

Innovation on the frontline:

How engagement with the local government workforce can improve service delivery in austere times



Innovation on the frontline:

**How engagement with the local government
workforce can improve service delivery in
austere times**



The Association for Public Service Excellence (APSE) is a not-for-profit local government body working with over 300 councils throughout the UK promoting excellence in public services. APSE is the foremost specialist in local authority frontline service provision in areas including waste and refuse collection, parks and environmental services, leisure, school meals, cleaning, highways and street lighting, housing and building maintenance.



IPPR North specialises in regional economics, localism and community policy. Our approach is collaborative and we benefit from extensive sub-national networks, regional associates, and a strong track record of engaging with policymakers at regional, sub-regional and local levels.

Acknowledgements

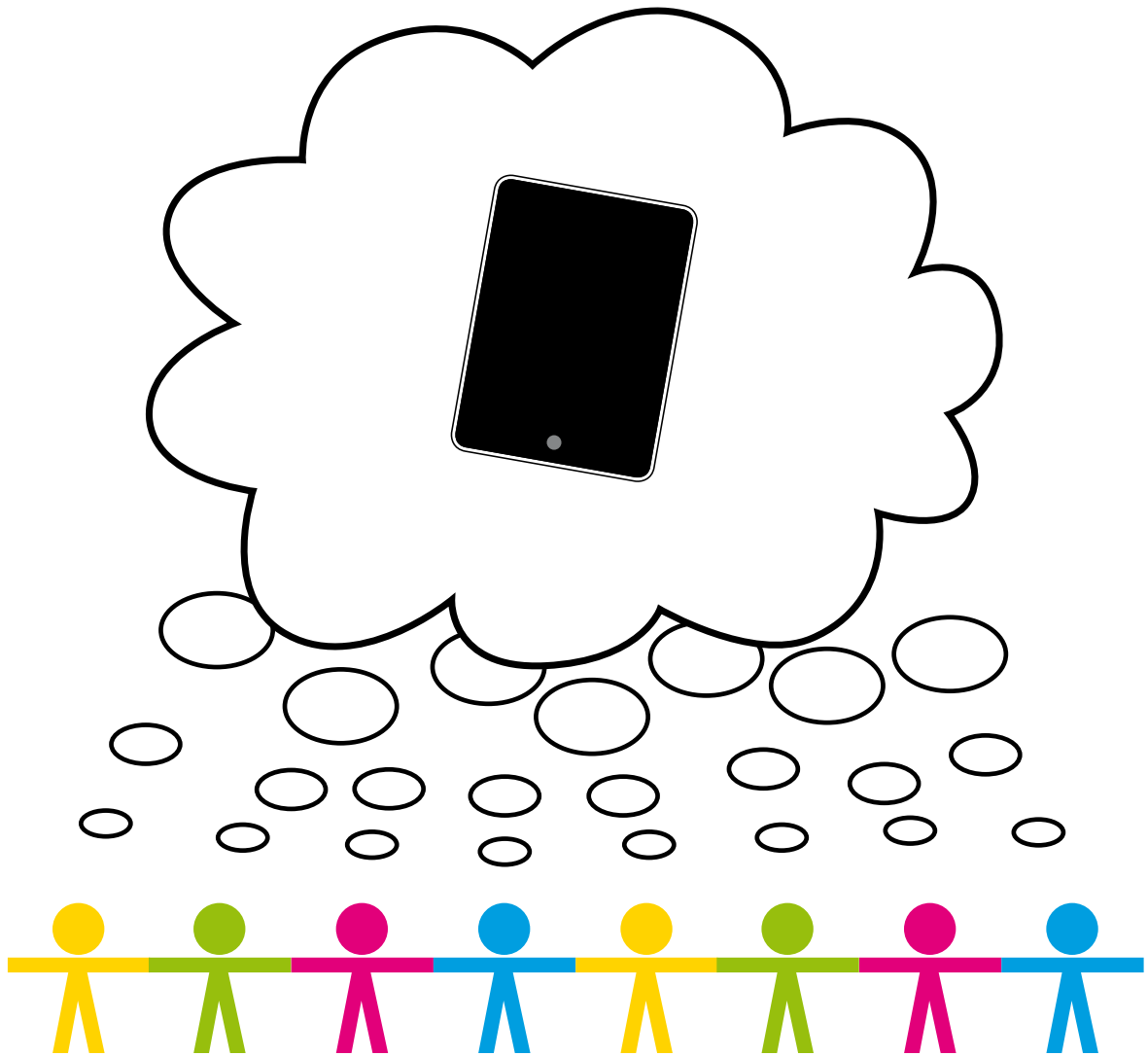
This report was undertaken as part of a joint research project between APSE and the IPPR North. The collaboration was led by Paul O'Brien (APSE), Bill Davies (IPPR North) Mo Baines (APSE) and Nicola Carroll (APSE associate). The research team would like to thank Melani Oliver (NESTA) Katie Schmuecker (formerly of IPPR North and now at the Joseph Rowntree Foundation) and Emily Sweetman (IPPR North) for their helpful contributions to this research. Thanks also to all those local authorities who responded to our survey, as well as all those who kindly participated in our review of case studies. Without the time spent by these officers and elected members, this report would not have been possible.

Published by APSE
May 2013

ISBN: 978-1-907388-19-4

Contents

Foreword	5
Executive summary	7
1. Literature review	
The context for frontline innovation in local government	10
Making innovation at the frontline possible	15
2. Findings of survey on frontline innovation in local government	18
3. Local authority frontline innovation: case studies	
South Lanarkshire	24
Blackburn with Darwen	26
Enfield	27
Staffordshire	28
Monmouthshire	29
4. Conclusion and recommendations	32
References	34



Foreword

This report is based on research, undertaken in partnership between APSE and IPPR North, to explore ways in which local authorities can harness the best ideas of their workforce in order to use innovation to improve services.

The report is premised on two powerful principles. The first is that innovation is not the exclusive domain of the private sector, but can flourish in the public sector given the right circumstances. The second is that frontline local government employees delivering services to local communities on a daily basis have the intimate knowledge that can help make those services as effective as possible.

It shows how local authorities across the UK have harnessed the power of their own workforce's ideas to deliver more efficient and effective services. It identifies barriers and highlights common factors in success – particularly cultural leadership, workforce development and facilitating the innovation process.

We recognise that innovation alone is not a silver bullet to overcome the severe fiscal pressure local authorities are experiencing. However, this report shows that, within a broader strategy for future services, using the frontline workforce to initiate ideas for service reform may help in offsetting some of the worst damage of unprecedented budget reductions.

In these tough times, local authorities might believe there is no alternative other than to look to reductions in service provision, or abandoning some services altogether. APSE commissioned this project to explore more positive ways in which local government can respond to austerity – and this report outlines some practical measures for doing so. We hope you will find it useful.

While we are not suggesting this will be easy, APSE believes that solutions can be found within local authorities, utilising the local government workforce. Developing innovation among existing frontline local government staff is imperative in rising to the huge challenges local government faces.

Cllr John Kerr-Brown

National chair of APSE



Executive summary

About the Project

This review of innovation in service delivery has taken place in challenging circumstances for local government. IPPR North's (2012) work for the Northern Economic Futures Commission has shown that local government has been one of main victims of the Government's austerity drive, particularly as the cut to local authority budgets has been front-loaded relative to other spending priorities. Some experts, such as Hastings et al (2012), have estimated that the cut in real terms is as much as 40% over four years. A recent report by the Local Government Association predicts that by 2020 the cash income of local authorities will have fallen by £9bn (LGA; 2012). This declining income is compounded by the rising costs of delivering existing services.

In this challenging environment, the choices facing local leaders are stark. Services cannot continue unreformed and, given the large number of efficiency reviews that have taken place, local government may already have reached the limits of incremental cutting. Consequently, services and the manner in which they are delivered must change if they are to survive.

Councils are thus faced with options that fall within four broad categories: insourcing, outsourcing, internal reform, or service reduction. In spite of common assumptions, slashing services and sacking staff are not the only options available in this difficult climate, and reforms to local authority operations that will render them more effective and efficient have been described by APSE in previous reports in this series. APSE (2012) encourages innovative options for driving efficiency such as: service transformation through service sharing; shared management teams; demand management; reorganisation; enhanced competitiveness; improved procurement policies; effective performance benchmarking and management; and charging and trading.

Within this context, this report looks at one specific measure to improve effectiveness and efficiency: frontline innovation. It poses two important questions:

- What does local government have to do to encourage innovative ideas from its delivery workforce?
- How can this affect the design of local services?

Report structure and key findings

In order to address these questions, the report is broken down into four stages.

Frontline innovation in the current local government context

Section One explores national and international literature to determine what is meant by innovation and what processes are involved in innovation in the public sector. Drawing upon existing research and practice, it establishes benefits of gathering ideas from the frontline - including enhanced productivity and improved outcomes - and the significance of employee engagement to innovation in current local government context.

This review of literature shows that, contrary to myth, local authority services are excellent potential breeding grounds for innovative ideas. It discusses the role of 'Intrapreneurs', who can catalyse innovative behaviour within an organisation, and shows how this correlates with APSE's existing work on Municipal Entrepreneurship. It finds that entrepreneurial behaviour can be nurtured in the right environment.

This section examines potential barriers to frontline innovation and identifies the principal factors affecting its application. It identifies three essential areas for organisational development that are needed in order to source innovation successfully from frontline employees and discusses how they might be applied in practice. These are:

- Culture and leadership
- Workforce development
- Facilitating an innovation process

Survey results

Section Two presents the results of a survey of APSE membership. This looks at how supportive local authorities are of innovation, what methods they commonly deploy to foster innovation, and gives examples where service innovations have been initiated.

A survey conducted among local authorities across the UK found that:

- 80% of respondents felt their council regards it as important to encourage innovative behaviour among frontline employees.
- 47% of respondents cited increased productivity, 47% cited service improvements and 38% cited improved employee satisfaction as benefits.
- Activities to encourage innovation include: employee award nights with specific recognition for innovation; one-to-one sessions where ideas about innovation in service design and delivery are discussed; an 'open door' policy to demonstrate managers are receptive to suggestions about how to improve the service, staff suggestion schemes; regular briefing sessions; and, in some cases, financial rewards.
- The survey also found, however, that support for staff innovation was patchy in some authorities and dependent upon individual managers.
- The key obstacles appeared to be: lack of enthusiasm amongst frontline and senior staff; a lack of time; a top-down management culture; and a risk averse culture.
- Respondents believed that making 'innovation' a requirement in a job description would help embed a culture of innovation and also identified the need to offer personal or team incentives.
- 39% of respondents felt harsh economic times have made innovation more likely.

Case studies

Section three of the report is an in-depth examination of five local authority case studies. These case studies provide clear examples of how councils have engaged their workforces to develop innovative ways of delivering services; ranging from housing to highways, from grounds maintenance to waste management. These case studies also detail the techniques and mechanisms required to support employee engagement while redesigning local authority service.

