

# Isle of Wight Council

Highways and Transportation (re-inspection)

*October 2002*

## Improving public services

The Government has placed a duty of local councils to deliver services to clear standards – of cost and quality – by the most economic, efficient and effective means available.<sup>1</sup> Best value is a challenging framework designed to improve local services. Councils are required to assess their own performance and put in place measures to ensure continuous improvement in all of their services.

Councils must show that they have applied the 4Cs of best value:

- ◆ **challenging** why and how a service is being provided;
- ◆ **comparing** their performance with others' (including organisations in the private and voluntary sectors);
- ◆ embracing fair **competition** as a means of securing efficient and effective services; and
- ◆ **consulting** local taxpayers, customers and the wider business community.

The Government has decided that each council should be scrutinised by an independent inspectorate. The Audit Commission's Inspection Service performs this role.

The purpose of the inspection and of this report is to:

- ◆ enable the public to see whether best value is being delivered;
- ◆ enable the Council to see how well it is doing;
- ◆ enable the Government to see how well its policies are working on the ground;
- ◆ identify failing services where remedial action may be necessary; and
- ◆ identify and disseminate best practice.

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<sup>1</sup> This report has been prepared by the Audit Commission ('the Commission') following an inspection under Section 10 of the Local Government Act 1999, and issued in accordance with its duty under Section 13 of the 1999 Act.

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# Summary and recommendations

## Summary

- 1 The Isle of Wight is on the south coast of England. The island's population is 129,400 of which 0.7 per cent are from ethnic minority communities.
- 2 The Isle of Wight Council is a unitary authority. The Island First group leads the Council with 30 of the 48 seats and is a coalition of the Liberal Democrats and most of the independent councillors. The opposition consists of the Conservative Party, which has 12 seats, the Labour Party, which holds 5, and 1 other independent.
- 3 During September 2001, we inspected the Council's Highways and Transportation Service, following a best value review. This includes the following services:
  - ◆ traffic and transportation;
  - ◆ highway maintenance;
  - ◆ rights of way;
  - ◆ road safety;
  - ◆ car parking;
  - ◆ highways development control;
  - ◆ highways design; and
  - ◆ electrical services.
- 4 We concluded that the Council provided a 'poor' no-star Highways and Transportation Service that had poor prospects for improvement.<sup>2</sup>
- 5 Despite a few pockets of good performance – notably rights of way and street lighting – we judged the overall Service as poor:
  - ◆ The roads were in poor condition, despite being the public's highest priority for extra spending.
  - ◆ Road casualty rates were rising (serious and fatal figures rose by 14.3 per cent between 1999 and 2001).
  - ◆ Safety measures – such as testing skid resistance of road surfaces – were not undertaken.

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<sup>2</sup> Audit Commission: Best Value Inspection Service: *Isle of Wight – Highways and Transportation* (December 2001).

- ◆ Insurance claims had increased significantly over the past three years, and by 84 per cent in 2000/01 alone.
  - ◆ There was no systematic way of setting priorities for scheduling works.
  - ◆ There was a general lack of performance management information.
  - ◆ The way that customer complaints and enquiries were treated was inadequate.
  - ◆ Important strategies were either missing or under-developed.
  - ◆ There was a lack of clarity of aims at both corporate and service level, with a number of different versions of both aims in working documents.
- 6 Despite resources and the obvious commitment of staff to improvement, we judged the prospects for improvement to be poor, because of:
- ◆ the number of different action plans published in various documents;
  - ◆ the failure of the Council's action plans to address key issues identified by service users;
  - ◆ doubt about the Council's ability to spend all the available money;
  - ◆ a lack of clear corporate direction;
  - ◆ a lack of clarity of the respective roles of officers and councillors; and
  - ◆ the failure to address the urgent need for effective performance management and project management systems across the Service as a whole.
- 7 Because our inspection raised serious issues about performance and capacity to improve, we decided to re-inspect the Service and did so in August and September 2002.
- 8 This report sets out the findings of the re-inspection and our updated recommendations.
- 9 Since the original inspection, the Council has re-organised its highways and transportation services to form part of the Engineering Services business unit, which is part of the Directorate of Corporate and Environment Services.
- 10 The revenue budget for the Service is £5.7 million and the capital budget is £11.5 million in 2002/03.<sup>3</sup>

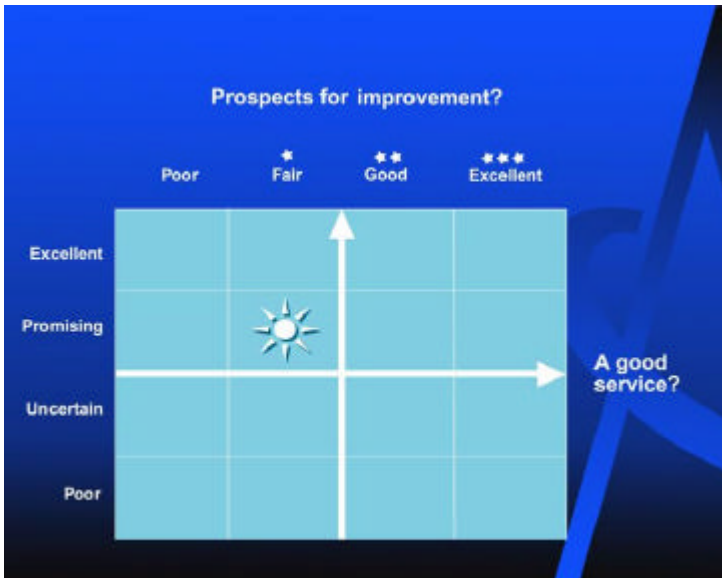
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<sup>3</sup> The revenue budget covers day-to-day running costs and the capital budget is spent on specific projects and schemes. The capital budget of £11.5 million includes £6.782 million provided by the Government as grant to carry out projects in the Council's *Local Transport Plan*.

## Scoring the Service

- 11 We have assessed the Council as now providing a **'fair'**, one-star service that has **'promising'** prospects for improvement. Our judgements are based on the evidence obtained during the re-inspection and are outlined below.

### Scoring chart<sup>4</sup>: Isle of Wight Council – Highways and Transportation (re-inspection)



*'a fair service that has promising prospects for improvement'*

- 12 We now judge the Service as 'fair'. There are some strengths:
- ◆ The Council has set up a call centre that is providing a better service to the public.
  - ◆ Public rights of way and street lighting continue to provide a good service.
  - ◆ Systems are now in place to improve safety and manage performance.

<sup>4</sup> The scoring chart displays performance in two dimensions. The horizontal axis shows how good the Service or function is now, on a scale ranging from no stars for a service that is poor (at the left-hand end) to three stars for an excellent service (right-hand end). The vertical axis shows the improvement prospects of the service, also on a four-point scale.

- 13 However, we also found several issues that still need to be improved:
- ◆ Road conditions are still poor in many places, although significant improvements have been made along some of the main routes to the ferries.
  - ◆ Aims and objectives for the Service are not as clear as they could be.
  - ◆ Comprehensive strategies for car parking and highway maintenance are still lacking.
  - ◆ The Government assesses the Isle of Wight Local Transport Plan (LTP) only as average compared with other councils.
- 14 We consider the Service now has promising prospects for improvement because:
- ◆ Councillors, managers and staff are all committed to further improvement, and a corporate framework is emerging to promote improvement.
  - ◆ Systems are in place to provide better information on which to base decisions.
  - ◆ A wide range of projects were completed in the last year.
  - ◆ The LTP 'lays the necessary groundwork for further improvement over the next few years'.
  - ◆ The Council has shown it has better capacity to spend available money.
  - ◆ A high level of government funding for transport schemes seems assured until 2005/06.
- 15 However, some things still need to be addressed:
- ◆ Many of the internal procedures are new and un-tested by the Council.
  - ◆ Service and medium-term business planning needs to improve.
  - ◆ There is no unified improvement plan for the next three to five years, with clear priorities on which to base future improvements.
  - ◆ The future strategy for procurement is unclear.
  - ◆ Other departments are dissatisfied with the support they get.



