YLab

Innovate to Save
Final Evaluation Report

Executive Summary

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1. What was Innovate to Save?

The Innovate to Save (I2S) Programme, launched in January 2017, was designed to support innovation projects in Wales that had the potential to both: improve public services, and generate cashable savings. It was funded by the Welsh Government and implemented by Y Lab, with support from WCVA, and was delivered in two sequential versions.

The I2S programme offered grant funding, non-financial support and repayable loans, enabling public and third-sector organisations to prototype, trial, scale and evaluate innovative projects. Facilitation was provided directly through workshops and innovation-management techniques, as well as by encouraging further peer-based support after project selection.

There were two versions of the I2S programme delivered, corresponding to two funding calls (January 2017; and February 2018) referred to here as v1 and v2. The programme ended in December 2020, although funded projects will continue their implementation. Accrual of the cashable savings was always projected over the medium term, extending beyond the life of I2S.

Public and third-sector organisations in Wales (including local authorities, health boards, charities and social enterprises) were invited to submit an application to be supported by the I2S fund. Grant funding of between £5,000 and £15,000 per project for the call in January 2017, and £5,000-30,000 for the 2018 call was available.

The two funding waves brought in a total of 70 applications (v1 = 50; v2 = 20) submitted to the I2S programme. Fifteen innovation projects (v1 = 8; v2 = 7) received total funding worth:

- £269,398 to prototype and test their innovation ideas during the research and development phase.
- After that, £2,846,846.00 loan funding was approved (for four projects) with a 5-year Return On Investment (ROI) of £13.27 for every £1 invested.
- For the two projects in the implementation stage, £2,149,950.00 was loaned, with a 5-year ROI of 15.63 for every £1 invested.

For projects requiring loans of up to £1m, this proved a successful method of financing innovation in public services, but their implementation will prove the case. In terms of more ambitious/complex implementation projects, worth more than £1m, our finding was that more development time was needed.

2. I2S Methods

I2S had three discrete phases:

1. Awareness Raising & Engagement
2. Research & Development
3. Implementation

This format was developed to effectively support public and third-sector organisations (including social enterprises and public/private sector partnerships) in:

- The development of new ideas into research and development projects
- The prototyping and testing of new ideas
- The rolling out of those ideas that have the capacity to improve services and generate savings

Teams that wanted to participate in the R&D phase submitted an application to do so at the end of Phase 1. Those projects successfully completing Phase 2 - and demonstrating initial evidence for an improvement in services and the potential to generate 'cashable savings'- were invited to submit a business case to apply for Welsh Government loan-based funding, to enable them to scale and implement their innovation projects in Phase 3.

At the start of I2S, an underpinning logic model was developed, identifying intended inputs, outcomes and processes at each of four levels – organisations, networks, individuals, and ideas. These were used as a guide for monitoring and evaluation. The I2S programme was intended to be an iterative process, and so the findings from monitoring (questionnaires and interviews with participating team members), were fed into the programme delivery team, and led to modifications being made to v2. Consequently, there were, deliberately, two different versions of the programme, i.e. Version 1 and Version 2.

Changes included:

- Reducing the number of applications by altering the conditions, from 50 to 20.
- Changing the grant amount available for R&D from £5k-15k to £5k-30k; and
- Extending the duration of the R&D phase from 6 to 11 months.

Monitoring and evaluation of v1 and v2 continued throughout the process and, as well as helping to shape and develop the changes to the programme, also identified key findings from implementing I2S. These findings are helpful to anyone attempting implement innovation across any service as well as any organisation wanting to deliver a similar programme to encourage service improvements and cashable savings.

3. I2S Evaluation Findings

3.1 Facilitators and Barriers

A total of fifty-one interviews were carried out in the evaluation (43 with project team members and 8 with programme team members). A number of facilitators of, and barriers to innovation were identified in these interviews. These were split between the project teams' home organisations and the I2S programme. The principal barriers in the former were: Openness to innovation and senior buy-in, time allocation, Partnerships and COVID-19.

In the programme the issues (with v1) were dedicated time available to undertake R&D and uneven levels of support across time and in different strands of the work. Due to the ongoing monitoring this feedback underpinned the modifications made to v2, and very few critical comments on these topics were raised by the second cohort.

In terms of facilitators to innovation, those operating at home organisation level were similar. Management buy-in and consistent support, as well as effective time allocation were most important.

