



Te Kawa Mataaho
Public Service Commission

Christchurch Innovations - Better Public Services [archived]

Update 22 May 2013:

'Canterbury's strength in recovery highlighted at United Nations forum

(<http://cera.govt.nz/news/2013/canterburys-strength-in-recovery-highlighted-at-united-nations-forum-22-may-2013>). Media release, Canterbury Earthquake Recovery Authority (CERA), 22 May 2013.

The Christchurch Innovations project is at the intersection of two of the Government's four priorities:

- Delivering better public services within tight financial constraints
- Rebuilding Christchurch.

Demonstrating Better Public Services (BPS) ([/better-public-services](#)), the Christchurch Innovations project promotes innovative design and delivery of public services arising from the earthquake response, through the following series of **case studies and accompanying video clips**.

In each of these cases, a "do whatever it takes" attitude resulted in a seismic shift in thinking and service delivery by government and non-government agencies working together to restore services or provide assistance to the people of Canterbury. There is an opportunity to capture learnings from Greater Christchurch and apply these innovations more widely across the public sector, for the benefit of all New Zealanders.

Christchurch Innovations contribute to BPS Results 9 and 10 ([/bps-interaction-with-govt](#)) - aimed at improving interaction with government.

With the increased focus on results, it is hoped that Christchurch Innovations will inspire other agencies to adopt or adapt some of the new ways of working, encouraging the move from innovation by necessity to innovation by design.

Case Studies

Christchurch Innovations include:

- [📄 Designing and growing innovation capability \(/assets/Legacy/case-study-growing-innovation-capability.pdf\)](/assets/Legacy/case-study-growing-innovation-capability.pdf)

As part of a wider project to analyse public sector innovations occurring after the Canterbury earthquakes, the State Services Commission (SSC) conducted a case study of two organisations considered instrumental to those innovations, Inland Revenue (IR) and the Canterbury District Health Board (CDHB) - lessons for other agencies - to inform future work to encourage innovation in the public sector (*)

- Justice Services Recovery (/ci-justice) - a pan-sector approach to maintaining justice services
- Recover Canterbury (/ci-recover-canterbury) - a one-stop-shop providing support for businesses
- Earthquake Support Coordination Service (/ci-earthquake-support) - an integrated, multi-agency support service for the community
- Shared Care Record View (/ci-shared-care) - a secure, online system for sharing patient information between health professionals enabling seamless care.

The following resources are provided for each innovation, except (*):

- Short case study
- Longer case study with added detail
- Video clip featuring agency and client stories.

Background Information

- [📄 Cabinet Paper: *Demonstrating Better Public Services: Christchurch Innovations* \(/assets/Legacy/Cab-Paper-Demonstrating-BPS-Christchurch-Innovations.pdf\) \[Sec \(12\) 47\] \(signed by Ministers of State Services and Finance on 20 June 2012\)](/assets/Legacy/Cab-Paper-Demonstrating-BPS-Christchurch-Innovations.pdf)
- From 'innovation to necessity' to 'innovation by design' flowchart (/assets/Legacy/Innovation-Flowchart-A3.PPTX) (accompanies above Cabinet Paper)



Designing and growing innovation capability

A CASE STUDY

January 2013

Executive Summary

As part of a wider project to analyse public sector innovations occurring after the Canterbury earthquakes, the State Services Commission (SSC) conducted a case study of two organisations considered instrumental to those innovations, Inland Revenue (IR) and the Canterbury District Health Board (CDHB).

The case study is not an evaluation. Rather, on the basis of interviews with leaders, staff and other stakeholders, it describes the origins and current state of IR's and CDHB's innovation capability. The aim is to provide lessons for other agencies and to inform future work to encourage innovation in the public sector.

The case study tests IR and CDHB against the characteristics cited in international literature as being common to high-performing organisations that enable and support innovation.¹ International evidence suggests that those organisations:

- Have leaders that are clear about what they are trying to achieve (outcomes and goals) but flexible about how to reach those goals (tight/loose balance).
- Encourage experimentation and bounded and informed risk-taking.
- Are customer focused, solicit ideas from and engage with diverse internal and external sources.
- Have capability, skills and experience in innovation disciplines/methods supported by resources (funding, time and space).

These characteristics align closely with characteristics defined in the Performance Improvement Framework (PIF) system level findings as being indicators of high performance.

Both IR and CDHB embarked on an innovation journey based on a similar 'burning platform', a desire to put the customer at the centre of the business while at the same time responding to increasing demands for services and decreasing funding baselines. Both agencies have also invested in innovation capability over some time, not in isolation but as part of a package of business transformation strategies.

This case study found that both IR and CDHB reflect most of the characteristics derived from the literature as being common to organisations that support and enable innovation. IR's innovation capability is synonymous with its service design capability. We argue that CDHB takes a broader and more extensive approach to innovation, with an explicit strategy to embed innovation across the organisation and wider Canterbury health system. It is innovative in what it does, and in how it does it.

However, we conclude that even if an organisation does not fully reflect every innovation characteristic – for example, where risk aversion may mean it is not tapping its full innovation potential - having strong capability in service design or some other innovation discipline means that it can still enable innovation activity.

¹ Based on: David Albury's research on more than 40 high-performing innovative organisations and 10 innovative sectors, http://www.anu.edu.au/discoveranu/content/podcasts/creating_the_conditions_for_radical_public_service_innovation_david_albury/; The Australian Public Service 'Innovation Compact for Leaders' <http://innovation.govspace.gov.au/>; 'The Public Innovator's Playbook: nurturing bold ideas in government'; Deloitte, and the Harvard Kennedy School's Ash Institute for the Democratic Governance and Innovation <http://www.deloitte.com/innovatorsplaybook>; and 'Innovation in the public sector: enabling better performance, driving new directions', Australian National Audit Office www.anao.gov.au

Introduction

The Better Public Services (BPS) Advisory Group Report (November 2011) noted that innovation in the New Zealand public management system is currently “stifled by a lack of capability, an undue degree of risk aversion on the part of chief executives, boards and Ministers and little consideration of how to manage risk in this context”². In launching the BPS report and BPS Results the Prime Minister called for “a public sector that embraces innovation.”³

A range of OECD governments, including Australia, Canada, Denmark, UK, and the USA have established specific strategies for driving public sector innovation recognising that they cannot meet the fiscal and social challenges of the 21st Century without intentionally seeking new and different ways of doing business.⁴ The wider application of recognised innovation methodologies as well as improved organisational capability to generate new ideas, convert them into new approaches to the design and delivery of services, and more deliberate strategies to diffuse and up-scale those approaches across the state services would improve the customer focus and responsiveness of New Zealand public services and help to achieve the vision of BPS.

Canterbury following the earthquakes showed what is possible. The earthquakes provided a ‘perfect storm’ for innovation. The status quo was not an option and public servants were given new permission from Wellington to “do whatever it takes”. They responded to the challenge with new and different approaches to service delivery and design which provide live demonstrations of better public services. The State Services Commission (SSC) has an ongoing programme to document and disseminate the lessons from the Canterbury innovations. Case studies and a related report to Cabinet are available on the SSC website.⁵

Some of the Canterbury initiatives could be directly replicable elsewhere. But their greater value lies in demonstrating new ways of working that can inform and drive change elsewhere: a ‘graft and grow’ rather than a ‘cookie cutter’ strategy for up-scaling successful innovations. The Christchurch story also paints a picture about what enables innovation to flourish in a public sector context. Many of the innovative responses to the earthquakes were not simply a reaction to the crisis. Rather they were enabled by pre-existing innovation capability in public sector agencies there, most notably in the Canterbury District Health Board (CDHB) and in Inland Revenue (IR).

IR’s service design team based in Christchurch was instrumental in initiatives such as Recover Canterbury⁶ (a public/private partnership for business recovery), and co-location initiatives leading to the forthcoming Shared Front of House (a multi-agency shared service facility or “one stop shop”). CDHB implemented the ‘shared care record view’⁷ (eSCRV), a secure on-line system for sharing patient information between health professionals, invaluable in a disaster when paper records were irretrievable and access to usual health providers was disrupted. The eSCRV was in the pipeline prior to the earthquakes but its development was accelerated in response to post-earthquake needs. In short, the earthquakes expedited innovations but the organisational foundations were pre-existing. The SSC has conducted a case study of IR and CDHB to describe their innovation capability. It tests both organisations against the characteristics cited in international literature as being common to innovative organisations. The case study is not an evaluation or comprehensive assessment of either organisation. The aim is to provide information to agencies wishing to develop their own capability to innovate. This report starts with a description of the study

2 Better Public Services Advisory Group Report, November 2011, p.20 <http://www.ssc.govt.nz/better-public-services>

3 <http://www.beehive.govt.nz/speech/better-public-services-speech-auckland-chamber-commerce>

4 The OECD has a programme to document these strategies. See

<http://www.oecd.org/governance/oecdobservatoryofpublicsectorinnovation.htm>

5 <http://www.ssc.govt.nz/christchurch-innovations>

6 <http://www.ssc.govt.nz/ci-recover-canterbury>

7 <http://www.ssc.govt.nz/ci-shared-care>

method including a template of research questions. The template itself might offer the foundations for an organisational self assessment too.⁸ We then compare the two organisations against some broad headings derived from that template, including:

- The importance of leadership, clear goals and strategy to embed a culture of innovation
- Permission, a tolerance for experimentation, risk-management and rewards as key components of the innovation enabling environment
- Customer focus, engaging stakeholders and soliciting ideas from diverse internal and external sources as key inputs to innovation
- Capability and skills in innovation disciplines/methods supported by resources (funding, time and space) as the organisational tools for innovation.

The characteristics of innovative organisations align closely with the characteristics defined in the Performance Improvement Framework (PIF) system level findings as common to the best performing agencies. In terms of the efficiency and effectiveness of their core business, “the best agencies demonstrate that they value learning, innovation and continuous improvement”.⁹

Responding to the Prime Minister’s call for public sector that embraces innovation requires a three-pronged approach. We need mechanisms to up-scale and disseminate successful innovations, enhanced innovation capability in organisations, and an underpinning public management infrastructure that includes systemic incentives and support to encourage innovation. This case study concentrates on the middle prong of that approach.

Innovation and innovation capability – definitions and method

We adopt the following definition of innovation: “Innovation is the ‘creation and implementation of new processes, products, services and methods of delivery which result in significant improvements in the efficiency, effectiveness or quality of outcomes”¹⁰. Innovation capability therefore, is the capacity of an organisation to create the conditions, and apply the resources (people, financial, tools and methods), to enable and support innovation activity.

For this study we developed a template of research questions (see Table 1) based on the international literature about the characteristics of innovative organisations.¹¹ We conducted semi-structured interviews with a small group of leaders and staff of the two target organisations, to get views from people at a range of levels and functions in the organisations.¹² Individual case studies of the two organisations appear as annexes to this report.

⁸ Diagnostic tools have been developed elsewhere to test the innovation potential or performance of organisations. For example, the Australian Public Service includes a diagnostic tool in its Public Sector Innovation Toolkit (<http://innovation.govspace.gov.au/tools/diagnostic-tool/2/>).

⁹ See Deborah Te Kawa and Kevin Guerin, Provoking debate and learning lessons – it is early days but what does the Performance Improvement Framework challenge us to think about?, Policy Quarterly, Vol 8, issue 4, November 2012.

¹⁰ Geoff Mulgan and David Albury, Innovation in the Public Sector, Cabinet Office Strategy Unit, United Kingdom Cabinet Office, 2003

¹¹ Based on: David Albury’s research on more than 40 high-performing innovative organisations and 10 innovative sectors, http://www.anu.edu.au/discoveranu/content/podcasts/creating_the_conditions_for_radical_public_service_innovation_david_albury/; The Australian Public Service ‘Innovation Compact for Leaders’ <http://innovation.govspace.gov.au/>; ‘The Public Innovator’s Playbook: nurturing bold ideas in government’; Deloitte, and the Harvard Kennedy School’s Ash Institute for the Democratic Governance and Innovation <http://www.deloitte.com/innovatorsplaybook>; and ‘Innovation in the public sector: enabling better performance, driving new directions’, Australian National Audit Office www.anao.gov.au

¹² Quotations (italicised) in this paper are generally not attributed to protect the confidence of the people interviewed.

Table 1: Characteristics of organisations that support and enable innovation

- 1 Leadership that is passionate about outcomes and has clear goals but is flexible about how to reach those goals
 - How are those agency goals articulated – to staff/to stakeholders?
 - Where and how does innovation (or the desire to seek new and better ways of doing things) fit into organisational strategies and how is that communicated across the organisation?
- 2 Encourages experimentation and bounded and informed risk-taking, while tolerating some failure as a learning experience
 - How do they show that they are prepared to consider and trial new ideas and new ways of doing things?
 - How do they communicate a tolerance for risk? What risk management strategies are in place? How is efficiency and effectiveness built into decision-making – quick iterations/prototyping/"fail fast/fail cheap"? How is failure dealt with – is it seen as a learning opportunity?
 - What incentives? How is innovation recognised and rewarded? To what extent are budgets and resource allocations linked to improvements in performance driven by innovation?
- 3 Is customer focused, solicits ideas from and engages with diverse internal and external sources
 - What channels are there for seeking ideas from inside and outside the organisation – including scanning international exemplars, engagement with stakeholders/users?
 - How are successful innovations re-used/adopted/adapted and shared within and outside the organisation?
 - Is collaboration with other organisations part of the innovation equation?
- 4 Has capability, skills and experience in innovation disciplines/methods supported by resources (funding, time and space)
 - Do staff have access to and training in innovation disciplines, methods, tools and approaches?
 - Is there dedicated space and/or time for 'thinking' and developing new ideas/ways of doing things?
 - Is there a special part of the organisation dedicated to innovation (R&D, service design/design thinking)?

