we used ethnographic research methods, travelling with people, talking to people."*
> **Ben Reason, Director, Livework**

This exploration quickly revealed that the journey into work for many people is complex and comprised of several stages. (Figure 6). As Livework observed, it is hardly surprising that job centres, which prepare people for the latter stages of this journey only, seem doomed to failure in many cases.

Figure 6. Livework analysis of the journey into work



These insights became the foundation for the design of a new suite of services. Given the complexity of the journey into work, the council needed: a new perspective on the outcomes they sought, to include progression between stages; a service that could support people beginning at any stage of the journey; and to collaborate with community organisations who were already engaging effectively with people early on in their journey back to work.

Central to the service was a new relationship, similar to a mentor – the community group that made the initial contact with the user then followed him/her throughout every stage of their journey.

> *"The good thing for users was, that wherever you start, the people you start with can follow you through the system/ route."*

In its initial phase Make it Work supported more than 1,000 people, with 238 of these finding work. Many others made progress on the earlier stages of their journey back into work. Ben believes that success depended on Sunderland Council's willingness to try something new, fund it properly and give it the space and permissions to flourish.

"There was a system in place that allowed for the experiment, and there was the money to fund it."

Big questions for practioners, inspired by Make it Work:

1) How can you ensure that you understand and design around the whole user journey to and from your service?
2) How could you create the opportunity to build trusting, long-term relationships between professionals and users in your service?

Figure 7. Make it Work and radical efficiency

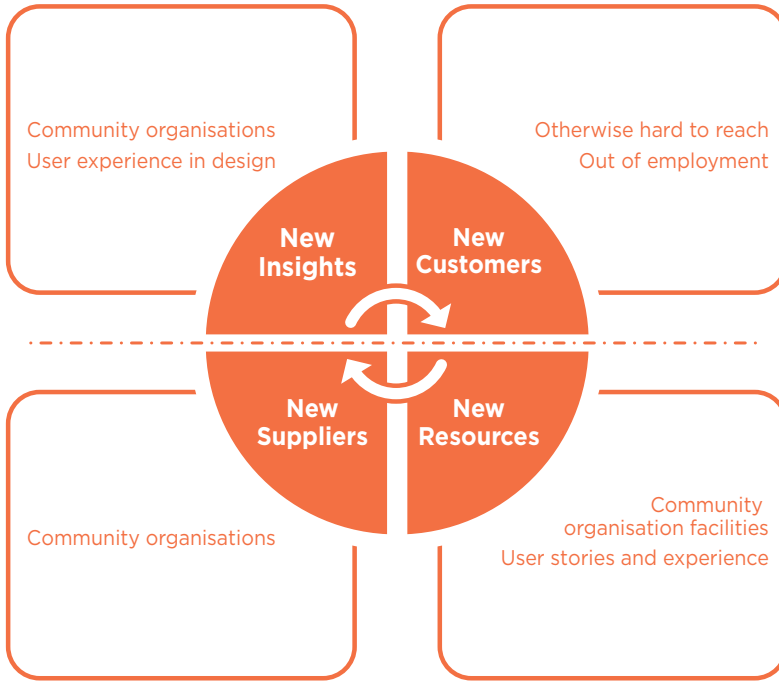


Table 5. Benefits and cost savings from Make it Work

Benefits	Cost savings
Gets people back into work, reduces worklessness. The scheme has supported more than 1,000 people, with 238 finding work. Supporting those people who are still unable to make the whole journey back into work, to improve the quality of their lives.	The average cost per person for the Make it Work project is less than £5,000. Estimates from the Design Council and DWP show that it is economically rational to spend £62,000 on getting the average person on incapacity benefits back into work. This amounts to a saving of 90 per cent (£57,000/62,000).

