

York – A City of Innovation, Securing Our Future

Introduction and context

We're said to be currently living in the Urban Millennium, with the world reaching a tipping point of more urban than rural inhabitants. This raises some important questions, not least of how we choose to live together.

At a time when cities face declining democratic legitimacy, tight budgets and ever more complex problems, innovation is necessary to create a council and city that are fit to survive in the future that awaits us. More importantly, it allows us to actively shape that future, not just be passengers.

Private sector companies have long understood the value of innovation in remaining competitive and viable. Obvious household names such as Google, Apple, Amazon etc. have achieved their prominent market positions through product and service innovation, and have demonstrated that this culture is key to their success. In the case of the likes of Proctor and Gamble, Philips and Lego, "Open Innovation" in particular has transformed their approach by fostering a culture of collaboration and thus ensured their continued success.

Proctor and Gamble for example now have well over 50% of their new initiatives coming from collaborations with those outside the company and they are seeking to increase this further by 2015. LEGO brought themselves back to success from near bankruptcy in 2003, largely due to adopting an open innovation approach where they worked with customers to design and develop new product lines. These are just two examples of what is now established and accepted practice amongst businesses.

National governments have also come to realise the need for innovation in creating transformative change, rather than just incremental improvement. As far back as the turn of the century, the National Audit Office was looking at lessons for government from private sector innovation methods.

Initiatives such as Social Impact Bonds, the Centre for Social Action, Open Data policies and the ever growing initiatives from the Technology Strategy Board are just a few of the literally hundreds of examples of national government supporting and investing in public sector innovation. National governments have moved to value innovation in a variety of forms as a mechanism to remain efficient and fit for purpose in an ever more challenging environment.

But without a clear driver or urgency for significant change, innovation is rarely prevalent. Innovative companies have the driver of increasingly challenging and competitive markets. National government has normally had less of an impending need for radical change and hence the adoption of innovation practices has been slower. Contrast that with the local government context more recently, where such a driver has been introduced through the stark reality of rapidly declining budgets. This has created a new urgency and a clear need to change – both radically and fast.

This is not to say that councils weren't innovating previously. But until very recently, few (if any) had a declared focus on innovation as a means of survival in the future.

York made a conscious decision to move the council and the city towards a more creative and open model at a time when it was becoming clear that radically new approaches would be needed in the future. It was also clear that the transition would not be swift. Making such a change to establish an innovative, collaborative, open culture is a significant challenge, and one at which few have truly succeeded.

At the time York started on this journey, other innovation initiatives were emerging in the sector. The Creative Councils programme from the LGA and NESTA and organisations such as FutureGov were trying to push innovation more systematically into the sector as part of an emerging movement. Two years on, we now see a proliferation of such initiatives appearing across the sector.

Starting when we did, York set off ahead of the game and have maintained a lead in many areas, creating a profile of a city going places and one to watch. We have made notable headway but still have a way to go to fully realise a vision of an open, collaborative, innovative city.

This paper highlights the work done, the impact achieved and the next steps required to secure ongoing value from the strong foundations that have been laid in the city.

Aims

Seeking prosperity for the place and its people was (and still is) the driver for innovation in York. Our approach has its basis in unlocking the physical assets, knowledge capital and creative potential within the city. Our vision is to have a creative and collaborative approach at our core, embedding an innovation ethos in everything we do and we've made bold steps towards involving our citizens and businesses in shaping our shared future. There is a vast talent base on our doorstep and anyone can be part of finding new and sustainable solutions to the city's challenges.

Linking with the council's economic development agenda, and more latterly, it's Rewiring Public Services Programme, *innovation has been supported within the council and within the city.*

York has taken a total ecosystem approach to innovation, building capacity and capability within the council and across the city, encouraging and enabling organisations and individuals to work together and learn from one another. Through this we are creating:

- An innovative and enterprising council
- An open and collaborative city ethos
- A city as a hub for innovation, seen as a major player in the field

Our aims in testing out new approaches was to foster a culture of innovation and enable the long term ambition to transform council and its relationship, role and interaction with the city.

This included embedding new skills within the council: enterprise, entrepreneurship, creative thinking, design, risk approach, collaboration. Identifying, supporting and enabling new models for city services was another key element – supporting a change from a council that delivers services for people to one which facilitates outcomes with people.

It also included positioning York as hub for innovation and using that to attract and nurture high growth companies plus other organisations and individuals that create the local culture and

resource required to drive the city forward. This also would enable the council to draw on this network and ethos to support the councils and city's wider aims.