The evaluation identified five principal facilitators for innovation deriving from the I2S programme:

1. The nature of relationship/trust between project teams and the I2S team;
2. The legitimacy, or elevated kudos of the project gained through participation;
3. The ethos of the programme, and the encouragement given to experiment;
4. The introduction of tools/new skills, e.g. R&D, stakeholder mapping, presentation, financial planning;
5. Access to networks facilitated through participation in I2S

3.2 Change and evidence

One key element of this programme was its capacity to bring about innovation-based change in terms of: practices, applied learning, and understandings of innovation. The training in R&D was singled out for particularly positive comments, and emerges from the interview data as, for many, the crucial part of the learning experience. However, skills such as stakeholder mapping, financial planning and presentation also generated very positive feedback from the teams.

The evaluation found considerable evidence of upskilling and crucially, attitudinal shift. Due to participating in the programme, innovation became both desirable and achievable, and individuals and teams gained the confidence that they could now bring about innovative change. We call this 'the innovative imagination', as a shorthand. This was demonstrated even in the interviews with project teams that were not funded beyond R&D phase, and have gone on to do other work using the innovative capacity and skills they acquired through I2S.

The 'innovative imagination' is signalled by:

All of these elements were highlighted in the evaluation process.

Moreover, as well as I2S developing people's capacity for innovation, we found evidence of value co-creation (an idea used to capture how 'benefit' for oneself or other 'actors' is created through the processes of applying knowledge and skills for the benefit of another) and resource integration. This is where 'new' knowledge and skills are combined to make new resources. One project team member commented: *'Yeah, I'm proud that we've had an idea, and actually ran with it, and actually we've now got, not just an idea but an actual thing that has the best possible chance of working, and we know what we think it's going to achieve. And if it does do what we think it's going to do, the [CLIENT GROUP] lives are going to be completely different'.*

4. Examples of savings and service improvements

The programme generated savings and also enabled a clearer idea of how savings could be achieved in various ways. Other projects have generated evidence on likely service improvements.

Flintshire Council fostering service's adaptation of the Mockingbird Family Model is projected to result in a reduction in out of county and residential placement spend over the next 5 years. Recruitment costs will also be reduced, as foster carers are retained and more experienced carers are attracted by the model of support.

Surple, a company which uses technology to help large utilities customers reduce waste and lower bills, encouraged the installation of water meters in Newport schools as a way of measuring the success of its intervention. These meters identified several water leaks, saving the Council substantial money.

The R&D phase enabled project teams to gain a greater appreciation of the savings that could be made from their projects. Sometimes, the savings would be too long term to be appropriate for this style of loan funding. Therefore, a number of projects are exploring other ways of funding their idea and progressing their projects. Other teams developed projects that were too ambitious for loan financing alone but were only able to fully appreciate this by undertaking the R&D with the programme.

Four projects were able to identify the potential of their projects to improve services, but could not generate sufficient evidence within the timeframe to collate a robust business case for full implementation. They are therefore now focusing on working with partners (new and old) to progress their work further and explore avenues for full implementation. Another three projects produced early signs that their projects might work, but need more time for development.

Some projects' work was interrupted by COVID-19. Leonard Cheshire Disability used their R&D to test out a new, more sociable model of personal support for adults with disabilities. It was a huge success with those participating experiencing increased wellbeing, with reduced one-to-one carer hours. Unfortunately, their rollout to more local authorities has been prevented by the pandemic, but LCD are ready to bring the benefits of their new model to disabled people across Wales as soon as it is safe to do so.

Three teams used their R&D time to adapt and develop new technology solutions to their problems. For example, Swansea Bay University Health Board understood that technology could help them validate prescriptions more efficiently. Innovate to Save helped them define their problem and find a technology partner who could work with them to find a solution. The product they made saved hospital pharmacists' time and the team have become enthusiasts for robotic process automation in the hospital pharmacy.

Moreover, teams across both cohorts used their R&D time to get a deeper understanding of the problems they were tackling from the perspectives of frontline staff and service users. For example, PromoCymru spoke to young people, including (D/d)eaf young people, to understand more fully the problems with current sexual health information. They then returned to the same groups to ensure the service they developed was an improvement.

