

**Local Government Improvement Programme**

**Visit to Isle of Wight Council**

**8 – 12 September 2003**

**Summary**

Isle of Wight Council (IWC) is successfully driving through its substantial programme of change, improvement and modernisation under its highly committed political and managerial leadership of Shirley Smart, Leader and Mike Fisher, Chief Executive.

This had its origins in 2001 when there was a distinct change within the council as a result of political leadership changes and changes at director and heads of service level. Then in 2002 a key point was achievement of the 'fair' score which was obtained as a result of the Comprehensive Performance Assessment (CPA). This was then followed in April 2003 with the production of the CPA Improvement Plan under the title 'Becoming an Excellent Council' and its 5 priorities for delivery. The peer review team has found considerable evidence of improvement across the organisation to suggest that it is well positioned to build on its achievements.

Notably, the local authority's mission is to 'improve island life' and the council prides itself on providing quality services to meet the needs of its communities in an effective and efficient way. In this context the CPA inspection resulted in a score of '3 out of 4' for service delivery. The council also places considerable store on being a learning local authority.

More specifically, the review team found that IWC benefits from a number of strengths, including the following:

- developing good partnerships and leadership, including through and with the Island Futures Local Strategic Partnership (LSP)
- demonstrating commitment to getting services right with evidence of some really good delivery (e.g. procurement improvement, mainland links, partnerships, website)
- new management top team is in place with a mixture of internal and external appointments
- management systems have been refreshed and the right mechanisms have and continue to be put into place
- evidence that new thinking is going on
- a positive approach to prioritising
- integrating priorities, services and budgets supported by prudent financial management.
- Delivering the corporate plan and implementation plans in support of the 5 underpinning values which are: giving excellent service, listening to people, working in partnership, being open and fair, and caring for the environment

## ***Report: Isle Of Wight Council***

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However, the review team also found a number of issues for IOWC to consider assisting it to further improve on its performance, including the following:

- making the space for more 'blue sky thinking' and tackling parochialism and 'a sanctuary mentality'
- embedding the change management programme throughout and across the organisation and ensure that corporate messages support innovation
- engaging the body politic across the council through the wider involvement of all political parties
- giving consideration to the review team's perception that scrutiny does not feel to be as independent and challenging as it might be
- ensuring that micro-management by members is challenged as this can confuse member / officer working and divert focus from corporate priorities
- seeking out further opportunities to promote community grass-roots understanding of the council
- setting the local media agenda
- Seeking out further opportunities to celebrate success more and giving consideration to the perception of the review team that 'this feels to be an earnest organisation'
- seeking out opportunities to improve the effectiveness and performance of internal horizontal networks
- providing managerial role models for women within the local authority
- seeking opportunities to provide a voice for young people and hard to reach groups to assist IWC to ensure its customers and citizen focus

The review team is of the opinion that to succeed with the future, IWC needs to continue to take steps to ensure that it is a modern, flexible and forward-looking, learning council with the ability to deliver its aspirations and build on its achievements which have been secured through the dedicated hard work and combined effort of members and officers.

The next months are crucial if the council is to achieve its ambition to become a 'good' local authority in the forthcoming CPA re-assessment, and in due course to achieve its aspiration as 'an excellent council'.

### **Recommendations**

While the report identifies a number of issues for action, in the view of the review team the priorities under the three main headings of the benchmark are to:

#### **Leadership**

- consider ways of promoting 'blue sky thinking' in order to develop a longer-term vision for the island, for example over 30-50 years,
- consider how best to ensure focus on key priorities, agree what are non-priorities and communicate these both internally and externally to the community and to partners
- continue to deliver the ambitious change management programme and encourage a culture which embraces change and improvement, including seeking out additional opportunities to be more open to external challenge, celebrate success, promote good practice and innovation across the organisation and raise the profile and good work of the local authority
- consider how to improve communications with forums and town parish councils and seek ways of supporting them further

