



Annual Action Statement

2004-5

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Drafted by the Corporate Policy & Communications Unit, May 2004

Further information about the Council's aims, activities and performance are available on the intranet or the web site (www.iwight.com/direction)

PART 1

INTRODUCTION

Background.....

- 1.0. The Council's overall mission is "to improve Island life." In October 2002 the Council approved a three year Corporate Plan for 2002-2005 setting out our key strategic aims. Each financial year we produce an Annual Action Statement (AAS) which sets out in more detail our in-year activities and targets which contribute towards achievement of the Corporate Plan.
- 1.1. The AAS is subject to regular monitoring and review through our system of Quarterly Performance Management Reports (QPMRs).

Corporate Plan.....

- 1.2. The Council's overall mission is "to improve Island life". This we aim to achieve through a focus on 6 strategic aims which are underpinned by 4 specific commitments.

<i>Our strategic aims</i>			
Improving health, housing & the quality of life for all			
Encouraging job creation & economic prosperity			
Raising education standards & promoting lifelong learning			
Creating safe & crime-free communities			
Improving public transport & the highways infrastructure			
Protecting the Island's natural environment			
<i>Our commitments, which underpin all our aims</i>			
Strong political & managerial leadership	Strategically driven excellence in service delivery	Improving our community focus	Organisational improvement & staff development

A hierarchy of plans.....

1.3. The Corporate Plan is part of a much wider planning process for both the Council and the Island. It sits within a hierarchy of plans :

- **Island Futures Community Strategy:** developed by Island Futures, our local strategic partnership involving public, private and voluntary sector interests, this sets out broad strategic priorities for the Island over the coming 10-15 years
- **Corporate Plan:** as outlined, this sets out the Council's strategic priorities for the next three years and is essentially our contribution to the Community Strategy. The Corporate Plan is complemented by this AAS which sets out our in-year actions and priorities.
- **Service Plans:** these are annual plans setting out detailed operational programmes for each of the Council's key services areas. In addition to the internal service plans, a number of service areas are required to produce statutory plans for relevant Government departments and agencies. Copies of the Service Plans are available on the Council intranet and web site.

Following consideration by the Directors Group of the appropriate strategic priorities to include in the AAS, not all Service Plan proposals and targets for inclusion found their way into the final document.

In 2004/05 we are also rolling-out the use of standard team plan templates which will detail operational activities within individual service areas.

- **Personal Development Plans:** these are individual plans for each member of staff. They are designed to make explicit the role of staff and their contribution to Service Plans.

Further information

Copies of the Corporate Plan, the Island Futures Community Strategy and the key Service Plans referred to in this Statement, are available on the Council intranet or the web site (www.iwight.com/direction)

PART 2

ANNUAL ACTION STATEMENT, 2003 / 04

Background...

2.0. The 2003/04 AAS was the first such plan produced by the Council. It was set out in such a way as to describe the priorities and targets for each of the 6 strategic objectives in the Corporate Plan. A different format has been developed for the 2004/05 AAS as outlined in Part 3 of this report.

2.1. The Council has made good progress over the 2003/04 year. This was recognised in the Annual Audit and Inspection Letter for 2003 which was reported to Executive in January 2004. The report, by the Audit Commission, noted that :

“...the Council has risen to the challenges presented by CPA and is driving forward an extremely challenging improvement plan...Improvements to the Council’s service and financial planning cycle this year has enabled the Council to make more informed decisions about resource allocations on the basis of corporate and service priorities.”

2.2. In September 2003 the Council also invited the Improvement and Development Agency (IDeA) to undertake a Peer Review of the authority. It was considered that this would provide a useful benchmark to assess progress since the CPA assessment in July 2002. Again, the results of the review were favourable :

“The Isle of Wight Council is successfully driving through its substantial programme of change, improvement and modernisation under its highly committed political and managerial leadership...”

