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**HEALTH AND SOCIAL CARE**

**INNOVATION GRANT SCHEME**

**Consultation Document**

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# BACKGROUND

1. The voluntary, community and social enterprise sectors (VCSE) play an integral role in the delivery of health and social care (HSC) solutions that meet the needs of a wide range of patients and client groups in Northern Ireland.
2. Work undertaken by the Department of Health, Social Services and Public Safety (DHSSPS) in December 2012 suggests that circa £100m is provided to ‘not-for-profit’ organisations by Health and Social Care Trusts (HSCTs), the Health and Social Care Board (HSCB) and the Public Health Agency (PHA). This funding is used to deliver a wide range of HSC services, as well as providing core support to organisations to carry out capacity building, advocacy and policy development roles.
3. The Northern Ireland Council for Voluntary Action’s (NICVA) State of the Sector IV report (August 2014)[[1]](#footnote-1) states there are 4,836 voluntary and community organisations. In Northern Ireland work undertaken by PWC for the Department of Enterprise Trade and Investment (DETI) and the Department for Social Development (DSD)[[2]](#footnote-2) estimated that organisations delivering health and social care make up 16% of third sector organisations in Northern Ireland. This equates to over 750 organisations delivering HSC services in Northern Ireland. In addition over 30% of Social Enterprise NI members operate in the HSC arena and this proportion is increasing.
4. VCSE organisations are vital to the work of the HSC. They work across Northern Ireland, link to people of all ages and with a range of health and social care needs. These organisations present a significant opportunity to improve the way that health and social care is delivered. At a time of increasing demand and contracting budgets across the public sector, the Department recognises that the VCSE sectors are well placed to develop innovative and cost effective solutions.
5. We want to hear how VCSE organisations can help tackle longstanding health and social care issues that just won’t go away. The challenge for DHSSPS is to create an environment in which ideas flow and flourish with relative ease. We want to generate opportunities that will allow new, untested models of practice and service delivery to be developed. We also want to allow evidence based models to be tested on a larger scale in a different location or with a different client group.
6. This consultation document describes proposals for a new Health and Social Care Innovation Scheme for VCSE organisations. It has been co-designed with key representatives from the sector, listed at Annex 1 and with the input of key stakeholders through a series of co-design workshops held between 26 October 2015 and 6 November 2015 which were attended by almost 200 VCSE representatives who offered a variety of suggestions and ideas which have helped to shape the proposals set out in this document.
7. The level of funding available in the initial years of the scheme is shown in table 1 below.

**Table 1: Proposed funds to be made available for new Innovation Scheme**

|  |  |
| --- | --- |
| **YEAR** | **FUND** |
| **2016/17** | c. £1m |
| **2017/18** | c. 2m |
| **2018/19 onwards** | c. £4m |

1. We welcome your views on these proposals and encourage you to submit your views early and keep checking DHSSPS, NICVA, Social Enterprise NI and CO3 websites for information.

# A NEW HEALTH AND SOCIAL CARE INNOVATION SCHEME

1. This section of the consultation document explores proposals for the new Health and Social Care (HSC) Innovation Scheme.

## **Purpose of the Innovation Scheme**

1. The purpose of the Innovation Scheme is to promote innovation across health and social care by voluntary, community and social enterprise (VCSE) organisations in Northern Ireland.
2. Against a backdrop of increasing pressure on the health and social care budget and system, it is important that we continually seek to improve how we meet the health and social care needs of the people of Northern Ireland. The Innovation Scheme has been created in recognition of the skills and expertise that are within the VCSE sectors. It will seek to encourage and support the sector to test and develop innovative ideas and approaches to improve existing service delivery, address areas of unmet need, and to get involved in the delivery of innovative and creative solutions.

