

REPORT TO: POLICY AND RESOURCES COMMITTEE - 8 JUNE 2009
REPORT ON: EFFICIENCY SAVINGS SUGGESTION SCHEME
REPORT BY: ASSISTANT CHIEF EXECUTIVE AND HEAD OF PUBLIC RELATIONS
REPORT NO: 46-2009

1. PURPOSE OF REPORT

To propose the introduction of a short-term pilot Efficiency Savings Suggestion Scheme, offering cash awards to employees for proposals which improve efficiency and result in cost savings.

2. RECOMMENDATIONS

It is recommended that:

- (a) an Efficiency Savings Suggestion Scheme should be introduced on a pilot basis, to be open for around one month once all employees have been briefed
- (b) the following incentives should be offered to encourage employees to put forward proposals for efficiency savings:
 - letter of thanks from the Chief Executive for all proposals
 - £100 award for all proposals which are taken forward
 - £500 award for the proposal which delivers the biggest cash saving
- (c) proposals should be submitted in the first instance to the Assistant Chief Executive. Corporate Planning will liaise with relevant departments and produce a report for the Improvement and Efficiency Board who will decide on the award of cash payments as set out in recommendation (b).
- (d) the Head of Public Relations should promote the scheme to all staff through newsletters, posters, intranet messages, all-staff emails and briefings for team meetings.
- (e) the scheme should be evaluated with a view to repeating this exercise in future if successful

3. FINANCIAL IMPLICATIONS

The estimated cost of publicity for the scheme is £500. The cost of making awards to employees will depend on the number of proposals put forward but the aim is that these costs will be more than offset by savings which result from employees' proposals.

4. MAIN TEXT

4.1 In the last Employee Survey, 67.3% of employees agreed with the statement 'Resources are used efficiently and waste minimised where I work.' Although this could be seen as a positive result, it does suggest that almost $\frac{1}{3}$ of employees feel that more could be done to ensure efficient use of resources and minimisation of waste.

4.2 The Employee Survey also found that:

- 72.5% of respondents agreed that 'There are opportunities to make my views known to the organisation'
- 71.6% of respondents agreed that 'My views and suggestions are encouraged within my department'
- 63.7% of respondents agreed that 'Managers encourage people to be innovative and creative'

Again these results are positive (and represent improvement compared to the previous survey) but they suggest that a significant number of employees would welcome additional opportunities to put forward views and ideas about their work.

4.3 Employee suggestion schemes are used widely in the public and private sectors as a way of tapping into the knowledge of employees about the jobs they do, and also as a way of increasing staff motivation and morale by showing that the employer listens to their views and values their ideas. Research suggests that successful suggestion schemes have the following features:

- **Reward employees for suggestions** - a scheme is more likely to be successful if financial rewards are offered.
- **Support from senior management** - there has to be clear support, commitment and encouragement from senior management.
- **Publicise the scheme** - posters, the Intranet and team briefings should be used to publicise the scheme.
- **Ensure employees are aware of the benefits of the scheme** - as well as contributing towards organisational efficiency and receiving a reward for suggestions, employees also have an opportunity to suggest changes to bad working practices and improve their working environments.
- **Ensure that the scheme is properly administered** - the submission process should be simple and should allow employees to submit suggestions in a variety of ways (e.g. through the corporate intranet and in paper form) so that employees are not discouraged from making suggestions and all employees are able to participate.
- **Respond to suggestions promptly and provide timely feedback** - to demonstrate to employees that ideas are taken seriously and ensure that employees whose suggestions are not accepted are not deterred from making further suggestions.
- **Implement approved suggestions quickly** - when the tangible results of the suggestion scheme become clear, employees will be encouraged to participate.

4.4 One of the key issues facing the Council is the need to ensure that services are run efficiently and resources used effectively. It is therefore proposed that the Council should introduce, on a short-term pilot basis, an employee suggestion scheme designed specifically to encourage all employees to put forward ideas which will lead to efficiency improvements and cost savings. The scheme will aim to incorporate the features set out in paragraph 4.3 and be easy to use and administer, with minimal bureaucracy.

4.5 It is proposed that the scheme run for one month during 2009 once all employees have been briefed. The short timescale and specific focus of the scheme will avoid some of the pitfalls of suggestion schemes which require constant management and publicity.

4.6 A draft suggestion form is attached as Appendix 1. It is proposed that this be available to be completed electronically on the Council intranet and also sent to all employees as part of a newsletter. Suggestions will be collated by Corporate Planning, who will be responsible for ensuring (in conjunction with relevant departments) that ideas are investigated and assessed, and for producing a report to the Improvement and

Efficiency Board. The role of Corporate Planning means that it is in a position to ensure that good ideas are disseminated across the Council and that cross-departmental ideas are pursued.

- 4.7 It is proposed that the following incentives should be offered to encourage employees to put forward proposals and to recognise and reward good ideas:
- everyone who submits a suggestion will receive a letter of thanks signed by the Chief Executive, whether or not the suggestion is implemented.
 - £100 will be paid to all employees who submit efficiency proposals which are taken forward.
 - £500 will be paid to the employee whose proposal is agreed by the Improvement and Efficiency Board as likely to lead to the biggest cash saving.
- 4.8 Employees should also receive speedy feedback on how their idea is being taken forward and, if it is not being taken forward, the reason for this. To win awards, ideas must be original (not already being implemented) and unique. Group submissions will be accepted, in which case the cash awards will be shared by all those signing the submission form.
- 4.9 To promote the scheme, it is proposed that Public Relations be remitted to develop a title and logo for the scheme and include information in the next issue of the 'Changing For The Future' newsletter, posters, intranet messages and briefings to be cascaded to all employees through team meetings. All ideas received will be publicised on the intranet, along with updates on implementation and savings made.
- 4.10 This report recommends a short-term scheme focused specifically on encouraging ideas which will generate efficiency savings. If the pilot scheme proves to be a success, proposals may be brought forward to repeat the exercise in future, perhaps with a different focus for the suggestions.

5. **POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

6. **CONSULTATIONS**

The Chief Executive, Depute Chief Executive (Support Services), Depute Chief Executive (Finance), Head of Finance and Head of Personnel have been consulted

7. **BACKGROUND PAPERS**

None

Chris Ward
Assistant Chief Executive

Les Roy
Head of Public Relations

02/06/2009

EFFICIENCY SAVINGS SCHEME

SUGGESTION FORM

Name(s): _____

Department: _____

Location: _____

Telephone No: _____

Email address: _____

Signature(s): _____

(if the suggestion is being made by a number of employees, this form should include the names and signatures of all who would share in any award)

Please tell us about your idea to save the Council money

Please return this form by _____ to:

Chris Ward
Assistant Chief Executive
21 City Square