York has had a particular focus around "Open Innovation". Open Innovation in particular is of great relevance to modern public services and offers the potential for solutions that traditional markets and government policies have struggled to achieve. Openness unlocks knowledge and assets that are invaluable to cash-strapped city authorities. It brings about engagement in communities because it promotes transparency and it empowers users by involving them in the innovation process.

Open innovation processes ensure that the solutions are more relevant and scalable because they have been shaped by the users who know how it will work best, and how it will fit in their environment.

Achievements and Impact

York, with its unique size and geography as a compact mid-sized city, has proved particularly able to adapt under the current conditions and, with some bold decisions on approach, has been able to lead the way in many fields. The city has made significant achievements in the past two years, recognised by a number of awards, successful funding bids and endorsement from other cities for our achievements in social innovation.

Specific investment in this work will amount to £165k p.a. for two years from October 2012 to September 2014 paid to SCY (formerly Science City York) to support CYC in delivering a wide-ranging programme to support innovation in the council and in the city. This programme has taken the form of a partnership arrangement, with SCY and CYC both providing staff for the programme team, which has been run as a combined team.

The programme still has a few months to run, but even to date the achievements have been considerable, in terms of introduction of new techniques and approaches, changes to council mindset in terms of expectation and ambition, increased city-wide collaboration and networks, profile of York as a city and the ability to attract high-end partners for innovation and change and accompanying opportunities for larger scale partnership and impact.

Businesses now see York as an attractive option to partner with or trial their products and services, as the council and city are open and receptive and successful pilots and city endorsement carry increasing weight in the marketplace.

Collaboration between the council and local private sector businesses has increased, and several common interest consortia of local companies and entrepreneurs have emerged as a result. This helps to strengthen their own offer but also provides greater opportunities for collaborative funding bids to the likes of the Technology Strategy Board and EU funding programmes such as Horizon 2020.

The programme has also enabled the successful bid to URBACT to run the one of six pilot transfer networks across Europe and the funding from this is also covering some CYC salary costs. The above project also enabled the successful bid to first round of the Bloomberg Philanthropies Mayors Challenge. If we are successful in the second stage, that would result in significant further funding being secured for York and the region, with potential for further benefits across the UK public sector.

Overall, York’s focus on being an Innovative city over recent years has had a significant effect, both in terms of the direct impact of the Innovate York programme but also in terms of the wider culture created, resulting in aspirations being set high by departments across the council.

The table below provides a summary of some of the key achievements by York in the last two years.

Aim	Achievements
<p>An innovative and enterprising council</p>	<p>Supported eight council services areas on projects through use of the GeniUS! open innovation model to develop new ideas for running services or with creative new approaches to delivering change and transformation.</p> <p>(Public Health, Health and Wellbeing and Integration with Health, Children’s Social Care, Libraries, Young People’s Services, WardenCall & Telecare,</p>

Procurement, ICT)

Run Innovation and entrepreneurship training sessions – 2 waves of 5 sessions; 75 attendees; feedback ratings high. Further sessions being planned.

Network created from the above cohort to support the Rewiring Public Services Programme. Key advocates for change and innovation creating a group to support and champion new ways of working and support peer-peer support.

Delivered a half-day Open Innovation event for senior management team as part of the From Service to City management development programme, familiarising senior leaders with the principles and opportunities for innovation in a day-to-day context.

Worked with UoY to develop and ILM endorsed course for Innovation Leadership – 20 council delegates will go through this in September, with a follow-on programme being developed.

All the above has helped to shape the corporate L&D offer to the organisation to ensure it equips the organisation with the skills and approach needed to meet the challenges the council is facing, and to be able to operate in the new world of the future.

Training and explanatory materials produced on open innovation approach and use of GeniUS! model for service / city challenges.

Expectation and use of open/crowdsourced and collaborative approaches in projects when designing services or solutions has increased.

DIF projects (internal):

- Wi-Fi in city centre and parks
- Yorcraft social enterprise testing
- Youth Support Services building community capacity transferring services to

	<p>community/voluntary groups</p> <ul style="list-style-type: none"> - Providing initial support to Telecare team when building BeInspired business case - As well as enabling the overall innovation programme <p>York participated in a research project earlier this year sponsored by SOLACE and the LGA, looking into innovation in councils. This highlighted York as having much innovation in progress, with fewer of the barriers found in other authorities, suggesting that work over recent years is taking effect.</p> <p>The transfer of York’s libraries and archives service into a staff and community mutual was the first of its kind in the country and was recognised by the Cabinet Office as breaking new ground with its approach.</p> <p>Be Inspired community spin out working in partnership with the council and local technology business on development of new technology to support the service, creating potential for better patient outcomes and helping local businesses to grow.</p>
<p>An open and collaborative city ethos</p>	<p>Procurement challenge and APptitude – secured excellent deal for Visit York through running an open competition – achieving better value for them than would otherwise have been possible. Created connections within the Yorkshire digital/mobile app community.</p> <p>Working with the Technology Strategy Board to pilot the use of it’s SBRI competitions, used by national government but not previously used by local authorities. A new, outcomes-based competition approach to identifying and developing solutions, it seeks pre-commercial solutions to problems and funds their development and prototyping. York is in discussion with the TSB and including LCR partners in those talks, looking at further options for a jointly-funded call with other regional local authorities. This would increase impact and draw in higher levels of</p>

match funding from the TSB.

