



National Audit Office

Achieving innovation in central government organisations

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EXECUTIVE SUMMARY

- 1** The role of innovations in improving government productivity and the effectiveness of services has previously been little studied. This report surveys central departments and agencies to ascertain what kinds of innovations they have recently made, and analyses the factors that they see as important in sustaining the innovations.
- 2** Organisational or administrative innovations in central government are diverse, but most involve improving performance management, introducing new IT projects or web services, as well as some physical technology changes. Many recent projects focus on joining up government and improving users' experience of services. The average innovation nominated takes 24 months to deliver and costs £900,000, but a minority of projects are much bigger and take longer.
- 3** The innovation process in central government is top-down and dominated by senior management. Contributions from lower-level staff are not so important. Innovative changes are often launched because of either political or ministerial pressures or efficiency drives. However, once this external trigger is provided departments and agencies have a stockpile of possible innovations to hand which they use to sustain change.
- 4** The availability of funding is cited as a key factor sustaining innovations, but using means to search for innovations such as specific innovation units can also play an important part. The main barriers to innovation are a reluctance to embrace new ways of working and fragmentation within government, creating 'silos' between agencies. The main impacts of applied innovations are improvements in services and responsiveness, but innovations seem to be less successful in cutting costs or improving staff working conditions.
- 5** There is scope for government to take a more systematic approach to developing innovations by improving costs and productivity data, communicating more simply to staff what kinds of innovations can be helpful, encouraging some counter-cultural thinking and methods for finding innovative solutions, and ensuring that approval and piloting processes are not over-protracted. The behaviours needed for innovation often challenge traditional ways of thinking and need to be recognised and rewarded. Departments and agencies can learn lessons from the private sector in developing more regular and serial innovations.