## Recommendations

- 16 To rise to the challenge of continuous improvement, councils need inspection reports that offer practical pointers for improvement.
- 17 The Council has already risen to this challenge by its positive response to the recommendations in our previous report. If the Council is to maintain progress, we think it is essential that it makes continued effort to achieve all of those recommendations. The Council recognises this. However, because of the re-inspection, we wish to re-inforce them with the following extra recommendations.
- 18 We recommend that the Council should:
- ◆ develop a service plan, within the corporate business planning framework, which:
    - ◆ is based on a medium-term (three- to five-year) programme of activity, subject to annual update, which is used to manage day-to-day delivery of the highways and transportation service, and to implement a unified improvement plan;
    - ◆ has clear aims that are compatible with the new community strategy and corporate plan;
    - ◆ has clear service standards which meet the needs of local people;
    - ◆ has challenging targets for improving performance in areas of weakness;
  - ◆ develop a unified improvement plan which:
    - ◆ sets out a co-ordinated set of improvement tasks and priorities, to replace the different current plans;
    - ◆ is supported by appropriate planned resources;
    - ◆ ensures that actions are undertaken in a sensible order;
    - ◆ is based on 'SMART' (specific, measurable, achievable, resourced and time-based) principles;
  - ◆ define a comprehensive scope for a car parking strategy, and ensure that it is completed in a reasonable time scale;
  - ◆ draw up an action plan to achieve the aims of the procurement strategy; and
  - ◆ agree the level of support the Service will provide to other service departments, to help them to carry out their roles effectively.

- 19 We would like to thank the staff of the Isle of Wight Council, particularly the highways and transportation team, who made us welcome and who met our requests efficiently and courteously.

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**Dates of inspection: 12 – 16 August 2002, and 2 – 4 September 2002**

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# Report

## Context

### The locality

- 20 The Isle of Wight is the only island in the south-east region and faces unique challenges and opportunities. The island covers 145 square miles and has a population of some 129,400. Much of the island is covered by UK or European landscape designations, and the quality of the natural environment is held in high regard by the local population.
- 21 The island is generally more deprived than elsewhere in the South East. Out of the council's 48 wards, 15 are in the 20 per cent most deprived nationally, and unemployment is 4.3 per cent compared with a regional level of 1.8 per cent. Low wages also predominate, driven by reliance on seasonal industries like tourism, with average pay levels 22 per cent below the regional average. There have been significant job losses recently, and the island has long suffered from out-migration of young adults.
- 22 With its beautiful coastline, beaches, countryside and a number of seaside holiday towns, it is a popular tourist area, attracting some 2.7 million visitors each year. Tourism is very important to the local economy and provides a quarter of the island's employment.

### The Council

- 23 The Isle of Wight Council is a unitary council responsible for all local council services on the island. The Council has 48 councillors and is controlled by the Island First group, which has 30 seats. This is a coalition of Liberal Democrats and most of the independents. Currently a Leader and an Executive Cabinet of ten councillors directs the business of the Council. There are six select committees fulfilling the scrutiny role.
- 24 The Council budgeted to spend £193 million on day-to-day running costs in 2001/02.
- 25 The Council's objectives as identified in its best value performance plan are to:
- 'care for vulnerable and disadvantaged people;
  - raise standards of achievement, encourage learning and promote opportunities for all;
  - develop the knowledge and skills needed for employment opportunities;
  - protect and enhance the health, safety and environment of the island and its people;

- develop the island's transport network for the benefit of local people;
- support and develop Council staff and to manage the Council's property and resources effectively and efficiently; and
- promote sustainable tourism, economic, leisure and cultural development.'

## How good is the Service?

### Are the aims clear and challenging?

- 26 Inspectors look to see how a council has agreed the key aims for the Service being inspected, how clear these aims are to the people that receive the service, and whether these reflect the corporate aims of the organisation as a whole.
- 27 Challenge is the key to achieving significant improvements in performance and targets set by the Council and Government. Without challenge, best value will be ineffective. It requires the Council to consider and demonstrate how a service contributes to its wider corporate aims and community plans.

### Findings from the September 2001 inspection, and focus for the re-inspection

- 28 At the time of our original inspection, we found that the aims of the Service were not clear and, as a result, we could not say whether they were challenging.
- 29 This conclusion was based on the following:
- ◆ Service planning was a new idea to the Service, and the first service plan was issued retrospectively.
  - ◆ The service plan was not written in SMART terms; that is, the tasks were not always specific, measurable, achievable, resourced or time-related.
  - ◆ There were many different aims in different documents.
  - ◆ There was a lack of clarity of the links between transport-related topics.
  - ◆ A number of key strategies were absent or under-developed.
  - ◆ Targets, where set, were not always challenging.
  - ◆ Service standards were not clearly laid down.
  - ◆ Actions and aims were not prioritised.
- 30 A key focus for our re-inspection was therefore whether the Council and the Service now have clear aims.

## The position now

- 31 Since the last inspection, the Council has been developing a co-ordinated planning framework that contains the following hierarchy of plans:
- ◆ the community strategy, *Island Futures* – being developed by the Isle of Wight Local Strategic Partnership, setting out broad strategic priorities for the coming 10-15 years;
  - ◆ the 2002-05 Isle of Wight corporate plan, *Achieving Excellence Through Teamwork* – setting out the Council's strategic priorities for the next three years: this will be supplemented by an annual action plan;
  - ◆ service plans – annual plans setting out a detailed operational programme for each main service area; and
  - ◆ personal performance review and development plans – an individual plan for each member of staff, setting out their role, responsibilities and development needs.
- 32 The Council has undertaken extensive consultation aimed at developing the community strategy. The strategy identifies seven key issues:
- 'Guaranteeing the Quality of Life and Sustainability
  - Promoting Equality
  - Supporting Jobs and the Local Economy
  - Developing Learning and Skills
  - Ensuring Quality in the Built Environment
  - Improving Access to Services and Facilities'
- 33 The strategy lists a number of aspirations, initial actions and target dates for all services. As part of this process, the Council has agreed revised aims for transport. The *Local Transport Plan Annual Progress Report, 2002 (APR)* states that:
- 'The next LTP will echo the corporate and strategic approach to transport. The aims of which are as follows:
- Principally through our Local Transport Plan we will work with our partners to:
- Maintain our highways infrastructure to the highest possible standards.
  - Encourage travel by sustainable means, widening transport choice, minimising environmental damage and providing real alternatives for car owners.
  - Provide and promote safe, reliable and acceptably priced public transport both on and off the island.'