## **Eligibility**

1. The innovation scheme is open to all voluntary, community and social enterprise organisations that operate in Northern Ireland, including those who have not previously had access to DHSSPS funding.
2. NICVA’s State of Sector IV report (2014) states that 63% of organisations in the voluntary and community sector anticipate working in collaboration with other organisations in future years. While this will not be a requirement of the Innovation Scheme, the Department is keen to facilitate organisations working in partnership on funded projects. In such applications a lead VCSE organisation must act as the lead accountable body for the proposal. A partnership bid may seek to bring in specialist expertise from other sectors, including the private sector. However, funded projects must be fully ‘not-for-profit’.
3. Cross-border applications will also be considered. However, funding through the Scheme may only be used to cover costs incurred in Northern Ireland. In a partnership application, the lead partner must be a VCSE organisation based in Northern Ireland.

## **Themes**

1. Applications for the Scheme should align with any departmental strategies and objectives and the Department reserves the right to target funding at innovative projects/services that accord with Departmental priorities.
2. It is intended to implement the Scheme under three themes. It is possible that a project fits within more than one theme.

*Theme 1: Addressing societal factors which impact on health and wellbeing*

Examples include:

* Solutions addressing societal factors impacting on children/young people that may affect lifestyle and future reliance on core health and social care services;
* Funding for projects with a public health agenda e.g. drug or alcohol abuse, obesity, sexual health etc;
* Solutions that address problems associated with the elderly, including social isolation;
* Interventions targeted at specific groups with specific health and/or social care needs.

*Theme 2: The adoption of prevention or early intervention approaches to deliver improved long term health and wellbeing outcomes*

Examples include:

* Solutions that promote self management and early intervention for physical and mental health conditions

*Theme 3: Advocacy on behalf of users of health and social care to either reduce inequalities in health and social care outcomes or influence policy, practice and service design / delivery*

Examples include:

* Testing solutions that provide a voice to patients and users of health and social care services system in order to lead to an improved health or social care outcome
* Helping users access high demand services e.g. Community Based CAMHS

## **What is “Innovation”?**

1. It is helpful to consider what an innovative idea might be. Under the Northern Ireland Executive’s Innovation Strategy, Innovation is defined as:

‘...*the successful generation and exploitation of new ideas. It is about transforming creative thinking into new products or new and improved processes and services’*[[3]](#footnote-3).

1. We naturally associate innovation with a new discovery. However it is unrealistic to expect that every application will be 100% new and original. That is not to say that there aren’t truly original and groundbreaking ideas waiting to be funded. However, sometimes creativity can mean looking at existing service needs from a different angle; applying an idea to a different client group; or testing an existing solution in a different geographical context.

## **The NESTA Social Innovation Framework**

1. The Framework below has been adapted from the Nesta Social Innovation Framework and is a useful tool to help conceptualise what is meant by innovation for the purposes of this scheme. It highlights seven sequential stages ranging from understanding problems and opportunities through to changing whole systems. The Innovation Scheme will seek to support projects which are at stages 1-6 or support projects to move from stages 1-6, of this Framework, potentially taking innovative ideas and supporting them to grow to the stage where they can implement systemic change.



Innovation Framework

1. Stages 1 and 2 of the cycle are where an initial idea is generated and proposals are formed with a limited evidence base. However evidence of need can be demonstrated.
2. Stage 3 involves developing and testing new ideas through pilot projects to a small group of patients/clients after some evidence has been gathered to suggest the initial idea may be successful. This could include using an existing method of service delivery in a new geographical area or with a new patient/client group, or testing a completely new idea on a small number of people. Stage 4 involves building up the evidence base which demonstrates the impact the project is having.
3. In stage 5 the emphasis is on sustainability. Evidence must be provided to indicate how a project can be sustained in the longer term, that is, has a life beyond piloting or prototyping. Stage 6 involves taking this sustainable service model and growing and scaling it.
4. The emphasis is on difference. Different in the sense that is hasn’t been done before, hasn’t been done for a particular client group or geographical area, different in the sense that it has been demonstrated that it can be scaled up and made sustainably, or can be done in a completely different way to how things have traditionally been done.