- South Lanarkshire Council has encouraged innovation through a variety of processes, including a matrix for scoring ideas, resulting in a number of innovative projects to reorganise services.
- Blackburn with Darwen's formal training to encourage innovation in service effectiveness has resulted in workforce initiatives such as an accident prevention scheme in environmental services.
- Ealing Council's programme of innovation in environmental services took on board ideas taken from the street cleansing staff.
- Staffordshire County Council encourages innovation through a variety of measures including forming part of new employees' induction and training programmes, which has resulted, for example, in highways staff involvement in an innovative mobile footpath recycling machine.
- Monmouthshire County Council has developed an Intrapreneurship School and Intrapreneurship 'Cookbook' among other measures, as methods for encouraging its workforce to think about innovation in the services for which they are responsible.

Recommendations

The final section of the report draws upon the evidence presented from the literature, survey work and case studies, and provides a series of strategies local authorities can deploy to extract the best ideas from their frontline workforce. This report builds upon these findings to identify a key set of skills and processes that local government can use as a guide, including the attributes and organisational support necessary for fostering frontline innovation.

These recommendations can be summarised as follows:

- There is not a one-size-fits-all answer to the challenge of austerity which local councils are facing and some radical changes to local services are clearly occurring in response to fiscal pressures.
- There are a series of changes that local authorities can bring forward that have been shown to be important and harnessing workforce innovation is vital to making these changes.
- There are a range of approaches and mechanisms to developing innovation in frontline services.
- Top-down management structures are a real barrier to encouraging innovation in services and managers must be accessible to frontline staff to discuss issues and potential improvements to services.
- Getting the right culture in which to breed ideas and finding appropriate ways for gathering these ideas within local authorities is essential.
- At a minimum, local authorities must establish methods for formally and informally sourcing ideas from their staff. A suggestion box, with evidence of actions taken, would be a good start for any local authority and while these systems are common, they are not yet universal.
- In some cases, there is also the need to source ideas about improving working practices and efficiencies through informal interaction with staff.
- Developing cultures of innovation in local authorities requires effort to construct and maintain therefore promoting innovation must be regarded as a process rather than an event.
- To embed a culture of innovative thinking on the frontline will require a comprehensive strategy and a package of incentives to encourage frontline employees to participate.
- These measures may include: involving innovation within the regular workload; using innovation as part of employee development through explicit training; using innovation as part of the appraisal process; and financial incentives to encourage the promotion of ideas if appropriate.

1. Literature Review

Frontline innovation in current local government context

The onus on innovation in local authorities emerged long before the financial crisis put public spending into sharp focus. In fact, central government has been promoting local authority innovation as far back as the Compulsory Competitive Tendering policies of the 1980s through to Best Value in 1999. The reason innovation has been an objective of successive governments is because it is considered one of the key drivers of efficiency and service delivery in the public sector. In part, the discourse around innovation developed within the context of the competitiveness of the UK economy. Recent examples include the Lambert Review in 2003 and the Sainsbury Review in 2007, but also by the efficiency drive initiated with the Gershon Review (2004). A climax of this flurry of reviews was the Innovation Nation White Paper, which argued:

“Innovation in Public Services will be essential to the UK’s ability to meet the economic and social challenges of the 21st Century....Those responsible for public service delivery must also learn the lessons of open innovation and adopt innovative solutions from the private and third sectors.”
Innovation Nation White Paper (2008)

The timing of the White Paper coincided with the financial crisis and consequent recession, and it is tempting to see the pressure on public services as a result of austerity measures. In fact, fiscal pressures, especially the rising cost of adult social care and waste disposal, were already squeezing local authority budgets; the financial crisis and recession have simply injected a greater degree of urgency to the debate about how to stimulate and capitalize on innovation in service delivery. The imperative to act was stressed by Maddock: “The challenge confronting government, and the public sector as a whole, is not only to reform the broken financial system, but to understand that the current crisis demands that we harness bold new approaches to public service delivery and government.” (Maddock; 2009)

What constitutes innovation?

There is a large volume of literature on innovation that has sought to conceptualise the term in a variety of ways. Indeed, the term is usually contingent on the context in which it has been observed (technology, business and commerce, government, third sector). At the most rudimentary level, innovation is applied to technological developments, such as the shift from typewriter to computer, which added unprecedented efficiency to workforce practices. For instance, the development of email has saved both business and public authorities vast sums on communications expenditure.

However, innovation can also apply to services, and in particular public services. The definitions of innovation germane to the public sector accentuate service improvement and emphasize social value. Mulgan and Albury contend that: “Successful innovation is the creation and implementation of new processes, products, services and methods of delivery which result in significant improvements in outcomes, efficiency, effectiveness or quality” (2009). An alternative, and broader interpretation is offered by Bason “the process of creating new ideas and turning them into value for society.” (Bason, 2010)

Typologies of public sector innovation

When considering innovation in the public sector, it should be understood according to its scale, its focus or its ‘trigger’. For instance Mulgan and Albury (2003) describe several types of innovation in terms of scale of impact and the timescale over which it takes place:

- **incremental innovation** (relatively minor changes to existing services or processes; slow and steady)
- **radical innovation** (introduction of new service or fundamentally different way of doing something; fast)
- **systemic or transformative** (such as those driven by new technologies, new relationships)

between sectors, new types of organisation, new policies or mindsets; taking place over many years).

Taking a slightly different angle, CLES (2009) offers a typology of public sector innovation which centered on the focus of the innovation (what it is trying to achieve):

- **service and production** innovation (involving new technologies)
- **delivery** innovation (new ways of solving tasks, delivering services and interacting with service users)
- **organisational** innovation (new ways of organising activities)
- **conceptual** innovation (new missions, strategies or rationales)
- **social** innovation (incorporating any of the above with the intention of meeting social needs).

A final distinction is provided by Bason (2010), who argues that 'triggers' of innovation combine external factors with organisational intent:

- **research and development** (academic institutions, think tanks and purpose-funded organisations that act as government's 'peripheral vision', spotting trends and solutions that can inform practice)
- **new technology** (e.g. web-technology to deliver services)
- **efficiency** demands
- **citizen centered** (systematic involvement of citizens, businesses and other end-users)
- **employee innovation** ("...when the public institution activates and leverages the experience and ideas of 'ordinary' staff across all levels and areas of the organisation."

Each of the definitions brings to light not only a number of types of innovation which might be appropriate to local authority services, but also raises the prospect of different strategies to implement innovative ideas.

The process of innovation in the public sector

When innovation occurs, it is seen to go through a number of distinct processes.

For example, Mulgan's framework (2003) includes:

- **generating possibilities** (stimulating and supporting ideas)
- **incubating and prototyping** (devising mechanisms for developing promising ideas and managing attendant risks)
- **replicating and scaling up** (promoting rapid and effective diffusion of successful innovation)
- **analysing and learning** (evaluating what works and what doesn't to promote continuous learning and improvement)

These elements are common parts of the policy-making process, and at the various stages in the framework, different but complementary skills are applied: as Patterson (2009) notes, the innovation process requires a range of skilled personnel to see an idea become a reality.

Given that much of what is termed New Public Management literature sought to bring about market-led reforms to public services, it is no surprise that Matthews et al (2009) notice a self-consciousness in the studies of innovation aimed at demonstrating that innovation is compatible with the public sector. According to their view, the literature often "seeks to-redress a perceived imbalance in the emphasis placed on innovation in the private sector vis-à-vis innovation in the public sector. This imbalance has arisen partly as a result of the growing prominence of the 'innovation studies' literature relating to the private sector. Another reason for this imbalance emerging has been the ethos that the public sector is neither equipped to be, or should seek to become, innovative."

APSE (2012) contests the critique that local government has been largely an 'innovation-free zone' and the characterisation of local government as too risk-conscious for innovation to flourish. Rather, it argues that 'local authorities do pursue innovative changes to service delivery; they can and do take considered risks and invest in entrepreneurial activities'. The implication is that innovation has not traditionally been a phenomena associated with either public services or local government does not innovate, or cannot.

Indeed, much of the literature is concerned with how to better integrate notions of innovation with a public service mindset. Bason (2010) for instance talks of 'raising consciousness' of innovation in the public sector, arguing that it is about distinguishing the value created by public sector innovation from that created by private sector innovation. Rather than increasing market share, generating profits or greater shareholder value, public sector innovation can generate the following types of value:

- enhanced productivity
- a better service for users
- improved results or outcomes
- stronger democracy (for instance citizen empowerment or participation, enhanced accountability or transparency).

Each of these gains are highlighted among the case studies set out in this report. Noticeable about this list of rewards from public sector innovation is that they are identical to the set of arguments forwarded for contracting out by the New Public Management literature, that using private industry to deliver public service would lead to enhanced effectiveness, efficiency, would drive quality through the system, and enhance the accountability of services. Given the parity of these potential gains, it becomes clear that local authorities who regularly put services out to tender should equally pursue a programme to support innovation with existing services.

Frontline innovation

The drive for innovation and the sources thereof, is a multi-layered phenomena. Despite the main impetus for innovation in local authority services having been encouraged by the Westminster government in Innovation Nation, the source of innovation in local services is more often drawn from local government employees. Frontline staff are recognised as a rich source of innovation for several reasons. This is because they:

- "have a unique and invaluable perspective that, with the proper encouragement, can lead to innovation in many dimensions." (Morris, 2007)
- "often hold detailed experience and first-hand knowledge about the processes, tasks and end-users they work with." (Bason, 2010)
- "know the most about the actual production of the organisation's services [and] have daily contact with many of the agency's clients and stakeholders, so they are well positioned to figure out how the agency should respond to this key part of its environment." (Behn, 1995)
- "involving them in the organisation's ideation process creates ownership for seeing change through." (Bason, 2010)

However, in order to get the most out of their workforce, management must create the conditions for it flourish to naturally. Consequently, while Bason (2010) recognises that, "top management must take responsibility for championing and enabling innovation" and "innovation is in practice essentially a bottom-up process".

Finding innovators, or making them?

Innovation at the level of the individual is, "...a process that begins with problem recognition and the generation of novel or adopted ideas or solutions. Next, the innovative individual seeks sponsorship for the idea and attempts to build a coalition of supporters for it. Finally, these activities result in some prototype or model of the innovation that can be used by the organisation" (Kanter 1998). This model reflects Mulgan and Albury's (2003) process of innovation but from the viewpoint of the pro-active individual who may be present or integral during all parts on the innovation process.

"Intrapreneurs; people who embark on innovative ventures within an organisation, are presented as brimming with energy and confidence. According to De Jong (2008): "Major activities related to Intrapreneurship include opportunity perception, idea generation, designing a new product or another recombination of resources, internal coalition building, persuading the management, resource acquisition, planning and organizing. Key behavioural aspects of Intrapreneurship are personal initiative, active information search, out of the box thinking, voicing, championing, taking

charge, finding a way, and some degree of risk taking.” Others, including Hamilton (2008), take certain individuals as a focus for innovation, where intrapreneurs will be: “Confident; politically and business savvy (they know how to get things done around here); networkers who think in collaboration, not isolation; risk takers who are willing to get it wrong, make mistakes and learn.” NESTA (2009a) identifies a motivation towards innovation, an open mind, and a degree of originality to problem solving.