The view from a different lens

It is important to see the above characteristics and related questions, and the evidence that they exist, through multiple lenses including the organisation's:

- Leadership/senior management – what commitment, support, permission is deemed important?
- Staff – what is their perception of engagement, ability to share ideas and sense of freedom and permission to try new things?
- Key stakeholders – partners, customer/client/user perspective. How are they involved in generating/co-producing ideas, implementation and dissemination of innovations?

Leadership, goals and strategy

Passionate leaders, a common vision and common language are key components of developing a culture that supports innovation. While it is difficult to measure the relative passion of leaders, our interviewees saw this element as crucial, describing it as the need for leaders to be “*courageous*” and “*brave*” in defining and articulating their vision.

In terms of clarity of purpose, vision and strategy, senior CDHB managers interviewed were all completely ‘on message’ with a shared understanding of the vision of the organisation and the wider Canterbury health system. They were clear that the visibility of senior management was vital to translating a vision and “*a direction of travel*” to all parts of the organisation, and further out to the wider health system. They saw this as an explicit responsibility. They emphasised the role of senior leadership as “*painting the picture*” so that staff and stakeholders could see where they fitted into it. The CEO noted that “[We are] *really passionate and dogged about the vision*”. We also found that IR staff interviewed for this case study all referred to IR’s strategy, IR for the future, and could articulate the key messages embodied in it.

In contrast, an overview of the 21 PIF reviews to date found that only about a third of the public service agencies reviewed were strong or well placed on indicators relating to articulating purpose, vision and strategy, indicating that this is a weakness across the system.¹³ In general, agencies appear to be good at serving Ministers and dealing with day-to-day challenges but less skilled at defining a vision for the future and developing a strategy and capability to get there.

Permission, experimentation, risk management and rewards

Organisations that enable innovation encourage experimentation, support it with risk management strategies, allow some failure which is seen as a learning experience rather than sunk costs, and reward innovation initiative. People interviewed for this study identified permission from senior managers to ‘do things differently’ as the top enabler of innovation, supporting the notion that top down permission enables bottom-up innovation. Yet research conducted by Ryan et al. suggested that we have very few champions or ‘guardian angels’ of innovation at senior leadership level across New Zealand’s public service.¹⁴



CDHB was seen as encouraging of experimentation and tolerant of risk-taking. Senior managers noted that if an organisation penalises failure when people try new things then it will perpetuate a risk-averse culture and reduce innovation capability. They argued that staff should understand what they are trying to achieve, know that their backs are covered, and if they fail it should be quick and early and used as a learning experience. The CEO referred to this as tolerating “*sensible risk*”.¹⁵

CDHB have specially designed training and development programmes, notably ‘Particip8’ and ‘Xcelr8’, to give staff the tools and permission to think and do things differently. Particip8 is largely about teaching change management while Xcelr8 is about encouraging participants to seek new and better ways of doing things, to own the innovation challenge. Xcelr8 includes a component where participants in small groups actually design an innovation for the Canterbury health system. Participants in that programme take away a “permission card” from the CEO which can be used to unblock future barriers to change.¹⁶ One senior manager noted that they were aiming to give “*everybody permission to do things differently*” but within

¹³ <http://www.ssc.govt.nz/pif>

¹⁴ Bill Ryan, Derek Gill, Elizabeth Eppel and Miriam Lips, Managing for joint outcomes; connecting up the horizontal and the vertical, Policy Quarterly Vol. 4, issue 3, September 2008.

¹⁵ Interview with David Meates, CEO, CDHB, 9 October 2012.

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the boundaries of the vision, *“Is this right for the patient and is this right for the system?”* References were made to the need to create *“architects of change”* within the organisation and in partnership with stakeholders. One senior manager argued that the key to better services was shifting decision-making as close as possible to where the actual service gets delivered.



IR interviewees were less confident that experimentation and failure would be tolerated. They often referred to the organisation as *“risk averse”*. This might reflect the risk profile associated with the regulatory environment IR operates in, including its strict legislative provisions related to privacy and secrecy. The Commissioner expressed the challenge as follows: *“One of our biggest challenges is how we develop such an innovative culture without compromising the integrity of the tax system. For me, ensuring that we protect the integrity of the tax system is paramount and we currently have strict secrecy and privacy legislative provisions to support this.”*¹⁷ But accepting a degree of risk and managing it effectively is a key factor in successful innovation. Managing risk is not the same as avoiding it.

Despite this apparent risk aversion, PIF findings show IR to be the only public service agency to score consistently well on indicators related to self-review and improvement. This dimension of performance demonstrates how an agency learns from its experiences to identify opportunities for continuous improvement and innovation.

Both CDHB and IR include innovation and continuous improvement as part of a package of change strategies. Views from these organisations offer insight into the interface between innovation and continuous improvement; they are not interchangeable but complementary. One CDHB senior manager described a continuum involving a *“need to do business as usual really well, constant improvement, and work on transformation at the same time”*. Another noted that continuous improvement on its own was not enough to meet the challenges facing the organisation: *“you couldn’t continuously improve this organisation, we had to transform it - you can’t leap a chasm one step at a time”*. A similar distinction was made by an IR interviewee, using a series of questions to highlight the component parts of organisational transformation:

- “What level of investment is needed to keep the lights on?”
- What is needed to ensure continuous improvement?
- What is needed for big change/innovation?
- What is left over for seed funding or to keep improving innovation capability?”

Strategies for change that include keeping up the momentum of incremental improvement in processes (through continuous improvement), and innovation for more significant shifts reflect what David Albury describes as a *“split screen narrative”*. His research defined leaders of innovative organisations as those that are:

“...interested in innovation but not for its own sake, rather they are concerned about how to continue to improve their day-to-day operations and services and products while at the same time building innovative capability to address present and future challenges”.¹⁸

¹⁷ Naomi Ferguson, Chief Executive and Commissioner of Inland Revenue, 21 December 2012.

¹⁸ David Albury, ‘Creating the Conditions for Radical Public Service Innovation’, Australian Journal of Public Administration, vol. 70, no. 3, p.230

Recognition and rewards for successful innovation provide crucial messages about the value of doing things differently and encourage further innovation. There are some symbolic rewards for innovation in both IR and CDHB. IR has an annual Commissioner's Award for innovation, while in CDHB awards are given for the best idea coming out of "David's Den" (a play on the Dragon's Den concept) at the end of each Xcelr8 programme. The fact that each successful Xcelr8 idea is allocated to a senior manager to take forward is further testimony to the value attached to innovation.

Customer focus, ideas generation and stakeholder engagement

A focus on users, engaging stakeholders and soliciting ideas from diverse internal and external sources are all key inputs to the innovation process. The BPS Advisory Group Report pointed to poor customer focus as one of the weaknesses of the New Zealand public management system and one that has led to a general inability to design or adapt services to the needs of citizens and business: "state services in New Zealand do not listen well or respond to citizens and businesses, nor adapt design and delivery to their needs".¹⁹

We found that both IR and CDHB were strongly customer-focused and the desire to improve the customer journey has been a key driver for change. CDHB's map of the Canterbury health system²⁰ has the customer firmly in the centre of the picture, while a key indicator of success across the system is "reducing the time people waste waiting".²¹ People interviewed from IR stressed that "*the customer is at the centre of the organisation*". Their capability in service design, discussed below, is about understanding and designing services around customer needs.

Both organisations utilise customer feedback mechanisms. IR was the first government agency in New Zealand to develop online customer forums. Both are also open to, or actively solicit, ideas from inside and outside the organisation. CDHB managers stressed the importance of looking to other sectors for new ideas and models. Its use of alliancing was borrowed from the construction industry, while organisations as diverse as Air New Zealand and public libraries are invited to present their service models at Xcelr8 sessions.

CDHB exhibits strong engagement with stakeholders (reflecting the need to engage other health sector partners to deliver outcomes) and has deliberate strategies to engage staff and stakeholders in the actual design of improvements to processes and services. Over 2000 stakeholders were involved in developing its Vision 2020 (described below). As noted above, the Xcelr8 programme involves participants (drawn from across the Canterbury health system) designing an innovation.



CDHB also co-produces services with other parts of the Canterbury health system. The eSCRV was the product of collaboration between CDHB, Pegasus Health, a range of health providers and a software company, Orion. Its use of alliancing is similarly based on good faith contracting whereby projects and services are co-produced with outside partners. As one senior manager explained, "*be clear about the end point, define the problem and context, and enable people*". The intended results for users from this integrated process mean that: "*It should be seamless for the person...they have no sense of having been passed from one organisational structure to another...the services are just organised around them*".

¹⁹ See the Better Public Services Advisory Group Report at: <http://www.ssc.govt.nz/bps-background-material>

²⁰ The map is a pictorial depiction of the health system and used to describe Vision 2020 which became Transition 2012 following the earthquakes.

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Capability – skills, space, tools and investment

Innovation is not just about unleashing creativity. Successful innovation occurs through the conscious application of recognised disciplines, methods and tools. Both CDHB and IR have invested in developing capability and skills in innovation disciplines, most notably design-thinking and service design.²² Service design is an internationally recognised method for driving innovation in both the public and private sectors. Through “harnessing user participation, feedback, insight generation and connecting these things to organisational or system design and development, service design’s model of change is focused on creating a system able to continuously adapt, reconfigure and most importantly, learn from itself”.²³

IR has a strong service design capability which is sought after by other public service organisations. Currently IR acts the good corporate citizen by deploying its capability to assist other agencies, in Christchurch and elsewhere (including for the delivery of BPS Result 10).²⁴ There is anecdotal evidence of increasing demand and a shortage of people with service design expertise across the public service. This might become more acute as agencies respond to the BPS message to be more innovative.



CDHB also has a recognised service design capability but its innovation capability extends well beyond this team. As described above, its training programmes such as Particip8 and Xcelr8 are designed to give participants across the organisation and wider Canterbury health system the tools to generate new ideas and drive their implementation. Moreover, innovation is evident in not only what they do, but how they do it. For example, Vision 2020 was produced through a highly innovative experiential process, dubbed Showcase.²⁵ This involved small groups of participants being taken through a warehouse where they experienced mock-ups of health services. Their reactions were captured, including as visual conversations by an artist, and later used to define a vision for the Canterbury health system. It took a lot of courage on the part of the CEO to agree to such a non-traditional process, but the result was highly successful and was perceived to have been responsible for the high level of buy-in and ownership of the overall vision. A second Showcase is being held in early 2013 to refresh that vision.

A key message from this case study is that it takes time and investment to develop and maintain organisational capability to enable innovation. This echoes the international literature on innovation capability, and is common to both the public and private sectors: “Experience and research show that top management must show long-term dedication to set aside resources for innovation in order to establish a lasting organisational capability to innovate”.²⁶ Both IR and CDHB have invested in innovation capability. This has been built over 5 to 7 years and sustained over the tenure of several Chief Executives and, in the case of CDHB, several boards.

One of the early architects of IR’s service design capability highlighted the potential return on that investment: “The journey is worth it. Everyone is a citizen, everyone has a customer experience; better design will benefit all New Zealanders. Also, if we achieve excellence in public service design, the result will be an innovative and efficient public service”.²⁷

²² Saco, R and Goncalves, A (2008) ‘Service design: an appraisal’, Design Management Review, Vol 19, no.1

²³ ‘The Journey to the interface: how public sector design can connect users to reform’, DEMOS, 2006, UK, www.demos.co.uk, p90

²⁴ Result 10 is: New Zealanders can complete their transactions with the Government easily in a digital environment. Further information about BPS results are available at <http://www.ssc.govt.nz/bps-results-for-nz>

²⁵ Described in more detail in annex 1.

²⁶ Davila T, Epstein M.J and Shelton R, ‘Making innovation work: how to manage it, measure it, and profit from it’, Wharton School Publishing, USA, 2006.

²⁷ Jim Scully quoted in Karyn McLean, Jim Scully, Leslie Tergas, ‘Inland Revenue New Zealand: service design in a regulatory

A cross-agency innovation hub?

The CDHB service design team and the Christchurch based IR service design team intend to co-locate which could provide a prototype for some future cross-agency innovation capability. The two teams already share information, methods and training and expect to co-locate in early 2013.

Overseas jurisdictions with a strong innovation strategy have put in place an innovation hub, or some centre of expertise (virtual or real) to provide practical support to develop innovation capability.²⁸ The functions provided by such labs/centres of expertise include:

- Providing advice, active support and practical toolkits
- Providing a repository of local and international, public and private exemplars of innovations and innovation capability
- Facilitating networks for sharing knowledge and experiences
- Providing capability development (training and development/expertise)
- Providing mechanisms for up-scaling or diffusing innovations.

CDHB sees this Canterbury co-location as an opportunity to create a design lab and is explicit about the potential for the hub to provide cross-government innovation capability. It promotes the potential public value to be gained from that. IR has been more cautious, perhaps reflecting the current regulatory constraints around privacy and the related tensions co-location raises. The hub will be something to watch.