- 34 The Council adopted the community strategy in July 2002. The corporate plan is currently in draft form and is expected to be finalised in October 2002.
- 35 Because of the effort devoted to preparing the community strategy and corporate plan, little attention has been given so far to the format of the service plans. We were critical about the format and usefulness of the highways and transportation service plan for 2001/02, and little has changed in regard to the engineering services plan for 2002/03.
- 36 The latter document follows a corporate format that is descriptive of service activities, rather than being the basis for forward planning. It is basically a statement of current activities, recent achievements and 'areas for improvement'. It does not link well to the LTP or the best value performance plan (BVPP). It does not set out the aims of the Service, but confusingly includes corporate objectives and standards. We found a number of inaccuracies within the document that the Council was not aware of. We felt these would have been discovered if it was being used as a day-to-day planning tool. Through interviews, we never really heard a satisfactory answer as to what the purpose of the document was and how it was currently used. Where targets have been set, we found some that were not challenging, in that they were targeting a worse level of performance than was currently being achieved.
- 37 The Council was aware of the deficiencies in the current service plan format and agreed that the service planning process was at an early stage of development. It intends to use a revised format for future service plans, commencing with the plan for 2003/04. However, the draft format we were shown is little different from the current version and reflects the limited understanding within the Service about the function of service plans in planning and resourcing service delivery.
- 38 Nearly all staff have had an initial performance appraisal, and the six-monthly reviews are just starting to take place. Managers have been trained, and the staff seem very impressed and committed to the process. Generally there is a lot of support for the Personal Development Planning (PDP) process, and the Council aims to achieve Investors in People status by June 2003.
- 39 However, in the current absence of an approved corporate plan or meaningful service plan, it has not been possible to translate corporate aims into individual targets. We therefore consider that the system needs further improvement to ensure its longer-term effectiveness. Both staff and managers recognise this.
- 40 With regard to our previous concern about 'absent or under-developed' strategies, some progress has been made. The Council has now approved a bus strategy for the island and has adopted a road safety plan for 2001 to 2006. It still has to prepare a car parking strategy and a highway maintenance plan, but it has done some further development work.
- 41 The Council has prepared a draft service charter showing some of its standards of service. It is also preparing leaflets for individual services.

- 42 The Council has also undertaken further work to develop a system for setting priorities for improvement schemes. This takes account of the LTP and has clear criteria for setting work programmes and individual priorities. We think this approach should provide a clear and transparent justification for schemes to help inform the public, and to maintain a focus on the Council's aims.

### Conclusion

- 43 Since our first inspection, the Council has carried out a great deal of work to improve its business planning processes. At the time of our re-inspection, many of the changes had not been completed, and the aims of the Service are no clearer than a year ago. However, we think the Council has made significant progress. The community strategy and corporate plan provide clear corporate aims. We are optimistic that these will be incorporated effectively into next year's service plan, but a lot more work needs to be done to make sure the service plan is an effective and useful working document.

### Does the Service meet these aims?

- 44 Having considered the aims the Council has set for the Service, inspectors make an assessment of how well the Council is performing in meeting these aims. This includes an assessment of performance against specific service standards and targets and the Council's approach to measuring whether it is actually delivering what it sets out to do.

### Findings from the September 2001 inspection, and focus for the re-inspection

- 45 Our inspection concluded that, despite a few pockets of good performance, notably rights of way and street lighting, overall the Service was not meeting its aims in the most important areas:
- ◆ The roads were in poor condition, despite being the public's highest priority for extra spending.
  - ◆ Road casualty rates were rising, with serious and fatal figures up by 14.3 per cent between 1999 and 2001.
  - ◆ Safety measures – such as testing skid resistance and safety audits – were not undertaken.
  - ◆ Insurance claims had increased significantly over the last three years and by 84 per cent in 2000/01 alone.
  - ◆ There was no systematic way of setting priorities and scheduling works.
  - ◆ There was a general lack of performance management information.
- 46 A second focus for our re-inspection was therefore whether the service to users has improved over the past year.

## The position now

- 47 Since the first inspection, the Council has been extremely active in implementing a wide range of improvements to the Service.

## Road maintenance

- 48 The Council is now systematically assessing the underlying condition of principal roads using a tried and tested machine called a deflectograph. It is assessing non-principal roads using a system of Coarse Visual Inspections (CVIs). It is also assessing the skid-resistance qualities of road surfaces for the first time this year, using a mechanical test known as the SCRIM test. Our report last year was critical about the lack of these tests, which most highway authorities consider to be a normal requirement.
- 49 While these tests will not have an immediate effect, they will soon provide information that will lead to a more accurate assessment of road conditions and will help to determine the most effective treatment needed to repair them. This will improve the quality of bids for funding and will help in setting priorities.
- 50 The Council has decided to give the highest priority for road maintenance to the main roads that lead from the ferry terminals to Newport, the island's main town. These roads carry the largest volume of traffic and are used by visitors and residents alike. The route from Ryde to Newport has been completely resurfaced earlier this year, and there appears to be a high degree of satisfaction within the community – 'a job well done'. The road is smooth, with clear road markings and signs, and it is a comfortable drive. The route from Newport to Yarmouth is also due to be improved shortly after our re-inspection.
- 51 Away from these main routes, we found that the roads are still poor, a view confirmed by the latest performance indicators. However, it is unrealistic to expect the Council to overcome years of neglect in a single year.
- 52 Residents expressed the view to us that the island's roads are not good but they are improving. This is a significant change from a year ago. Their other major concerns are car park charging, the effectiveness of the bus network, and lack of seats at bus stops.
- 53 Tourists have slightly different concerns. They think the roads are satisfactory, but some expressed concerns about a lack of stopping points and picnic areas.
- 54 A further improvement this year is that, for the first time ever, the Council is achieving the inspection frequencies for roads that it has stated it will carry out. This will help to ensure that maintenance problems such as potholes are spotted, and then repaired quickly.

## Traffic management and road safety

- 55 Safety audits are now carried out for all schemes costing more than £5,000. These audits assess schemes several times during the design and construction stages, to ensure there are no inherent dangers to the public. The police are very supportive of these audits, and several safety issues have already been identified by the audits that would otherwise have been overlooked.



- 56 The Service is now checking the effectiveness of road improvement schemes. This was not happening before the first inspection. Clearly it is still too early to assess the impact of this monitoring. However, we were able to see from the work so far that two previous 'improvements' – at the A3056 at Apse Heath in 1994 and the C17 in Arreton in 1995 – had not achieved their aims, since accident rates have actually increased at these locations. Now that the Service knows this, it will be able to reassess the schemes, and change them. Without such checking, the Service had no way of knowing whether its projects worked successfully. Now, it should be able to learn from experience and use those lessons to ensure future schemes are designed better in the first place.
- 57 The Service has also implemented a number of improvement schemes in the last year in accordance with the LTP. These include:
- ◆ nine junction improvements;
  - ◆ eight signalled crossings;
  - ◆ four 'safe routes to school';
  - ◆ seven kilometres of cycleway;
  - ◆ eight traffic calming schemes; and
  - ◆ 14 'other' local road schemes.

### Transport planning

- 58 The principal work of the transport planning team is preparing the local transport plan and the production of the annual progress report (APR) that is submitted to the Government Office for the South East (GOSE). GOSE assesses the Council's work each year as the basis of the Government's allocation of money to the Council for transport improvements.
- 59 In its letter of 13 December 2001, GOSE complimented the Council on the good progress that it has made since the provisional LTP, two years previously. GOSE described the plan as 'effective and thorough', 'clearly presented', containing 'much improved information on wider policy issues', and an 'excellent response to comments in last year's decision letter, in particular new or improved targets'.
- 60 However, the letter includes suggestions for further improvements to the LTP, which GOSE assessed as 'average compared with all authorities producing LTPs'. Overall, the letter concludes that the APR for 2001 'lays the necessary groundwork for further improvement over the next few years'.