APSE (2012) adopts a less individualistic model of innovation in which different roles are required in the innovation cycle which are fulfilled by a variety of people in different parts of the organisation, citing Ansell and Gash (2012)’s model of catalyst, steward and mediator. To this, they attribute a fourth role of deliverer, an individual, or group of individuals within a part of the organisation, who will ensure that service outcomes are met (APSE, 2012). The deliverer will go beyond the role of scanning for new opportunities, facilitating coordination, and mediating potential conflicts, into ensuring that desired outcomes and improvements to service deliver are met. However, APSE does acknowledge that all four roles may in some instances be fulfilled by the same person. If a tension exists between the individualist and organisational approach to innovation, NESTA has identified a compromise rooted in the literature:

“The perception that there is a special ‘sub-group’ of people who are ‘innovators’ in organisations is a misinterpretation of the research evidence in this area. Labeling employees as innovators, or not, is precarious for many reasons. Research evidence clearly shows self efficacy for innovative working (a belief and confidence in one’s ability to innovate) is a major determinant for innovation behaviour.” (NESTA, 2009)

This implies that a degree of confidence building can harness the power of most frontline staff. Patterson (2009) agrees, arguing: “Employee motivation remains a key component to successful innovative working. The research literature suggests that motivation is the key link between employee innovation and the role of managers in promoting innovation behaviours.” Aspinall and Kneale (2003) support this and demonstrate that intrapreneurial behaviours can be learned and adopted in public sector environments (for instance in university researchers or environmental wardens). Learning habits and techniques for creative thinking and problem solving can increase an individual’s confidence in their capacity for service innovation.

Most of the literature is encouraging in that innovative and intrapreneurial behaviours and habits can be both nurtured and learned with the right encouragement, leadership and environment. One of the fundamental requisites however is an engaged workforce.

Engaging the workforce

Turning to the literature on employee engagement, innovation is generally claimed as one of the outcomes of an engaged workforce, and engagement as a pre-condition for innovation.

Influential in government circles, McLeod (2009) shows that employee engagement correlates with innovation and highlights how “higher levels of employee engagement are strongly related to higher levels of innovation”, citing evidence from Gallup and the Chartered Management Institute. McLeod quotes Prof Julian Birkinshaw of London Business School as saying, “...you cannot foster true innovation without engaged employees”.¹

Hartley (2007) studied staff attitudes in councils which had been awarded Beacon status for innovation. She found that staff in Beacon councils were more likely to feel confident about being proactive in their work (including making suggestions to management about improvements or contacting people outside the council to discuss their work). They reported higher levels of personal innovation (introducing new methods or procedures in their work). They were more likely to feel they received recognition for good work and to be satisfied with their immediate line manager. They also reported higher levels of participation in decision-making. These are factors which appear in the literature as indicative of high levels of engagement, as well as innovative behaviour.

CIPD (2011) cites Shaufeli and Bakker (2003) in defining employee engagement, “...as a state of mind, characterised by vigor (high levels of energy and investing effort into one’s work), dedication (work

¹ Engaging for Success is a government-initiated, private sector-funded national campaign to promote the mechanisms for and benefits of employee engagement. A key reason for this is the established connection between engagement and innovation.

involvement experiencing a sense of pride and enthusiasm about one's work) and absorption (fully concentrated and engrossed in one's work)."

Creating an engaged workforce is not a straightforward process, particularly in difficult environments where their positions or departments may be at risk. However McLeod and Clarke (2009) identify four key enablers of employee engagement:

- **Leadership** - top level commitment to engagement
- **Engaging managers** - facilitative and empowering in style
- **Voice** – seeking and listening to employee views
- **Integrity** – values based, consistent behaviours that build trust

They also suggest that in order to enhance employee engagement leaders need to:

"Express the organisation's vision clearly; provide a clear line of sight; and develop an open and transparent culture. They propose that line management needs to: provide autonomy and empowerment to their employees; provide development opportunities; clarify expectations; treat employees fairly and with respect; offer coaching, feedback and training; and ensure work is effectively and efficiently designed." [MacLeod and Clarke (2009)]

One of the challenges to creating an engaged workforce is that some divisions or tiers of organisation may be more engaged than others. According to BlessingWhite (2011)'s Employee Engagement report, workers are more likely to be engaged the 'higher up' in the organisation they are. They identified that people higher up the chain of command have more control over their work, and a greater impact on decision-making.²

A dimension of engagement which may be more applicable to frontline workers is that those departments which had the closest contact with clients had the most engaged employees. Blessingwhite (2011) also found that organisations that had responded to the current financial climate with redundancies, salary freezes, re-organisations/ restructure saw a loss of engagement compared with pre-recession levels.³ The nature of local government finances outlined at the start of this report present a challenge for local authorities, which may be seeking to harness the innovation of their employees, while simultaneously passing down redundancy notices to employees.

Barriers to innovation in the public sector

Evidence in the literature suggests that while the culture and organisation of the public sector can facilitate innovation, there are certain characteristics of the public sector which might inhibit it. Those most often cited as discouraging to innovation include: hierarchical management structures, operational constraints and demands, lack of resources, lack of incentives, work 'getting in the way', risk aversion and fear of reprisals if mistakes were made. As is noticeable however, these are not strictly unique to the public sector, which as is clearly observed in the New Public Management literature, has been developing characteristics more akin to businesses than vice versa. Nevertheless, one of the obvious (arguably necessary) features of public services is a hierarchical management structure, and another decreasingly prevalent issue of an absence of incentives to innovate. Research by NESTA (2009b) found that this was problematic, arguing that: "In general, the research literature consistently shows that flatter organisational structures facilitate innovation." It adds: "A lack of appropriate and sufficient incentives to innovate was reported as a barrier in many large organisations, especially in the public sector."

Bason (2010) notes that: "One key challenge in building a culture of innovation is to recognise the equal validity of innovation and operational activities, Innovation can be perceived as a barrier to 'real work'. Conversely 'real work' can be a barrier to innovation." Is this an excuse? Attitudinal factors are also at play: Two governmental studies, one in Denmark and one in the UK concluded that: "The second largest barrier to innovation was resistance to working in new ways and experimenting with new solutions."

2 There are obviously two sides to this point, in that engaged people are more likely to get promoted.

3 On this basis, one might expect levels of engagement to be relatively low on amongst frontline employees. The literature is lacking definitive information on frontline employee engagement, and Towers Perrin (2007) found that only 12% of UK public sector staff were highly engaged. It is worth considering also that these figures pre-date the financial crisis, public sector cuts, job losses and recession. What does this bode for engagement and innovation?

NESTA (2009b) research compared responses between public and private sectors and showed that employees from the public sector were significantly more likely to list 'risk aversion and a fear of failure among leaders' and 'too hierarchical a structure across staff levels' as common barriers to innovation; private sector employees were more likely to cite 'lack of time.'" The research found a quarter of survey respondents considering 'tolerance of failure and promotion of risk taking' as a top catalyst for innovation.

However, Bason (2010) observes that innovations in public services occur all the time, despite the many contextual factors that ought to limit it. He asks: "Might the political and structural context of the public sector be more of a mental iron cage than a true barrier to innovation? Are the perceived limits in our own heads as public administrators and civil servants?" Whatever the answers to Bason's question, that innovation does occur within public services provides a clear opportunity to discover where and why, and where not, and why not.

Making innovation at the frontline possible

In our review of the literature and through discussions with practitioners, we have identified three essential areas for organisational development that are needed for sourcing innovation from frontline employees. These are: culture and leadership; workforce development; and facilitating the innovation process.

i) Culture and Leadership

One of the fundamental approaches to sourcing innovation from the frontline is supporting the right culture, with the right leadership. MacLeod and Clarke (2009) made clear that both leadership and management should be a priority for organisations looking to improve performance through increased employee engagement. These findings were reinforced by NESTA (2009b) research which found that, "four out of ten respondents identified 'managers' support and openness to innovation' and 'leaders modeling behaviours that encourage innovation' amongst the three top catalysts for innovative working."

More recently, Chartered Institution for Personnel and Development (CIPD) research into employee engagement and NESTA research into innovation show considerable overlap. From the perspective of employee engagement, the CIPD (2011) identified that "high-performance working practices can be defined as a set of complementary working practices" within the three following areas:

- high employee involvement practices: for example self-directed teams, suggestion schemes, and sharing access to company information
- HR practices: for example sophisticated recruitment processes, regular reviews of staff training needs, training to perform multiple jobs, performance appraisals, work re-design and mentoring systems.
- reward and commitment practices: for example financial incentives, job rotation, family-friendly policies, and flexible hours.

In complement to the CIPD's work, NESTA (2009b) observed a range of key leadership characteristics associated with promoting innovation, "confidence, motivation, curiosity, openness to ideas, approachability and flexibility. Important leadership behaviours include encouragement of risk-taking, an open style of communication, participative/ collaborative style, giving autonomy and freedom, support for innovation (verbal and enacted), constructive feedback, and being optimistic about the future."

The most critical characteristic of leaders was generally agreed to be their ability to encourage risk-taking.

Key ideas for culture and leadership

Advice for managers and leaders seeking to promote innovative working is that they should:

- devote time for developing new ideas
- offer informal feedback
- engage in creative goal setting

Leaders should keep employees motivated with a transformational leadership style (more inspiring, motivating and collaborative). (NESTA, 2009b)

ii) Workforce development

The second fundamental element of organisational development is focused on the non-managing workforce. NESTA (2009) recommend that organisations find ways to accurately assess their organisation's existing or potential for innovation at all levels; organisational, team and employee. Without this data it cannot know where to direct its effort.

Recruitment and selection could be geared to deliver individuals and teams with greater potential for innovation. If these individuals have been identified, they can be incorporated into activities and strategies to generate and promote new ideas as part of the innovation cycle.

According to APSE (2012), "a critical success factor for fostering innovation and gaining the buy in of staff is to value and develop the workforce, offering them a range of training and career progression opportunities." NESTA agrees that, "organisations should incorporate specific training and development interventions into current management development programmes to promote the behaviours that enhance innovative working. Larger, public sector organisations in particular need to ensure managers/leaders are fully supportive of and trained in facilitating innovative working" (2009b).

Further evidence is provided by Bason (2010) citing a 2006 survey by the Danish Confederation of Trade Unions, revealing that, "among the features that promoted innovation was the deep engagement of employees in the innovation process, openness from management to take on new ideas from workers, room to experiment and fail, and ongoing competence development and lifelong learning".

An essential part of workforce development is engaging employees with the innovation concept, and stressing its necessity. Citing the case of West Lindsey, APSE (2012) noted that the leadership explicitly aimed to shift towards an innovative culture; training staff to be more commercially minded employees, and training managers to be both financially and commercially minded. In this case, up-skilling the workforce was a route to improving employability and productivity of the workforce, and therefore a remedy to redundancies in the wake of budgetary cuts.