GeniUS! challenges on Dementia, Healthcare, Libraries and Youth Services, resulting in five pilot projects and numerous ideas adopted directly by service areas. Hundreds of new connections and productive relationships also created between businesses, community organisations, voluntary groups, academics and residents.

The GeniUS! forum currently has over 400 registered members and over 1000 social media followers. To date, eight pilot projects have come from the eight challenges completed so far. Challenge #9 is currently running and challenges #10 and #11 are in the planning stage. Over 175 people have participated in collaborative open innovation (“Synergy Surgery”) events.

York was one of the 17 NESTA “Creative Councils” first phase, and one of the few to have taken the original concept and successfully continued to build upon it after the support for the pilot phase ended.

DIF projects (externally)

- Falls detection system
- Armed forces re-skilling
- JRF match for dementia friendly city challenge – young persons awareness video and schools lesson programme
- HealthSpark, NHS Direct Talking Head, Flightcase.

Connecting organisations and creating networks meaning potential consortia can quickly form to secure funding for the city from grant opportunities. For example this facilitated a bid to the TSB’s Future High Streets call.

Regional influence in LCR innovation. LCR now including GeniUS! style open innovation approach as a core part of it’s future approach and leading the project to pilot the Technology Strategy Board’s

	SBRI initiative.
<p>York is a hub for innovation, seen as a major player in the field</p>	<p>York also received a range of regional, national and international awards for our open innovation model and innovation programme, including:</p> <ul style="list-style-type: none"> - Guardian Public Service Awards 2012 - Community category and Overall Winner 2012. - Living Labs Global Award 2012 for GeniUS! – chosen from 93 entries - LGYH Awards - Innovation winner 2012 - Shortlisted as 1 of 5 finalists for LCG Awards 2013 in Innovation category. <p>York will be a gigabit city by 2015, one of the best connected cities in Europe.</p> <p>URBACT - Lead partner in EU-wide programme part way through and being very well received. On course to achieve higher impact than other similar projects.</p> <p>Mayors Challenge - Short listed as one of 21 most innovative cities in Europe.</p> <p>Representatives from York have been asked to speak or run workshops on innovation at national conferences, including twice at the icips annual conference, national government marketing and engagement event, the British Library innovation symposium, LearningLive, URBACT city leaders workshop, UN-Habitat WuF7 conference 2014.</p>

Overall

All the above aligns with our values and ambition as an organisation, in being a more progressive employer, constantly looking to improve the way we work as an organisation and striving to keep ahead of the changing tide. The initiatives running have helped people in CYC to look outwards for inspiration as well as inwards, and this helps to create a more inclusive and aware organisation, one that is increasingly involving citizens in the creation, shaping and running of public functions in the city.

What next?

In the next 2-3 years the focus must be on consolidating the strong position we have established and ensuring maximum value is derived from those foundations. We are at a tipping point where the movement for innovation and open collaboration in the city can be consolidated or can still fall away if not driven to be fully embedded as part of the cultural fabric.

Main Outcomes:

- The emergent collaborative and innovative culture is fully embedded within CYC. Staff have relevant skills and display appropriate behaviours habitually.
- The council is part of a proactive city-wide network of innovative and collaborative organisations, individuals and businesses who habitually work together on improving the quality of life and securing the prosperity of the city.
- The council consolidates its position as a local, regional, national and international leader in public service innovation, creating opportunities for higher value strategic partnerships, collaboration and funding.

There will be a concerted push, aligned with the Rewiring Public Services programme, to embed within the council the new skills and mindset that has begun to be fostered over the last two years.

This includes areas such as further support and training on creative and collaborative skills and leadership, commercial acumen and entrepreneurial approaches and innovation techniques and processes.

Innovation techniques and methods will be key to the success of the Rewiring Public Services programme and will be employed across the defined programmes. For example, we already have a record of using the GeniUS! model in key areas such as Health and Social Care. Combined with some of the emerging competition/outcome-based models for procurement, we have the potential to create significant impact and savings in this area.