PART 4: LESSONS FOR INNOVATORS

Each of the case studies featured here – alongside those profiled in the full report and the 100 other examples we found – illustrate ideas for services that are different, better and lower cost. In all of these, there were several important principles underpinning innovators' radically efficient ideas that enabled success in practice. We have distilled these into five key lessons about how to do radically efficient innovation. These are not instructions but general principles that you could think about adapting for the particular context of your organisation:

- Make true partnership with users the best choice for everyone.
- Enable committed, passionate and open-minded leaders to emerge from anywhere.
- Start with people's quality of life not the quality of your service.
- Work with the grain and in the spirit of families, friends and neighbours.
- Manage risks, don't just avoid them.

1. Make true partnership the best choice for everyone

A new partnership with users is the crucial underpinning of radical efficiency. It requires deep empathy with users and will help you to construct the best possible service offer and draw on new resources to deliver them. This requires services and professionals to be judged and monitored by users and what they care about.

Working closely with service users can:

- Provide you with fresh insights in developing ideas for new services.
- Reach out to new users and draw on their family, household, neighbours and community.
- Act as a continual development resource with whom to test and challenge new practice.
- Help teams to assess what resources service users can bring to service delivery.
- Shift responsibility onto users to deliver some elements of services where appropriate.
- Save time and money by understanding what users really need and what they value in a service.
- Generate quick, relevant and important improvements to service delivery and to service users' quality of life.

2. Enable committed, passionate and open-minded leaders to emerge from anywhere

The people leading these cases of radical efficiency are guardians of a clear, shared organisational mission, always open to new ideas for realising it. They empathise with its importance and are able to inspire that feeling in others. These leaders can come from anywhere – look beyond the usual leadership candidates. It is as much about passion and attitude as relevant skills, insights and experience.

These leaders are frequently:

- Focused on the needs, lives and associations of the people they serve and grow their mission from there.
- Open to feedback, evaluation and learning from failure both within and beyond the organisation.
- Open to stimulus from outside the organisation – and to the experts who might be best placed to drive an initiative forward.
- Operating in organisational structures that enable reflection and development.
- Willing to share ideas to encourage their growth and spread.

3. Start with people's quality of life not the quality of your service

Each of our case studies starts with a shared and fundamental question about its user group – what will it take to improve the quality of their lives? It is not about cost-cutting. This does two very different things from traditional policymaking. Firstly, it starts with aspirations, not problems. Secondly, it starts with a person's whole life not just the part of it that goes to school or to hospital. This has profound implications – it is about solving social issues, not improving individual public services.

Understanding aspirations for whole lives means:

- Developing a shared idea of what quality of life entails in a user community and going beyond questions such as 'how can we improve GCSEs at this school?' or even 'what is the future of social care?'
- Coming to people's lives without preconceptions about what they are like or how you could intervene to improve them.
- Thinking differently about skills and resources that are best placed to tackle newly defined and 'cross-service' challenges.
- Generating greater sense of social responsibility by tackling the most pressing social issues.

4. Work with the grain and in the spirit of families, friends and neighbours

Our case studies of radical efficiency see the lives of the people who use their services in the context of the social relationships that give them meaning. As a result, the innovators in our cases design services differently, draw on family and friends as a resource and put as much emphasis on the quality of relationships between staff and users, as on their function.

The innovators in each of the case studies have been able to:

- Build consideration of people's social relationships into how services are designed.
- Think about people's relationships as the most valuable resource that should be incorporated into the design process.
- Invest time in developing quality relationships to promote trust and understanding.
- Create new positions (and make more of existing ones) where people simply know each other better.

5. Manage risks, don't just avoid them

The risks of innovation are many and varied. And yet very few 'radically efficient' innovators start off by talking about the riskiness of their initiatives. They talk about mission and goals. This is not because they are irresponsible individuals, gung-ho about the significance and scale of the challenges they face. In fact, they have all considered and assessed the risks they face – and use the rigour of their development process to mitigate it and to help raise the financial and human capital to start work.

Managing risks means including the following design features in developing radically efficient innovations:

- Empathy: really understanding your service user needs increases the likelihood of effective, suitable provision.
- Prototyping: iterative development of solutions so that 'failure' is learning to be built on quickly, rather than the end of the road. Formal, ongoing evaluation can support prototyping and means feedback can be incorporated quickly.
- Openness: transparency and openness allow for quick understanding of problems and maximum brainpower on developing solutions.
- Adequate time and space: independent and realistic timelines for development and action are critical to all of these innovations, as is the space to ask fundamental questions and think afresh.