In the present economic circumstances, there may be an obvious temptation to present the stark choice of 'innovate or die', but there are more positive ways to approach this issue. A key focus on workforce development would be to develop the leadership and management behaviours associated with encouraging innovation at the frontline, as the NESTA (2009b) report advised. A number of different approaches to both specific and general training of the frontline workforce are identified in the case studies below.

Key ideas for workforce development

- An engaged workforce is more likely to be an innovative workforce
- Typically employees are more engaged the higher up an organisation they are
- To encourage innovation on the frontline, employees will need to enjoy some of the freedoms that people in higher positions enjoy, such as a stronger role in the decision making process
- Specific staff training for multiple tiers of staff can facilitate innovative thinking

iii) Facilitating the innovation processes

Even with training provided to the workforce, this does not guarantee that frontline staff will automatically produce innovative ideas that can be worked into functioning service innovations. In order to encourage staff to come forward, a culture has to be created and a series of formal and informal structures and mechanisms needs to be applied to encourage staff to get involved in shaping service provision.

As might be expected, the literature does not settle on an ideal approach to encouraging and harnessing innovation. A 'horses for courses' approach is recommended. Bason (2010) argues that there is no off-the-peg mechanism that will guarantee a successful innovation process. Specifically, no one technique is likely to succeed in isolation, rather a combination of methods are best deployed depending on the services and workforce concerned. NESTA (2009b) argued: "High performing organisations vary in their use of resources and initiatives for innovative working. However, initiatives are likely to be more effective when there is a multi-leveled, coordinated approach. The isolated use of brainstorming activities for example is unlikely to promote sustained innovative working..." "Three organisational initiatives found to best predict employee level idea generation were 'work time devoted to developing new ideas', 'team incentives' and 'induction programmes that emphasise innovation'"

In a report for the Centre for American Progress on facilitating innovation in the public sector, Kohli and Mulgan (2010) recommended a series of techniques aiming to generate promising ideas. The themes were:

- Unleashing the creative talents of [public] agency staff
- Setting up dedicated teams responsible for promoting innovation
- Diverting a small proportion of agency budgets to harnessing innovation
- Collaborating with outsiders to help solve problems
- Looking at issues from different perspectives to notice things you wouldn't otherwise

On display in the case studies of this report are both incentive structures to motivate staff into a) thinking about service improvements and b) producing ideas about how they might be achieved. Alongside incentives, frontline staff must have an outlet for their ideas.

Collaborating with others to create opportunities for employees to meet socially, informally or through designated cross-organisational sessions was shown to be a catalyst for innovation.

Each of the case studies in this report outline different techniques, and combinations thereof, for facilitating innovation and what ideas have been brought forward from using such methods. One example is included in the box below.

Key ideas for facilitating innovation

20% TIME?

A radical proposal for facilitating innovation is called '20% Time'. It argues that a large amount of time is wasted in the working day, and rather than having that time wasted, 20% of the service employees' time should be put aside to design, develop and participate in a project that is not in their job description. Naturally this can be related to service design, it could be anything, but should be of some benefit to the employer, and the use of the method can enhance engagement and encourage creative thought. This method has been adopted by Google, who allow certain staff 20% of their time per week to try to fix a problem with for instance, software, despite this not being within the strict parameters of the job description.

Project relevance, employee responsibilities and employee expertise are important factors to consider when adopting this approach to ensure that 20% time is not rendering the organisation and its services inefficient. Equally, the 20% time is arbitrary, and can be expanded or reduced accordingly, to half a day, or one day a month.

2. Findings of survey on frontline innovation in local government

Survey responses

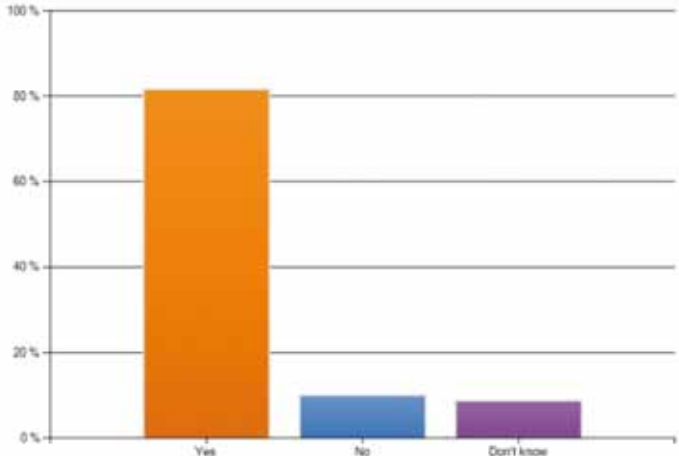
A survey was commissioned by APSE to collect and evaluate the evidence of frontline service innovation, local authority attitudes to workforce involvement in innovation and current perceptions of barriers to innovation and success factors.⁴The profile of responses reflected the core frontline areas of APSE membership: with 34% of respondents from frontline environmental services such as street cleansing, refuse collection and other neighbourhood services, 24% from highways and street lighting services, 14% from housing and building maintenance services, 13% from soft facilities management such as school meals, and the remaining respondents from a range of other services such as libraries, leisure services , care services and community and civic venues.

Survey findings

First, respondents were asked if they felt that their council regards it as important to encourage innovative behaviour in frontline employees. 80% of council respondents felt that this was the case with just 9% saying that they felt innovative behaviour was not important.

The survey also sought to establish the extent to which councils encourage frontline innovation. The responses showed that 67% feel that their local authority encourage staff 'quite a bit'; or a 'great deal'. However, there remains scope for further improvements as a third of respondents felt that they did not really put a great deal of effort into encouraging staff innovation.

Does your council regard it as important to encourage innovative behavior in frontline employees?



How is innovation encouraged?

The survey was particularly interested in how local authorities support frontline innovation and what measures are in place to capture innovation. It found that:

Many authorities have engaged in employee awards nights with specific recognition for innovation in the workplace. In light of budget pressures 'awards nights' in some cases have been changed to awards 'lunches' but the practice of rewarding staff innovation with recognition is still very much present.

Many authorities maintain regular one-to-one sessions with staff, where ideas about innovation in service design and delivery are a regular feature of those discussions. Managers reported that they simply believe with regular supervision and effective communication the development of good practice and innovation become common-place; this develops a culture of innovation.

⁴ The survey had a 90% response rate, with a total of 84 individual returns.

It is common that management operate an 'open door' policy, where managers wish to encourage staff and demonstrate that they are receptive to new ideas about the service. As the literature review made clear, flatter management cultures are more receptive environments to innovation, and this should therefore be encouraged.

Staff suggestion schemes remain a popular and effective choice to encourage innovation. Some authorities reward staff for ideas that can be implemented; examples of this include high street shopping vouchers or additional holiday leave.

Looking at specific mechanisms, one authority holds a staff workshop event to allow ideas to develop whilst a further respondent has an 'Innovation and Technology Board' which has allocated funds in order to pump prime innovation.

Another authority reported that they undertake regular briefing sessions with staff who undertake the same roles to discuss issues and offer improvements, for example with cleaning supervisors or school crossing patrols.

However amongst those respondents who felt that they did not encourage staff a great deal it was reported that support for staff innovation was patchy. One respondent highlighted that encouraging innovation was very much '*dependant on individual enthusiastic middle-managers rather than senior managers*'. A further respondent said that '*There is little appetite for such practice*' and another saying that there is '*no real encouragement*'.

The less positive views about organisational culture towards innovation tend to support the need for innovation to be encouraged at every level of an organisation; whether from the chief executive or a frontline employee. The culture of ideas needs to be embraced. This seems from the more positive respondents to be about innovation role-modelling at all levels within an organisation, a culture of rewards for innovation and the ability to turn ideas that are generated into real actions that impact on how a service is delivered.

Examples of innovation developed by frontline employees

The survey asked respondents to provide examples of innovation that has been implemented as a result of ideas generated by frontline employees. The range of responses varied from suggestions to implement healthy menus for staff to detailed changes in how a service operates. Ideas from the front line include:

Grounds and winter maintenance

Staff suggested that the council formed a team using the skills set of ride on mower drivers in the grounds maintenance service to carry out winter maintenance work. This provided additional resources at peak times.

Changes to grass cutting routes and machinery were developed in one authority to develop greater efficiencies in the service.

In one authority, staff came up with the idea of recycling waste metal collected as part of the routine grounds maintenance operations. Metals are now collected and taken to the scrap yard and the income pays for hand held machinery that the teams need.

Housing and building maintenance

Processing of emergency calls was reviewed for suggestions from frontline employees resulting in messages being sent from PC's direct to mobile phones, instead of time spent on physically calling through the emergency call to the frontline worker resulting in a saving of both time and cost

Staff assisted in the development of an idea to put in place a boiler reconditioning workshop. Boilers which are removed are now stripped for spare parts which can then be reused savings the cost of replacement parts.

As a result of requests from staff one local council building maintenance team has introduced multi-skill training in trades. Staff were able to develop a more tailored approach which brought about staff buy-in to multi-skilling the team.

Soft facilities management and leisure services

As a result of staff suggestions a successful daytime cleaning service was introduced

with staff working in High Schools which are notoriously difficult to clean.

One authority developed a 'spring clean' service by their cleaning teams to residents receiving Social Care support or Homecare services.

Environmental services

Staff were involved in the setting of specifications for new vehicles and the involvement of the front line staff has proved to be invaluable in purchasing a fit-for-purpose product.

Due to restricted access to some areas refuse collection staff came up with alternative collection days on a specific round to avoid the problems of restricted access using their local knowledge of the affected area.