### Car parking

- 61 In our last inspection report, we expressed concerns about the lack of information available on the use and condition of car parks, and the absence of a strategy for car parking.
- 62 Since then, the Council has purchased a hand-held computer, called a Jumbo. This is used to collect data from ticket machines, which is then used to give an analysis of transactions for each ticket machine. This will help assess the levels of use of car parks.

- 63 There is a new approach for collecting cash from Council car parks. This has previously been carried out by private companies. A recent tendering exercise initially resulted in only one bid being received, for a sum that was 43 per cent higher than the available budget. Further negotiations were held with two companies and, although a slightly improved offer was made, the Council decided to do the work itself. This is estimated to cost the Council £44,000 a year, which is a saving of £18,000.
- 64 A firm of consultants has completed a major study of the Council's car parks. The study looked at patterns of arrival and departure, occupancy levels, and the duration of stay of users. The Council had no information on this when we carried out the first inspection, and so it could not make strategic decisions. The study also assessed the physical condition of the parking areas. This confirmed our opinion that some car parks were in need of attention.
- 65 The consultant's study contains 18 recommendations covering:
- ◆ car park facilities and conditions;
  - ◆ car park management;
  - ◆ Park and Ride;
  - ◆ parking strategies;
  - ◆ charging structure; and
  - ◆ use of funds from parking charges.
- 66 The study has prompted the Council to undertake a detailed assessment of the condition of the car parks, so that it can cost the necessary work and agree priorities for repair work.
- 67 The Council is also looking at its charging policies for car parks before it seeks powers to decriminalise parking enforcement.<sup>5</sup> To achieve this rationalisation, the Council has set up a 'Task Group' from the Environment and Transport Select Committee.
- 68 The development of Park and Ride facilities is progressing. We were told that a site has been identified for a car park in Cowes that will be used by commuters to Southampton. Between 1,200 to 1,500 people a day make this journey, and Cowes suffers the worst parking problems on the island. Developers' contributions will fund the facility, and construction is expected to start next year.

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<sup>5</sup> Decriminalisation involves the Council taking over responsibility for the enforcement of all parking offences from the police. It is then able to retain any surplus income for spending on other highway and transport improvements.

- 69 Our biggest concern about parking is the slow progress being made in developing a comprehensive strategy for the island. Improvements are clearly taking place, but they are not within a strategic framework. The Council has not specified the standards it wants to achieve in its car parks, yet staff are costing and prioritising improvements, without any criteria to work to. For example, the Council has a work programme this year that includes erecting 'Welcome' signs in car parks. We are not clear why the need for these has been identified, or how such action fulfils strategic priorities.
- 70 The consultant's study should provide an excellent starting point for the Council to develop a parking strategy, as it covers many of the key issues. However, the scope of the parking strategy should be extended to cover other relevant parking matters, such as security, asset utilisation, enforcement, facilities for people with disabilities, and links to traffic management and transport planning.
- 71 The Task Group set up to look at parking charges would be an ideal group to help to develop an overall parking strategy. However, to ensure that a strategy is produced in a reasonable time scale, this work would have to be strictly scoped and timetabled.

### **Public liability**

- 72 The Council has introduced a new computerised system to deal with insurance claims. This allows claim 'hot spots' to be identified and targeted for safety improvements. The system has been able to show that claims in the four months of April to July 2002 were half the number, compared to the same period last year. This is a promising trend, though it is still early days.
- 73 Clearly, achieving the Council's stated road inspection frequencies, with prompt repair work where needed, will help to keep the highways in a safer condition and thereby reduce the number of claims.

### **Funding**

- 74 After our last inspection, we were concerned about the Council's capacity to spend the increased budget provided for highway maintenance. This followed a significant under-spend of the previous year's budget.
- 75 The spending figures for 2001/02 show that the opposite occurred – an over-spend of £373,500. This shows an improved capacity to spend the money available.
- 76 However, it might also raise concerns about the Service's ability to manage spending within budget. In practice, rather than resulting from poor financial control, the over-spending was due to emergency works at the end of the financial year and was therefore planned. We checked the monthly financial monitoring system used, and we are satisfied that the necessary controls are in place.

## Works and contract management

- 77 During our last inspection, we were concerned about some of the Council's customary practices, notably the inflexible working hours and the avoidance of highway work during the summer months. A more flexible approach is now being taken. For example, the scheme for improving the Ryde to Newport route was carried out with night-time working, to speed up the work and minimise inconvenience to the public. This was undertaken after consultation with affected parties, and the Council's initiative appears to have been well received.
- 78 This scheme was also undertaken using a 'design and build' form of contract that was new to the Council. The Council provided contractors with the basic road condition data, to enable them to use their specialist skills to design a solution that met the repair standards sought by the Council. This approach saved time compared to the more traditional method, where the design and construction stages are treated separately.
- 79 A further innovation has been to set up a rapid response team, on a trial basis, working through a local contractor. This team deals with the majority of urgent works that require a two- or twenty-four-hour response. Early indications are that this has been successful, with an improvement in the percentage of dangerous highway defects that are made safe within twenty-four hours.

## Consultation, complaints and communication

- 80 The Council has set up a call centre to deal with all enquiries made by the public. A computerised logging system is used to track incoming correspondence and ensure that an effective response is given. This system is also being used to gather statistics on the issues that people are most concerned about. The call centre is a significant improvement, but we found that a lot of tracking is paper-based, so further improvement is possible.
- 81 During our re-inspection, we made some mystery phone calls to report highway defects. We were satisfied with the response, and we were able to track progress on the system through to completion of the work needed to rectify the problem.
- 82 Corporate targets have been set for the response times in dealing with the public. These require a phone call to be answered within 15 seconds. Written correspondence should be acknowledged or responded to within five working days. If further investigation is needed before a full reply, the acknowledgment should show when this will be sent, and this will be no more than 20 working days. The call centre system helps to record the response times and is set up to issue reminders to staff when the deadline for a response becomes near. The Service's records show that 86 per cent of letters are now meeting the Council's standards. This is a great improvement on the performance during our last inspection, when no records were kept and there were widespread complaints about poor responsiveness.
- 83 The Council now provides much better information about roadworks. Information signs are erected on site detailing the duration and nature of the work, along with contact telephone numbers. In addition, advance warning is given about planned road closures. Residents in streets affected by roadworks are now notified by postcards or personal visit by the contractor.

- 84 More information is also available on the Council's website, which is significantly better than it was last year.

### Public rights of way

- 85 We were pleased to see that the good performance of the public rights of way team was continuing. The Council has published a new booklet, giving a guide to 12 circular cycle rides. It has also started a complete survey of the island's rights-of-way network, to be finished by the end of October 2002. The project involves volunteers from the Ramblers Association and other groups.

### Street lighting

- 86 Street lighting has been improved in a number of areas:
- ◆ the A3054 Ryde to Newport road corridor;
  - ◆ bus shelters, to improve safety; and
  - ◆ the cycleway between Newport and Carisbrooke.

### Conclusion

- 87 The Highways and Transportation Service has made a wide range of improvements in a relatively short time. However, the Service has started from a very poor level. Many of the actions taken still only meet the basic expectations of the public; for example, dealing with dangerous road damage within 24 hours.
- 88 Other improvements provide the basic foundations for an effective service in the longer-term, so the benefits to the public may not be visible for some time. Nonetheless, the public has noticed the improvement in the Service, and we are satisfied the quality of service has improved since last year.