2.3. Particular achievements over the year by Corporate Plan objective include :

Improving health, housing and the quality of life for all

- Social Services retained its overall 2 star rating with an improved score for adult services. It achieved the national target of having no homeless families in Bed and Breakfast and a new Housing Renewal Strategy was agreed.
- Introduced joint commissioning with PCT and consultants appointed to further develop integrated service delivery for health, housing and social care services.

- Proposals developed and agreed for creation of a new integrated Children's Services Directorate.
- Completion of the "Peoples Network" for free internet access in all Island libraries achieved ahead of schedule

Encouraging job creation and economic prosperity

- Projects Cowes masterplan developed and agreed – will spearhead major regeneration initiative in the Medina Valley.
- 133 new jobs created
- Successful bid for £2.5 million for Pan Neighbourhood Management project.
- New Head of Tourism appointed.
- Completion of a Regeneration Strategy for Sandown Bay

Raising education standards and promoting lifelong learning

- Positive outcome to Ofsted Inspection
- Local Preventative Strategy developed and agreed.
- Agreement to form new Children's Services Directorate (new director appointed)
- Cluster-based schools provision developed / implemented
- Successful bid for £0.4 million to connect all libraries to broadband
- Family Learning Service – first to achieve "matrix" standard in region
- Successful bid for £500,000 to deliver an events management learning programme

Creating safe and crime free communities

- FAIRMAP strategy developed and approved
- Proposals agreed to merge DAT and CDRP to provide a better strategic focus on safer communities.

Improving public transport and the highways infrastructure

- Completion of "strategic routes" resurfacing programme
- Favourable LTP settlement of £6.3 million for 2004/5 (with in excess of a further £7 million for one-off schemes – Ryde Interchange, Undercliff Drive, heat-damage road repair, etc)
- Completion of Sandown cycleway
- Completion of Military Road cliff stabilisation scheme.
- Commercial feasibility work for a Highways PFI project

Protecting the Island's physical environment

- Successful second year for Green Island Awards scheme
- Completion of coast protection schemes at Castlehaven and Seaview Duver
- Completion of Ventnor Haven project
- Sustainable Energy Feasibility Strategy developed for new housing scheme at Pan
- Completion of Planning BV Review and agreement on improvement Plan (£160,000 Planning Delivery Grant secured to support service improvements)

2.4. In addition, significant progress has also been made in terms of corporate governance including :

- Establishment of a corporate performance management framework involving formal quarterly reports (QPMR's)
- Introduction of a "Priority Improvement Area" system which has contributed to improvements in the areas designated (Homelessness, Benefits, Planning and Highways)
- Introduction of a new Service and Budget planning process within an agreed Annual Planning Cycle
- Achievement of 92% of targets within the CPA Improvement Plan
- Positive outcome to a Peer Review assessment
- Further development of the Island Futures partnership
- Significant progress in Risk Management arrangements
- Improvements to political and managerial leadership
- Improvements to internal and external communications
- Improvements to tackling diversity issues involving innovative use of a drama-based training programme

2.5. In contrast, the Council would acknowledge that a number of issues of concern remain :

- **Priority Improvement Areas** : we have made progress in each of the 4 designated PIA's (Planning, Highways, Homelessness and Benefits) but progress has not been uniform. Following a recent review we are satisfied that Homelessness can now cease to be a PIA although we will continue to ensure that progress is maintained. Planning will remain a "priority" but will be reviewed when we know the outcome of the Best Value inspection in the autumn. Highways and Benefits remain "priorities" and, for this year, we are proposing to add School Performance as a new PIA. We will improve intervention and support to achieve the necessary results in these areas. This will be achieved through the PI Co-ordinators group.