Personnel and corporate services

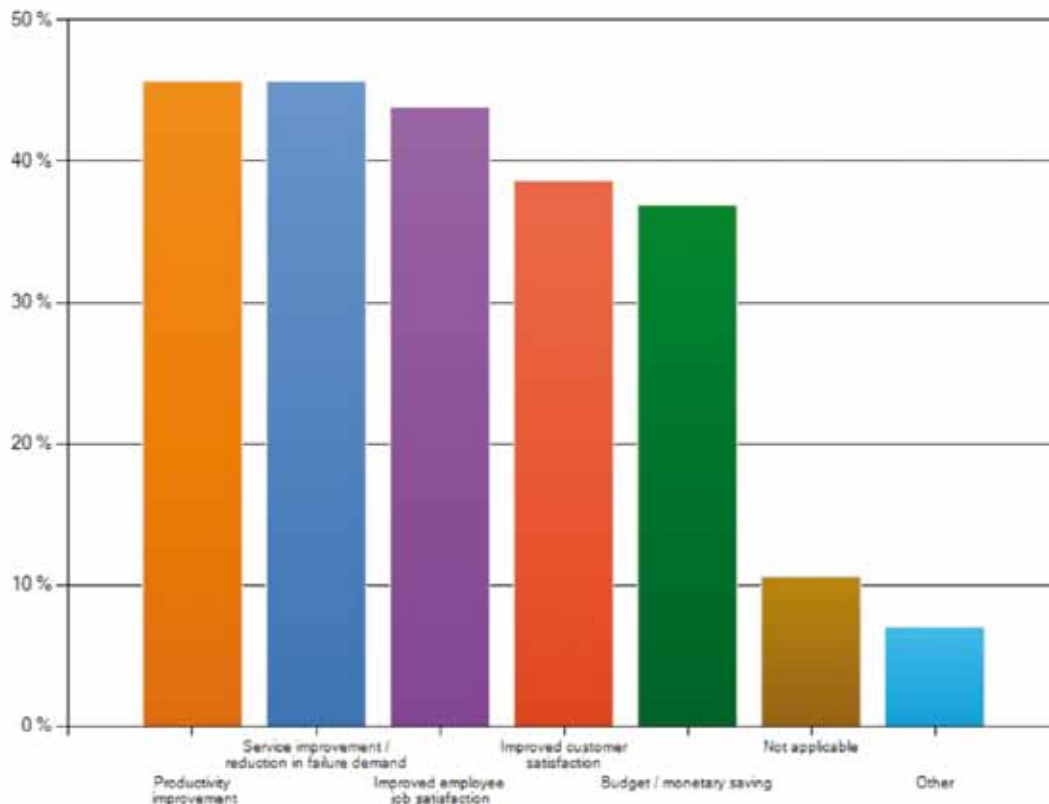
Through staff innovation one authority developed a new 'lone worker' policy designed to ensure the safety of staff in services where they may be often the only council worker on site or within a service users own home.

One authority following representation from frontline staff now allows staff to 'purchase' additional annual leave, and have introduced a new leave bank. This helps employees to manage leave and the employer to better plan leave arrangements.

An idea to utilise an unused outside space, next to a civic centre, for a weekly market to attract and promote local businesses was brought forward by staff and successfully implemented by the local authority.

What are the positive outcomes from frontline innovation?

Respondents were asked to identify the main benefits that they had found from frontline service innovation. The most commonly identified were increased productivity and service improvements (both identified in 47% of responses). A total of 38% reported improved employee satisfaction closely followed improved customer satisfaction and budgetary savings.



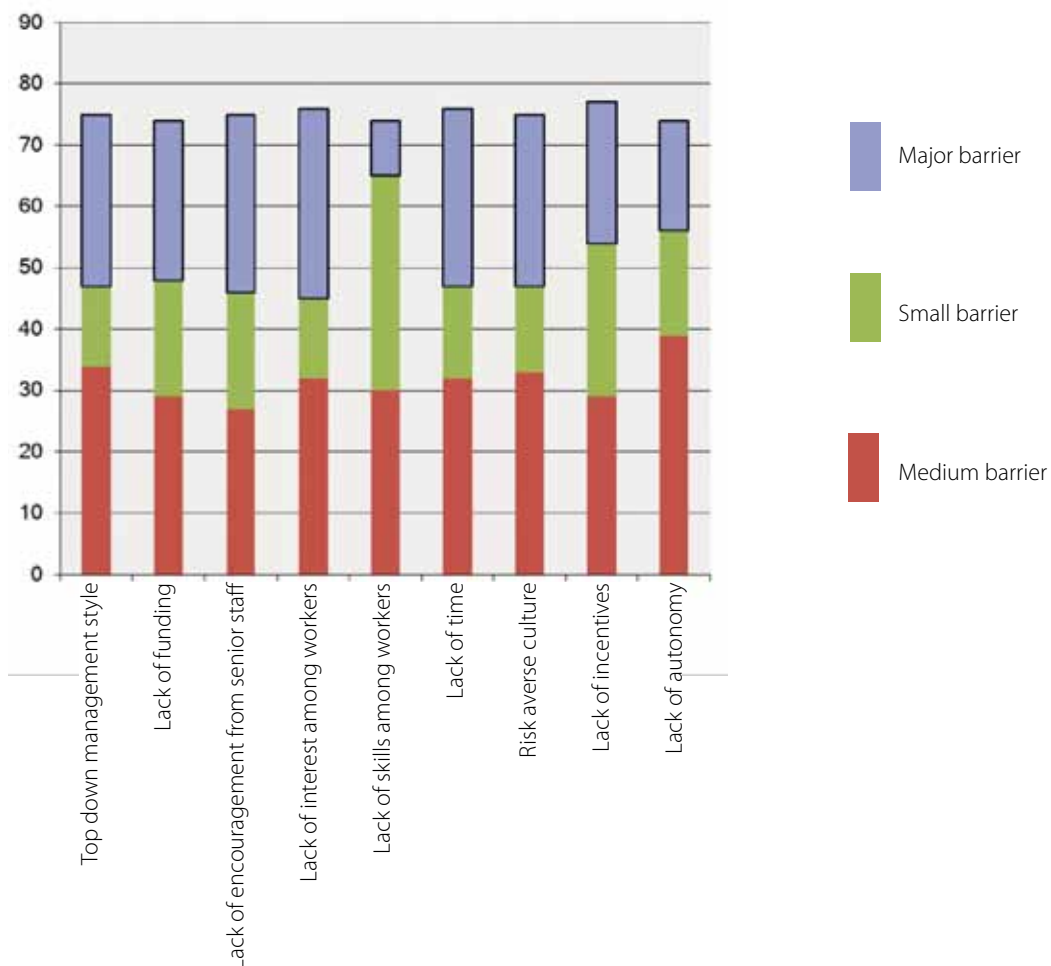
Barriers to innovation

In spite of some excellent examples of innovation feeding back from the frontline of local authority workforces, the following survey results indicate that there is still room for improvement, with barriers to innovation in some authorities.

The key obstacles appeared to be a lack of enthusiasm amongst frontline and senior staff. As reflected in both the survey results and literature review, a lack of time, interest, and a top-down management culture do not provide the right environment to foster innovation. Another barrier that featured highly was a risk averse culture.

When scored against a 'major' or a 'medium' barrier the highest overall reason cited as a barrier to innovation was a top-down culture. One interesting finding of the survey was that respondents did not feel that staff were insufficiently equipped to be innovative; the skills of staff was identified as only a small barrier to innovation, and seldom a major barrier. This finding may be reflected in the following section of the survey, which looked at how important different carrots and sticks were to bring out the innovation in frontline staff.

How would you score the following barriers to innovation?

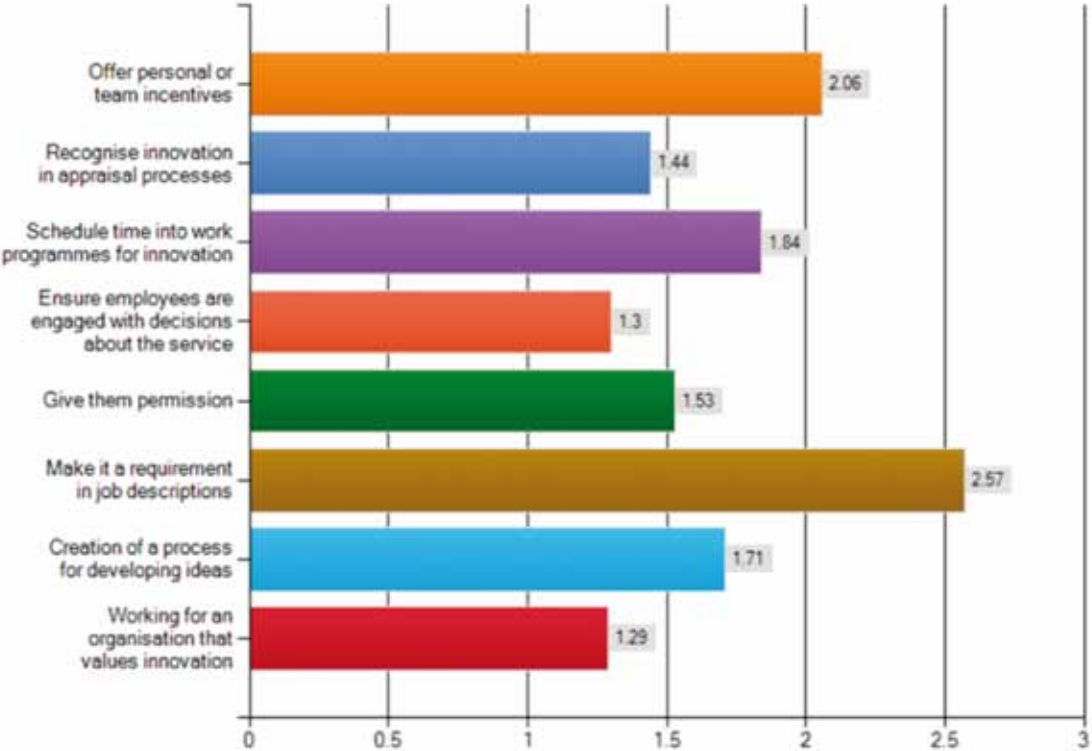


Success factors

When asked about success factors survey respondents were asked to score what they felt as the key elements to a successful strategy for staff innovation. Interestingly one of the highest scores suggested that making 'innovation' a requirement in a job description would help embed a culture of innovation but this was closely followed by the need to offer personal or team incentives. Again this was identified in the survey when respondents were asked what they do locally to encourage staff and these responses as detailed earlier included rewards schemes and incentives.

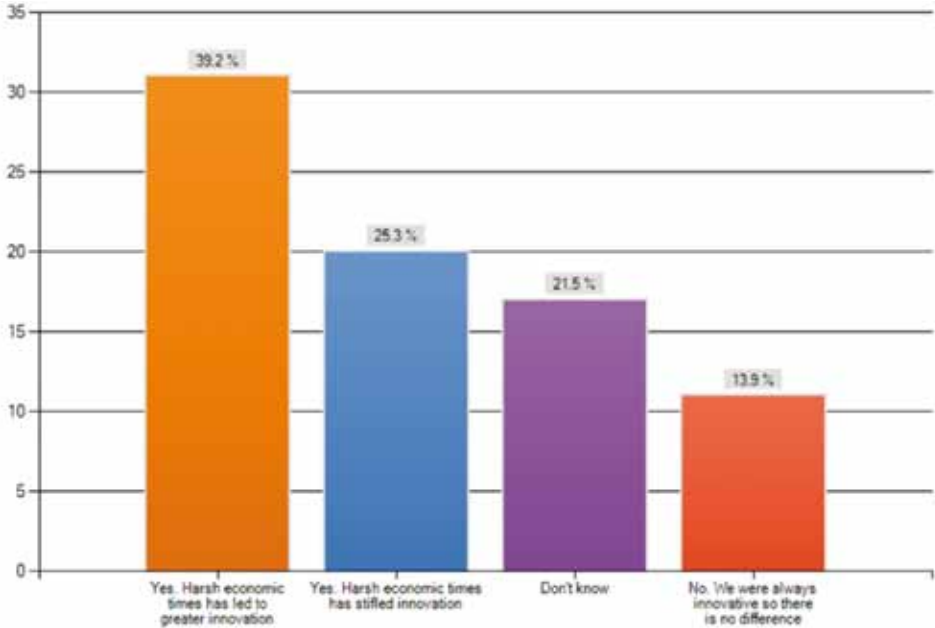
What do you regard as the most important success factors in encouraging frontline staff to be innovative?