## How does the performance compare?

- 89 To judge the quality of a service, it is important to compare the performance of that service against other suppliers across a range of sectors. The aim is not exact comparison, but an exploration of how similar services (or elements of services) perform in order to identify significant differences, the reasons for them, and the extent to which improvements are required.

### Findings from the September 2001 inspection, and focus for the re-inspection

- 90 Comparisons made during the first inspection showed good performance for rights of way and street lighting, but poor performance in making repairs to dangerous road damage. Figures were not available to evaluate the condition of principal roads, and most other indicators suggested average performance.

### The position now

- 91 The performance indicators for street lighting and rights of way remain in the best 25 per cent of unitary councils nationally, showing there has been no worsening in performance since the last inspection.

- 92 The percentage of repairs to dangerous damage to roads and pavements that are made in 24 hours has improved. It rose from 88 per cent in 1999/2000 (in the worst 25 per cent), to 93 per cent in 2000/01, and to 97 per cent in 2001/02. This performance indicator is now being deleted as a national indicator, but the steady improvement shows that performance is now about average for unitary councils.
- 93 The accuracy of the performance data the Council sent about the condition of principal and non-principal roads has always been suspect. In 1999/2000, it submitted no figures, so we had no comparative data available at the time of the last inspection. Shortly afterwards, the Council sent figures for 2000/01 that showed 0.0 per cent of principal roads, and 0.1 per cent of non-principal roads, were in need of repair. These figures bore no relation to the very poor condition of the roads that we had seen. If correct, the figures would have meant that the roads on the Isle of Wight were the best in all England and Wales. This was self-evidently not true.
- 94 The performance indicators for 2001/02 were more realistic and showed that 8.3 per cent of principal roads, and 4.2 per cent of non-principal roads, were in need of attention. However, the implication that the non-principal roads were in better condition than the principal roads, makes us doubt the accuracy of these figures also. The Council's methods for assessing road condition have significantly improved over the past year, and the provisional figures for 2002/03 are showing a much higher percentage of non-principal roads needing attention, at 48 per cent. This seems to be a much more realistic assessment of the position than shown in data for previous years. This performance would place the Council in the worst 25 per cent of councils.
- 95 We feel that the performance indicators are not necessarily showing a rapid deterioration in non-principal road condition – from 4.2 per cent defective to 48 per cent. Rather, we feel that the indicators are now more accurate and reflect the poor condition of the roads that we have reported extensively on.
- 96 There are ten performance indicators covering road accidents. The figures for the Isle of Wight are generally average compared to other similar councils.
- 97 The performance assessment of the Council's LTP by GOSE is 'average compared to all authorities producing LTPs'. GOSE adopts a five-point assessment scale: well above average; above average; average; below average; and well below average. It has assessed eight unitary authorities out of 43 as above or well above average.

## Conclusion

- 98 Comparisons show that performance levels remain similar to our last inspection, except for a significant improvement in the percentage of dangerous road defects repaired within 24 hours. Overall therefore, the Council's performance on the main highways services remains below average, and for road condition it is within the worst 25 per cent of unitary councils.



## Summary

- 99 The Service has improved since the original inspection, and this has not gone unnoticed by local people. It has dealt with some major failings, and several systems are now in place to improve safety and manage performance. However, many aspects of the service were so poor a year ago, that it will take longer than a year for major improvements to be visible across the board. Therefore, while performance against some indicators has improved, in general terms, the Service remains below average compared to similar councils we have inspected.
- 100 There is still a lack of clarity of aims, and this is again a result of too many action plans and other planning documents. However, we now think that there is greater corporate direction, and that once the Council has finalised its corporate framework, the Service will have a much clearer view of its aims and priorities.
- 101 Overall, we consider the Service is now fair.

## What are the prospects for improvement to the Service?

- 102 In considering the prospects for improvement to the Service, we focused our work on three questions:
- ◆ What progress has the Council made in implementing its action plan for improving the service?
  - ◆ What progress has the Council made in implementing the recommendations from our September 2001 inspection?
  - ◆ What progress has been made in promoting wider corporate change within the Council?
- 103 These questions parallel the three questions we considered at the time of our original inspection, but they reflect the specific focus of a re-inspection on the progress the Council has made over the past year.

## What progress has the Council made in implementing its action plans for improving the service?

### Findings from the September 2001 inspection, and focus for the re-inspection

- 104 In our first inspection, we decided the best value review was inwardly focused and lacked user perspective. There was no systematic approach to consultation, which was carried out on an ad hoc basis and failed to focus on key issues to inform the review and shape the action plan. The approach to comparison lacked rigour. There was no attempt made to challenge fundamentally the delivery of the service or re-evaluate the use of competition. As a result, the review failed to focus on the key issues necessary to deliver significant service improvements.

- 105 We concluded that the action plan was also essentially inward-looking and did not address the key issues of concern to users and stakeholders. It had not identified priorities for action, and it was unclear how the Service would check progress.
- 106 Furthermore, we were concerned that there were too many different action plans, and that this was harmful to the prospects for improvement.
- 107 As a result of our inspection, the Council appointed an external consultant to review and revise the improvement plan. The outcome was the *Highways and Transportation Best Value Improvement Plan* (July 2002). This was intended to replace the previous plans, incorporating the actions that had not been implemented, or had been deleted.
- 108 Here we consider what progress the Council has made in completing the proposals contained in all the action plans.

### **Progress against proposed improvements**

#### **Best Value Review Action Plan (July 2001)**

- 109 This was the original improvement plan, which covered 26 key issues and contained 50 proposals for action. The Service has made good progress against these items in the last year, though it has not yet completed many.
- 110 We were pleased to see that the Service has speeded up progress on some items. For example, it originally intended to carry out comprehensive road condition surveys in 2006. Following our inspection, the Service immediately ordered mechanical tests using techniques such as SCRIM and deflectograph. This will bring about benefits much sooner.
- 111 The Service has reversed decisions on some other proposals. For example, the action plan had resolved to continue with existing highway maintenance arrangements rather than employ a rapid response team. Following our inspection, the Service changed this decision, and a trial arrangement is under way with a local contractor. Early signs are that this is proving to be effective, since performance in repairing dangerous road damage within 24 hours has improved.
- 112 Some items will no longer be progressed. For example, the Council has decided not to transfer responsibility for school crossing patrols from the Education Department to Engineering Services. Since we did not see an obvious benefit of changes like this, the decision is sensible.

#### **'Further Action Plan' (September 2001)**

- 113 This was another action plan the Service provided during the last inspection. It contained 14 different action areas, but it identified no clear time scales, resource implications or accountable people.



- 114 The Service has made mixed progress on this plan, but some of the achievements have been significant. The three most important are the successful implementation of a call centre, giving a better response to enquiries from the public, improved budget monitoring, and improved communications about site works.

### **Highways and Transportation Best Value Improvement Plan (July 2002)**

- 115 The latest plan contains 38 actions covering seven key areas. The Environment and Transport Select Committee is checking progress. A report on 29 July 2002 showed that the Service completed – on target – all the action points due for completion by the end of June 2002.
- 116 While this represents good progress against the plan, the plan itself has limits. It is short-term. Out of the 38 actions, 35 were due by the end of July 2002, and the remaining three actions have a target date of April 2003.
- 117 There are other weaknesses. Some actions in the plan do not link clearly to completing the major task or project of which they are part. For example, there are targets for some of the stages for developing a highway maintenance strategy, but there is no timetable for the strategy's completion or publication. Similarly, some tasks are not programmed at all, when we know from interviews that the Council intends to carry them out. An example of this is developing a car parking strategy.
- 118 Without a medium-term plan, the improvements planned beyond April 2003 are not clear. The Service needs a unified action plan to show how it will continue improvements.