5. What happened next to the project teams and their projects?

All the project teams completed the R&D phase. What happened to the projects after the R&D phase is summarized in the two tables below:

Table 1: Projects not funded beyond R&D phase under I2S

Number (No.) of projects (Total n=11)	No.	External funding
Project status		
Project still in development	2	Yes (1) No (1)
Project implemented fully	1	Yes
Project partially implemented	2	*Yes
Project not implemented	3	No
**Project status not known	3	Not known
Other developments		
Seeking additional funding to implement/continue development	5	
Additional/new projects since completing I2S	3	

* One project still awaiting the outcome of a funding bid. **Project teams did not participate in an interview and it was not possible to identify the status of the project from additional documentary analysis/web searches.

Table 2: Projects funded beyond R&D under I2S and progressed to Implementation stage

Implementation project	Developments
Project 1 (I2S v1)	Infrastructure developed in terms of resources and networks required for staged implementation of the project. However, there have been delays in implementation and rolling out due to COVID-19
Project 2 (I2S v1)	Partial purchase of the main resources required. Further developments on hold as the current model for the service and delivery is not currently feasible.
Project 3 (I2S v2)	Delays in the acquisition and/or installation of necessary equipment/ kit for the project to be able to begin. Delays in implementation and rolling out due to COVID-19. Implementation from 2021 to be directly funded by the organisation rather than through Welsh Government loan. Arrangements underway to withdraw from the programme and reimburse Welsh Government.
Project 4 (I2S v2)	Ongoing development of the infrastructure required for staged implementation of the project, but with some delays in implementation and rolling out due to COVID-19.

6. Recommendations

Successful outcomes

This evaluation report has identified a number of successful outcomes from the programme. Several strong innovative projects were designed and developed in the programme, and their potential savings are indicated above. Those savings will be accrued over a period of years after implementation.

The structures and processes of the programme were acknowledged as effective by the project teams and programme delivery team.

Effective structures and processes of the programme included:

- Two-stage funding; stage 1 to develop a project with R&D; and final funding for implementation being contingent on providing R&D report identifying cashable savings.
- Cohorts are recruited by applications, which are evaluated and complemented by interviews;
- Successful project teams attend a series of events where inputs are delivered -through a variety of formats- on various aspects of work including specific skills such as R&D, stakeholder mapping, presentation, and finance;
- Teams work on their projects between events and with ongoing close working relationships with the programme delivery team;
- Monitoring of feedback enables improvements to be made to the programme;
- Fostering of the development of a cohort and of networking;
- Evaluation of the processes enables evidence of change within the programme's lifetime to be identified.

I2S fostered the development of 15 projects, some involving partnerships between both public-sector and third sector organisations (and one private-public sector partnership). It is unlikely that these would have happened without the programme. This is also true of projects in which only third-sector or public-sector organizations participated.

There was a sustained effort to develop strong innovative attitudes among the project teams as well as key skills. Indeed, R&D skills, stakeholder mapping and financial planning were considered particularly useful by the participants. Precisely identifying the problem that is to be solved -which is part of the R&D process- turned out to be crucial for individual project success. Interviews revealed that such skills and mindsets have been further developed since that section of the programme ended. Even teams that were not funded for a loan have used these skills successfully in other projects.

The level and quality of engagement of the programme delivery team with the participants and their projects was noted as a key element driving the programme, providing expertise and strengthening the project teams' commitment.

The design of the programme, using monitoring to feed participants' input back to the programme team enabled timely and appropriate amendments to be made to delivery and design. Consequently, version 2 was strengthened considerably by the experience of version 1.

One of the programme aims was to produce a 'cohort effect' among the participants that linked people across sectors of activity and between public, private, and third sector organisations. This was partially accomplished through establishing activities that created opportunities for this type of work, and by monitoring some of the indicators during the early phases of the programme. It also emerged from interviews with participants post R&D and implementation stages as a valued and useful element of the programme, providing not just contacts, but a different way to envisage networking, that is applied in later work.

A set of challenges did also emerge, and these are detailed in section 7 of the full report. We provide a summary of them in the table below, with a recommendation for each success and challenge in the programme.