- **Performance Indicators** : we have improved the corporate performance indicator framework which we use to manage performance and now need to focus on consistency in the way different service areas within the Council collate data returns. We also need to act on what we learn from this information - 21% of our PI's are in the bottom performance quartile. This means that we need to focus on targeting poor performing areas for intervention.
- **CPA score** : following a “refresh” of our Comprehensive Performance Assessment (CPA) score in 2003 by the Audit Commission we were judged as remaining a “Fair” authority. Although the Commission acknowledged good progress, especially at the corporate level, it was considered that this had “not yet had an impact consistently across the Council in terms of demonstrable improvements in services.” If we are to achieve a “good” assessment we must improve service quality in those areas that are under-performing

PART 3

ANNUAL ACTION STATEMENT, 2004 / 05

Background.....

3.0. The 2003/04 AAS described our priorities for each of the 6 strategic priorities in the Corporate Plan. The format this year is different. In response to the Annual Audit and Inspection Letter and the Peer Review report, the focus is upon two main themes :

- **Leadership** : both reports highlighted the need to match the demanding improvement agenda with our capacity to manage and effect change. Of particular importance is the need to have a clear vision, stay focused on the priorities and to ensure that all members and staff embrace and support the change agenda. Sustained and effective political and managerial leadership is therefore essential.

Priorities for the coming year include the development of a longer-term strategic vision for the Island, improved corporate governance and performance management, workforce development, communications and PR, etc.

- **Service Delivery** : whilst acknowledging that the Council had made good progress at a corporate level, the Audit Commission observed that "...these improvements have not yet had an impact consistently across the Council in terms of demonstrable improvements in services." Having a clear focus on service-level priorities is, therefore, also a priority for the Council.

Priorities for the year include improving performance for those areas designated as Priority Improvement Areas and other areas of under-performance indicated by our Performance Indicators

3.1. The AAS also details what the Council is planning to do as regards a number of specific improvement plans :

- **CPA Improvement Plan** : following our CPA assessment in July 2002, the Council is required to produce an annual Improvement Plan detailing how we intend to tackle those weaknesses identified in the assessment.

- **Peer Review Action Plan** : in September 2003, the Council invited a team from the IDeA to undertake a “Peer Review” to assess our progress since the CPA assessment. The AAS also addresses those areas identified by the Peer Review team as requiring attention.
- **PSA targets** : in 2002, the Council concluded a set of Public Service Agreement (PSA) targets with the Government. Twelve specific targets have been agreed for achievement over a 3 year period ending 2005/06.

3.2. Parts 4 and 5 (following) detail our AAS actions for 2004/05 for the two key themes of “Leadership” and “Service Delivery.” Further details of indicative targets and accountabilities for each theme are also set out in Annexes 1 and 2 respectively.

Audit & Inspection Plan, 2004 / 05.....

3.3. Each year, as part of its corporate governance arrangements, the Council also agrees an Audit & Inspection Plan setting out details of proposed areas for assessment by, and joint working with, the Audit Commission. The Commission are increasingly anxious to be seen as a critical friend and to work alongside the Council in progressing the modernisation agenda. Annex 3 summarises details of the Audit & Inspection Plan for 2004/5.

PART 4

LEADERSHIP

Background.....

4.0 Effective political and managerial leadership is central to the Council's change and improvement agenda. Leadership in the Council is a team responsibility shared between members and top managers. There is, though, no single model of leadership style that can be applied to the challenges facing the Council. Rather, effective leadership is dependent upon the leadership team having a common understanding of the change process and their leadership role within it.

4.1. Over the past year attention has been directed to the development of a set of leadership competencies for senior managers which is to be utilised as part of the Personal Development Review process. In the coming year we will seek to build upon this work and extend the agenda to include further development of political leadership skills for elected members, especially those forming our Executive.

4.2. *Our priorities for 2004/05 are.....*

1. Strategic leadership : the 2002 CPA assessment identified the need to improve organisational leadership arrangements. Significant progress has been made in this respect. In the forthcoming year attention will focus on continuing to build and improve our political and management leadership capacity. Priorities will include :

- **2020 vision** : agreement of a vision for the future of the Island
- **Service Investment Strategy** : development of a 3 year budget strategy and savings proposals to achieve a maximum 5% Council Tax increase in 2005/06
- **Accommodation Review** : improved use and cost-effectiveness of Council accommodation
- **People Management** : establishing a more effective approach to staff development and workforce planning
- **Communications Strategy** : development of improved external and internal communications and supporting work to develop an Island branding strategy
- **Diversity** : development of an improved approach to tackling diversity and social inclusion and, in particular, the development of women managers, support for black and ethnic minority groups.