### **Other improvement plans**

- 119 During our interviews, we discovered the Service planned other improvements that the various action plans did not clearly mention. The LTP refers to some, but this is a broad strategic document and not easy to use as an annual action plan. Also, since there is no guarantee of money for many of the proposals in the LTP, their status was not clear.
- 120 Two contrasting examples of this lack of clarity are the plans to decriminalise parking enforcement, and developing the Council's 'green travel' plans.
- 121 Sometimes the Council is much further ahead in its plans than the various improvement plans suggest. For example, we were not sure before the re-inspection about the strength of the Council's commitment towards decriminalised parking enforcement. However, our interviews showed the Council is well advanced with its plans. The Council commissioned a detailed report on the implications from consultants in 1999, and the Executive will decide on 10 September 2002, whether to continue with a formal order. There is therefore a strong likelihood the Council will introduce decriminalised parking enforcement soon. Similarly, when we started the re-inspection, it was not clear how close the Council was to introducing a Park and Ride facility in Cowes. We now understand that there is guaranteed developer funding, and work will start next year.

- 122 However, we found that in other cases, the Council's progress is far less advanced than the improvement plans suggest. For example, we asked about the Council's plans to set up a 'green travel plan' for staff and councillors. The Council carried out staff attitude surveys in April 1999, and the APR gives the impression that plans are well advanced. However, it is clear from our interviews that there are no definite proposals to do something.
- 123 We feel it is important that improvement proposals are set out in a clear plan, but this is not always happening. By not making it clear when improvements are likely to happen, such as decriminalisation and Park and Ride facilities, the Council is potentially confusing the public. Other improvements such as green travel plans may never happen at all, if a resourced and timetabled action plan does not include them.
- 124 General progress on the LTP itself appears to be good, as reported earlier.

### Conclusion

- 125 The Council has made much progress and has completed many improvements in the last 12 months. However, the existence of multiple plans has led to a lack of clarity and confusion about priorities.

## What progress has the Council made in carrying out the recommendations from our September 2001 inspection?

### Findings from the September 2001 inspection, and focus for the re-inspection

- 126 Following our previous inspection, we made three main recommendations to the Council, with more specific supporting proposals. We outline below progress against these.

### Progress against recommendations

#### Recommendation 1: Responsiveness to the needs of local people

- 127 We recommended the Council to make the Service more responsive to the needs of users (for example, better quality, safer roads), and to improve user satisfaction by:
- ◆ consulting users and stakeholders to ensure that their needs are taken into account;
  - ◆ identifying clear standards of service operation and setting these out in a single service standards document or charter;
  - ◆ improving the system for responding to all forms of correspondence and complaints;

- ◆ ensuring that customers:
  - ◆ know where they should go to report difficulties;
  - ◆ have access to staff who have the knowledge necessary to deal with the problem or query; and
  - ◆ have access to information on services.

128 Since September 2001, the Council has launched several initiatives to involve local people, for example:

- ◆ The Council has carried out extensive consultation with the public and businesses about choices for pedestrianisation and traffic management proposals for Newport town centre. It is using the results to decide on the most acceptable solution.
- ◆ Representatives of a local cycling group, 'CycleWight', are advising the Council on the best use of funding available for cycling improvements.
- ◆ The Council is supporting a 'Quality Transport Partnership' of local transport providers and customers, which aims to develop a co-ordinated approach across the island.
- ◆ The Service has improved liaison arrangements with parish and town councils and has agreed a protocol for dealing with them. We spoke to several parish councils and found the Council had offered each an individual meeting with highways staff. A highways superintendent is also now assigned to each council, to work with them and liaise on issues. Overall, parish councils are pleased with progress:

*'When there is a problem they react whereas previously there was nothing.'*

*'I am now clearer as to who is doing what and who to contact. ... Things get done now.'*

*'Generally more responsive and helpful but still don't do everything they should.'*

129 The Council held a workshop with key stakeholders in July 2002, to obtain their views on how the service could be provided better. This gave useful comment on strengths and weaknesses the Service could use to plan future improvements. In future, the Council intends to hold such meetings twice a year. It is also holding meetings with main contractors on a two-monthly basis; we are pleased to see that the Service has now adopted such basic good practice.

130 The Council is preparing leaflets showing the current standards of service. However, the date for publication should consider the timing of the highway maintenance and car parking strategies. Consultation with service users could result in the Council agreeing different standards, which could lead to extra cost for republishing the leaflets later.

- 131 The Council has set up a departmental call centre and is providing a better service than we noted during our first inspection. It is now much easier for the public to report problems to the Council by various methods, including the use of the Council's website.
- 132 The Service is improving staff training and development as part of the drive towards accreditation for Investors in People (IIP).

### **Recommendation 2: Setting Service priorities that meet Council aims**

- 133 We recommended the Council to ensure the Service has clear priorities which will contribute to its overall aims and act as a clear basis for effective service improvement and development, by:
- ◆ agreeing and communicating:
    - ◆ one concise set of aims;
    - ◆ a unified improvement plan;
  - ◆ setting up and communicating a system to ensure that priorities for schemes are in line with the standards and priorities of the Council;
  - ◆ developing and carrying out strategies that are currently missing or under-developed (such as parking and speed management); and
  - ◆ implementing a strategy that will ensure the increased funding is spent in line with priorities.
- 134 Since September 2001, the Council has been developing its community strategy and corporate plan. This has involved looking again at existing service aims to see if they are still applicable. The Council has also restructured the departments, which has resulted in other aims. For example, the new leaflet *Your Island's Engineering Services Charter* says the Service has three aims:
- 'Protect and enhance the island's natural and built environment
  - Develop a sustainable and integrated transport strategy
  - Provide high quality professional and cost effective services'
- 135 The aims expressed in the LTP are different. This is clearly a transitional time for the Council, and it still has to settle on one concise set of aims.
- 136 Similarly, the Council has not been working to a unified improvement plan for the Service, and we consider that this should be a high priority.
- 137 The Council has made good progress in setting up a rating system for deciding priorities for road improvement schemes. However, there is little publicity yet for the scheme, which will be used to agree the works programme for 2003/04.

- 138 The Council has completed strategies for buses and for road safety. It has collected essential information to develop car parking and highway maintenance strategies, but it needs to do a lot more work to complete these.

### **Recommendation 3: Improving the effectiveness of service delivery**

- 139 We recommended the Council to improve service delivery across all areas, by:
- ◆ completing a business planning strategy that identifies key benefits to users, priorities, time scales and targets to move the Council to best 25 per cent performance over five years;
  - ◆ ensuring effective performance management, in particular by:
    - ◆ developing management information to:
      - examine trends in performance to assist planning;
      - identify areas of concern;
      - demonstrate effectiveness;
      - support bids for funding;
    - ◆ implementing project and quality management systems;
    - ◆ developing staff appraisal systems to ensure the aims of the Council are reflected in service delivery;
    - ◆ using the best mix of private and in-house resources;
  - ◆ reviewing the current approach to the packaging of contracts to improve cost-effectiveness and responsiveness, and ensuring that future contract letting allows greater flexibility of operation; and
  - ◆ considering opportunities for integration with other related Council services.
- 140 Business planning remains a weakness the Council needs to address if the improvements to the Service are to continue. This year the Council's main focus of attention has been on the community strategy and the corporate plan, so it has not been possible for the Service to make radical changes to its planning systems. The Council expects that the focus for improvement will move down to the service plan level when it approves these higher-level plans. We already know there is a revised format for these plans.
- 141 However, current planning still revolves around an annual improvement plan. There is no medium-term plan to show intentions over a three- to five-year period. Many of the projects and strategies undertaken by the Highways and Transportation Service extend for periods well beyond a year. The Council needs a longer-term plan to ensure it follows through and gives proper support to proposals.