The open innovation approaches, collaboration & co-production techniques and open data activity will also be key to the Customer Services transformation as the council seeks to redefine the relationship with residents, business and community groups. Local

community groups are already expressing an interest in the GeniUS! model as a route to supporting their own local challenges.

Providing training & support in this area will create significant capacity and capability within key communities, with the opportunity for them to further transfer the practice across the city.

Open Data and increased accessibility and availability of information is key. The recent funding secured from the TSB will greatly enable our abilities in this area, as part of collaborations across the regions, particularly with the Open Data Institute's northern Node in Leeds and the establishment of the "York Data Mill".

Focus

In order to achieve the above outcomes, the innovation programme must focus on:

- Continuing to embed innovation culture and skills within the council and through this, supporting the delivery of the Rewiring Public Services programme
- Increasingly drive a more engaged and collaborative approach with the city, using open innovation principles and models to support this
- Enabling availability and usability of council and city data
- New models for service delivery, increasingly shifting to the council taking a facilitating role to secure positive outcomes for the city and communities.
- Increasing commercial expertise regarding investments by the council in small, innovative businesses.
- Accessing funding or generating income from non-traditional sources.
- Managing and developing the growing network of innovators in the city and connecting that with the council, it's departments and change programmes.
- Continuing to deliver strategic regional, national and international projects, showcasing and building on York's strengths and consolidating the city's position as an innovation hub.

Examples of Potential Initiatives

A full delivery plan would be developed after continuation of the work is approved. Activities to deliver the above outcomes would include things like:

- Further training in the council to develop and embed innovation and entrepreneurial skills.
- Working alongside the council communities team and customer services teams to increase the reach and impact of new models for co-production and open innovation
- Creation of a support hub and staff network within the council to enable peer-peer support and greater cross-council working
- Developing and embedding new approaches for sourcing solutions through the likes of open competitions, co-development, hackathons etc.
- Delivery of URBACT pilot project and development of transfer methodology for good practice.
- Practical open data projects and developing the York Data Mill.
- Next stage development of the GeniUS! model for open innovation and collaboration, along lines of the Bloomberg Mayors Challenge proposal.
- Building a network of GeniUS! Cities to share and learn from open innovation good practice across a broad range of city contexts and knowledge bases.
- Hold an international innovation conference aligned with URBACT project closure meeting.
- Creating a Civic Innovation Hub in the city, to accelerate new and consolidate existing public sector innovation process and open innovation models.
- Continuing to support the growth and development of a wider innovation ecosystem, through supporting community leadership, business development and cross sector collaboration.

Options for delivery

Structures and Teams

There are a variety of models for delivering this works programme.

The current approach sees the Innovate York programme team as the resource for delivery of the work. This has been run successfully as a partnership between CYC and SCY, with the team being jointly sourced from both organisations. This has proved effective and has provided the best of both worlds in terms of enabling clear focus for CYC objectives but also the agility afforded by a small business.

Current funding (through the DIF) will end in September 2014 and a transition is required to a new model for delivery of the council's innovation programme. The requirement from CYC for external support in innovation is now greatly reduced as a result of the current programme, with increased capability now present in house.

However, a wholly internal team would always limit perspectives and result in stagnation. The ability to draw on outside input and viewpoints for this work is critical. Equally, a wholly external team does not have the insight and understanding of the organisation, its challenges and crucially, the influence to secure meaningful and lasting transformation. That has to be done from within to be sustainable.

Consequently, an iteration of the current delivery model is recommended. This should comprise a small but strengthened internal innovation function, built around the existing innovation capacity and closely aligned with the Rewiring Public Services team. Within this, the capability must be created to commission specific pieces of work from external partners or other agencies as required.

Consideration also needs to be given to the changing situation with regard to SCY and the potential new marketing agency, highlighted in other papers on this agenda. Decisions on this need to be taken with the Rewiring Public Services programme and any new marketing and cultural agency in mind.

However, in terms of requirement to deliver the future innovation programme, it is recommended that the council strengthen its in house capability in Innovation from the current one full time permanent post to three, whilst maintaining the capacity to draw in specific, targeted support on defined projects. SCY have developed a capability in this area and could provide some of this support on a project by project basis. Other organisations, both

local and from further afield would also be appropriate for some projects.

The success of the current programme puts York in a strong position to attract highly-capable and respected partners for this type of work, as leading national and international agencies are increasingly keen to work with York due to its now strong reputation for public sector innovation.

Implications

Financial

Expectation that funding will be required in order to build on our current position and deliver the future programme and benefits. The funding for the Innovate York partnership through the DIF will end in September. Further work will be required over the July to September period in order to define the resource requirements across partners.