- **Service priorities** : providing appropriate political and managerial leadership to ensure achievement of key service delivery priorities including School Reorganisation, Health and Social Care, Fire and Rescue and Island Branding.
- 2. Performance** : the Annual Audit Letter for 2003 recognised the significant progress made in establishing a corporate performance management framework. This year attention will focus on further development of our performance management framework and moving from “measurement to management.” Priorities will include :
- **CPA** : the aim is to achieve a “good” score in the next CPA assessment in 2005. Attention over the coming year will focus on action to address known areas of poor performance.
 - **QPMRs** : further development and refinement of our Quarterly Performance Management Report (QPMR) monitoring framework. This will include development of local PIs and a more consistent approach to performance management at directorate and service levels
 - **PIA’s** : achievement of demonstrable improvements to those services designated as Priority Improvement Areas
 - **PI’s** : action to improve performance in those performance indicators (PIs) falling into the bottom quartile
- 3. Partnership working** : the growing enabling role of the Council requires concerted attention to developing a partnership approach to service delivery. In the coming year we will focus on continuing to grow and develop our key strategic partnerships. Priorities will include :
- **Island Futures** : development of the role and standing of Island Futures as our local strategic partnership
 - **Health & Social Care Services** : development of proposals to achieve greater integration of health and social care services
 - **Isle of Wight Economic Partnership** : development of closer working links with IWEP to achieve our economic development objectives
 - **Safer Communities** : development of a new partnership agenda through the merger of the Drug Action and Crime & Disorder Teams
- 4. Customer relations** : The Council has a strong commitment to modernising the way in which we engage with recipients of our services. Over the next year attention will focus on continuing to improve our approach to customer relations primarily through delivery of the Great Access to Great Services (GAGS) initiative. Priorities will include :

- **GAGS** : continued roll-out of the programme with a focus on Business Process Engineering (BPR) in Planning and Engineering Services, enabling projects to support the programme (CRM, DIP) and development of the contact centre
- **E:Government** : development of proposals to ensure achievement of Government targets by December 2005

4.3. Further details concerning our leadership priorities are set out in Annex 1.

PART 5

SERVICE DELIVERY

Background.....

- 5.0. The Audit Commission's Annual Audit and Inspection Letter for 2003 noted that the Council has made generally good progress in responding to the challenges of the change and improvement agenda :

"...the Council has risen to the challenges presented by CPA and is driving forward an extremely challenging improvement plan...In terms of performance management the Council has made good progress. Greater attention is being given to the things that matter, more effective organisational structures are evolving and there is improved engagement with the public. The Council is also committed to achieving service objectives through partnership."

- 5.1. However, although the Audit Commission has recognised that we have made good progress in establishing effective corporate governance and management arrangements, the Letter goes on to comment that :

"...these improvements have not yet had an impact consistently across the Council in terms of demonstrable improvements in services...the Council remains relatively low performing in some key areas..."

- 5.2. The overall conclusion reached by the Audit Commission is, however, a positive one :

"Whilst the challenge remains substantial, the Council has shown it is capable of achieving the improvement it seeks."

- 5.3. The Challenge for 2004/05, then, is to ensure that the improvements at a corporate level are also reflected in improved service delivery, hence the focus in this section of the AAS is on service priorities.