- 142 Many of the improvements the Service has put in place are leading to more information available to manage performance and plan improvements. Examples include:
- ◆ road condition survey data, which will provide better evidence to secure funding and choose the best maintenance solution;
  - ◆ the software used by the call centre, which is able to create statistics about the areas causing greatest concern to the public;
  - ◆ post-scheme checking, which assesses design methods for effectiveness and identifies the need to review ineffective schemes;
  - ◆ public consultation to help identify the need for future improvements; and
  - ◆ better comparisons with other councils, now that the Council has joined the South East Counties Service Improvement Group (SECSIG).
- 143 However, it is still too soon to comment on how well the Service is using all of this extra information.
- 144 The Service has now put in place a project management system, and currently 12 staff are able to use it. A further 16 staff will be trained on the use of the software by the end of this year. The Service has also set up a project management action team.
- 145 The Engineering Services Department is introducing quality management systems across the whole Department, with the help of a consultant. Such systems should improve consistency in the delivery of services. Staff have visited other councils to discuss how they set up similar systems. The Department has drawn up a realistic programme to achieve third-party accreditation under ISO 9001:2000 by December 2003, and it has selected an accreditation body. Money is available to complete this project.
- 146 The Service has started to introduce appraisal systems for staff, and it plans to achieve IIP accreditation for the Engineering Services Department by June 2003.
- 147 There is now a better mix of private and in-house staff than during our last visit. Then it seemed there was an emphasis on doing work only through Council-employed staff, even though there was a recruitment problem and the Service was not carrying out important tasks. Now the Service uses consultants on day-to-day tasks like development control, as well as on specific projects, such as safety auditing. It arranged the rapid response crew through a local contractor, rather than directly employing staff. In addition, outside specialists have carried out the various types of road condition surveys.
- 148 However, there has been a less successful approach to contract packaging and procurement. On the positive side, the Council has adopted 'design and build' contracts to speed up improving the major highway corridors to the ferries. The Council is preparing procurement strategies and has held discussions with consultants and contractors on possible partnering arrangements.

- 149 But we were concerned to find that the Council has let some recent contracts without fully considering our recommendation. For example, it has let a six-year gully emptying contract that includes the possibility of a three-year extension. We understand there is a two-year break clause that allows the Council to withdraw from the contract if costs are significantly different to 'industry standards'. However, we are not clear how the Council can activate this clause. Also, the Council has recently let a three-year winter maintenance contract, although it received only two tenders. The Council is considering new partnering arrangements. We think it would have been wiser to have given short extensions to the existing contracts, to allow the Council the opportunity to consider different choices.
- 150 The Council aims to uphold a healthy local economy. However, continuing small-scale contracts with local suppliers as a means of doing so is not in the long-term interests of efficiency, and it does not help the local market to develop. Larger companies still need local labour, but wider-ranging contracts will allow them to use resources more flexibly and more efficiently. The Council is planning to extend the two term contracts for routine highway maintenance, with the expectation that the two local contractors will sign up to a partnership arrangement. However, we understand that neither of the contractors have experience of this approach, and the added value of partnering in such a narrow contract area is not clear.
- 151 At the time of the re-inspection, the position about procurement was therefore vague, and we have no clear impression of the direction the Council will finally take.
- 152 With regard to further integration with other Council services, the position has significantly changed with the creation of the Engineering Services Department, embracing highways and transport, waste management and coastal protection. This has given the opportunity, which the Service is already taking, to have joint inspection staff looking after street cleaning and highway inspections, to save overall staff costs.
- 153 However, there are still areas of concern. An example specifically brought to our attention during a staff focus group was the slow response of the service to consultations from other departments. This slow response causes problems with the effectiveness of other services, and with public views.

*'Getting a response to consultations on planning applications is a shambles. The quality of advice on applications has improved but they are still reluctant to give advice on pre-application proposals. But there is now more direction than year ago .... green shoots are evident.'* (Planning officer)

*'There was an aura of inertia in the past; things have improved but there is a long way to go.'* (Environmental health officer)

## Conclusion

- 154 It is fewer than 12 months since we made the recommendations discussed above, and the Council has made good progress in their implementation. The areas of most concern are the lack of progress in developing the business planning systems and procurement, and supporting the needs of other departments. These need particular attention in the next phase of improvements.



## What progress has been made in promoting wider corporate change within the Council?

### Findings from the September 2001 inspection, and focus for the re-inspection

- 155 Our previous inspection decided there was a lack of clear corporate direction, and that issues such as corporate and service planning, and performance management, had not been addressed over a long period of time. We expressed doubts about the Council's ability to deliver change and improvement in the Service.
- 156 A key issue for the re-inspection was therefore assessing what progress the Council has made in promoting wider corporate change, and how this is reflected at the service level. We considered this by focusing on two questions:
- ◆ What changes have taken place since our previous inspection, and what plans are there for future improvement?
  - ◆ Has the Council shown that it has the capacity and commitment to manage change, and can it prove that it has successfully done so?

### Changes that have taken place since our previous inspection, and plans for future improvement

- 157 Since our previous inspection, the Council has continued to experience major changes. It was not long before we inspected last year that, in April 2001, the Council formally adopted the political structure of a cabinet and leader. Also, after many years as a hung council, forming a unified administration, following the elections of June 2001, has led to greater focus and direction. There is now an Executive comprising a leader, a deputy leader without portfolio, and eight portfolio holders. The Council has also set up six select committees to carry out the roles of scrutiny and policy development, and three regulatory committees.
- 158 The new system is still settling in as councillors become used to their new roles. The Council accepts that councillors are still learning the scrutiny and policy roles:

*'Some scrutiny agendas still look too much like old-style committee agendas.'*  
(Councillor)

- 159 The Council has also adopted a 'protocol for member/officer relations'. The purpose is to guide councillors and officers in their relations with one another, to ensure the smooth running of the Council. If this protocol is effective, it will deal with some of the concerns we expressed in the last inspection report about the lack of clarity of the respective roles.
- 160 During our last inspection, the Council announced a fundamental reorganisation of the management structure, creating four strategic directors and a chief fire officer. One director was to take the role of Head of Paid Service, and 17 heads of service were to be given more strategic roles. This was to replace a chief executive, six directors and 31 chief officers. This restructuring has been progressing during 2002 and will be completed in 2003. This has significantly increased focus in areas where it has already taken place, and it has developed a corporate strategic focus at senior management level.