It is also worth noting that creating a process for the development of ideas and scheduling time into work programmes to allow for the development of innovation, were also very important factors. However it is interesting in the current climate of staffing reductions within local authorities whether or not time to develop and schedule innovation into work programmes is realistic.



Has the harsh economic environment had an impact on innovation?

A total of 39% of survey respondents felt that harsh economic times have made innovation more likely, whilst 25% felt that it was less likely that innovation would be embraced during times of an economic downturn.



Summary findings of the survey

Whilst innovation is clearly embraced in some local authorities, in others there is a more patchy picture and, it would appear, a lack of enthusiasm and systems to fully exploit the clear benefits of workforce led innovation in frontline services.

In the most successful examples, the culture of the local authority can be found to drive innovation by embracing ideas, providing time, and funding in many cases, for the development of ideas and rewards or otherwise encouraging innovation.

Barriers to innovation could easily be overcome in adopting small changes to embrace a culture of innovation and engraining a culture of innovation at all levels of the organisation.

3. Local authority frontline innovation: Case studies

Selection

For our case studies, we wanted a geographical distribution of projects where real innovation using frontline staff was evident. We therefore selected the most interesting projects from Scotland, Wales and England based on the results of the survey of APSE membership, and discussions with organisations including NESTA Innovation Unit. We also wanted to select cases from a range of service areas that would have cross-cutting implications for policy learning, where projects could be loosely applied but similarly successful in other types of local authority services.

We have therefore selected the following five unique case studies from Great Britain, across a range of services, which have used different innovation stimuli.

Case Study 1: South Lanarkshire Council

A case study identified from the survey responses was South Lanarkshire Council reforms of housing services. South Lanarkshire Council has been associated with a number of innovative projects to reorganise local service delivery, and this case was the latest in a number of successful innovations.

The council itself has at various points encouraged innovation through a variety of processes, including regular team meetings/tool box briefings, regular face-to-face meetings between frontline staff and management, where innovation has formed a part of the appraisal process. Other approaches at the council have included training, employee surveys, a suggestion box, and an annual Performance Development Review where staff and managers can discuss service issues. Innovation also forms part of the staff appraisal process and is a feature of an employee awards night.

One example of pursuing employee engagement with corporate values was the provision of training for 600 employees in sustainable development, and one hundred of these in energy efficiency, as part of the council's drive towards a sustainable future (South Lanarkshire Council, 2012). The literature review conducted for this research advised that training and personnel development programmes should be encouraged to foster innovative practices, but strategies may nonetheless be targeted, such as in energy efficiency, and yet foster innovation amongst staff members and have cross-departmental implications for service improvements.

Another innovation process deployed by South Lanarkshire Council could be delivered across all tiers of local authorities at low cost. Like other local authorities, South Lanarkshire use an "Employee Suggestion Scheme", to foster input and ideas from their employees to improve work practices and efficiency. Operating for a decade, the Suggestion Scheme has yielded a number of developments across distinct departments and the system remains in place today. This encourages staff to have input into services delivered as part of the appraisal structure and also as part of an internal rewards system. Depending on local authority budgets and divisions, both of these elements could be implemented by all local authorities.

At the first instance, submitted suggestions are evaluated by a judging panel and the submissions by staff are evaluated on a points-based system. The points system applies across all South Lanarkshire Council employees, however, there are multiple strands to the scoring matrix, including a specific mechanism built in to encourage greater participation from frontline staff who may be less directly involved in the innovation process. The mechanism provides that more points are allocated to those at a lower salary grade submitting a suggestion. The matrix also allocates points based on the utility of the suggestion offered, which considers the wider the benefit of the suggested improvement (section/Service/council) and the potential for efficiency gains (verified by line managers at time of submission).

The more of these elements that are identified in the suggestion, the higher the score the recommendation is awarded. Once the points have been calculated by the judging panel, the score

will help to determine the level of rewards for the employees, and offer stronger incentives for frontline staff to take a few moments to consider how their services are operated. For a replicable example of an employee scoring matrix, the housing services department provided the scoring matrix included below:

SLC Scoring Matrix

Section	Scores				
	1	2	3	4	5
Grade banding	Senior management	Principal officer	Team leader and supervisor. OTO & CTO	Administration, trades	Clerical, modern apprentices
Customer impact benefits	Limited employees	All employees	Limited tenants	All tenants	All SLC council-tax payers
Financial savings (approx.)	Up to £1,000	Between £1K and £5K	>£5K	>£10K	<£20K
Costs to implement suggestion	>£10K	>£5K	>£1K	Up to £1,000	No cost
Efficiency/productivity impact	No impact	Streamline admin process	Admin process and man-hour benefits	Man-hour savings	Overall impact on establishment efficiency
Impact of suggestion	Team or section only	Service	Resource	More than one resource	Council-wide impact

The employee suggestions scheme has led to a number of service improvements, and the following instances were provided by the housing services division:

- The installation of hygienic hand wash facilities outside WCs within Business Units, minimising any potential spread of germs/viruses and increases in absence.
- One frontline employee suggested increased charges to tenants for replacing lost door security fobs as the cost of purchasing had risen substantially since first introduced.

A series of further innovations came to our attention through the survey process, including a number based in housing and building maintenance designed to streamline the process for meeting regulatory requirements, and these have the potential to be applicable to multiple services. There was evidence of a number of changes to standard forms used by customers of the housing services, where it was identified by a number of different frontline staff members through the Suggestion Scheme that various inefficiencies in their work load were apparent. For instance, a member of staff suggested a simple review of the standard letters sent out to local authority tenants and housing benefit recipients in order to reduce replicating information gathering processes. The staff members identified not only duplication, but that better upfront advice should be made available to prevent error and wasted time in information gathering as what was occurring over multiple interactions with local authority tenants could easily be shifted into one standard process, and this in turn would lead to greater customer satisfaction.

These ideas were passed for discussion through the suggestion adjudication panel, which evaluated the possible advantages of the suggestion against various scores, including the relevance of the suggestion, its projected cost savings, and the capacity to replicate the idea across multiple tiers of the local authority. The innovations were approved by senior management, and changes to the information gathering process was made, with the number of forms reduced and the administrative burden cut.

The results of the first 18 months are currently under review, but it is anticipated that they will have a significant impact on reducing data gathering, cutting duplication of necessary procedures to free up staff time, and improving customer service by reducing unnecessary interaction.

Implications

A Suggestion Box scheme is clearly an effective and low cost measure to incentivise staff to a) contemplate, and b) bring forward innovative service ideas. The structure of it offered specific incentives for staff operating at the front line of local services. The use of rewards is one way of embedding an incentives structure; however, with an engaged workforce financial reward may not be necessary where employees are attempting to make their services more effective and their work processes more simple and efficient.

With the specific innovation, it may be right to ask why these changes were not made anyway. However, an interview with a senior official at South Lanarkshire Council argued that this is the whole purpose of bringing the frontline service staff into the innovation process, because of their knowledge of the day-to-day of processes, and in particular inefficiencies in their workload. In many circumstances, frontline employees are in a unique position to identify more effective and efficient ways of working, and therefore tapping into this resource of knowledge through formal and informal mechanisms is essential to improving services.

Case Study 2: Blackburn with Darwen

Blackburn with Darwen was our second case study. Like others, the local authority is currently adjusting to significant financial constraints, having to absorb budget reductions of £40 million in the past two years, and is expecting further tightening of 20% of the budget to follow with the announcement of the Local Government Financial Settlement (Blackburn.gov.uk; 2013). The innovation process is therefore imperative to find efficiencies in local services if it wishes to protect them.

One example of innovation occurred within the division of environmental services. Focused on the regularity and cost of health and safety problems, Blackburn with Darwen has developed the employee-led Near Miss Scheme. The Near Miss Scheme was designed to identify near-miss incidents, record them, and prevent them from occurring in the future.

The interesting element to this case was that innovation was very much a bottom up process in its inception, where the recycling collection crews were regularly reporting a series of issues and incidents up the chain of command. However, these were often informal and sufficient systematic mechanisms to process, evaluate and respond to reports from the frontline were lacking.

As part of a programme of change, the authority decided to use formal training to encourage innovation and improvements in service effectiveness and efficiency. In recognition of the absence of formal structures, the human resources department identified a series of formal training programmes, including the Technical Certificate and Business Improvement Technique. These programmes included training in statutory health and safety regulations, continuous improvement techniques, and risk assessment. The sessions were also used to develop the near miss scheme, and identify areas of concern amongst the frontline employees, where plans were drawn up with the help of refuse team leaders, the recycling coordinator and other council officials.

The plan developed and implemented formal reporting mechanisms to identify near miss incidents, including a report card that invited different information than standard reporting forms to record incidents on site. To ensure staff incidents were not ignored, the report cards required dated comments from refuse managers, and any actions that would be taken so that employees were a) aware of progress, and b) knew that concerns were not ignored.

The knowledge gained from employee feedback was then shared across the division to identify risk areas with the aim of preventing similar incidents arising, and associated cost of dealing with them. Initially, the reporting of incidents increased as employees have a publicised system through which to identify risks and share near miss incidents with senior managers. As suggestions have been feeding through the new systems, the number of incidents are falling, and a series of changes have been made to prevent reoccurrence of risk. Examples of these include:

- Re-surfacing work on a waste transfer station to better support plant machinery
- Changes to refuse and recycling collections in several areas due to unsafe access for RCV
- Change to cemetery working practice for safe use of tractor/flail and JCB digger (two different

instances) during trimming on a banked area and excavations

- Local schools engaged by sustainability manager regarding safe use of roads when walking between sites.

Many more problems have been reported, which have led directly to safer working practices and all have come from staff reporting.

Implications

The case study demonstrates the opportunity to use formal staff training across various tiers of a division to encourage the innovation process, where members of staff can contribute to developing service improvements through structured interaction with other managers, and help design a system of reporting problems to management that works for them.

Equally, the case also highlights the importance of management feedback. If ideas for service improvements are to be sourced from the front line, it is important that these ideas are acknowledged, and where necessary, evidence should be shown that ideas are acted upon, so that staff identify their involvement is part of a cyclical process rather than an isolated event.

Case Study 3: Enfield's Tidy Teams

Enfield Council in London has embarked a programme of innovation in its environmental services division. Environmental services, specifically street cleaning services, are regarded as important, as surveys from residents revealed that 32% of the local population regarded the cleanliness of their local areas as a municipal priority (Enfield; 2012).