- 5.4. ***Our priorities for 2004/05 are.....***

1. Children's Services Directorate : following the decision to create a new directorate in response to Government proposals, attention will focus on establishing a fully effective service. Priorities will include :

- **Local Preventative Strategy** : delivery of the strategy

- **SSI Inspection of Children's Services** : development and delivery of a series of "action plans" in response to the inspection
- **Ofsted** : development and delivery of a series of "action plans" in response to the inspections which took place in 2003/4

2. Adult and Community Services Directorate : as part of the proposal to create a new Children's Services Directorate a number of services will be brought together in a new Adult and Community Services Directorate. Priorities for the year include :

- **Health and Social Care** : working with partners in the health sector we aim to develop proposals for greater integration of service provision
- **Safer Communities** : creation of a new Safer Communities Team and partnership framework to develop a more holistic approach to community safety
- **IT infrastructure** : development of improved IT support systems
- **Market Management / Supply** : review of procurement policies for Residential Care Homes, Home Care Provision and Learning Disability Provision
- **Housing and Community Services** : development of proposals to improve the supply of affordable homes, bring empty properties back into use and further reduce homelessness. Attention will also focus on delivery of the Pan Estate Neighbourhood Management programme.
- **Community Development** : attention will focus on integration of the service into the directorate following recently agreed re-organisation proposals. There will be a specific focus on delivery of the Cultural Strategy, Creative Partnerships programme and securing new premises for the Records Office. Attention will also focus on completion of a review of Wight Leisure and implementation of the findings and upon integration of Parks/ Gardens/ Beaches and Tourism Services within the Environment Services Directorate.

3. Fire and Rescue Service : attention will focus on achieving significant progress with modernisation of the Fire & Rescue Service. Priorities will include :

- **Member engagement** : securing more effective member involvement in the modernisation agenda
- **Organisational capacity** : development to a Financial Plan to ensure that the service has the resources, skills and capacity to deliver on the modernisation agenda
- **Communications** : development of a Communications Strategy to ensure effective and on-going staff and community input to the modernisation process

- **Information management** : development of effective performance management mechanisms to ensure delivery of the FAIRMaP Action Plan
- **CPA preparations** : undertaking of internal self-assessment exercise to benchmark our state of readiness for CPA assessment in 2005

4. Environment Services Directorate : attention will focus on building on the required improvements to the performance of the Environment Services Directorate in the run up to CPA 2005. Priorities will include :

- **Planning** : preparatory work for drafting of the new Local Development Framework (LDF), delivery of the BV Improvement Plan and achievement of a satisfactory BV inspection
- **Engineering** : development of proposals for a PFI initiative for roads maintenance and action to improve under-performing Performance Indicators
- **Consumer Protection** : preparation for formal transfer of Liquor Licensing to the Council and maintaining our improved corporate approach to health and safety
- **Tourism** : development of a Tourism Strategy, delivery of an active Destination Management System and consolidation of Tourism Industry membership arrangements and the Image Campaign
- **Economic Development** : finalisation of Cowes Waterfront masterplan, creation of a special purpose development company with SEEDA and English Partnerships, delivery of the Area Investment Framework, improvements to public broadband infrastructure, securing further funding under the Market Towns Initiative, delivery of existing regeneration programmes and re-contracting with SEEDA for on-going support to our Enterprise Hub.
- **Sustainability** : development of a Sustainability Strategy
- **Regional issues** : ensuring the Island is an active player in the emerging regional agenda

5.5. Further details concerning our service delivery priorities for 2004/05 are set out in Annex 2. In addition to the corporate service priorities highlighted here, reference should also be made to the individual Service Plans produced by each head of service – these plans provide more detailed information about activities and targets at the individual service level. Copies are available on the intranet.

PART 6

FINANCING DELIVERY OF THE AAS

Council Budget, 2004/05.....