#### **Democratic Accountability and Community Engagement**

- consider and seek out further opportunities to engage with all political groups in the key activities of the council. This could also include a review of the chairing of select committees, with a view to enhancing the perception by all members of the independence of this important function.
- ensuring members do not become involved in the detail of operational issues and stand back to give senior officers the necessary space and trust to manage the running of the organisation
- ensure that the system employed for development control is understood by all and that the reasons behind decisions are clearly communicated
- adopting a more proactive and confident stance with the media in order to lead the agenda and communicate the bigger picture vision and ambitions of the local authority
- enshrine a corporate approach to branding and marketing throughout and across the local authority.

### **Managing Performance**

- ensure that the performance management system is embedded throughout and across the organisation and is owned by all
- consider how to redress the gender balance at a senior level and encourage more women to apply for management posts
- seek out opportunities to further encourage and draw on the creativity, enthusiasm and drive of staff and ensure that personal development plans, which should include a reference to key service and business objectives and targets as well as plans for training and development, are consistently applied across the local authority
- addressing the level of sickness absence with a view to reducing the number of days lost.
- ensure that practical steps to deliver the requirements of the corporate governance agenda continue to be taken, including promoting wider discussion on possible strategic partnering options to deliver the local authority's ambition, including through the Isle of Wight Economic Partnership
- ensure that the remedial action to improve the delivery of housing benefits delivers the required improvements

### **Background**

1. The visit to IWC was part of the national Local Government Improvement Programme (LGIP) of peer reviews in local authorities, arranged by the Improvement and Development Agency for local government (IDeA). A peer review helps the authority assess its current achievements and its capacity to change. The basis for the assessment is a specially constructed benchmark of the ideal, fully effective local authority. This focuses on the three key organisational themes of leadership, democratic and community engagement and performance management<sup>1</sup>.
2. It is not an inspection. Peer review offers a supportive approach, undertaken by friends, albeit 'critical friends' and its intention is to help a council identify its current strengths as much as its weaknesses.
3. It is an integral part of an ongoing change process. This can then be taken forward by the authority with an improvement plan to address the areas where the review team recommends action. The IDeA will monitor the plan's implementation with a follow-up visit carried out up to a year after the original review if the Council wishes.
4. The members of the peer review team were:

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<sup>1</sup> The background to the programme and the methodology are described fully in 'Improving From Within: Local Government Improvement Project Final Report and Recommendations', published by the Local Government Association in February 1999.

- John Best, Chief Executive, Milton Keynes Council
  - Councillor Mike Appleyard and Chairman, Health Select Committee, Conservative, Buckinghamshire County Council
  - Councillor Tom Smith-Hughes, Liberal Democrat, Essex County Council
  - Andrew Whetnall, Director of Performance and Improvement, Birmingham City Council
  - Fatima Koumbarji, Associate Director, Veredus Executive Resourcing
  - Sylvia Ivanova, Programme Manager, Council for Europe, Strasbourg
  - Richard Masters, Review Manager, Improvement and Development Agency
5. The programme for the week was organised in advance and included a wide variety of activities designed to enable members of the team to meet and talk to a spectrum of internal and external stakeholders. Examples are:
- discussions with the political leadership and senior management of the council,
  - meetings and workshops with council members from all parties, including select committee and non-executive members
  - workshops for frontline staff, middle managers and heads of service
  - discussions with trade unions and young employees forum
  - meetings with the core group of the LSP, external partners, business and community representatives and members of the public
  - discussions with the local member of parliament, representatives from town and parish councils and a neighbouring local authority
  - discussions with the district auditor, Government Office for the South East, South East Economic Development Agency and the local press
  - attendance at a meeting of the executive committee
  - a tour of the island with visits to development projects which are delivered in conjunction with partners, including the North Medina Community Development Trust and the Cowes Waterfront regeneration project, Ryde Development Trust and the Ryde Public Realm regeneration strategy, the Market Towns Initiative at Sandown and Shanklin to promote comprehensive regeneration, and the Centre for the Coastal Environment
6. The team was very appreciative of the warm welcome and excellent hospitality provided by the council during their stay, and would like to thank all involved for their valuable contributions throughout the week. The programme for the week was very well organised and co-ordinated and the team received wholehearted support and co-operation from everyone they met.