Innovation capability links to superior performance

The characteristics derived from the literature as being common to organisations that enable and support innovation align closely with the characteristics defined by the PIF system level findings as indicators of good performance and of aspirational 'great public institutions'. Table 2 compares those two sets of characteristics.²⁹

Table 2

High performing public institutions	Organisations that enable innovation
Are clear about their purpose; know how they can add most value to New Zealand now and in the future; and are clear about the strategy for delivering that value.	Have leadership that is clear and passionate about what it is trying to achieve (outcomes and goals) but is flexible about how to reach those goals (tight/loose balance).
Develop and use information and analysis to support decision making to add value and manage risk. The others avoid risk rather than manage it.	Encourage experimentation and bounded and informed risk-taking.
Enlist the active support of all those outside the agency who are necessary to the agency delivering its key results.	Are customer focused, solicit ideas from and engage with diverse internal and external sources.
Demonstrate that they value learning, innovation and continuous improvement.	Have capability, skills and experience in innovation disciplines/methods supported by resources (funding, time and space).

²⁸ For example, Denmark's MindLab is internationally recognised. Australia has recently established a Centre of Excellence in Public Sector Design as part of its Public Service Innovation Action Plan.

²⁹ For a discussion of the PIF system level findings, see Deborah Te Kawa and Kevin Guerin, Provoking debate and learning lessons – it is early days but what does the Performance Improvement Framework challenge us to think about?, Policy Quarterly, Vol 8, issue 4, November 2012

The PIF currently concentrates on public service departments and while a few Crown entities have been reviewed it has not yet reviewed any district health boards (DHBs). Among the public service departments that have undergone a PIF review, IR is a high-flyer.³⁰ An indicator of CDHB's growing reputation as a high-performing organisation is that it is becoming a popular destination for overseas jurisdictions³¹ and other DHBs seeking to emulate its innovative approach to achieving an integrated health system. Both organisations demonstrate that they value and invest in learning, continuous improvement and innovation.

Conclusions

Both IR and CDHB embarked on an innovation journey based on a similar 'burning platform', a desire to put the customer at the centre of the business while at the same time responding to increasing demands for services and decreasing funding baselines. Both agencies have also invested in innovation capability over some time, not in isolation but as part of a package of business transformation strategies.

This case study found that both IR and CDHB reflect most of the characteristics derived from the literature as being common to organisations that support and enable innovation. However, we argue there is a qualitative difference between the organisations. CDHB encourages experimentation and seems prepared to accept and manage related risk. The perceived risk aversion in IR was seen as a barrier to the agency realising its full innovation potential. IR's innovation capability is synonymous with its service design capability whereas CDHB takes a broader and more extensive approach to innovation. It has an explicit strategy to embed innovation across the organisation and wider system. It is innovative in what it does and how it does it. We note however, that the relatively new IR Commissioner is committed to building IR's overall innovation capability, which bodes well for the future: "*Although Service Design is one of our key capabilities in delivering innovative and customer centric services, we also want to ensure we have a culture of innovation embedded throughout all areas of the organisation.*"³² Moreover, our findings also suggest that even if an agency does not fully reflect every characteristic - for example, where risk aversion may mean it is not tapping its full innovation potential - having strong capability in service design or some other innovation discipline means that it can still enable innovation activity. That is an important message for other public sector organisations wishing to improve their own innovation capability.

Up-scaling successful innovation and building innovation capability in organisations are both crucial parts of the quest to embed innovation across the state services. Underpinning that, we need a public management environment that encourages innovation. Systemic barriers, related to the overall public management system and not specific to either organisation, were also mentioned by people interviewed for this study. These manifested more in IR than in CDHB which as a crown entity is relatively more autonomous. They included the challenge of collaboration between agencies and with private sector and NGO partners, difficulties with jointly funding initiatives, barriers to information sharing, and business case processes that require a level of specificity that does not enable the iteration and adjustments involved when prototyping or trialling design options.³³

The challenge now is to build an 'innovation infrastructure' for the state services, including enhanced systemic incentives (demand, mandate and expectations to innovate) and support (guidance on capability and methodologies) to move from 'random innovation' or 'innovation by necessity' (responding to crises such as the Canterbury earthquakes) to a new state of 'innovation by design'.

³⁰ See Figure 4 in *ibid*, p. 34

³¹ These include several Australian states, Singapore, Canada and the UK National Health Service.

³² Naomi Ferguson, Chief Executive and Commissioner of Inland Revenue, 21 December 2012.

³³ Legislative changes proposed in the State Sector and Public Finance Reform Bill provide for greater flexibility in funding arrangements including through multi-category appropriations. More flexible business case processes can also support agencies to work collaboratively and enable an iterative approach to service design and delivery.

CDHB: designing an innovative system

Introduction

The Canterbury District Health Board (CDHB) has a growing reputation as a high-performing, innovative organisation. It is becoming a popular destination for overseas jurisdictions³⁴ and other DHBs seeking to emulate its innovative approach to achieving an integrated health system.

CDHB was recognised for its speedy and innovative responses to the Canterbury earthquakes. For example, its electronic shared care record view (eSCRV) was chosen as one of the SSC's case studies of public sector innovations following the quakes. The eSCRV (described in more detail below) is a secure on-line system for sharing patient information between health professionals. The case study revealed that eSCRV was not simply a response to the disruption of the earthquakes. In reality, the eSCRV had been in the pipeline prior to the earthquakes. Its development was accelerated in response to post-earthquake needs but the organisational foundations that enabled this and other CDHB innovations were pre-existing.

CDHB's innovation capability has been built over a number of years. This case study tells the story of how CDHB has embedded a culture of innovation across the Canterbury health system. It tests CDHB against the characteristics cited in the literature as being common to organisations that support and enable innovation.³⁵ The case study is not intended as an evaluation or comprehensive assessment of CDHB's capability. Rather it is designed to offer lessons to other organisations seeking to develop or expand their innovation capability.

The burning platform

In 2007 Canterbury's health system was fragmented and characterised by growing admissions, increased waiting times at hospitals, and escalating demand for aged residential care. CDHB reckoned that if the status quo continued, by 2020 a new hospital the size of Christchurch's main hospital, 20% more general practitioners, and 2,000 more aged care beds would be required. In addition, it faced a future of scarce resources and an ageing workforce.

While work had been done on lean thinking³⁶ at the hospital, it was clear this approach would not adequately address the challenges facing the CDHB. Senior leaders realised a major transformation was required. One described the situation as "you can't leap a chasm one step at a time". The focus was deliberately shifted from cutting costs and the needs of the organisation, to a vision for the Canterbury health system as a whole, concentrating on the patient journey through the system. Vision 2020 was the result.

³⁴ These include several Australian states, Singapore, Canada and the UK National Health Service.

³⁵ Based on: David Albury's research on more than 40 high-performing innovative organisations and 10 innovative sectors, http://www.anu.edu.au/discoveranu/content/podcasts/creating_the_conditions_for_radical_public_service_innovation_david_albury/; The Australian Public Service 'Innovation Compact for Leaders' <http://innovation.govspace.gov.au/>; 'The Public Innovator's Playbook: nurturing bold ideas in government'; Deloitte, and the Harvard Kennedy School's Ash Institute for the Democratic Governance and Innovation <http://www.deloitte.com/innovatorsplaybook>; and 'Innovation in the public sector: enabling better performance, driving new directions', Australian National Audit Office www.anao.gov.au

³⁶ The goal of lean thinking is to create more value with fewer resources and zero waste." The term "lean" was coined by a team at MIT to describe Toyota's business during the late 1980s. The characteristics of a lean organisation and supply chain are described in *Lean Thinking* by James. P. Womack and Daniel T. Jones (2003), Free Press, USA.

The Canterbury earthquakes brought the future forward. They resulted in a reduced workforce and increased demand for services, the central issues CDHB had predicted the system would have faced in 2020. But because work had been done to collectively anticipate the 2020 challenge, the Canterbury health system was able to show agility in the face of that disruption. Vision 2020 quickly became Transition 2012.³⁷ An indicator of the resilience of the Canterbury health system is that even after the February earthquake, Canterbury missed its elective surgery target by only 4%, a better result than for other DHBs. The performance of the system has remained constant and compares well with other DHBs despite the significant challenges faced, including fewer acute admissions to hospital,³⁸ shorter waiting times, and fewer people going into aged residential care or not staying as long when they do (ie: a reduction in the number of bed days for rest home level care).

The results speak for themselves. But to what extent is innovation capability a part of this ability to adapt and evolve in the face of immediate demands and future pressures? The following sections test CDHB against the key characteristics cited as being common to organisations that enable and support innovation. International evidence suggests that those organisations:³⁹

- Have leaders that are clear about what they are trying to achieve (outcomes and goals) but flexible about how to reach those goals (tight/loose balance).
- Encourage experimentation and bounded and informed risk-taking.
- Are customer focused, solicit ideas from and engage with diverse internal and external sources.
- Have capability, skills and experience in innovation disciplines/methods supported by resources (funding, time and space).

Leadership, goals and strategy

1 Characteristic: Leadership that is passionate about outcomes and has clear goals but is relaxed about how to reach those goals.

Lead questions:

- How are those agency goals articulated – to staff/to stakeholders?
- Where and how does innovation (or the desire to seek new and better ways of doing things) fit into organisational strategies and how is that communicated across the organisation?

Passionate leaders, a common vision and common language are key components of developing a culture that supports innovation. In terms of clarity of purpose, vision and strategy, senior CDHB managers interviewed were all completely 'on message' with a shared understanding of the vision of the organisation and the wider Canterbury health system. Vision 2020 (see box) stands as the key document underpinning the Canterbury health system and driving future transformation.

³⁷ Transition 2012, CDHB April 2012.

³⁸ Age standardised acute medical admission ratio for 2010/2011, CDHB 0.74, other major DHBs 1.09 and for 2011/2012, CDHB 0.69, other major DHBs 1.08.

³⁹ Based on: David Albury's research on more than 40 high-performing innovative organisations and 10 innovative sectors, http://www.anu.edu.au/discoveranu/content/podcasts/creating_the_conditions_for_radical_public_service_innovation_david_albury/; The Australian Public Service 'Innovation Compact for Leaders' <http://innovation.govspace.gov.au/>; 'The Public Innovator's Playbook: nurturing bold ideas in government'; Deloitte, and the Harvard Kennedy School's Ash Institute for the Democratic Governance and Innovation <http://www.deloitte.com/innovatorsplaybook>; and 'Innovation in the public sector: enabling better performance, driving new directions', Australian National Audit Office www.anao.gov.au

VISION 2020

Integrated health and social services - a connected system centred around people that aims not to waste their time.

THREE STRATEGIC GOALS:

1. People take greater responsibility for their own health.
2. People stay well in their own homes and communities.
3. People receive timely and appropriate complex care.
- 4.

A collaborative way of working is central to the achievement of these goals.

One health system one budget

- a. Removing barriers and perverse incentives created by contracts and organisational boundaries by planning and working collaboratively across the public, private and NGO sectors.
- b. Getting the best outcomes possible within the resources we have.

It's about people

- a. The key measure of success at every point in the system is reducing the time people waste waiting.
- b. Right care, right place, right time, delivered by the right person.

Focus on leadership

- a. The DHB's role is to buy the right thing for the population.
- b. Clinicians are enabled to do the right thing the right way.

Take a 'whole of system' approach

- a. Understand and respond to the needs of populations.
- b. Use information to plan and drive service improvement.
- c. Manage the short term in the context of the long term.
- d. Focus on improving productivity by doing the right thing the right way at the right time.
- e. Make decisions based on where services are best provided:
 - a. What is best for the patient?
 - b. What is best for the system?

CDHB leaders were clear that the visibility of senior management was vital to translating the vision and “a direction of travel” to all parts of the organisation, and further out to the wider health system. They saw this as an explicit responsibility. They emphasised the role of senior leadership as “painting the picture” so that staff and stakeholders could see where they fitted into it. The CEO described it as: “So as opposed to this traditional top down forcing something through we have engaged a system, to create a shared vision and we have...been really passionate and dogged about the vision.”⁴⁰

Vision 2020 was designed collaboratively involving stakeholders from throughout the Canterbury health system, including through a highly interactive and experiential process dubbed Showcase, held in late 2009. It took a lot of courage on the part of the then Chief Executive to agree to such a non-traditional process or as one senior leader described it, “probably the single most creative innovative process I have ever been at”.

⁴⁰ Interview with David Meates, CEO CDHB, 9 October 2012.

“Showcase”- developing Vision 2020

“Showcase” was held in 2009 and was a key event for co-producing a vision of the future of the Canterbury health system. Designed with the assistance of innovation expert Roger Dennis, Showcase involved taking over a warehouse where mock ups of health services, for example, a hospital ward and a GP’s surgery, were set up. Groups of 10 people at a time were taken through to consider scenarios of the future of the health system, in particular the looming challenges of 2020. Discussions within these groups were captured pictorially by an artist. Participants were able to take away those ‘visual conversations’. Pictures of those discussions continue to be displayed on the walls of the CDHB offices.

Showcase was advertised by word of mouth and open to a wide range of participants, not just employees of the CDHB. Employees of partner organisations, for example Orion Health also attended. Initially ‘thought leaders’ were asked to invite people and the intention was to create a social movement of attendees, who would in turn invite others. The initial expectation was that the event would last one and a half weeks and 400 people would attend. Showcase ended up lasting 6 weeks and over 2,000 people attended.

The experience enabled people to understand what was required from the health system and their place in it. It allowed people to see how they could contribute, making them active participants rather than passive recipients, thereby creating a richer vision. It is perceived to be partly responsible for the high-level of buy-in and ownership of what has become a shared vision.