- 6.0. The Council plans to spend £157.7 million in 2004/05 on providing services for Islanders and delivering the Annual Action Statement – this is £10.0 million higher than the 2003/04 budget.
- 6.1. Roughly two-thirds of our income is provided by the Government's grant distribution system which has seen major changes in recent years. The 2004/05 grant settlement is, though, much better than last year's which saw many councils in the North and in the West Midlands receiving more generous grant funding while others, particularly in the South East lost out.
- 6.2. Having said that, the amount that the Government has allowed for extra spending falls about £3 million short of what the Council needs to maintain existing service levels. Because approximately two-thirds of our income comes from the Government, the impact of bridging this gap from local funds falls disproportionately upon the council tax. The tax increase needed for a standstill budget in 2004/05 would have been 8.5% but because the Council decided to lower the tax discount rate on holiday homes the increase can be reduced by 2%.
- 6.3. In addition, the Council has identified nearly £1.5 million of savings which will enable the authority to make some modest improvements in priority areas including highway maintenance and tackling homelessness, while at the same time reducing the council tax increase to 4.9%. After adding the tax set by Hampshire Police, the total tax increase for 2004 / 05 is 5.46%.
- 6.4. The net revenue budget expenditure for 2004/05 across service areas is illustrated in Exhibit 1 which also shows the Corporate Plan aims supported by that spend.

EXHIBIT 1 : Revenue Budget, 2004/05

SERVICE	2004/05 £'000	2003/04 £'000	CORP. PLAN AIM SUPPORTED
Fire Service	7,296	6,680	4
Children's Social Services	10,738	10,701	1 & 3
Adult Social Services	18,289	17,194	1
Older People Social Services	26,555	25,393	1
Housing Services	50,017	50,046	1
Schools Budget	60,631	57,955	3
Other Education Services	26,188	25,838	3
Coast Protection	880	917	6
Environmental Health	1,433	1,420	4
Public Conveniences	652	638	1 & 4
Consumer Protection	549	533	4
Street & Beach Cleansing	1,490	1,427	1 & 4
Waste Management	7,140	7,071	1, 4 & 6
Highway Maintenance	6,278	5,891	5
Street Lighting	710	684	4 & 5
Public Transport	1,965	2,162	4
Planning & Development Control	2,703	2,886	6
Economic Development	383	562	2
Recreation & Sport	4,894	5,049	1
Parks & Open Spaces	2,169	2,154	1 & 6
Tourism	2,967	3,400	2
Libraries	2,151	2,042	1 & 3
Environmental Initiatives	511	549	6
Other Services	16,140	17,226	All aims
Other Financing	-794	-5,805	
GROSS SPEND	251,935	242,613	
LESS : specific grants & other income	-94,186	-94,865	
BUDGET REQUIREMENT	157,749	147,748	

