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Issues and Ideas on Innovation

Informing the NHS Next Stage Review

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Prepared for the Department of Health (England)

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Summary

This paper was commissioned by the Department of Health to help inform the conceptualisation and development of an innovation policy in the context of the *NHS Next Stage Review*. The purpose of the paper was to present a ‘think piece’ that challenged perceived wisdom and began to elaborate some ‘big ideas’. The work was done to a short timescale and as such cannot be considered a systematic analysis of innovation thinking or policy. The work presented here was assimilated from our existing knowledge on innovation, from quick scans of the literature and from a number of brainstorming sessions within the RAND Europe team, and also with the Department of Health.

We have structured this paper as an annotated briefing. The key messages of the report can be found in the slides at the top of each page, with text providing further details underneath. This layout highlights the major thrusts of the project through the slides, but also allows the reader the option to delve deeper into the detail of the report as circumstances permit.

In summary we identify five key issues, and five key ‘ideas’, that the Department needs to consider in conceptualising an innovation policy for the NHS.

The key issues are:

- What is innovation?
- The ‘innovation gap’ in the NHS is finite.
- Innovation does not occur in isolation, but is part of a complex ecosystem.
- What is the degree of ‘hidden innovation’ in the NHS?
- Is the current NHS innovation architecture sufficient?

The key ideas are:

- Remember that leadership and culture are both key.
- Increase the price elasticity of health.
- Use information to increase competition.
- Use prizes to incentivise innovation.
- Use procurement to stimulate innovation.

Each of these issues and ideas are developed in the following slides.