The innovation process occurred on an informal basis, as it was the view of management that the reflections of street cleaning staff were best identified by site visits and informal discussions to find out what were the issues with their work, and to discuss ideas about how their work might be done more effectively and efficiently. The ideas taken from the street cleaning staff were then developed by management into a series of more concrete proposals, which were run through the appropriate political channels and tested. The street cleaning staff in the area were viewed as reluctant reformers given the familiarity with the processes involved in their work. However, with the right support, and with management going out into their workplace and listening to them, they were open to change. Initially, not all frontline staff liked the changes, but these have since become advocates of the new teams.

One of the key points of is that an immediate overhaul of service delivery was not seen as viable or helpful. Instead, a systematic change to the way environmental services were operated was made possible by implementing the changes in increments. In this particular case of street sweeping, the policy was implemented gradually on a street by street basis, changing the shift patterns, and the size of street cleaning teams operating within the area. As part of a process of continuing improvement, Enfield is keen to ensure that managers are regularly on site to identify issues with frontline employees.

Innovation in action

The systematic change to environmental services was principally to shift from one where projects workers who used to patrol an area alone would instead do so as part of a larger team, sometimes three or four workers at once, known as Tidy Teams. This was premised on the understanding that if a whole team was dedicated to the area, a deeper cleansing of litter and fly tipping could occur, and the area was less likely to become dirty as quickly. The changes received positive coverage in the local press, and it was identified as an innovative way of delivering an improved service with the same budget that is both popular with local residents and with local businesses (Enfield Independent (2012).

The project will be measured over the long term on the basis of repeated surveys of residents, the volume of complaints received from local residents, and on whether management and the frontline staff themselves recognise that a) the places they clean stay clean for longer, and b) that they can now operate in a wider geographic area as a result of the improved efficiency of Tidy Teams.

Preliminary information is available which shows that, for instance, since the introduction of Tidy Teams, the number of complaints about litter and dumping in the local areas where they operate are down to single figures. Even during the pilot period, the number litter complaints made to the hotline by members of the public had fallen by 77%. In a presentation to APSE, the manager in charge of service reform, David Coventry, discussed overall improvements in Enfield's NI195 results, the surveys used specifically by DEFRA and local authorities to identify local environmental quality (APSE; 2011). The introduction of team-based cleaning rather than individuals with barrows has increased the productivity of the street cleaning service without adding extra costs.

Implications

There is a poignant element of 'broken windows theory' to the Tidy Team's innovation, that through substantially purging streets of litter this would encourage people to take greater responsibility for their own environment. As the review into the Tidy Teams developments notes, "officers felt that this [deep cleaning] could help to change behaviours and improve residents' satisfaction with their local environment" (Enfield; 2012)⁵. The case is not necessarily applicable across different areas of local government, but in environmental services there is scope for reducing daily rounds, so more places can be covered by the same number of staff, improving the effectiveness and efficiency for services, and maintaining public support for them.

It is also worth noting that this project occurred within a wider series of service reforms; for instance part of the competencies of the fly tipping were assumed by street cleaning staff, where dumping is sufficiently small scale. The aim of this was saving on staffing in other areas of the environmental services teams, preventing unnecessary duplication of services. This freed up time for the fly-tipping section to focus on more substantive problems and to escalate enforcement activities which, according to internal briefing documents, are showing equally positive results (Enfield; 2012).

Case Study 4: Staffordshire County Council

Staffordshire County Council is another local authority that is facing the potential of revenue and capital grant cuts of 30%. The authority report that it "is on course to deliver savings of £34 million on its budgets this year alone, through new and innovative ways of working, from highways through to social care, trading standards and economic regeneration".[2]

The example used in this case study is identified in highways operations delivery, but Staffordshire County Council encourages innovation across services through a variety of measures. Innovation forms a part of new employee's induction and training programmes. For existing employees, innovation forms a part of the appraisal process, alongside an employee suggestion box scheme.

Innovation in practice

The case of innovation in Staffordshire has been identified in the highways operations delivery, and is one of the most transparent in terms of its immediate benefits.

Staffordshire County Council Highways is a joint venture between Staffordshire County Council and Enterprise plc, with the driving force behind the project coming from one of the sustainability champions at Enterprise. The innovation is a mobile footpath recycling machine. The purpose of the machine is reduce to the volume of virgin materials used for constructing pavements, and the volume of waste materials that are disposed of in landfill sites. It also serves a second purpose; where Staffordshire County Council has in place plans to significantly reduce carbon emissions to below statutory targets.

Rather than digging up old footways and starting afresh each time, the footway machine is used to recycle existing carriageway planings into a new footway binder course. This prevents the need to transport large volumes of new materials to site, as the aggregate and bitumen are available from the planings. They are loaded in the machine hopper and then heated for twenty minutes with the addition of bitumen if required. The hot mixed binder course is then ready to be laid as new footway ready for the surface course.

5 <http://governance.enfield.gov.uk/documents/s24089/Mtg%205%207%2012%20ENV%2012%20009%20Scrutiny%20Approved.pdf>

The project was initially brought about through a top down pilot. As the literature review identified, with top-down innovations it can be challenging to generate engagement with the new processes, as it can be difficult to achieve a shared degree of enthusiasm and consent between management and frontline staff. However, in this case the process was piloted with highways gangs, who helped to identify both inefficiencies with the machine, and problems of pollutants emitted from the drum. These concerns were fed back to senior management, where enhancements were made to reduce the disruption and pollution caused. In addition, training was provided to the highways gangs by a dedicated employee who would advise on getting the most out of the technology.

Internal quality inspections have reported that air voids are minimal in the recycled binder course, providing for a more durable construction over the long term. The main effects however are immediate, where transit costs of materials have been greatly reduced, and the reduced journey times, reductions in landfill waste, and energy reduction provide for an immediate impact on the costs of footways. It is estimated that the direct savings from the new footway machine are 35% over conventional construction methods.

The environmental savings are substantial. Staffordshire County Council commissioned a model to test the impact of the introduction of bitumen recycling for footpaths. On a per machine basis, the estimated carbon emissions reduction is 1,600 tonnes.

Implications

This innovation represents a classic case of technological innovation brought into local authority services to improve both their effectiveness and efficiency. It shows that despite the innovation being a top-down process, the input for frontline staff can serve to improve the efficiency and effectiveness of innovative technologies, as it these individuals who have to work with the technology on a day-to-day basis.

The implications for the project are that the uptake of technology can save local authorities money in the short run, and help to meet local and national carbon reduction targets over the longer term and reduce the associated costs of landfill. The success of this project has already caught the attention of other local authorities, including Cornwall and Leicestershire county councils. Similar machines are working in Worcestershire, Cambridgeshire, Hampshire and areas of Scotland.

Case Study 5: Monmouthshire County Council and the Intrapreneurship School

One final compelling example of bringing the frontline workforce into the innovation process is the Monmouthshire County Council project, the Intrapreneurship School. What is interesting about the project is that it is not directly connected to a specific policy area or reform proposal, rather it is about inspiring innovation generally across all tiers of the local authority.

The Intrapreneurship School was established as a part of the Your County, Your Way series of local authority reforms. The school is primarily a training centre for Monmouthshire County Council's staff as a method for engaging the workforce to think about the services they are responsible for, with practitioners often brought in from the outside to deliver innovation workshops for frontline staff. The Your County, Your Way project has received considerable attention from NESTA among others, of which the Intrapreneurship School is a constituent part. The council says: "Our experience demonstrates that giving people the space and permission to think differently unleashes their intrinsic motivation and enables them to deliver better things." [MCC; 2013]

A key work in progress for the Intrapreneurship School has been the development of a collection of ideas, demonstrations and proposals that show how staff can engage in innovative activities, called the Intrapreneurship Cookbook. Within this 'recipe book' is a collection of tools, ideas and techniques which staff and external practitioners can draw upon to encourage them to consider the use, performance and relevance of the services they are involved in. These are worthy of exploration by any local authority researching ideas for stimulating innovation from within their workforces.

One of the simplest strategies recommended available to any organisation is the 'Bad Public Sector

Experience' exercise, which calls for the local authority worker to turn to a colleague and ask them to consider their best and worst experiences of using public services, why this was, how it made them feel, and why it made them feel they way it did. This is obviously a key point in public policy making literature, the problem identification phase, but the exercise can be stretched to consider what might be learned from the experience, and how things might be vaguely be improved.

A particular approach worthy of attention is the People, Places, Purpose, Passion where the the council is looking to make services more reflective of citizen demands. One of the current challenges of the project is to free up the capacity of the organisation to be able to go out into the community to develop links with service users, to discover their perspectives on services. As Kholi and Mulgan (2010) advise, "looking at the customer experience can often lead to public servants learning that the impact of their collective actions is quite different from what they had intended."

This style of engagement was strongly recommended by Melani Oliver at NESTA, who believed that when frontline service staff are given the opportunity to go out and have a cup of tea with a service user, they understand how services look from the other side of the counter, and that this can inspire changes in services. Oliver advised encouraging the use of ethnographic research in local authorities, not only among frontline staff, but across all hierarchical tiers of the organisation, including the chief executive level. As practical guidance the, Monmouthshire Council Council argues that, given that efficiency drives are inevitable in the current climate, it would be tempting to attempt to tackle the most change resistant, conservative forces within the organisation. The council advises that this might not be the most effective approach, and 'cleaning the cleanest rivers first', i.e. working with the best and most effective teams, can inspire them to prove their efficiency and innovation to the rest of organisation, and lead from the front. (MCC; 2012)

Innovation in action

A strong example of innovation at Monmouthshire County Council was identified at the landscape and grounds maintenance division. At present, there is a process of structural reorganisation occurring, but innovation has been occurring within division for some time.

The grounds and maintenance staff have gradually transformed their operations into an enterprising organisation that are charged first, with executing their own duties with respect to landscaping and grounds for the local authority, including grass cutting, verge cutting, hedge cutting, shrub and flower bed maintenance, children's play areas, cemetery work and maintenance of trees. However, over the last decade, the division have also become a successful contracting organisation.

With a large external client base, the division has contracts with private businesses, housing associations, and public sector organisations to deliver services such as landscaping, installing play areas, arboreal work and footpaths. The contracts are valued at approximately £2 million pounds per annum, and account for around two thirds of the division's income.

Services are not advertised by the authority or externally, but the division put in bids for local and national contracts. During an interview with the director of operations at the Landscape Unit, it was stressed that price was not the only element to winning private sector contracts, and that they often won large contracts based on quality scores in the tendering process. They are currently in the process of expanding their remits to include other public services, including police, health and fire services.

Implications

The Monmouthshire County Council approach to innovation in frontline services has been developing over a lengthy period, and the innovation recipe book is a fine example of not only an array of innovative tools and approaches to getting the most out of frontline employees, but is also a refreshing case of sharing knowledge with others.

The specific case of the Landscape division also shows potential for new ways in which local services can operate. Naturally, exploring the potential for large-scale business opportunities will not be appropriate for all local authorities, services or regulatory environment, nor is it risk free. However, over the longer term this example has displayed that a degree of financial insulation is possible against the changing winds of central-local government budgetary settlements, and that sources of funding are not limited to central or local government pots where staff are courageous and innovative.