## **Levels of Evidence Required**

1. As outlined above, the stages of the innovation cycle correlate to the level of evidence that is in place to suggest the idea will be successful. The more advanced a project is in terms of its position in the framework, the greater the emphasis is on proportionality of the level of evidence to support it. The level of evidence required will be proportionate to the size of the project and the level of funding sought. Also, the stage of development along the Framework, and the level of evidence that is available to support a project will potentially enable it to access increasing levels of funding.

1. It is possible that an organisation may want to seek to progress a project across a number of stages in the Innovation Framework. In order to progress to a new stage, organisations will need to submit a new application to the Fund, demonstrating the outcomes that have been achieved during the previous funding period.

|  |  |  |
| --- | --- | --- |
| **Stage on NESTA Innovation Framework** | **Minimum Evidence expected for applications[[4]](#footnote-4), which may come from an external source**  | **Typical funding**  |
| 1. Understanding problems and opportunities
2. Generating Ideas
 | You are able to demonstrate evidence of a problem and some evidence that your proposal offers a potential solution. There is a limited amount of evidence to suggest the proposed approach could have an impact and why that would be an improvement on the current situation.  | £20-50k |
| 1. Developing and testing ideas
 | You are gathering data that shows some change amongst those receiving or using your intervention | £20-100k |
| 1. Building the Case
 | You can demonstrate that your intervention is having an impact, for example by showing less impact amongst those who don’t receive the product/service.  | £100k+ |
| 1. Delivery, implementing and embedding
 | You are able to explain why and how your intervention is having the impact you have observed and evidenced. An independent evaluation validates the impact. The intervention can deliver impact at a reasonable cost, suggesting that it could be replicated in multiple locations.  | £100k+ |
| 1. Growing, scaling and spreading
 | You can show that your intervention could be operated by someone else, somewhere else and scaled up, whilst continuing to have positive and direct impact on the outcome and whilst remaining a financially viable proposition.  | £100k+ |

## **Proposed Funding Levels**

1. This is a revenue fund, however up to 10% of the funding provided from this scheme may be used to cover the capital cost of computer hardware or software provided this is detailed in the application, up to a maximum amount of £5k.
2. It is anticipated the minimum level of funding provided for any one project will be £20k, with no maximum set. All applicants will need to set out all costs associated with the project in their application.
3. It is proposed that up to 100% of costs will be made available through the scheme, although organisations will be free to apply for part-funding where funding is available from other sources.
4. It is intended that funding will be available for projects of any period up to a maximum of three years. Level 2 projects will normally be funded for one year or less, with more time anticipated for projects at a higher levels.
5. It will be possible for organisations to make a further application. This will depend on the evaluation of the former project and is intended to enable a project to progress to another level or stage.
6. DHSSPS is committed to the principle of ‘full cost recovery’ that is the full cost of delivering the project, including the relevant proportion of overhead costs. Big Lottery offer guidance on full cost recovery[[5]](#footnote-5).
7. It will not be necessary to submit annual applications for funding; each project will only require one application to cover the duration of the project. Payments will be made in stages according to the terms of the letter of offer, subject to verification of expenditure. For most projects, it is expected that payments will be made on a quarterly basis.

## **Outcomes-based applications**

1. The Innovation Scheme will focus on outcomes, rather than outputs.
2. Applications will be required to state the outcomes that the project is intending to achieve. Outcomes should:
* Focus on the impact and difference that the project will make
* Be within the scope of the project’s control or sphere of influence and project timeframe
* Have an evidence base
* Be phrased in terms of change e.g.:
	+ Changes in learning – new knowledge, increased skills, attitude/opinions of values
	+ Changes in action – modified behaviours
	+ Changes in condition – economic: unemployment to employment, social: excluded to included
	+ system changes - working in new ways
1. Applications should make it clear for whom the outcomes will be achieved that could be:
* Individuals;
* Group(s); and
* Communities.
1. The diagram below shows the process of moving from the need to be addressed to the desired outcomes, demonstrating the impact it will make. Applications will be required to demonstrate this thought process at a level proportionate to the funding being applied for and the stage of the project on the Innovation Framework.