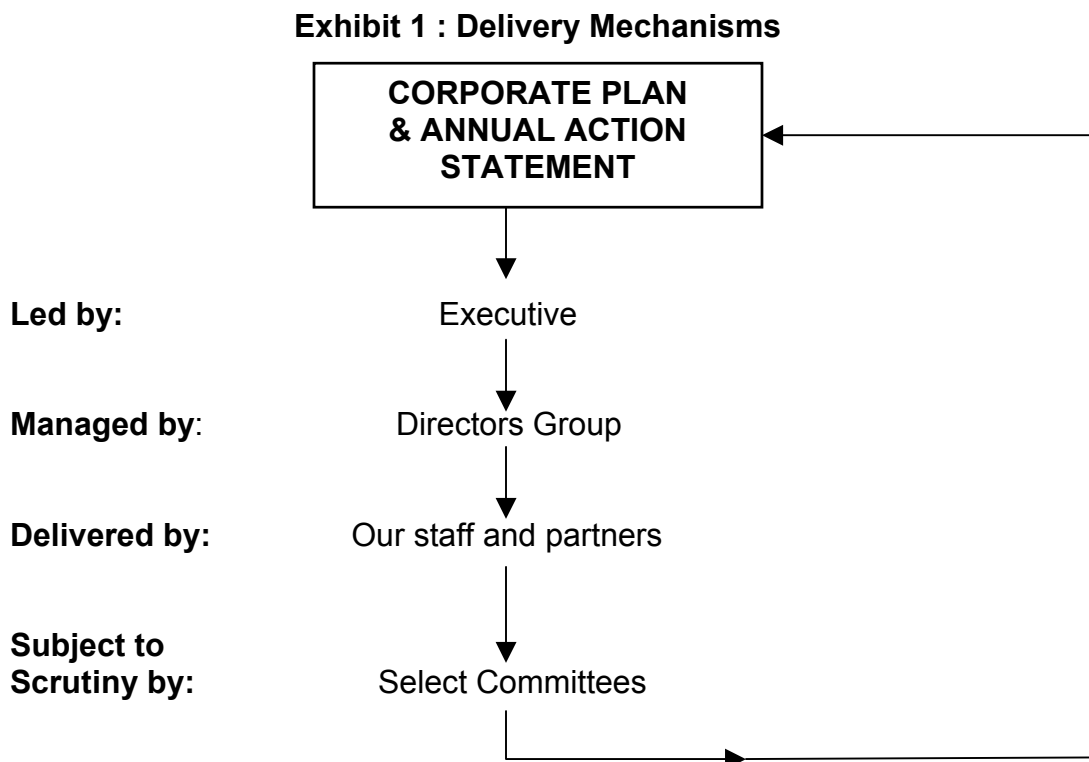
- 6.5. In addition to the day-to-day revenue expenditure of the Council, the authority also plans to spend £18 million on its capital programme, investing in schools, highways, housing and improving access for people with disabilities during 2004 / 05. A further £6 million may be invested in major highways and transport projects at Undercliffe Drive and Ryde, should final approval be obtained from the Government during the year. Most capital investment is financed by borrowing which is agreed and funded by central Government over a period of years. At March 31st 2003 our total net borrowings were £82.1 million.
- 6.6. The Council's single most important resource are its staff without whom none of the corporate or service priorities set out in this Annual Action Statement would be achieved. At the end of January 2004 the Council employed the equivalent of 3,414 fulltime employees – this compares to a figure of 3,399 at January 2003.

PART 7

DELIVERY OF THE ANNUAL ACTION STATEMENT

Delivery mechanisms.....

- 7.0. The delivery mechanisms for this Annual Action Statement are diagrammatically illustrated in Exhibit 1, below :



- 7.1. The role of each of these key stakeholders is as follows:

i) Executive

- the 10 elected members of the Executive are responsible for providing the political leadership and vision for the Council. They have ultimate responsibility for oversight of the Annual Action Statement, its delivery and monitoring progress towards achievement of our aims.

ii) Directors Group

- the 4 strategic directors and Chief Fire Officer, with the support of 17 heads of service, have operational responsibility for delivery of the Annual Action Statement and advising the Executive on both strategic and operational matters.

iii) Our staff and partners

- our staff and partner agencies have the day-to-day responsibility for delivery of the Council's many services and acting as the critical interface between our customers and the Executive and Directors Group.

iv) Select Committees

- members of the six Select Committees will have a key role in holding both officers and portfolio holders to account for delivery of the Annual Action Statement. Their scrutiny function will be a central element of the Council's performance management framework.

Monitoring Delivery of the Statement.....

- 7.2. As part of the Council's performance management framework, a quarterly reporting process was developed in 2003/04. Known as the QPMR (Quarterly Performance Management Report), this provides the main corporate focus for members and senior managers to monitor progress in achieving the Council priorities and for addressing areas of concern or under-performance.

Conclusion.....

- 7.3. The Corporate Plan sets out a clear medium-term strategic vision for the Council. This, the Annual Action Statement details our in-year priorities and actions for 2004 / 05 to ensure achievement of that overall vision.
- 7.4. It is the Council's continuing commitment to the provision of high quality services that is the driving force behind this Annual Action Statement. We already have much to be proud of in our record of service delivery – the Annual Action Statement will assist us to continue progress towards achievement of our vision of "improving Island life".