

Committee: Finance & administration committee

Agenda Item

Date: 20 September 2007

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Title: Staff suggestion scheme

Author: Rebecca Procter, Executive Assistant to
the Chief Executive 01799 510382

Item for decision

Summary

This report sets out the potential benefits to Uttlesford of a corporate staff suggestion scheme, which would give individual officers the opportunity to put forward practical ideas for improvement and best practice in how Uttlesford is run, and to receive recognition and rewards for ideas which are implemented.

Recommendation

That members recommend the adoption of such a scheme for Uttlesford's employees.

Background Papers

The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

- Chelmsford Borough Council's Eureka! leaflet
- Excerpts from Chelmsford's intranet pages on Eureka!
- Further background information supplied by Chelmsford

Impact

Communication/Consultation	Would require initial publicity launch within the council to ensure staff awareness of the scheme. Would also need continuing promotion from time to time.
Community Safety	Potential beneficial impact from staff ideas, otherwise, none.
Equalities	None.
Finance	See paragraphs 4 - 6 and schedule 1.

Human Rights	None.
Legal implications	None.
Sustainability	Potential for positive impact arising from staff suggestions.
Ward-specific impacts	None.
Workforce/Workplace	Positive impact.

Situation

1. Chelmsford Borough Council introduced a staff suggestion scheme called "Eureka!" in April 2006. In considering the viability of a similar proposal for Uttlesford, Chelmsford was approached for in-depth information on the scheme, and Chelmsford's Katherine Eglington (Corporate Policy and Improvement Officer) provided full background and details. A performance review carried out for Chelmsford's management board found the scheme to work well. Whilst figures for efficiency gains arising from implemented suggestions were not available at the time of the meeting, Chelmsford's management board considered the scheme to be a successful and desirable means of increasing staff involvement leading to higher morale, improved methods of service delivery and potential cost savings.
2. On the basis of the above mentioned shared information, and upon consideration of the potential benefits, this report proposes the introduction of a staff suggestion scheme for Uttlesford.
3. The concept of a suggestion scheme is "to establish a formal mechanism to encourage employees to contribute constructive ideas for improving their organisation".¹ Central government encouragement for such schemes within government departments and agencies was set out in the 1999 Modernising White Paper. These schemes are seen as a means of improving responsiveness to the public as well as facilitating innovation and service improvement. Surveys carried out by Ideas UK, a charity which promotes the development of suggestion and involvement programmes, indicate that at any one time around 25% of employees will have ideas about improvement within their organisation that they have not shared with their employer. This finding seems to support the use of a formal procedure to enable employees to make suggestions. Approximately 22 local authorities run staff suggestion schemes, as well as many private organisations.²

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¹ Dunn and Lloyd (1997) cited in "Suggestion schemes as information and knowledge management systems", Fuller, Helbling and Cooley 2002 – as per Chelmsford Management Board report dated 30/11/05.

² Acknowledgement is due to Katherine Eglington for background information.

4. The scheme rewards individual officers for contributing viable ideas for improving the organisation. The award made would depend on the value and impact of the suggestion, as determined by an evaluation process. A sliding scale based on points given during evaluation would therefore apply.
5. It is suggested that awards would range from a non-monetary token of appreciation (eg an Uttlesford mug) to cash awards of up to £250. The option to award a greater sum could be available for viable ideas of significant value to the council (such recourse to be for extraordinary circumstances). The outlay for rewards is expected to be modest. In Chelmsford's case, it was found that during the first year of running the scheme, the majority of awards merited a mug, whilst 12% of adopted suggestions received £25, and 2% received £50. *(Please refer to Schedule 1 for an informal analysis of projected costs for Uttlesford.)*
6. Effective administration is important to ensure credibility. Initial work would be required to set up the scheme on the intranet, requiring some IT costs implications. The scheme would need to be co-ordinated by an administrator. It should therefore be noted that there will be administrative costs implications, in that an officer will need to take responsibility for running the scheme. The administrator would ensure that all ideas are acknowledged within a specified time, and would obtain feedback from the appropriate Director or Head of Division. The administrator would then arrange meetings of the evaluation panel, and provide feedback to the individuals who had submitted ideas. The administrator would arrange for (tax free) cash awards to be made within pay slips. A significant part of the work would relate to seeking views of directors, HODs or officers on the feasibility of suggestions, including calculating potential costs savings. It would also be important to ensure that decisions to implement ideas are actually carried through.
7. It is important for the success of a staff suggestion scheme that rules are applied transparently and consistently. There would be a clear procedure to follow in submitting ideas, and in assessing whether they should be implemented *(please refer to Schedule 2 for details of how staff would submit ideas)*. The procedure and forms for participating in the scheme would be available in both printed form and on the intranet. Ideas submitted would be displayed on the intranet (anonymously in the case of suggestions not adopted or under consideration), to minimise unintentional duplication of suggestions.
8. It is also important that staff feel their contributions are taken seriously. Therefore it is recommended that the evaluation panel include a member representative, the chief executive or assistant chief executive, an HR representative, a union representative, a director and the scheme co-ordinator.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Failure to identify all administrative costs	Low, although the experience of another local authority may translate differently for us as a smaller organisation.	Medium, as running of scheme may be affected	Background information has been obtained from Chelmsford to enable consideration of administrative impact. Suitable co-ordinator for scheme to be identified from within existing resources.
Enthusiasm for scheme may fail to be generated or may decline	Medium, as some staff may already feel they make contributions to the organisation and do not wish for reward.	Medium, as credibility of scheme may be affected	Carefully planned launch event is recommended, as well as continued "refresher" promotions. Timescale for implementation of accepted suggestions must be prompt.