A second Showcase began in late 2012. Around 3000 people are expected to attend by the end of February 2013. This latest version is open to the public via community interest groups. The focus this time is on what an aging population means for both the workforce and the health service. It explores the unique opportunity in Canterbury to redevelop health infrastructure post earthquakes based on a whole of system design and focused on health delivery centred on people in their homes. The aim is to encourage people to explore these themes by informing them of the issues behind the need for further change and engaging them in the design opportunity. CDHB argues that “System wide change can only occur if everyone understands and connects with the drivers for change, and understands how to engage”. Showcase is designed to be one step in this process.

People interviewed for this case study consistently referred to senior CDHB leaders as highly visible and clear in how they articulate the vision for CDHB and the wider health system. The Chief Executive’s visibility was seen as especially important. A weekly update to staff from the Chief Executive, and regular staff forums are designed to keep staff informed and involved. For example, senior doctor ‘away days’ are held regularly, taking doctors away from their regular functions and involving them in decision making about the Canterbury health system. Interviewees stressed that senior leaders engagement with staff needs to be genuine and not formulaic. This helps create trust and confidence while modelling desirable behaviour and inspiring staff.

Common language is part of the glue across the system. For example senior leaders and staff consistently referred to the “Canterbury health system” as opposed to CDHB. While this might appear a semantic distinction, it is seen as part of a shift in focus from the organisation and hospital to the wider system and desired health outcomes. Transition 2012 summarises this as: “We need the whole system to be working for the whole system to work”. Similarly, change is never presented as a way to save money; effectiveness trumps efficiencies. As one senior leader explained: “you can’t fix the bottom line by focusing on the bottom line – instead you need to look at the future horizons and invest in the direction of travel”.

Permission, experimentation and risk management

2. Characteristic: Encourages experimentation and bounded and informed risk-taking, while tolerating some failure as a learning experience.

Lead questions:

- How do they show that they are prepared to consider and trial new ideas and new ways of doing things?
- How do they communicate a tolerance for risk? What risk management strategies are in place? How is efficiency and effectiveness built in to decision-making – quick iterations/prototyping/fail fast/fail cheap? How is failure dealt with – is it seen as a learning opportunity?
- What incentives? How is innovation recognised and rewarded? To what extent are budgets and fund allocations linked to improvements in performance driven by innovation?

Organisations that enable innovation encourage experimentation, support it with risk management strategies, allow some failure which is seen as a learning experience rather than sunk costs, and reward innovation initiative.

CDHB was seen as encouraging of experimentation and tolerant of risk-taking. Senior managers noted that if an organisation penalises failure when people try new things then it will perpetuate a risk-averse culture and reduce innovation capability. They argued that staff should understand what they are trying to achieve, know that their backs are covered, and if they fail it should be quick and early and used as a learning experience. The CEO referred to this as tolerating “*sensible risk*”.⁴¹

CDHB’s ‘Particip8’, ‘collabor8’ and ‘Xcelr8’ (described in the box below) training and development programmes are designed to give participants the tools and permission to think and do things differently. Particip8 is largely about teaching change management, including creating narratives to make ideas stick.⁴² Collabor8 is a training course on lean thinking. Xcelr8 is about encouraging participants to seek new and better ways of doing things, to own the innovation challenge. This is based on the notion that when people are empowered they think about how they can make a difference, rather than thinking it is someone else’s problem to deal with. One senior manager noted that they were aiming to give “*everybody permission to do things differently*” but within the boundaries of the vision “*Is this right for the patient and is this right for the system?*” References were made to the need to create “*architects of change*” within the organisation and in partnership with stakeholders.

Around 700 people (out of a workforce of approximately 8,000) have completed Xcelr8 since its inception, while 1000 have completed Particip8, representing a significant investment of time and resources in workforce development. The influence of Xcelr8 in particular, is often profound and visible; clinicians report being able to tell who has attended the course based on their behaviour and ‘can-do’ attitude.

⁴¹ Interview with David Meates, CEO, CDHB, 9 October 2012.

⁴² Participants are encouraged to read Chip and Dan Heath’s book, *Made to Stick: why some ideas survive and others die*, Random House, 2007, USA.

Xcelr8 – creating architects of change

Xcelr8 is an immersion training programme that helps set expectations that employees of the Canterbury health system should all be seeking new and better ways of doing things. Xcelr8 started in 2007 with the initial goal of preparing the CDHB for the financial and volume issues of the subsequent two years. It has evolved to give participants a new experience of the Canterbury health system using techniques of experiential learning, symbolism, storytelling and theatre. A central goal of Xcelr8 is to develop “common stories, not group think”, as a way of refreshing and embedding the vision and change strategies in the system.

The course is typically launched with a function where the managers of participants serve food and wine which serves to symbolise the breaking down of hierarchies and barriers. Participants sign a pledge symbolising their commitment to the goals of the course. The Chief Executive makes a speech about why Xcelr8 is important and why the participants are on the course. Expectations are clear from the outset.

Groups on the course are deliberately mixed so people who do not usually work together interact, gaining a greater understanding of other parts of the health system and how the various part fit together. Workshops are designed to help participants understand themselves, others and the health system overall. The final workshop is about sustaining change and looks at business modelling, planning, supply and money. Money is deliberately the last thing considered as the focus is about designing effective services around patients and valuing patients’ time. There is a deliberate attempt not to see the exercise as limited to achieving efficiencies or cutting costs.

Towards the end of Xcelr8, groups develop their own project or innovative initiative for improving the system and adding value. These projects are presented to the Chief Executive, in what is referred to as “David’s Den” (referring to the Chief Executive David Meates, and a play on the Dragon’s Den concept). Each successful idea is allocated to a senior leader to sponsor and take forward. The winner of each David’s Den receives an award.

A “permission card” is given to participants at the end of the Xcelr8 programme. This card, which sets out the operating principles and is signed by Chief Executive, states “you have my permission to change our health system”. If a person wants to make a change and is not supported, they can ‘play’ this card, potentially invoking the authority of the Chief Executive.⁴³

Trust was seen by those interviewed for this case study as an essential component of an innovative organisation. However, trust does not mean everyone agrees all the time. The key to an environment of trust is that people feel they have had input and have been heard. Furthermore, being innovative does not mean giving staff permission to make every decision. Being clear about who makes decisions is crucial. As one senior manager explained, “some decisions need to be made by Ministers and others need to be made by the board of the CDHB because they are accountable for certain things”. But it was argued that in principle the key to better services was shifting decision-making as close as possible to where the actual service gets delivered. “Shift as much of the decision making and control to where the actual service gets delivered and then you come back to better public service.”

Devolution of decision rights encourages and enables an expectation that everyone takes responsibility for change. The CEO argues that most people can be trained to lead change given the right challenges, environment, tools and experiential learning. He also argued that while we have an abundance of administrators across the public sector, real leadership

⁴³ The card sets out the following principles/values: * Sustainability – living within our means. * We are the architects of our future – we solve our own problems with clinically led solutions. * Getting the basics right – systematic simplicity, remove duplication and achieve standardisation. * Single focus on delivery of agreed actions – planning at speed/action required today. * Engagement and partnership with the community. * Our organisation reflects its leadership and our priorities.

requires people who can “take people with them and need to be able to engage and connect with others and ask them to be part of the solution”.⁴⁴

Customer focus, ideas generation and stakeholder engagement

3. Characteristics: Is customer focused, solicits ideas from and engages with diverse internal and external sources.

Lead questions:

- What channels are there for seeking ideas from inside and outside the organisation – including for scanning international exemplars, engagement with stakeholders/users?
- How are successful innovations re-used/adopted/adapted and shared within and outside the organisation?
- Is collaboration with other organisations part of the innovation equation?

A focus on users, engaging stakeholders and soliciting ideas from diverse internal and external sources are all key inputs to the innovation process.

CDHB is strongly customer-focused; the desire to improve the customer journey has been a key driver for change. CDHB’s map of the Canterbury health system⁴⁵ has the customer firmly in the centre of the picture, while a key indicator of success across the system is “reducing the time people waste waiting”.⁴⁶

CDHB exhibits strong engagement with stakeholders (reflecting the need to engage other health sector partners to deliver outcomes) and has deliberate strategies to engage staff and stakeholders in the actual design of improvements to processes and services. As noted above over 2000 stakeholders were involved in developing its Vision 2020, Xcelr8 programme involves participants (drawn from across the Canterbury health system) designing an innovation, and all staff are encouraged to suggest new and better ways of doing things .

Good ideas are deliberately sought from outside the health sector. At Xcelr8 good customer service and production principles from other industries, for example Air New Zealand and public libraries, are discussed. The CEO argues that there are many potential answers to business challenges and those answers are often found in unexpected quarters. For example, the alliancing approach to funding and implementing projects comes from the construction industry (see box below).

CDHB also co-produces services with other parts of the Canterbury health system. For example, the eSCRV (see box below) was the product of collaboration between CDHB and other partners in the Canterbury health system.

⁴⁴ Interview with David Meates, CEO CDHB, 9 October 2012.

⁴⁵ The map is a pictorial depiction of the health system and used to describe Vision 2020 which became Transition 2012 following the earthquakes.

⁴⁶ Transition 2012, CDHB, April 2012, p.4.

Alliancing: working together to achieve shared outcomes

Alliancing is based on the achievement of a particular outcome, where a group of organisations collectively manages the process, risk is shared across the alliance, and any problems arising are considered everyone's to resolve. As one senior CDHB manager described it: *"...the thinking behind an alliance contract is that everyone gets the right risk. So they get to manage the risk they can manage. So you are not trying to pass off to some organisation a risk that is beyond their capability of managing."*

Alliancing is being rolled out across the South Island health system. It is a deliberate move away from the old contract-based system. The traditional contract-based system was said to drive undesirable, competitive behaviour amongst contracting parties. It was seen to disempower decision makers by requiring a 'one size fits all' approach to service delivery rather than allowing people to come up with local solutions to local problems to meet desired outcomes.

Under alliancing participants sign a charter, co-produced by them, that sets out how they will behave in the alliance and what the alliance is expected to achieve. Disagreements occur but partners are expected to come to the table to jointly resolve issues. Senior managers report that alliancing has had a positive impact on behaviour, with more collaboration and less competition. One senior manager explained the process and benefits. You need to *"be clear about the end point, define the problem and context and enable people"*. The intended results for users from this integrated process mean that: *"It should be seamless for the person...they have no sense of having been passed from one organisational structure to another...the services are just organised around them"*.

The Shared Care Record View (eSCRV): co-production in action

The eSCRV is a secure on-line system for sharing patient information between health professionals. It is an example of collaboration-based innovation. The eSCRV was co-produced by the CDHB, Pegasus Health, the Canterbury Community Pharmacy Group, Nurse Maude and Orion Health. The eSCRV allows for an integrated approach to case management, better patient care, faster treatment and shorter waiting times.

The eSCRV has resulted in a reduction in acute admissions. 24 hour practices need to send fewer patients to hospital as they can be treated on the spot. It has also helped reduce the unnecessary duplication of procedures. Access to relevant clinical information greatly increases patient safety. As an on-line rather than a paper-based system eSCRV also reduces the vulnerability of the health system to disasters such as the Canterbury earthquakes.

By the end of 2012 eSCRV will have been extended to all Canterbury health providers (108 out of 128 practices currently have access). South Canterbury, West Coast and Nelson Marlborough DHBs are likely to be the next to implement eSCRV and other South Island DHBs are expected to also adopt it.

Capability – skills, space, tools and investment

4 Characteristic: Has capability, skills and experience in innovation disciplines/methods supported by resources (funding, time and space).

Lead questions:

- Do staff have access to and training in innovation disciplines, methods, tools and approaches?
- Is there dedicated space and/or time for ‘thinking’ and developing new ideas/ways of doing things?
- Is there a special part of the organisation dedicated to innovation (R&D, service design/design thinking)?

CDHB has invested considerably in developing capability and skills in innovation and change management. Innovation methods such as design thinking, prototyping and iteration are standard practice throughout the Canterbury health system. CDHB has a specific service design capability, the Business Development Unit, which is a team of 12 service designers, but its innovation capability extends well beyond this team. Rather than designating certain employees or a certain group as responsible for innovation, people throughout the organisation are encouraged to think about new ways of doing things. As described above, CDHB training programmes are designed to give participants across the organisation and wider Canterbury health system the tools to generate new ideas and drive their implementation.

A further innovation emerging from the experience of the Christchurch earthquakes is the intended co-location of the CDHB and Inland Revenue (IR) service design teams. CDHB sees this co-location as an opportunity to create a design lab and is explicit about the potential for the hub to provide cross-government innovation capability. It foresees significant “public value” to be gained. The co-location will be in a warehouse which offers the opportunity to mock up services. CDHB staff have designed the space to reflect international best practice following a study tour including to the design capitals of Seattle and San Francisco.

Conclusions

CDHB reflects all the characteristics cited in the literature as being critical to organisations that enable and support innovation. It has clearly defined goals that have permeated the organisation and wider health system, a committed customer focus, and recognised capability in innovation methods and tools. It is innovative in what it does and how it does it.

These practices and capabilities have been built up over time and have developed through the tenure of 2 Chief Executives and 3 boards. This is a lesson to be taken from this case study: it takes time, investment, commitment and leadership to develop and maintain organisational capability to enable innovation. This corroborates the international literature on innovation capability, and is common to both the public and private sectors: “Experience and research show that top management must show long-term dedication to set aside resources for innovation in order to establish a lasting organisational capability to innovate”.⁴⁷ CDHB fits this bill.

⁴⁷ Davila T, Epstein M.J and Shelton R, ‘Making innovation work: how to manage it, measure it, and profit from it’, Wharton School Publishing, USA, 2006.