- 161 However, other significant changes have still to take effect. The current Head of Paid Service will soon be leaving the Council, and the Director of Corporate and Environment Services will replace him. This will inevitably prompt a change in responsibilities of other managers and, in the short-term, these changes could affect progress in completing improvements.
- 162 Nonetheless, as the Council is getting used to the system, it has freed up more time to address known weaknesses in corporate planning. Within this report, we have already referred to the Council's major effort to agree a community strategy and develop a corporate plan. This work is continuing, and the Council recognises there is still a long way to go before the corporate planning framework is working as intended.
- 163 The lack of a corporate performance management system has significantly hampered progress in the past. The Council is addressing this by introducing a corporate system of performance management and appointing the Deputy Leader to oversee and champion the work. Select committees are now receiving performance management information, and the Council is introducing a system that will flag up issues that require urgent attention.
- 164 A major event for the Council this year has been the inspection for the Corporate Performance Assessment (CPA). The Council has had to make a self-assessment of its performance, and this has been useful in focusing the Council on areas needing further improvement.

#### **Capacity and commitment to manage change within the Council overall and demonstration that it can successfully do so**

- 165 The Council recognises that it needs a major change of culture to achieve service improvement, and it has embarked on an ambitious programme of change. This is having a noticeable effect on staff, who we felt had a positive belief in the Service and were willing to change their way of doing things:

*'Over last few months, we've been bombarded with a whole culture of change. Things are changing fast and we've got to adapt.'*

*'For most of us it's been an intensive time of change and adaptation. In the past we were left to our own devices.'*

*'It feels better - with a corporate plan and modernisation – councillors are thinking more strategically.'*

*'There has been enormous change over last 18 months. Staff are now being listened to and feel recognised.'*

- 166 Other services have also shown that the Council can make major improvements. For example, Social Services received a very critical Joint Review inspection report in 1999. But it has significantly improved to the extent that the Social Services Inspectorate (SSI) awarded the Council two stars (on a scale of zero to three stars) in their recent annual assessment.

- 167 We think the Council is committed to change in general, but is also committed to improving highways and transport in particular. Evidence of this commitment is the fact that the over-spend of £373,000 on highway maintenance in 2001/02 was written off against reserves. The Executive decided this 'in view of the high public priority of the service, coupled with the Council's efforts to produce a step improvement in this area'.<sup>6</sup> Normally, any over-spending by a service has to be paid for out of the following year's budget, which reduces the ability to deliver improved services.
- 168 Whether the Council can continue to provide extra funding for highways and transportation improvements is unknown, especially as large council tax increases, such as the 15 per cent rise last year, are less likely to be repeated. However, it seems reasonably certain there will be a high level of Government funding earmarked to transport improvements, at least until 2005/06.

### Conclusion

- 169 In conclusion, the Council has made important progress in setting up a sound basis for carrying out corporate change and effective performance management. Since our last inspection, the Council has made difficult decisions about the budget and the way it manages corporate business. As a result, it has begun to introduce change effectively. In terms of its ability to continue this process, the Council has put in place a planned approach to achieving change management, it has begun to set up corporate working, and it has a commitment to improve performance. We, and the Council, recognise that corporately, there remains a lot to be achieved. However, we consider that the changes so far, and the momentum that has been built up, provide a sound basis to support further change within the Highways and Transportation Service.

### Summary

- 170 To summarise, there is a clear commitment to performance improvement and change across the Council, with several examples of initiatives to achieve this. The Service has also showed over the past year that it has the willingness and the ability to change. It has largely achieved the key proposals in the various action plans and has made great progress in fulfilling our recommendations. There is a clear commitment to and willingness for further change by management and staff in the Service, and a sense that the progress of the past year will continue.
- 171 In judging the significance of these positive features for the prospects for improvement, it is important to remember the Service was starting from a very low base. There were therefore plenty of ways the Service could achieve quickly a noticeable improvement. Inevitably, the Service still has to address many issues. In particular, the Service needs to sharpen up its approach to business planning, if it is to keep focus. It needs to take stock and refine its plans, especially because of the emerging community strategy and corporate plan. The Service needs to deal with this through a change management project plan for the next three years, developed in detail on 'SMART' principles.

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<sup>6</sup> Environment and Transport Select Committee, Paper B, 28 August 2002.

- 172 Overall, we consider the Service's new technical and planning systems, with more Government money and the enthusiasm of staff, will lead to real improvements on the ground that matter to residents and visitors. We think these improvements will happen, provided the Council gets the money and uses it wisely. However, lasting improvement to ensure a top performing and cost-effective service will depend on good business planning with clear priorities that follow from corporate aims and resources to match. The Council has a long way to go to achieve this.
- 173 On balance, therefore, we consider the Service now has promising prospects for improvement.

# Appendices

## What the inspectors did

The purpose of a best value inspection is to make two judgements. The first is, how good is the Service being inspected? The second is, what are the prospects for improvement? We carried out a range of activities to enable us to reach our judgements.

## Documents reviewed

Before going on site and during our visit, we reviewed various documents that the Council provided for us. These included:

- ◆ Best Value Performance Plan, 2001/02;
- ◆ *Island Futures*, draft Community Strategy;
- ◆ *Achieving Excellence Through Teamwork*, draft Isle of Wight Corporate Plan, 2002-05;
- ◆ Isle of Wight Local Transport Plan 2001-2006;
- ◆ Isle of Wight Local Transport Plan Annual Progress Reports, 2001 and 2002;
- ◆ Annual capital settlement letters, 2001/02 and 2002/03;
- ◆ organisation and structure documents;
- ◆ financial information;
- ◆ Local Agenda 21 environmental strategy;
- ◆ Highways and Transportation Best Value Improvement Plan (July 2002);
- ◆ staff management documents;
- ◆ service planning guidance;
- ◆ relevant committee papers;

- ◆ draft procurement strategy;
- ◆ schedule of outsourced activity;
- ◆ protocol for member/officer relations;
- ◆ rights of way strategy 2001-2006;
- ◆ bus strategy;
- ◆ parking study, November 2001;
- ◆ summary sheet of progress on safety audits;
- ◆ Road Safety Plan 2001-2006; and
- ◆ Highways budgets 1998-2003.

## Reality checks undertaken

When we went on site, we carried out a number of different checks, building on the work described above in order to get a full picture of how good the Service is. These on-site reality checks were designed to gather evidence about what it is like to use the Service and see how well it works. We also followed up on issues relating to the improvement plans. Our reality checks included:

- ◆ staff focus groups;
- ◆ direct observation;
- ◆ mystery shopping;
- ◆ interviews with members of the public;
- ◆ contacting various stakeholder groups, such as parish councils; and
- ◆ tracing inspection, complaints and maintenance schedule records.

## List of people interviewed

We met or spoke to a range of people involved with the Service:

Chris Bartlett	Sergeant, Hants and IOW Police
Steve Boswell	Waste Services Manager
Cllr Theresa Butchers	Chair of Environment and Transport Select Committee
Sarah Dyer	Principal Administrative Officer
Mike Fisher	Director of Corporate and Environment Services
Cllr Ernie Fox	Executive Spokesperson for Transport
Stuart Fraser	Accountant
Nick Gallin	Principal Engineer – Maintenance
Phil Hayward	Operational Manager – Design
Alan Kaye	Head of Paid Service
Ann Kingswell	Car Park Manager
Steve Matthews	Head of Engineering Services
Tim Slade	Countryside Access Manager
Cllr Shirley Smart	Council Leader
Malcolm Smith	Policy and Strategy Manager
Kevin Stevens	Chief Executive, Chamber of Commerce
Peter Tuck	Quality Transport Partnership
Stephen Wade	Manager, Island Line
Chris Wells	Senior Transport Planner
George Wilks	Member, CycleWight
Geoff Woodhouse	Principal Street Lighting Engineer