- Risk capital: access to financial capital is important to get going but it needn't be huge investment. Many of these innovations started with relatively modest funding alongside major investments of their founders' time and reputations.

PART 5:
APPLYING RADICAL EFFICIENCY IN YOUR ORGANISATION

This report has outlined a series of lessons about 'radically efficient' ways of thinking and acting on the social issues we face. Below, we outline four important, practical messages for innovators wanting to embark on radical efficiency in practice. We have included examples of Innovation Unit/NESTA's work or other case studies to illustrate different ways of achieving these goals.

Re-imagine your users as equal partners in design and delivery – reassess who they are and what role they play

- Start by asking how the quality of people's lives could be improved: *remember the Ubudehe example that asks communities to spend weeks understanding and mapping priority needs together.*
- Remember that your users are part of – and are partly defined by – the relationships that surround them. Design around and build on these – rather than isolating individual users from them: *think of patient hotels and the family rooms that they built explicitly so that guests could be supported by their loved ones.*
- Spend time with users on their terms – work to understand their lives and needs as closely as possible. See them as co-developers who can continually help to test ideas: *Innovation Unit/NESTA's practical work with localities on transforming early years turned staff and parents into community researchers, able to work with families to understand their lives and test new ideas with them.*
- Find ways of building meaningful, long-term relationships with users that make sense to them in their lives. Recognise that understanding does not come just from asking questions but from building deep, trusting connections with people: *remember Ubudehe spent time training local facilitators and community committees to create deep understanding of people's needs. Make It Work created a long-term mentoring relationship between the professionals that users already like and trust.*

Audit the full breadth of resources available to help deliver a solution

- Understand the existing and latent resources available from other organisations and the community: *Innovation Unit/ NESTA have asked all programme participants to audit their locality for all organisations who touch the lives of young families.*
- Work with users to understand and audit the resources that they can bring to bear to help address an issue: *remember CLEAR's identification and use of community knowledge about crime and criminals.*
- Ask users to do more – transfer responsibility and risk to where users are better placed to do things for themselves: *think about how patient hotels assessed the ability of different patients to move around and undertake basic care for themselves.*
- Ask how you could best contribute to and assemble a solution from the mission and resources you have uncovered: *Innovation Unit/NESTA are asking all localities to understand the particular strengths they can bring to bear on their challenge.*

Be rigorous in giving yourself the best chance to get it right – and correct it if it goes wrong

- Learn how to prototype in a disciplined way: *CLEAR started learning from and responding to how the idea was working in 2001... and is still going!*
- Remain open to ideas from within and outside your organisation no matter how challenging: *Innovation Unit/ NESTA asked participants to learn from horizon-scanning of global innovations from many different services that touched on similar themes and challenges to their own.*
- Develop your own quantitative and qualitative evaluation from the very beginning of projects to allow you to monitor how well you are doing, and build your evidence base: *remember MHFA who offered early workshops for free in return for in-depth feedback about how they went.*

Assign part of your budget to adopting and adapting new innovations – and to developing local prototypes around user need

- Set aside a small part of your budget to invest explicitly in small scale prototypes of different, better and lower cost services: *Innovation Unit/NESTA are supporting each of our partner localities with up to £5,000 to fund the training or materials necessary to get a new service prototype up and running – scaling up the refined version of these models will be about repurposing money previously spent on less effective old services.*
- Consider allocating a proportion of employee time to explore and develop new ideas and engage in ongoing internal and external evaluation activity.
- Consider developing an Innovation Lab, such as Social Innovation Lab Kent, or simply building internal capacity in techniques for stimulating innovation so that staff and users from across the area can get together to develop and prototype new ideas.