Inland Revenue: designing innovative services

Introduction

Inland Revenue's (IR) innovation story is synonymous with its service design capability built up over the last decade. The 'burning platform' for developing that capability was a desire to make voluntary regulatory compliance easier for clients and to improve the customer experience. This was situated in the context of streamlining business processes to achieve greater efficiencies in response to reducing baselines and increasing demand for services. The department has had to transform itself from being an agency concerned with tax and revenue to accommodating new roles related to administering Kiwi saver and other social entitlements (Working for Families, student loans). Now it is more than a tax department; it is also a major social service delivery agency.

IR, and in particular its service design team based in Christchurch, was recognised as being instrumental in many of the public service innovations occurring following the Canterbury earthquakes⁴⁸. The small service design team helped design several recovery services including Recover Canterbury (a business recovery service) and the Earthquake co-ordination support service (support for people in need of accommodation and other social services). It is also a key player in new innovation initiatives such as a 'shared front of house', a Christchurch based one-stop-shop and a prototype for Better Public Services (BPS) Result 10.⁴⁹

This case study tells the story of the development of IR's service design capability. It holds the organisation up to the mirror of the broader characteristics cited in the literature as being common to organisations that support and enable innovation. It is not intended as an evaluation or comprehensive assessment of IR's capability. Rather it is designed to offer lessons to other organisations seeking to enhance their innovation capability.

The burning platform

In 2000 a new Commissioner joined IR from the Australian Tax Office where user-centred service design was in its infancy.⁵⁰ His Australian counterpart had witnessed a compliant businessperson trying to do the right thing to pay taxes but struggling with the level and complexity of forms required. Meanwhile in NZ the suicide of a taxpayer, linked to frustration over tax compliance and covered in the media, had shaken IR. The scene was set for a new NZ Commissioner to drive a cultural shift towards IR better understanding its customers and improving customers' interactions with the department. A 'customer charter' followed as did the transformation of the Operational Strategy and Business Design function into a deliberate service design capability.

Service design as a method focuses on the customer and their experience as the starting point for designing services and is a recognised method for driving innovation in the public sector. The development of the service design capability is described in an article published

⁴⁸ <http://www.ssc.govt.nz/christchurch-innovations>

⁴⁹ Result 10 is part of the BPS programme to improve interaction with government and specifically designed to ensure "New Zealanders can complete their transactions with the government easily in a digital environment". It involves a number of government agencies and goes beyond digital interactions to other channel strategies as part of an integrated service delivery network.

⁵⁰ The ATO is considered a pioneer in applying design methods to its administrative work. For a discussion of this see Nina Terrey, "Managing by design - enacted through situated networks", in Leading innovation through design, 2012 International design management research conference, Boston, USA, August 2012

in an international journal by the staff responsible for introducing it to the organisation.⁵¹ The value proposition was explicit: “well designed user-centred services reduce barriers to meeting tax obligations and accessing entitlements, and reduce the costs of doing this to the department, as well as to the customer”.⁵² A deliberate strategy was employed to develop the capability, embed it into the organisation and to maximise its sustainability. The component parts were mutually reinforcing and included:

- Developing a **framework of tools, methodologies, and approaches** reflecting best practice in the public and private sectors (in design vision, customer experience, service systems, service interactions, service embedding and project management).
- **Building a team of designers**, including from the ranks of non-designer staff, and developing the notion of a profession with a career path as well as co-ordinated training (“boot camp of design thinking”). New staff with specialist skills in design were also recruited.
- **Forging relationships with other key groups**, in particular building synergies with an existing customer insight group: “The success of the customer insight and the design groups is mutually dependent – one provides knowledge of the customers and the other melds it into a truly customer-centred, organisationally useful design”.⁵³
- **Engaging senior leadership** and other internal clients to ensure buy-in, to develop and maintain support and relevance, and to ensure sustainability. This included the design team running an ‘experience’ for senior managers to get them to stand in the customer’s shoes and to see the value of design techniques. Customer interviews were also transformed into videos to tell the customer story and used to further engage staff.
- **Demonstration projects to show the value** gained through applying design techniques to presenting opportunities/challenges.

Current state

The service design capability has been sustained since that time. The Service Design and Implementation (SDI) group now includes some 220 staff. Some staff are based in the regions, such as the small Christchurch team, but managed from and working to programmes driven out of Head Office. Other staff have been deployed to assist with cross-government activities; some are currently working in DIA on developing strategies to achieve BPS Result 10.⁵⁴

IR service design capability means that it can create innovation activity. But does that mean that it is an innovative organisation? The following section tests IR against the key characteristics cited as being common to organisations that enable and support innovation. International evidence suggests that those organisations.⁵⁵

- Have leaders that are clear about what they are trying to achieve (outcomes and goals) but flexible about how to reach those goals (tight/loose balance)
- Encourage experimentation and bounded and informed risk-taking
- Are customer focused, solicit ideas from and engage with diverse internal and external sources

⁵¹ Karyn McLean, Jim Scully, Leslie Tergas, Inland Revenue New Zealand: service design in a regulatory context, Design Management Review, Vol. 19, no.1, Winter 2008, USA

⁵² Ibid p. 31

⁵³ Ibid p32

⁵⁴ BPS Result 10 is “New Zealanders can complete their transactions with the Government easily in a digital environment”. <http://www.ssc.govt.nz/bps-results-for-nzers>

⁵⁵ Based on: David Albury’s research on more than 40 high-performing innovative organisations and 10 innovative sectors, http://www.anu.edu.au/discoveranu/content/podcasts/creating_the_conditions_for_radical_public_service_innovation_david_albury/; The Australian Public Service ‘Innovation Compact for Leaders’ <http://innovation.govspace.gov.au/>; ‘The Public Innovator’s Playbook: nurturing bold ideas in government’; Deloitte, and the Harvard Kennedy School’s Ash Institute for the Democratic Governance and Innovation <http://www.deloitte.com/innovatorsplaybook>; and ‘Innovation in the public sector: enabling better performance, driving new directions’, Australian National Audit Office www.anao.gov.au

- Have capability, skills and experience in innovation disciplines/methods supported by resources (funding, time and space).

Leadership, goals and strategy

1. Characteristic: Leadership that is clear about outcomes and has clear goals but is flexible about how to reach those goals.

Lead questions:

- How are those agency goals articulated – to staff/to stakeholders?
- Where and how does innovation (or the desire to seek new and better ways of doing things) fit into organisational strategies and how is that communicated across the organisation?

IR's current Business Transformation programme is designed to deliver on the goals set out in the strategic document, IR for the future, which was developed over several years, in consultation with staff but led directly by the then Commissioner. The current and relatively new Commissioner has taken up the baton and makes an explicit link between this strategy and innovation: *"Innovating to make a difference' is one of our core values and is one of the cornerstones in our strategic document IR for the Future".*⁵⁶

Staff interviewed for this case study all referred to the strategy and could articulate the key messages embodied in it including the need to "meet changing customer expectations by providing customer services that make compliance easier, faster and less costly".⁵⁷ They also referred to mandate and leadership from the top as being vital to a focus on, and shared language around, customers and citizen-focused service design. One noted: *"Outcomes are locked in but the process is not prescribed"*.

Other performance improvement initiatives such as a strong focus on continuous improvement (for example using Lean Six Sigma business management tools) are further indicators of this. *"IR have a very strong culture of improvement. Many of those are with the service design team but some of them are not. We have Sigma teams and a whole range of people outside the design shop who are involved in improving the processes and doing things differently. The lean people are all about process, it's about data and facts. The design folks are more about customer centric stuff, what the outcome is we are trying to achieve, whereas the lean guys are more about changing the processes...so it's about [cutting] waste"*.

Permission, experimentation and risk management

2 Characteristic: Encourages experimentation and bounded and informed risk-taking, while tolerating some failure as a learning experience.

Lead questions:

- How do they show that they are prepared to consider and trial new ideas and new ways of doing things?
- How do they communicate a tolerance for risk? What risk management strategies are in place? How is efficiency and effectiveness built in to decision-making – quick iterations/prototyping/"fail fast/fail cheap"? How is failure dealt with – is it seen as a learning opportunity?
- What incentives exist? How is innovation recognised and rewarded? To what extent are budgets and resource allocations linked to improvements in performance driven by innovation?

⁵⁶ Naomi Ferguson, 21 December 2012. Naomi Ferguson became Chief Executive and Commissioner of Inland Revenue in July 2012.

⁵⁷ Annual Report 2012, inland Revenue, p.13

Despite indications that staff are encouraged to find new and better ways of doing things, most interviewees referred to the organisation as risk-averse and appeared less than confident that experimentation and mistakes would be tolerated. It was suggested that there was a competing values framework in the organisation between managing risk and encouraging innovation, with controlling risk having precedence: *“Control of risk is the main diet of IR”*. One interviewee suggested that staff would draw their own conclusions if they were asked to be courageous, agile and innovative but then subject to other processes designed to eliminate risk: *“If you want to innovate you have to lose the risk-filter, let go, and trust. IR is always trying to have 100% certainty before we try anything. It asks people to take risks to come up with new things but then undermines the opportunity by a work programme that locks down agility”*.

The story in Christchurch was different. Following the earthquakes, managers in Christchurch were given enhanced decision-rights or as one described it: *“Luckily we didn’t have to ask anyone’s permission”*. With the loss of accommodation in Christchurch, about 120 IR staff were deployed to work for other organisations; others worked from home or in the community. Some staff worked with other government agencies (and private sector and NGO partners) to design earthquake related services. Having staff working in other organisations and/or remotely from home, raised security concerns including about how to protect sensitive information. The earthquakes necessitated the use of communication tools like using PCs remotely, Facebook and/or texts to communicate with staff, which it was argued, *“would have been vetoed”* [without the earthquakes]. IR is now evaluating the experience to see if there is merit in adjusting policies, such as those related to working from home, and applying them to business as usual.⁵⁸

The Commissioner explains the challenge of enabling innovation in a regulatory environment: *“One of our biggest challenges is how we develop such an innovative culture without compromising the integrity of the tax system. For me, ensuring that we protect the integrity of the tax system is paramount and we currently have strict secrecy and privacy legislative provisions to support this.”*⁵⁹

Service design people acknowledged that experimentation can be problematic in a regulatory environment. However, they argue that service design tools such as prototyping and user testing can offer a different approach to managing and mitigating risk. For example:

If you understand the customer needs then you are less likely to get things wrong Prototyping⁶⁰, usability testing, and adjusting after each iteration can help to design out bugs early before significant resources are committed.

In short, while the department was perceived as risk-averse by those interviewed the strong culture of improvement, in the service design team and elsewhere, indicates that there is scope for trying new things. A Commissioner’s Award for innovation shows there is also recognition of successful innovation by staff.

⁵⁸ The research is a joint project between IR, PSA and VUW.

⁵⁹ Naomi Ferguson, Chief Executive and Commissioner of Inland Revenue, 21 December 2012.

⁶⁰ Prototyping is the design technique of developing mock-ups on a small scale in the research phase of a project. It is distinct from piloting, where a larger-scale test version is rolled out over a longer period. The role of design in public services, Design Council Briefing no.2, 2008, www.designcouncil.org.uk

Customer focus, ideas generation and stakeholder engagement

3 Characteristic: Is customer focused, solicits ideas from and engages with diverse internal and external sources.

Lead questions:

- What channels are there for seeking ideas from inside and outside the organisation – including for scanning international exemplars, engagement with stakeholders/users?
- How are successful innovations re-used/adopted/adapted and shared within and outside the organisation?
- Is collaboration with other organisations part of the innovation equation?

There was a clear message from people interviewed for this case study that “*the customer is at the centre of the organisation*” and that IR is an organisation focused on meeting customer needs. The service design capability is a key part of achieving this. “*We are a customer-centric organisation. As a designer of IR my job is to be the voice of the customer and balance that up against the needs of the organisation and what it’s mandated to do...that’s an approach that’s used to manage and deliver change within the organisation*”. Service designers facilitate the process of bringing together stakeholders and subject matter experts to ensure that services capture those diverse needs and perspectives and are ultimately fit for purpose.

IR not only designs its services to meet customer needs and to improve the customer experience, it also has a strong commitment to seeking customer feedback (through various survey instruments) and building that into future service improvements. Inland Revenue was the first government agency in New Zealand to develop online customer forums.

In terms of ideas generation, the department appears to be open to input from various sources:

Internal: one interviewee expressed confidence in channels for suggesting ideas to senior management: “*I would have no issue with sharing an idea with management. I am not sure what the result would be but I have the feeling that they would listen.*”

External: ideas and models are sourced from other organisations and sectors (for example, NZ Post’s prototyping experience), and from customer feedback (as noted above).

IR also collaborates widely with other organisations. It operates as a good corporate citizen by sharing ideas and capability with other organisations, in Christchurch and elsewhere (for example, to assist DIA with designing BPS Result 10). It has 15 formal interagency MOUs.

IR sees this collaboration as helping to meet the Government’s expectations of delivering interagency capability. The Commissioner noted: “*I see balancing these types of exciting [collaboration] opportunities to provide truly customer-centric services with the absolute need to preserve the integrity of the tax system as being one of our key challenges for the future, but one that we’re ready to tackle head on.*”⁶¹

⁶¹ Naomi Ferguson, Chief Executive and Commissioner of Inland Revenue, 21 December 2012.

Capability - skills, experience and tools

4. Characteristic: Has capability, skills and experience in innovation disciplines/methods supported by resources (funding, time and space)
 - Do staff have access to and training in innovation disciplines, methods, tools and approaches?
 - Is there dedicated space and/or time for 'thinking' and developing new ideas/ways of doing things?
 - Is there a special part of the organisation dedicated to innovation (R&D, service design/design thinking)?