**Situation Analysis:** the need to be addressed and the environment you are working in

**Monitoring and evaluation:** how will you monitor the impact and outcomes of the work, what performance measures will be used

**Strategies:** how will you address the need

**Inputs:** resources required

**Outputs:** service delivered

**Outcomes:** impact achieved

**Evidence informs all aspects of the model**

1. Applications should be clear about how the project will demonstrate the delivery of the outcomes sought, the results of their project in relation to the outcome(s) given and the impact that has been made. This includes:
* what tools the project will use;
* the data the project will collect and how; and
* how they will ensure that data is accurate, timely, reliable and appropriate to the project.
1. The level of detail expected within applications will again be proportionate to the size of the project being funded and the stage on the innovation framework. However, consideration should be given to:
* Databases or recording systems, including data security if appropriate
* Assessment or evaluation tools / procedures including recognised assessment tools within their field
* Feedback and liaison arrangements with the Department throughout the project
* Quality assurance

## **Sustainability**

1. A key consideration for applications from the outset must be how the project will survive beyond the duration of the funding timeframe.
2. The consideration of sustainability will be proportionate to the nature of the project. For projects in the early stages on the innovation framework, this is likely to involve little more than a scoping of options on how a project may be sustainable if it is to continue beyond the funded period. For these projects, it may be valid for an organisation to indicate that they intend to submit a further application to the Innovation Scheme to test it at a higher stage of the Innovation Framework. For projects which are operating at higher levels of the Innovation Framework, with a greater degree of evidence supporting their outcomes, a robust sustainability plan will be required.
3. One method of sustainability is for the project / service to become commissioned by the HSC in the longer term. If considered realistic, applicants should engage early with potential commissioners to honestly ascertain the prospects of the project being commissioned and the likely timescales for this. Organisations should be aware that commissioners are under no obligation to commission projects, and must be mindful that even where commissioning is undertaken, open procurement is likely to be required. Consideration should be given to the cost to provide the proposed service, which may include exploring payment by results or social return on investment.

## **Assessment of Applications**

1. There will be no deadlines set for applications, and these can be submitted at any time.
2. There will be a two stage application process:
* Stage 1 – preliminary assessment
* Stage 2 – decision panel

## Stage 1 – Preliminary Assessment

1. Applications will undergo a preliminary assessment which will firstly verify that all of the information needed has been included within the application, and secondly that it meets core criteria for the fund. These criteria will be published along with explanatory information to enable organisations to ensure they have provided everything within their application and will include:
* key governance and safeguarding requirements for the organisation;
* a financial viability assessment of the organisation or lead partner; and
* assessment of how the outcomes sought will be measured.
1. Where any criteria are not met, the application will be returned to the organisation. Applications can be resubmitted but will be subject to the same verification assessment.
2. Applications are not limited to one per organisation.
3. The preliminary assessment will involve consideration of the application by the relevant part of the Department responsible for the area of policy / strategy to which it relates.
4. At this stage, commissioners will be asked to consider the application to determine, among other things, whether the project duplicates existing provision and whether it fits with existing or emerging commissioning priorities. The Government Funders Database will be consulted and any other government funding considered to prevent duplication of funding.
5. It is envisaged this preliminary assessment could take up to four months from the time an application is received. Applications which complete this process will pass to a decision panel for consideration. Those which do not progress to the panel stage will be returned with feedback, and the organisation may resubmit.
6. It is recognised that the application process is time consuming for organisations concerned. Therefore, organisations applying for more than £100k can chose to submit an expression of interest to obtain initial views as to whether their project falls within the scope of the fund. This will be a short application, which will be considered by the relevant part of the Department with responsibility for the policy area to which it relates.