RADICAL EFFICIENCY IN THE UK

Innovation Unit and NESTA have been working with local authorities across the UK to develop practical methodologies for doing radical efficiency in practice. These can help practitioners simply to challenge the 'radicalness' of existing ideas or to work with them over an extended period to conceive, design, prototype and implement new approaches.

Changing thinking

Innovation Unit's work with Croydon's Total Place team took the form of a workshop. This enabled participants to 'get inside' the radical efficiency model and understand its relevance to to tackling their own, real-life challenges. The workshop then simulated different, important aspects of radical efficiency, such as generating new insights and re-imagining who you are really serving. This allows participants to test the impact of their existing ideas for improvement and cost-cutting – and to develop radically efficient new ones. This approach has been used with groups of 10-100 people in service areas from health to education and social care.

We have run these workshops with the Royal College of General Practitioners Leadership Programme, Sutton Council Senior Management Group, Central Bedfordshire education team and social care professionals from East of England local authorities amongst others.

Developing and prototyping new services

Innovation Unit is currently working with six localities across the UK to help them redesign, prototype and implement support for families with very young children. Over the next nine months, this project (funded by NESTA) aims to deliver different and much better outcomes for families, with a 30 per cent cost saving.

The innovation process is based on the radical efficiency model and can be replicated in any other, 'people-based' public services. It uses community researchers, horizon-scanning of relevant examples of innovation from across the world and resource audits to help re-evaluate the most important challenge faced by the community and build a truly radical response to it. By working closely with senior, strategic leaders in the local authority and in health, these new service models should provide the evidence and foundation for a new approach to radically efficient service development throughout the authority.

If you would like to learn more about NESTA and Innovation Unit's work on radical efficiency in practice, please contact sarah.gillinson@innovationunit.org.

ENDNOTES

1. See www.biomedcentral.com/content/pdf/1471-244X-4-23.pdf

2. Ubudehe concept note, March 2003.

3. In the first phase, plans were submitted and funded by local districts. Many problems occurred with delayed transfer of funds to cells. Now the transfer goes directly from central government to villages. Rwanda has 'Banques Populaires' in every sector in which villages can open their account. These accounts are also used to help teach local people to save.

4. The World Bank (2006) 'Poverty Reduction and Growth: Virtuous and Vicious Circles.' Washington DC: The World Bank.

5. Region Hovedstaden (2008) 'Patienthoteller, fra patient til gaest.' Hillerød: Region Hovedstaden.

6. See www.skane.se

7. See www.dh.gov.uk/en/Publicationsandstatistics/Pressreleases/DH_4135963

PICTURE CREDITS

Page 11 Photo courtesy of Chicago Police Department.

Page 14 Photo courtesy of Rob Thomas, www.robthomasphotography.com

Page 17 Photo taken by Jean Baptiste Ngerejaho (Public Relations Officer of CDF) in South province in 2008.

Page 20 Photo courtesy of Patienthotellet Lund.

Page 23 Photo copyright Shaun Dodds.

INNOVATION UNIT

Innovation Unit is committed to using the power of innovation to solve social challenges. We have a strong track record of supporting leaders and organisations delivering public services to see and do things differently. They come to us with a problem and we empower them to achieve radically different solutions that offer better outcomes for lower costs. We are a not-for-profit social enterprise and we work to influence public debate, re-shape public policy and transform public services.

NESTA'S LAB: INNOVATION IN PUBLIC SERVICES

Our public services face unprecedented challenges, made more urgent by the impact of the current economic crisis. Traditional approaches to public service reform are unlikely to provide the answers we need.

NESTA is applying its expertise to find innovative ways of delivering our public services. More effective solutions at lower cost will only come through ingenuity. Our Public Services Innovation Lab is identifying, testing and developing new ways of responding to social challenges and delivering better public services at lower cost.

142
CHICAGO POLICE

Innovation Unit

THE LAB Innovating public services

NESTA Making Innovation Flourish

NESTA

1 Plough Place
London EC4A 1DE
research@nesta.org.uk

www.nesta.org.uk

Published: October 2010

ISBN 978-1-84875-103-3

9 781848 751033