IR has a generally strong commitment to learning and development, with extensive courses, good on-line tools and significant resources attached to staff development.⁶²

A specific service design 101 course is part of this repository and has helped to embed a general understanding across the organisation of the importance of design (design thinking and specific service design). As noted earlier, other organisations have tapped into IR service design capability. Interviewees noted that the size and scale of the organisation as well as the commitment to staff development means that internal career paths, including in design, are possible.

Service design is not separated from other parts of the business. Rather, service designers work with business analysts to ensure that the needs of customers are married with the needs of the business: *"Designers should translate customer needs and enable a conversation to address problems and opportunities while meeting business needs"*. In addition, since the mid-2000s, processes were introduced whereby some senior jobs were based outside of Wellington but retained national responsibilities. Staff in the regions can be managed from Wellington and vice versa. For example, the service design team in Christchurch is managed from Wellington. This allows cross-fertilisation of ideas, and enables varied customer experience and insight to be shared across the organisation.

There is a recognised trade-off associated with having a specific space dedicated to innovation (with the risk of being side-lined) and disseminating the capability around the organisation (where synergies might be lost and the benefits of design dissipated). IR seems to have found a workable balance. In addition, the IR service design team based in Christchurch intends to co-locate with the staff in the Canterbury District Health Board (CDHB) carrying out a similar service design function. Despite some concerns in Head Office, the value of the move to the organisation has been presented as enhanced cross-fertilisation of ideas, the opportunity to share approaches, methods, tools and space for design work (creating opportunities to mock-up customer 'experiences') thereby building capability and skills in both organisations. The idea could have wider value to the public sector by acting as a prototype of a cross-government innovation hub.

Barriers and enablers

People interviewed for the case study were asked to indicate their top enablers and barriers to innovation.

The top enabler mentioned was senior management support for doing things differently, however this was said in the context of sometimes having to convince management that innovation was a good idea: *"work the crowd, by managing the stakeholders in the organisation to be allowed to do new things"*.

Change fatigue was seen as a barrier. One interviewee noted that it was difficult to get people to think about more change when they already feel overloaded by an overcommitted change

⁶² PIF Formal review of Inland Revenue, May 2011

portfolio. There was a perception that the commitment to innovation and service design capability had reached a plateau and was not continuing to develop.

Systemic barriers, related to the overall public management system and not specific to IR were also mentioned, in particular the difficulties with joint funding initiatives, and business case processes that require a level of specificity that does not enable the iteration and adjustments involved when prototyping or trialling design options .

Conclusions

IR stacks up fairly well against the characteristics cited in the literature as being critical to organisations that enable and support innovation. It has clearly articulated goals that appear to have permeated the organisation, a clear customer focus, well defined and recognised capability in an innovation method (service design) and a commitment to change. These practices and capabilities have been built up over time and show an ongoing commitment to performance improvement. This corroborates the PIF findings which show IR to be the only public service agency to score consistently well on indicators related to self-review and improvement which are associated with innovation and continuous improvement. However, IR is also perceived to be risk-averse which means that it may not be fully tapping its innovation potential.

While IR may not yet be an innovative organisation in all its dimensions, its service design and other change related capabilities mean that it does enable innovation activity: *“IR is not highly innovative but we have a design shop and we have done some quite cool things”*. The relatively new Chief Executive is committed to building this innovation capability: *“Although Service Design is one of our key capabilities in delivering innovative and customer centric services, we also want to ensure we have a culture of innovation embedded throughout all areas of the organisation.”*⁶³ This bodes well for the future.

⁶³ Naomi Ferguson, Chief Executive and Commissioner of Inland Revenue, 21 December 2012.

Chair
Cabinet State Sector Reform and Expenditure Control Committee

Demonstrating Better Public Services: Christchurch innovations

Proposal

- 1 This paper informs Ministers on progress and next steps for the Christchurch Innovations Project, now part of the Better Public Services Programme.

Executive summary

- 2 The Canterbury earthquakes provided a 'perfect storm' for innovation; the status quo was not an option. The Public Service in Christchurch responded to the earthquakes with innovative approaches to service delivery and design. Those innovations provide live demonstrations of Better Public Services (BPS).

Sustaining Christchurch innovations and applying the lessons to business elsewhere

- 3 We need to take full advantage of the lessons learned from the innovations in Canterbury (captured in the four case studies in Annex 1). This does not mean simply rolling out those initiatives to the rest of the State Services. Some could be directly replicable elsewhere, but in general their value lies in being demonstrations of new ways of working and methods that can inform and drive change elsewhere: a 'graft and grow' rather than a 'cookie cutter' strategy for up-scaling successful innovations. They demonstrate the value of:
 - Citizen/business-centric service design to eliminate multiple interactions with different agencies and ensure more effective service delivery
 - co-production with the private and community sectors, to tap into the best available capability (form and funding follows function)
 - co-location and collaboration between agencies as a foundation for joined-up services, to reduce agency silos and to enable efficiencies through shared infrastructure
 - the use of information sharing and technology to drive better services (better outcomes the driver; efficiency the by-product)

Christchurch as an innovation zone and harbinger for Better Public Services

- 4 The need to build new infrastructure in Christchurch offers a unique opportunity to redesign government services and to test innovative models of service delivery. Key opportunities include:
 - the renewal of the education network across greater Christchurch, building on arrangements trialled following the earthquakes (e.g. shared campuses, use of portacoms, shared facilities with community services)
 - renewing accommodation arrangements for government services in Christchurch that are both more efficient and galvanise cross-agency collaboration. This is also an opportunity to test the value of BPS functional leadership. Specific case studies include:
 - office accommodation for regional management and corporate support functions as an 'anchor project' in the rebuild of the CBD

- building a long-term integrated service delivery network in Christchurch, and prototyping options for service transformation and BPS Result 10 in the interim (e.g. Shared front of house pilot)
 - A Public Safety Hub as a shared campus for justice sector and emergency services in the CBD.
- 5 Agencies and groups of agencies responsible for these initiatives are requested in this paper to report back to the State Services Commission (SSC) by 31 October. SSC will prepare a consolidated report to Cabinet on sustaining Christchurch innovations by 30 November 2012. This will also include examples of where Christchurch innovations have informed BPS result action plans or where approaches to delivering results have been prototyped in Christchurch. Some early examples of this are included in this paper.
- 6 In addition, central agencies are preparing advice on the development of the Christchurch rebuild as a 'result area' which would include clear leadership, a governance regime, and capability to ensure optimal co-ordination of and support for initiatives to rebuild Christchurch as a potential model of 21st century State Services.

Building on Christchurch innovations to embed innovation capability across the State Services

- 7 Christchurch offers lessons about what enables innovation to flourish. This includes:
- Top-down sponsorship enables bottom-up innovation. Engagement of front-line staff is crucial. Christchurch public servants were given permission to “do whatever it takes”; they showed initiative and agility in their responses.
 - Capability in innovation tools and methods is essential for designing new solutions to presenting problems. A number of the Christchurch initiatives were enabled by pre-existing innovation capability, in particular in Inland Revenue’s (IR) service design team.
- 8 Christchurch was about ‘disruptive innovation’ or ‘innovation by necessity’. The challenge now is to create a seismic shift in innovation activity across the State Services without the context of a crisis. This means creating the systemic incentives to innovation (demand, mandate, expectations) and capability (guidance, methodologies). The Christchurch innovations project forms part of BPS work to embed innovation across the State Services. The attached A3 outlines the trajectory of that work; from ‘innovation by necessity’ to ‘innovation by design’.
- 9 The project sits at the interface of two of the Government’s four priorities: rebuilding Christchurch and Better Public Services, and responds to the Prime Minister’s call for “*A public sector that embraces innovation*”¹.

Background

- 10 On 14 November 2011 Cabinet considered a paper ‘Capturing Innovations from the Canterbury Experience to Improve Public Service for New Zealanders’. Cabinet directed central agencies to report back to the appropriate Cabinet Committee with advice on how Public Service Canterbury innovations have been integrated into business as usual and applied more broadly to date [CAB Min (11) 41/12 refers].

¹ Prime Minister’s speech in launching the BPS report and 10 BPS Results. 15 March 2012.

Project partners and governance

- 11 SSC leads this project in partnership with the Canterbury Earthquake Recovery Authority (CERA) and the Christchurch Government Leaders Group (CGLG). A Governance Group, chaired by SSC with representation from DPMC, Treasury, CERA and CGLG, is overseeing the project and approved the case studies. SSC has also convened a reference group of chief executives from agencies responsible for the innovations documented in the case studies, from: CERA, CDHB, Department of Internal Affairs (DIA), Inland Revenue (IR), Ministry of Education, Ministry of Justice (MoJ), Ministry of Social Development (MSD).

Project overview and trajectory

- 12 The project is now an integral part of the BPS Programme. The trajectory of the project is presented in the attached A3, "From innovation by necessity to innovation by design":
 - Sustaining the existing innovations (four case studies in annex 1), drawing the lessons from them and applying them, where appropriate, to business elsewhere
 - Christchurch as an innovation zone, applying deliberate and co-ordinated capability to help drive the Christchurch rebuild, and to prototype models of service delivery and design for the rest of the country as demonstrations of Better Public Services
 - Drawing lessons from Christchurch to help build innovation capability across the State Services.

Sustaining existing Christchurch innovations – applying the lessons elsewhere

- 13 The Christchurch innovations project began with four case studies demonstrating examples of innovative public service delivery and/or design emerging in response to the earthquakes. The organisations involved in the initiative, the value added by the initiative, what the innovation demonstrates in terms of better public services, its potential scalability, and next steps for the initiative appear in annex 1. They are:
 - **CDHB's shared care record view (eSCRIV)**, an on-line cloud-based system for sharing patient information between health professionals
 - **Recover Canterbury**, a joint private/public hub supporting earthquake-affected businesses with advice, mentoring, referrals (to government as well as professional services) and grants
 - **Justice Services Recovery** including centralised scheduling and the use of alternative facilities that enabled the maintenance of court proceedings despite significant damage to infrastructure
 - **Earthquake Support Co-ordination Service (ESCS)**, co-production between government agencies and NGOs to provide support for families and households following the earthquakes.
- 14 The cross-cutting themes emerging from the Christchurch innovations offer lessons for the future design and delivery of public services in New Zealand.

Citizen/business-centric service design – designing services around the user

- 15 Citizen-centric service design, building services around people's needs, was a constant theme running through the case studies. Both Recover Canterbury and the Earthquake Co-ordination Support Service used a tailored support model with clients being assessed on need and being offered varying levels of support, from 'light touch' to full wrap-around services based on that assessment; a triage approach to service provision. Both examples provided a co-ordinated service with multiple access points; there was

'no wrong door'. The sustainability of these models and the cost and benefits in different policy contexts will need to be evaluated over time. They provide live demonstrations of channel strategies for providing services and information (on-line, telephone, in-person etc.).

- 16 Building services around citizen needs was a key theme of the BPS Advisory Group report and is one of the Guiding Principles of the Service Transformation Programme. This includes providing a simplified service experience for clients and reducing the need for multiple interactions with different agencies. The Christchurch experience will help inform the development of options for BPS Results 9 and 10 aimed at improving government interactions with New Zealanders.

Co-production – makes the most of available capability

- 17 The BPS Advisory Report argued that citizen/business participation is a powerful driver for delivering better services and value for money and that more use could be made of best-sourcing to drive improved performance in New Zealand state services. Christchurch provides practical examples of the value of co-production.
- 18 CDHB's eShared Care Record was the product of multiple stakeholders, public and private, coming together to design and agree on a mutually beneficial system (funded by CDHB). Recover Canterbury and the Earthquake support co-ordination Service are further examples of co-production and tapping the best expertise available, whether public, private or community based, with funding and form following the desired function.
- 19 The Earthquake Support Co-ordination Service demonstrated a new approach to contracting with NGOs, involving providing funding to backfill the roles of staff seconded into the ESCS rather than the standard 'contract-for-service' approach.

Co-location – the foundation for joined up services

- 20 Co-location and secondments to other agencies changed how public servants thought about their work and their operating environment. In Christchurch staff gained valuable insights from the opportunity to see how other agencies operate and for those staff working in Recover Canterbury and the Earthquake Support Co-ordination Service, a better understanding of the business and community sectors respectively. For example, interviews conducted with IR and Work and Income staff² revealed that they now see 'joined up government service' as the way of the future. Despite differences in organisational culture and functions, they recognised similarities in customers and types of services and the potential to realise efficiencies by sharing information and facilities while providing clients with the "best possible assistance available". The Christchurch experience confirms the value of co-location in front-facing services and provides a practical example of how common results have the power to break down agency silos.

Information sharing and use of technology drives better services and improves efficiency

- 21 The Christchurch innovations show multiple examples of information sharing and the use of technology to drive better services, with improved outcomes the driver and efficiency the by-product.
 - Faster treatment, less duplication of diagnostic procedures and reduced acute admissions are some of the efficiencies facilitated by shared access to patient records, without the associated cost of having to design a central data base or replace existing IT systems in CDHB's eSCRV. The eSCRV cost approximately \$1M with ongoing administrative costs expected to be marginal. Sharing is enabled using cloud technology and has the potential to be used nation-wide.

² Inland Revenue and Ministry of Social Development Staff views of Joined up Government Service in Christchurch, Inland Revenue/Communications and Inquiry National Research Unit, November 2011.