It also shows that local government services can be efficient organisations and compete with the private sector when they are given the opportunity, and the presumption in favour of contracting out services to drive efficiency through services may therefore not always be the right one. For instance, recent research by APSE (2011) shows that using in-house services have the potential to be more cost-effective than outsourcing. Basildon and Ealing local authorities have abandoned using Arms-Length Management Organisations for administering their housing stock, and expect to save each around £1m on their budgets annually.

4. Conclusion and recommendations

It is abundantly clear that local authorities are facing substantial challenges in delivering services against a backdrop of budget reductions of between 28-40%. Lacking the fiscal autonomy to raise revenues, councils are left delivering the best services they can with ever shrinking resources.

As services are the main element of council expenditure, local authorities cannot continue to be operated as if budgets were static. There is no silver bullet, but a careful consideration of priorities and a degree of planning for the recalibration of services, local authorities can mitigate drastic service reductions and worst-case scenarios.

To do so however, local authorities must, and are, re-evaluating the services they deliver. In doing so, they are considering a vast range of options to reform the way they deliver services, and reduce the costs thereof to ensure that the services that exist today, will continue into the future. Cutting back services is not desirable, and in some cases not even legal, and tendering them out to private and voluntary sector providers will not necessarily deliver long-term savings or drive quality through the system. However, as this study has demonstrated, this is not the only option.

This report has shown that local authorities are suitable breeding grounds for innovative practices. The literature reviewed in the first part of this report shows that, with the right tools, culture, and management structures, local authorities can harness the skills, knowledge, and creativity of their workforces in order to deliver improvements to service quality, and identify and deliver efficiencies in local services.

There remain barriers to delivering innovation on the frontline. Reluctant staff, deep-seated operating procedures, and the temptation to be risk averse in the present climate are not simple obstacles to overcome. Nobody doubts that innovation is hard-work.

Recommendations

With the findings of this research in mind, we would propose the following recommendations:

- **There is not a one-size-fits-all answer to the challenge of austerity that is facing local councils and some radical changes to local services are clearly occurring in response to fiscal pressures.**
- **There are a series of changes that local authorities can bring forward that have been shown to be important and harnessing workforce innovation is vital to making these changes.**
- **There are a range of approaches and mechanisms to developing innovation on the frontline of services.**
- **Top-down management structures are a real barrier to encouraging innovation in services. 'Open door' policies are an excellent starting point used by a number of authorities involved in this research, where management must be accessible to frontline staff to discuss issues with services and potential improvements.**
- **Getting the right culture in which to breed ideas is essential, but local authorities must also find appropriate ways for gathering them.**
- **At a minimum, local authorities must establish methods for formally and informally sourcing ideas from their staff. A suggestion box, with evidence of actions taken, would be a good start for any local authority, and the evidence in this report has shown these systems to be common, but not yet universal.**
- **In some cases, there is also the need to source ideas about improving working practices and efficiencies through informal interaction with staff. This approach was shown to be particularly effective in two of the case studies in this report.**

- **It is important to note that cultures of innovation in local authorities require effort to construct and maintain, and therefore promoting innovation must be regarded as a process rather than an event.**
- **To embed a culture of innovative thinking on the frontline will require a comprehensive strategy.**
- **As such, it is advised that local authorities promote a package of incentives to encourage frontline employees to participate.**
- **These measures may include: involving innovation within the regular workload, such as putting aside time in team meetings; using innovation as part of employee development, through explicit training; using innovation as one part of the appraisal process; and using financial incentives to encourage the promotion of ideas if appropriate.**

References

- APSE (2011) *Insourcing Update: The Value of Returning Local Authority Services In-House in an era of budget Constraints*, APSE
- APSE (2011) *Tidy Teams: London Borough of Enfield*, available at <http://www.apse.org.uk/presentations/2011/03/street-cleansing-seminar/David%20Coventry.pdf>
- APSE (2012) 'Municipal Entrepreneurship' APSE
- BIS (2008) 'Innovation Nation' White Paper http://www.bis.gov.uk/assets/biscore/corporate/migratedd/publications/i/innovation_nation_exec_summary.pdf
- Bason C (2010) *Leading public sector innovation: Co-creating for a better society* Bristol: Policy Press
- Behn, R (1995) 'Creating an innovative organisation: 10 hints for involving frontline workers' http://govleaders.org/behn_innovation.htm
- BlessingWhite (2011) *Global Engagement Report 01/11* http://www.digitalopinion.co.uk/files/documents/Employee_Engagement_Report_Blessing_White_%202011.pdf
- CIPD (2011) 'Management competencies for enhancing employee engagement' [http://www.cipd.co.uk/binaries/5468%20Mgt%20Comp%20RI%20\(WEB\).pdf](http://www.cipd.co.uk/binaries/5468%20Mgt%20Comp%20RI%20(WEB).pdf)
- CLES (2009) 'Creating greater innovation in public services: challenges and opportunities' Issue 96 Online <http://www.gloucesterpartnership.org.uk/Docs/LW96%20Innovation1.pdf>
- Hartley J (2007) 'The role of frontline staff in service innovation and improvement: Local authorities and their engagement in the Beacon Scheme' CLG <http://www.communities.gov.uk/documents/localgovernment/pdf/557726.pdf>
- Hamilton p (2008) 'Intrapreneurship: leveraging organisational talent' *Training Journal Online* <http://www.thefreelibrary.com/+organisational+talent%3A+Beverly+Hamilton...-a0188352914>
- DCLG (2012) *Local Government Financial Statistics No.22 2012* https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7476/2158981.pdf
- De Jong, J and Wennekers, S (2008) 'Intrapreneurship: Conceptualizing entrepreneurial employee behaviour' <http://www.entrepreneurship-sme.eu/pdf-ez/H200802.pdf>
- Enfield Council (2012) *The Expansion of Tidy Teams and Litter Enforcement Areas*, Available at <http://governance.enfield.gov.uk/documents/s24089/Mtg%205%207%2012%20ENV%2012%20009%20Scrutiny%20Approved.pdf>
- Enfield Independent (2012) *New Tidy Teams Tackle Problem Litter Areas*, Available at http://www.enfieldindependent.co.uk/news/9648754.New_Tidy_Teams_tackle_problem_litter_areas/
- IDEA (2005) 'Innovation in public services' <http://www.idea.gov.uk/idk/aio/1118552>
- IPPR North (2012) *Northern Prosperity is National Prosperity*, Northern Economic Futures Commission, IPPR North, Newcastle.
- Kneale P and Aspinall S (2003) 'Intrapreneur's Story: education officer and senior ranger' *Higher Education Academy* http://www.heacademy.ac.uk/resources/detail/resource_database/casestudies/context_intrapreneurs_story
- Kohli J and Mulgan G (2009) 'Capital Ideas: How to generate innovation in the public sector' *Center for American Progress* http://www.americanprogress.org/wp-content/uploads/issues/2010/07/pdf/dww_capitalideas.pdf
- LGA (2012) *Funding Outlook for Councils from 2010-11 to 2019-20*, Local Government Association, London
- Maddock S (2009) 'Change you can believe in: The leadership of innovation' *National School of Government* <http://www.bis.gov.uk/assets/biscore/innovation/docs/i/09-1640-innovation-hub-change.pdf>
- Matthews M et al (2009) 'Public Sector Innovation: A review of the literature', *Australian National Audit Office* http://www.anao.gov.au/uploads/documents/Suppliment_Literature_Review.pdf
- McLeod D and Clarke N (2009) 'Engaging for Success: enhancing performance through employee engagement', London: BIS <http://www.bis.gov.uk/files/file52215.pdf>
- Morris L (2007) 'Creating the innovation culture: Geniuses, champions and leaders' *InnovationLabs* <http://www.innovationtools.com/PDF/CreatingInnovationCulture.pdf>
- Monmouthshire County Council (2012) *Your County Your Way: Solutions* <http://yourcountyyourway.wikispaces.com/file/view/2+The+Solution.pdf>
- Mulgan G and Albury D (2003) 'Innovation in the Public Sector (Working Paper)' <http://webarchive.nationalarchives.gov.uk/+http://www.cabinetoffice.gov.uk/upload/assets/www.cabinetoffice.gov.uk/strategy/pubinov2.pdf>
- Mulgan G and Kohli J (2010) 'How to spot small successes in the Public Sector and make them big' *Centre for American Progress / Young Foundation* <http://www.americanprogress.org/issues/open-government/report/2010/07/01/8053/scaling-new-heights/>
- NESTA (2008) 'Transformers: How local areas innovate to address changing social needs' <http://www.youngfoundation.org/files/images/transformers.pdf>
- NESTA (2009a) 'The innovation imperative: Why radical innovation is needed to reinvent public services for the recession and beyond' <http://www.nesta.org.uk/library/documents/the-innovation-imperative.pdf>
- NESTA (2009b) 'Everyday innovation: How to enhance innovative working in employees and organisations' London: NESTA <http://www.nesta.org.uk/library/documents/Every-day-innovation-report.pdf>
- Parker, S. (2009) *Intrapreneurship or Entrepreneurship?*, IZA Discussion Paper no.4195, IZA, Bonn
- Ross, D. "Intrapreneurialism – a core value of a corporation's culture". Available at www.squarepegint.com/pdf/LatestThinking/Intrapreneurialism.pdf [cited 2/2/11].
- Sadler RJ (2000) 'Corporate Entrepreneurialism in the Public Sector: the dance of the chameleon', *Australian Journal of Public Administration* 59(2): 25-53 <http://onlinelibrary.wiley.com/doi/10.1111/1467-8500.00149/>
- Seshadri D and Tripathy A (2006) 'Innovation through Intrapreneurship: The Road Less Travelled' *Vikalpa* Vol. 21 (1) Online http://www.vikalpa.com/pdf/articles/2006/2006_jan_mar_17_29.pdf

Southlanarkshire Council (2012) Sustainable Development Strategy, Available at http://www.southlanarkshire.gov.uk/site/scripts/google_results.php?q=%22suggestion+scheme%22

Staffordshire County Council (2013) County Council Cuts 19 Top Posts, Staffordshire CC available at <http://www.staffordshire.gov.uk/yourcouncil/transparency/countycouncilcuts19topposts.aspx>

Tosterud RJ (1999) 'Entrepreneurship and the Public Sector' University of South Dakota <http://www.jgbm.org/page/15%20%20Robert%20J.%20Tosterud.pdf>

Zacharzewski A (2012) How the CityCamp model inspires public service innovation Guardian Society online <http://www.guardian.co.uk/public-leaders-network/blog/2012/mar/30/citycamp-model-public-service-innovation>

LOCAL SERVICES LOCAL SOLUTIONS

PRICE	
APSE Members	£20.00
APSE Non-members	£40.00

Association for Public Service Excellence
2nd floor Washbrook House
Talbot Road, Manchester M32 0FP

telephone: 0161 772 1810
fax: 0161 772 1811