Table 3. Successes and recommendations

Conclusion from Evaluation report	Recommendation
Several strong innovative projects were designed and developed in the programme.	The structure and aims of the programme (outlined above) were effective and appropriate. They should be incorporated into any further configurations of innovation programmes.
The level and quality of engagement of the programme delivery team with the participants and their projects.	Ensure strong and effective participant engagement through focusing on building strong trusting relationships with the project teams.
The design of the programme, using monitoring to feed participants' input back to the programme team frequently enabled timely and appropriate amendments to be made to the delivery and design.	Flexibility in design of programmes is a benefit when it enables amendments to be made that benefit the project. This requires a trusting relationship between the projects and the programme team allowing the possibility of divergence from the initial plan.

Table 4. Challenges and recommendations

Conclusion from Evaluation report	Recommendation
R&D skills are considered particularly useful by the participants Identification of the specific problem with clear research questions was absolutely key to the project's viability and success.	Effective R&D is crucial to Innovation. It should be considered a core skillset in this field, and sufficient time allowed for it. It should not be assumed that the project team know the precise problem they are trying to solve. The process of identifying and narrowing down the problem should be made central.

There was a sustained effort to train and develop strong innovative attitudes, practices and skills.	Changes in attitudes can be empirically measured and are important elements of innovation. Ways to develop innovative mindsets and measure their development should be standard elements of innovation programmes.
The programme enabled the development of collaborative projects involving both public sector and third sector organisations. Partnerships between public sector and third sector organisations take time to put in place, but the project's success depends on this happening.	Emphasis on collaboration between public-sector and third-sector partners is a desirable outcome and should be considered. It should also be noted that the support provided must be flexible depending on the size of the organisations. Partnerships must be in place or being put in place at the beginning as prerequisite: contracts and formal agreements between public-sector and third sector partners, setting out what the nature of the work, what each partner is contributing, and fully addressing any need for data-sharing, etc.
It was very difficult to assess (in the early stage of the programme, before R&D stage) how likely projects were to make cashable savings. Some projects were thus funded to do R&D stage but could then not demonstrate cashable savings. Those projects were therefore not funded to continue to implementation stage.	Projects should have specific budget lines identified in advance to ensure credible potential for savings prior to starting R&D. The question "what budget line(s) would the savings come from?" should be included in the application form.
Cashable savings at project level have been hard to find for a variety of reasons.	External economists should be brought into programmes aimed at savings early to: build up skills, and advise on how cashable savings could be made. Amendments to programme should highlight these and incorporate solving them as a skill.
Keeping momentum and focus in the ongoing work toward ensuring cashable savings is vital.	The key person is the budget holder. They need to be fully engaged in projects from the outset - as a core team member, with allocated time and resources.
Creation of a cohort effect across sectors requires sustained effort.	Creating cohort / networking effects, which are effective means of assisting innovation should be included as core aims of innovation programmes. Various tools for accomplishing this include the Troika method.

The most significant barriers and facilitators to innovation in this programme were identified as: management buy-in; dedication of time by the organisation; relationships between and within teams; and availability of the required skill sets (imparted in this project, such as R&D, which has its own recommendation):	
- Senior management buy-in	There could be more emphasis placed on obtaining commitment in this area and proof of commitment earlier in the process, e.g. for projects applying for loans or in implementation phase, a commitment from a senior manager to attend at least one monthly meeting on the project?
- Dedicated time available in the organisation is another barrier or facilitator	Organisation of time should be part of the plan at the outset. Dedicated time is the ideal, to minimise possibility of not completing key project objectives.
The process of application was improved in order to remove bias and be more effective in finding potentially strong projects. The process might be further improved, particularly in terms of what information is required at which stage.	Use streamlined and targeted application forms preceded by Expression of Interest forms to check eligibility.
Evaluation must be appropriate to the project. At least three types of useful evaluation: process; monitoring; and outcomes. All have separate uses and structures. In this programme, outcomes for citizens are likely to continue changing beyond the scope of the programme, making outcome evaluation difficult.	Need to have a very-well planned, flexible evaluation process built in from beginning so that: i) monitoring can be carried out effectively and findings fed into decision-making process. ii) the processes outlined in the theory of change can be measured effectively. Ways to collect data should be flexible enough to allow adaptation within the overall aims of the programme. Evaluation of some elements should be designed as separate projects, with their own budget lines, because of the timescale. Cashable savings and impacts on service-users are two such elements.

With thanks to Welsh Government, our funders and partners in the Innovate to Save programme as well as all of the projects who continue to work hard to improve public services for the people that use them.

Cover Image: Photo of Flintshire Council's Innovate to Save project by Ginger Pixie

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