- The Earthquake Support Co-ordination Service shared client information (with a consent process)³ between government agencies and with the community partners involved. Recover Canterbury similarly involved sharing information across agencies. This facilitated faster and better referrals and better services to clients.
 - Centralised venue location, a centralised inbound calling function, and text messaging were used to enable essential Court services to be maintained following the earthquakes; the initiatives provided a practical application of work underway in the Ministry and are being fed into future Justice sector planning.
- 22 We need to maintain the enabling environment in Christchurch to support and to monitor the current and emerging initiatives over time. This is crucial for testing the sustainability of those innovations and future iterations and for assessing their ongoing value including in other contexts. Some might be appropriate to an emergency situation and the transition phase but have diminishing returns under business as usual. Moreover, agencies such as IR deployed staff and resources into the emergency response in Christchurch which would need to be redeployed under business as usual. In order to reap the full benefits of the innovations, relevant agencies need to monitor and evaluate the initiatives, including with cost-benefit analysis, and assess how they can be applied to their business elsewhere. It is proposed that agencies report on progress achieved by October 31 this year. The SSC will coordinate agency report backs on the current and emerging innovations into a single, consolidated report on sustaining innovation in Christchurch government services by 30 November 2012.

Christchurch as an innovation zone and a harbinger for Better Public Services

- 23 The need to build new infrastructure in Christchurch offers a once-in-a-lifetime opportunity to redesign government services and to test innovative models of service delivery. This should build on the lessons learned post-earthquakes, for example to maximise the opportunities for co-location and to design services around user needs. Several big opportunities stand out.

Rebuilding Education facilities in greater Christchurch – Education Renewal Recovery Programme

- 24 The rebuild of education facilities in greater Christchurch offers a unique opportunity to test new approaches to governance, provision of school facilities, and property (shared infrastructure/facilities with other community services) building on some of the interim arrangements introduced following the earthquakes (split shifts, shared campuses, use of portacoms for early childhood education).
- 25 The focus for renewing the education network will be on strengthening the delivery of education and on student achievement as opposed to property driven solutions. The Minister of Education anticipates innovative options that will include:
- community solutions such as a community based social welfare and education hub for Early Childhood Education through to secondary education provision
 - shared facilities with both Council and tertiary institutions and between primary and secondary education
 - options that will provide better support for learners to transition between primary and secondary education and on into other forms of tertiary education.

³ Sharing of personal information is allowed in emergency situations under the Privacy Act. The Privacy Commissioner communicated the Christchurch Earthquake (Information Sharing) Code 2011 (Temporary) to clarify the conditions under which personal information could be shared. The Privacy Commissioner has since commissioned research into the use of the Code: <http://privacy.org.nz/christchurch-earthquake-information-sharing-code-2011-temporary/> (accessed 25 May 2012), the results of which will feed into the development of a new code of practice applicable to any national emergency.

- 26 On 10 May 2012, the Minister of Education launched a consultation document, "Directions for Education Renewal in Greater Christchurch", focused on strengthening the future delivery of education for Christchurch learners and on improving student achievement. A request for comments closed on 31 May 2012 and will inform key decisions scheduled for August 2012.
- 27 *[Withheld under s9(2)(f)(iv) of the Official Information Act].*

Office accommodation for government services in Christchurch - trialling Functional Leadership

- 28 Government agencies' need for new accommodation in Christchurch provides the opportunity to develop innovative accommodation arrangements that are both more efficient and galvanise cross-agency work seeded during co-location following the earthquakes. This work is being lead by the Property Management Centre of Expertise (PMCoE) in MSD with support from IR secondments. There are two key phases of work: securing Government office accommodation for regional management and corporate support functions as an anchor project in the CBD rebuild and a longer-term service delivery network (in-person public interface sites). The intention is to take maximum advantage of the opportunity to prototype service delivery designs in the interim phase leading to a sustainable longer-term integrated service delivery network in Christchurch.
- 29 There is currently an opportunity and a necessity in Christchurch to exercise strong and coordinated functional leadership in relation to the rebuild of government services. The State Services Commissioner has already tasked the chief executive of MSD, as the functional lead for property, with providing the specification for government office accommodation to be included in the Christchurch CBD blueprint. Chief executives of public service and non-public service departments are required to consult the chief executive of MSD in the early phases of accommodation planning and to gain his approval, prior to contractual commitment, of all government office accommodation decisions in Christchurch.
- 30 The BPS programme has prepared advice for Cabinet on strengthening functional leadership in the areas of property, ICT and procurement. This paper is proceeding concurrently with a paper on 'Accelerating Functional Leadership for Better Public Services' which seeks agreement for a specific mandate for the chief executive of MSD to sign off on all departmental property decisions in Christchurch. These papers are consistent with one another and are intended to be mutually reinforcing. Christchurch provides an opportunity to operationalise and test the value of functional leadership.

Shared front of house – prototyping service transformation

- 31 Decisions about government's overall property strategy provides a limited window to implement some different approaches to face to face service delivery in Christchurch. Evidence from existing initiatives in Christchurch, from the national rollout of Community Link centres, and from similar front of house consolidation in other jurisdictions, confirms that integrated government service delivery has benefits for citizens as well as for agencies. These models put citizens at the forefront; services are designed around meeting their needs efficiently and effectively. Moving from an agency centred service delivery approach to a citizen centred one requires consideration of issues such as the alignment of technology, work practices, business processes and employment agreements. There is a significant opportunity in Christchurch to experiment with different delivery models and to trial a number of short term options in the interim phase, before longer term accommodation options are fixed.

- 32 MSD, IR and DIA are working (with other agencies) to identify options, both interim and longer term, for a shared front of house capability aligned to wider government property decisions. Options will be developed iteratively, starting from relatively low levels of integration, such as sharing physical premises, and thereafter increasingly integrating work processes and supporting technology. This will necessitate integrated service design from the outset, providing opportunities for the approach to be prototyped and subsequently developed for all of government application. A report with options is anticipated for the relevant Ministers' consideration in late August 2012.

Public Safety Hub (Justice Sector and Emergency Services) – opportunities for co-location

- 33 Police, NZSIS and DIA Fire Service, as well as Ambulance and local government Civil Defence and Emergency Management are working together on a proposal to co-locate and to integrate some areas of service delivery into a shared campus in the CBD. The proposal draws on overseas models. It involves a re-think of infrastructure and property arrangements and an analysis of the synergies between agencies. As part of the anchor project within the CCDU blueprint, synergies between the Justice Sector and Emergency Services will be sought through shared custodial services, shared office accommodation, shared emergency operations centres and a suite of shared facilities (e.g. parking, ICT, training and meeting rooms). Use of a multi-agency emergency operations centre and enhancement of emergency management capabilities including training, skills development and processes for anticipating responses to a range of events will also be shared.
- 34 Drawing on arrangements following the earthquakes several other examples of co-location in this sector are already operational or being explored:
- Ambulance services are being accommodated at the New Brighton Police Station
 - Police, Fire Service, and Ambulance services are progressing the concept of a joint facility at Lyttleton (on the existing Fire Service site and neighbouring property)
 - Police and the Fire Service are exploring a joint facility in Akaroa
 - Police are building a temporary facility to replace the stressed Christchurch Central Police Station. This temporary facility will continue to house the joint Police/Fire Communications Centre and provide accommodation for the NZSIS and Corrections (Probation).
- 35 Improved partnerships between Justice sector services can enhance the client journey across the sector, especially by extension to NGO and social and mental health services. The Sector Recovery Project includes an indicative business case which will include options for the Youth Court to locate separately from the adult justice system and alongside social services. Co-location of justice agencies and community based organisations will also be explored, building on agencies' shared experience at Ngā Hau e Whā marae following the earthquakes.

Strengthening overall leadership – a co-ordinated approach to rebuilding and redesign

- 36 Taken together, these projects (alongside the rebuild of CDHB facilities) represent significant capital investment and a key part of the Christchurch rebuild. A deliberate and co-ordinated approach to the rebuild and redesign process is required. Responsibilities for functional leadership have been allocated for securing accommodation for government services. The Canterbury Government Leaders Group has built the foundations for cross-agency co-ordination. We propose to strengthen this leadership including stronger links to Wellington. Central agencies are preparing advice on developing the Christchurch rebuild as a 'result area' with clear leadership,

governance regime and capability to ensure optimal co-ordination of and support for initiatives to rebuild Christchurch as a potential model of 21st century state services.

Delivering BPS Results - testing approaches in Christchurch

- 37 The willingness to try new things in Christchurch means that there is scope to test new approaches to service provision, including to deliver BPS Results. Christchurch can serve as an innovation zone for Better Public Services where new models of service delivery and design can be tested, prototypes developed and debugged, and the scalability to the state services overall assessed.
- 38 Christchurch is referred to in Result Action Plan (RAP) for the Result 10 Service Transformation pilot. The proposed Action Plan for Result 9 includes consideration of piloting shared suburban 'shop fronts' for non-electronic interactions with business, as well as drawing from the Recover Canterbury website experience to build more integrated online services to business. The three Justice sector agencies are building on the Christchurch innovations to inform options for a possible integrated service delivery model across the three agencies, which would draw in social and health sector organisations as appropriate, in support of BPS Results 7 and 8 on reducing crime. This work is assessing opportunities for service delivery within wider community contexts that would also support those Results. Further opportunities to link BPS Results with relevant Christchurch innovations are being sought as the BPS RAPs develop.

Embedding innovation across the state services - from 'innovation by necessity' to 'innovation by design'

- 39 Most of the Christchurch initiatives were 'innovation by necessity'; the status quo was not an option. Christchurch public servants innovated and continue to operate under difficult and uncomfortable circumstances. Christchurch can however, offer lessons about what enables innovation to flourish.

Leadership and permission are crucial enablers of innovation

- 40 People on the ground in Christchurch could innovate because they had explicit permission from senior leadership to "do whatever it takes". The tolerance for risk taking was higher because the risk of not trying something new was greater, although this was not uniform across agencies (some regional staff had stronger decision rights than others; inconsistent regional boundaries had a further impact on the ability to act without referring to head office).
- 41 Permission and clear goals articulated by senior leadership are key enablers of innovation; top-down sponsorship enables bottom-up innovation. A study of high-performing innovative public and private sector organisations and sectors⁴ concluded that a key characteristic of those organisations is having leadership that is passionate about goals, but is permissive about how to reach those goals. Innovation is not just a question of unleashing creativity or coming up with bright ideas. Innovation 'by design' requires investment in capability, a focus on users, expertise in the use of innovation methods, as well as strong mandates to experiment and to take bounded, informed and well-managed risks. It requires engagement with staff at the front-line where new ideas often generate.

Capability in innovation tools and methods is essential for making it happen

- 42 A number of the Christchurch initiatives were enabled by pre-existing innovation capability and experience in applying innovation tools, methods and disciplines to presenting problems. The IR service design team based in Christchurch was

⁴ David Albury, Director of the Innovation Unit, United Kingdom, "Creating the conditions for radical public service innovation", Australian Journal of Public Administration, Vol 70, no. 3, 2011, pp227-235.

instrumental in several of the innovations (in particular Recover Canterbury and the precursor and proposals for the Shared front of house). IR has developed a service design capability over the past seven years. Service design as a method, has a strong focus on the customer and their experience as the starting point for designing services, and is a recognised method for driving innovation in the public sector.

- 43 Similarly, the CDHB has established a reputation for investing in innovation. Its overall shared vision was developed through a series of participatory workshops and the showcasing of innovative ideas and models of care, involving over 2000 stakeholders, providers, consumers and health professionals. The earthquakes expedited the implementation of the shared care record but the foundations were pre-existing.
- 44 IR and CDHB are exploring the potential to co-locate their service design functions in Christchurch in order to share skills and knowledge. This could provide a prototype to inform the development of some future cross-agency innovation capability at the national level about which some initial cross-agency (SSC, Treasury, DIA) discussions have already been had.
- 45 While there are pockets of innovation across the state services in New Zealand, in general there is a relative dearth of capability and experience in utilising innovation tools and collaborative methods. SSC intends to conduct further case studies on organisational capability for innovation testing the exemplars of IR and CDHB against international research on high-performing innovative organisations and sectors. This forms part of the BPS innovations work stream.
- 46 The challenge now is to take the lessons from Christchurch to drive BPS work to embed innovation into a business as usual context; to create a seismic shift in behaviour without the context of a crisis. This could be enabled by the creation of an 'innovation infrastructure' for the state services, including systemic incentives (demand, mandate, expectations) and support (guidance, funding, methodologies) to move from 'random innovation' (the pockets of innovation we have now) or 'innovation by necessity' (responding to crises such as the Canterbury earthquakes) to a new state of 'innovation by design'.

Disseminating innovations – mechanisms for 'scaling up' and 'scaling out'

- 47 The Christchurch innovations provide demonstrations of new ways of working and methods that can inform and drive change elsewhere: a 'graft and grow' rather than a 'cookie cutter' strategy for up-scaling successful innovations. Innovations applied elsewhere need to be built to fit local conditions, but they can draw on the lessons from Christchurch.
- 48 Publicising the innovations is a means to encourage up-take and adaptation, both within (scaling-up) and between agencies (scaling out). The case studies demonstrate what is possible in a State sector context; they will be promoted through various means and forums. The first of these was the presentation of the Christchurch Innovations to Ministers and senior public servants – Seismic Shifts – held on 12 June.
- 49 The Leadership Development Centre (LDC) is planning a series of clinics for LDC members based on the Christchurch innovation case studies to give senior public servants a more in-depth look at how the lessons learned from those initiatives can be translated into business elsewhere. An LDC clinic specifically for Christchurch managers is also planned. The clinics will take place in the second half of 2012.