## Stage 2 – Decision Panel

1. Three decision panel meetings will take place in each financial year and the dates for these will be published annually to allow organisations to plan. Decision panels will rank projects in order of merit in accordance with scoring criteria.
2. The decision panel will be chaired by a senior official within DHSSPS. The panel will comprise a range of individuals with experience and expertise in the following areas:
* health and social care policy/ promotion/delivery;
* health and social care;
* commissioning experience;
* VCSE experience;
* Innovation;
* Outcome based accountability;
* A balance of rural/urban expertise.
1. The decision panel will assess applications against criterion and will use a scoring mechanism. Further information on the scoring mechanism used will be made available online. The assessment by the decision panel will handle:
* Level of innovation;
* Evidence of effective risk management;
* evidence of consideration of sustainability, appropriate to the nature of the project;
* scalability of the idea;
* evidence base;
* social value;
* value for money; and
* potential impact of the project.
1. Members of the decision panel will be expected to adhere to conflict of interest procedures and equality legislation when considering applications.
2. Depending on the size and nature of the project, the decision panel may ask further questions of the applicant in advance of their decision, and/or request an organisation to meet with them to discuss the project.

## **Action and Learning Exercise**

1. A key partner will be assigned to each funded project from within the Department. The partner will liaise with the organisation and provide a level of support during the lifetime of the project timescale.
2. As part of the terms and conditions of funding, organisations will be required to attend at least one session per year with other funded projects to share their experiences of the solutions delivered. This will encourage networking and facilitate sharing of ideas between funded organisations. Larger funding projects may be expected to attend more frequently.
3. It is intended to capture and disseminate the learning from all Innovation Scheme projects to promote further innovation.

**Evaluation**

1. All projects will be expected to conduct a thorough evaluation at the end of their project. The Department will establish a standard evaluation format to ensure consistency, which will be published online for others to view. The level of evaluation sought will be will proportionate to the level of funding allocated.

**Project Adjustments**

1. Due to the nature of the Scheme, the Department recognises that projects may need adjusted once they have begun, in order to achieve the desired outcomes. It is important that the Department is consulted early to allow changes to be approved in order that future funding can continue. There will be an established procedure for seeking an adjustment to the project. Changes will be permitted provided the procedure is adhered to, additional funding is not required and the expected outcomes continue to be achievable.

# ANNEX 1 – DESIGN TEAM GROUP MEMBERS

The HSC Innovation Grant Design Team is made up of the following members.

Eilis McDaniel - Director of Children and Family Policy, DHSSPS

Elaine Colgan - Family Policy Branch, DHSSPS

Lisa McElherron - Northern Ireland Council for Voluntary Action

Joanne McDowell - Big Lottery Fund

Nora Smith - Chief Officers 3rd Sector, CO3

Juliet Cornford - Social Enterprise Northern Ireland (until Dec 15)

Amanda Johnston - Social Enterprise Northern Ireland (from Dec 15)

Eoin McFadden - Department of Enterprise, Trade and Investment

Melanie Stone - Centre for Effective Services

Paul Skillen - Secretariat, DHSSPS (until Oct 15)

Craig Donnachie - Secretariat, DHSSPS (from Oct 15)

1. <http://www.nicva.org/article/state-sector-vi> [↑](#footnote-ref-1)
2. <http://www.detini.gov.uk/deti_-_dsd_3rd_sector_final_report_160513.pdf> [↑](#footnote-ref-2)
3. <https://www.detini.gov.uk/sites/default/files/publications/deti/Innovation-Strategy-2014-2025_2_0.pdf> [↑](#footnote-ref-3)
4. Evidence expected is adapted from the Nesta Standards of Evidence – <https://www.nesta.org.uk/sites/default/files/standards_of_evidence.pdf> [↑](#footnote-ref-4)
5. <https://www.biglotteryfund.org.uk/funding/funding-guidance/applying-for-funding/full-cost-recovery> [↑](#footnote-ref-5)