Communications

- 50 A communications strategy has been developed to publicise the Christchurch stories more widely and to promote the value of innovation as a driver of Better Public Services. Written versions of the case studies will appear on the SSC/BPS website from 30 July 2012. We also seek Cabinet agreement to make this paper available on the SSC/BPS

website. Other material is being produced, including video footage of Canterbury public servants and their private and community sector partners and clients, telling their own innovation stories that can be tailored to various audiences. Forthcoming opportunities to tell the Christchurch stories include an IPANZ seminar and the LDC clinics referred to above. Other opportunities will be sought to present Christchurch innovations as demonstrations of BPS through the BPS communications strategy.

Consultation

51 Greater Christchurch Innovations Governance Group, the Canterbury Government Leaders Governance Group, CERA, MSD, IR, DIA, MOH, MED, TPK, Ministry of Education, the Police, CDHB, and Treasury have been consulted on this paper. DPMC has been informed. The views of some recipients of the services referred to in the case studies were canvassed. The PSA has also been consulted.

Financial implications

52 There are no financial implications in this paper.

Human rights implications

53 There are no human rights implications in this paper.

Legislative implications

54 There are no legislative implications in this paper.

Regulatory impact analysis

55 There are no regulatory implications in this paper.

Publicity

56 As noted above, the Christchurch innovations case studies will be publicised via SSC/BPS website and opportunities will be sought to include the Christchurch stories in various speaking engagements.

Recommendations

57 It is recommended that the Committee:

- 1 **note** that the public service responses to the Canterbury earthquakes resulted in innovative approaches to public service design and delivery.
- 2 **note** that the Cabinet directed central agencies to report back to the appropriate Cabinet Committee with advice on how Public Service Canterbury innovations have been integrated into business as usual and applied more broadly to date [CAB Min (11) 41/12 refers].
- 3 **note** that four key Christchurch innovations have been documented as case studies by the State Services Commission, and are summarised in appendix 1:
 - Shared Care Record View
 - Recover Canterbury
 - Earthquake Support Coordination Service
 - Justice Services Recovery

Sustaining existing innovations, and applying them to business elsewhere

- 4 **direct** the following agencies to report to SSC by 31 October 2012 on how the case study innovation has been sustained in Canterbury, what they have applied from the case study to their business elsewhere, how the initiative has been evaluated, and any next steps:
- The Ministry of Health, in consultation with CDHB, in relation to the electronic shared care record view
 - IR, in consultation with MED, MSD and NZTE in relation to Recover Canterbury
 - MOJ in relation to the Justice Services Recovery case study
 - MSD, in consultation with CERA, IR, and TPK in relation to the Earthquake support coordination service.

Maintaining momentum and support for new innovations

- 5 **Direct** the following agencies to report back to SSC by 31 October 2012 on progress with the new initiatives identified as innovation case studies in this paper:
- DIA, in consultation with MSD and IR, in relation to the Shared Front of House initiative
 - Police, in consultation with the Ministry of Civil Defence and Emergency Management and the New Zealand Fire Service, in relation to the Public Safety Hub
 - The Ministry of Education, in relation to the education renewal recovery programme
 - MSD, in consultation with DIA and MED on progress with the re-establishment of government office accommodation.
- 6 **Agree** that the report-backs will be co-ordinated by SSC and provided in a single, consolidated report to Cabinet on sustaining innovation in Christchurch government services by 30 November 2012.

Strengthening leadership for the rebuild of Government services in Christchurch

- 7 **Note** that the State Services Commissioner has tasked the chief executive of MSD, as the functional lead for property, with leading government office accommodation decisions in Christchurch, and has asked all chief executives of public service and non-public service departments to gain his approval, prior to contractual commitment, of all government office accommodation decisions in Christchurch.
- 8 **Note** that a paper 'Accelerating Functional Leadership for Better Public Services', being considered concurrently with this paper, provides advice for Cabinet on strengthening functional leadership in the areas of property, ICT and procurement and includes a specific mandate for the chief executive of MSD to sign off on all departmental property decisions in Christchurch. The proposals in both papers are consistent with one another and are intended to be mutually reinforcing.
- 9 **Note** that central agencies are preparing further advice on developing the Christchurch rebuild as a 'result area' with clear leadership, governance regime and capability to ensure optimal co-ordination of and support for initiatives to rebuild Christchurch as a potential model of 21st century State Services.

Developing innovation capability across the State Services

- 10 **note** that the SSC will conduct a further case study focusing on the development of organisational capability for innovation, using exemplars from the Christchurch innovations (IR and CDHB).
- 11 **note** that Christchurch offers further opportunities to prototype changes envisaged in the Better Public Services programme including BPS Results and is an integral part of ongoing BPS work to embed innovation methods and capability into the State Services generally.

Communications

- 12 **Note** that the Christchurch innovations case studies will be publicised through the SSC and BPS websites from 30 July and that opportunities will be sought for telling the Christchurch stories more widely.
- 13 **Agree** to the release of this report on the SSC/BPS website.

Hon Bill English
Deputy Prime Minister

____/____/____

Hon Dr Jonathan Coleman
Minister of State Services

____/____/____

Annex 1. Case studies

Shared care record view (eSCRV)

Who and what
<p>CDHB (Lead), Pegasus Health, Canterbury Community Pharmacy Group, Nurse Maude, and Orion Health</p> <p>The Shared Care Record View (eSCRV) is a secure on-line system for sharing patient information between the health professionals (hospitals, pharmacies, GPs, laboratories and nursing services) above. Progressive roll out to all Canterbury health providers by year end.</p>
Value added
<ul style="list-style-type: none"> • Faster treatment, shorter waiting times • Reduction in acute admissions • Avoids duplication of procedures (e.g. x-rays) • reduces vulnerability to a disaster (paperless records) • information sharing allows for more integrated approach to case management in future
Demonstrating
<ul style="list-style-type: none"> • Public/private partnership – strategic partnership between CDHB & private providers (Orion Health developed the technology to allow access to other related health information systems through secure portal/cloud technology) • Information sharing – all partners have mutual access to patient information • Co-production – developed collaboratively by various stakeholders • Better services through use of technology (cloud technology meant no changes to individual business processes or software required) • Value of innovation capability – product of application of innovation method (service design) and customer-centric approach in overall CDHB service strategy. Other innovations, e.g Health Pathways, are also being adopted across whole of South Island and parts of Australia
Scalability
<ul style="list-style-type: none"> • Directly applicable to other DHBs (interest signalled from South Island DHBs) and overseas health authorities (Australia). Could be rolled out across the country to integrate delivery and provide timely and effective care regardless of where a patient presents • Information sharing model relevant to Result 10
Next steps
<ul style="list-style-type: none"> • MoH have noted that the approach by CDHB to create a patient centred single health system based on clinical integration across the continuum of care is relevant for all other districts. The eSCRV experience has value for IT investments in health and the attempts to find a mechanism to enable the sharing of primary healthcare with the rest of the sector • Report back on progress to SSC by 31 October 2012

Recover Canterbury (RC)

Who and what
<p>Canterbury Development Corporation and Canterbury Employers' Chamber of Commerce, IR (Lead), MED, NZTE, MSD, DOL</p> <p>Recover Canterbury is a hub supporting earthquake-affected businesses with advice, mentoring, referrals to government, as well as legal, financial, professional services, and grants. Includes call-centre and website. Team of Business Recovery Coordinators (BRCs) works with clients to develop a personalised action plan for recovery with milestones to measure progress.</p>
Value added
<ul style="list-style-type: none">• Integrated service providing seamless support for businesses affected by the earthquakes and access to government & commercial expertise in one-stop-shop• Improved engagement between business and government - improved understanding by government staff of business needs/methods and of business of government functions and services• Good results - potential business failure reduced (also relates to employment support subsidy) , business feedback positive (some businesses now 'giving back')
Demonstrating
<ul style="list-style-type: none">• Co-production – public/private collaboration• One-stop shop/Co-location - highlights synergies in services and improved customer insights/service• Customer-centric service design and delivery. One "toolkit" of public and private support/information available to business• Role of innovation capability – IR service design team involved in development• Information sharing – use of IR information made accessible to other government RC partners. IR compliance improved• Focus on outcomes - building better businesses not re-creating the past
Scalability
<ul style="list-style-type: none">• Potential – model could be used in other contexts where significant threat to business or high rates of business failure but would need to be built for purpose. Potential use in business as usual for business start-ups.• Lessons learned from one-stop-shop/customer centric design and "toolkit" can be applied to BPS Result 9
Next steps
<ul style="list-style-type: none">• The proposed Action Plan for Result 9 (MED lead) includes consideration of piloting shared suburban 'shop fronts' for non-electronic interactions with business, as well as drawing from the Recover Canterbury website experience to build more integrated online services to business• Ongoing funding for RC until mid-2013 Report back to SSC on progress by 31 October 2012

Justice Services Recovery

Who and what
<p>Ministry of Justice (Lead), Police, Corrections, the Judiciary, lawyers</p> <p>To maintain justice services centralised scheduling of facilities was implemented across multiple jurisdictions. Temporary facilities (including on Ngā Hau e Whā marae, moot court at Canterbury University, Wigram Air Force Museum. Portacomms used at central city location with a focus on High Court and District Court jury trials. 0800 call centre diverted Christchurch court service related calls to Auckland.</p>
Value added
<ul style="list-style-type: none">• Essential services maintained avoiding backlog of court cases. Caseloads have been maintained at levels comparable to pre-earthquake• Efficiencies through centralised scheduling. Better use infrastructure: courtrooms used at 80-90% immediately following earthquakes. Previous occupancy 50- 60%. Court services maintained with 2/3 floor-space compared to pre-earthquake. BUT: staff working under less than optimal conditions. Travel time and other logistical difficulties for staff, judges, Police, jury members• Better compliance: attendance at court, fine payments enabled by texting (Corrections 'data squirting extended to MoJ)• Enabled Ministry of Justice to test alternative service delivery mechanisms; shared infrastructure, non-custodial District, Youth and other court services closer to user communities. Collaboration with MSD at marae-based court refers youth offenders to Community Link employment, housing and health services
Demonstrating
<ul style="list-style-type: none">• Shared infrastructure• Efficiencies through better use of technology: centralised scheduling, some use of non-paper based files, 0800 call centre, texting information to defendants• More client- centric services: access to court services closer to user communities• Agencies working together (Police, MoJ, Corrections) with other stakeholders (lawyers, the judiciary) to maintain essential services
Scalability
<ul style="list-style-type: none">• Potential replication in other regions of centralised scheduling for more efficient use of infrastructure 0800 call centre trial being evaluated by MoJ for potential wider use• Potential for court hearings to be held closer to communities, but sustainability and longer-term results need to be evaluated: initial benefits in terms of improved defendant behaviour may be diminishing as novelty wears off• Cross-agency (Corrections, Police, MoJ) project team collaborating on future plans for better outcomes at reduced capital costs and improved operational efficiency
Next steps
<ul style="list-style-type: none">• Ministry of Justice (Lead) assessing how innovations can be captured in joint justice sector planning to meet future needs in Canterbury and elsewhere, including analysis of a possible integrated service delivery model across the three justice sector agencies, drawing in social and health sector organisations, as appropriate, in support of BPS Results 7 and 8. This work is also assessing opportunities for service delivery within wider community contexts• Report back to SSC on progress by 31 October 2012

Earthquake Support Co-ordination Service (ESCS)

Who and what
<p>MSD (Lead), IR, TPK, CERA with local government, community organisations (social service, health, Māori and Pacific)</p> <p>A support system for households and families affected by the earthquakes. Includes 0800 line and website, team of NGO and government support co-ordinators and Canterbury Earthquake Temporary Accommodation Service (CETAS). Highly skilled Earthquake Support Co-ordinators triage and refer clients to appropriate services</p>
Value added
<ul style="list-style-type: none"> • Multiple entry points (phone, web, shop-front) ‘no wrong door’ • Tailored support – light touch to intensive support depending on triaged need. Culturally specific element • Multiple providers allow for better quality service and flexible capacity • Government staff and community groups improved mutual understanding and respect
Demonstrating
<ul style="list-style-type: none"> • Co-production – government and community groups. Integrated single service provided by virtual team multiple public/NGO agencies (all employed by and based in “home” agency) • New funding model for community groups: more joined-up funding streams and flexibility to scale up or down (not based on specified contract for service with an NGO but funding to backfill staff allocated to ESCS) • Better services and efficiencies through use of technology – single database means clients only “tell it once”
Scalability
<ul style="list-style-type: none"> • Is the product of programme piloted following the September quake and based on lessons from Victorian Bushfires (FACs developed proposal from that). Applicable to other emergency situations and planning for future emergencies. Could be adapted to ‘social emergencies’ e.g. where high levels of family violence, child abuse occur in a geographical environment • Relationships and funding of community expertise show potential for future co-production/tapping diverse capability/new funding models
Next steps
<ul style="list-style-type: none"> • MSD (Lead) is working with the University of Canterbury to evaluate the ESCS, which will inform recommendations for practice development, quality control mechanisms, and training needs. To be completed by 30 June 2013. A framework for practice is also being prepared related to building community resilience, and will involve NGOs, ESCS and CERA. To be completed by 30 October 2012 • On-going funding secured: \$3.6 M (2011/12), \$3.5M (2012/13) • Report back to SSC on overall progress by October 31 2012

From “innovation by necessity” to “innovation by design”