7. The feedback given to the council on the last day of the review reported on the key messages and this report gives a more detailed written account structured around the three main organisational themes mentioned above and the core organisational competencies supporting each of them.

### **Context**

8. The Isle of Wight is a unique area and the only island in the southeast region. With a resident community of approximately 132,000 people, the island forms a natural diamond-shape situated a few miles off the coast. It covers 147 square miles and measures 23 miles from east to west and 13 miles from north to south. The island is a predominantly rural area.
9. Travelling distances to the mainland do not exceed 12 miles and travel links are maintained by privately owned 24-hour vehicle ferry services supplemented by hi-speed catamaran and hovercraft services. Cowes and Ryde are the main points of entry, linking Southampton and Portsmouth respectively. Another vehicle ferry also links Lymington with Yarmouth at the western end of the island. The county town and administrative centre of the island is Newport, situated at the head of the navigable part of the River Medina.
10. Some 70 percent of the landmass is covered by UK or European landscape designations reflecting the high quality of the natural environment. Almost half of the population (44 percent) live in the larger towns (Newport, Ryde and Cowes), which are also the base for much of the economic activity on the island. There are 4,670 companies on the island with 82 percent employing less than 10 people; the main employment sectors are manufacturing (17 percent), tourism (15 percent) retail (12 percent) and public administration (30 percent). Much of the business base is also in tourist dependent sectors over and above the 15 percent directly employed in the industry to support the 2.5 million visitors to the island each year.
11. It is important to note that 25 percent of the island's population is of pensionable age, with unemployment at 2.3 percent compared with 1.5 percent for the southern region. The island also experiences significant levels of deprivation when compared with its neighbours and the wider region.
12. IWC was the first unitary and was established in 1995. It is responsible for delivering all statutory services, apart from police and is the only unitary with its own fire service. Politically, the council consists of 48 members, of whom 28 are Island First (a coalition of liberal democrats and Independents), 13 conservative, 3 labour and 4 others. The council has an executive of 10 members together with 6 select committees responsible for policy development and the scrutiny of council activities, 3 regulatory committees and a standards committee.

13. IWC prides itself on working to deliver its mission to 'improve island life', and to deliver its services, it employs approximately 6,000 staff. Financially, the Council's gross revenue budget for 2002-03 is £213 million (£133 million net of service specific grants, sales and charges) with 70 percent of the expenditure going on education and social services, with the remaining 30 percent covering a wide range of other responsibilities including roads, waste collection and disposal, fire and rescue, libraries, leisure, housing, planning and consumer protection amongst other services.
14. To support the delivery of its mission, IWC has set out its 5 values. These in turn underpin all that it does through its 6 strategic objectives which are to:
  - improving health, housing and the quality of life for all
  - encouraging job creation and economic prosperity
  - raising education standards and promoting lifelong learning
  - creating safe and crime-free communities
  - improving public transport and the highways infrastructure
  - protecting the island's physical environment
15. These together with the necessary detail on how to make it happen is set out in the council's corporate plan, which is a succinct and well presented document. There is evidence of a clear hierarchy of plans with the corporate plan sitting within the cluster of key plans which consist of the following: Island Futures community strategy, CPA improvement plan, service plans, and personal development plans. All of these are linked together through the Best Value performance plan which is used as a tool for the council to assess its performance.
16. In addition to its list of significant achievements, the council is very much aware of the key community issues facing it and is taking action to address them, including: the wish to keep services on the island, economic development, tourism, homelessness and affordable housing, addressing areas of deprivation, coastal and environmental degradation and the provision of adequate resourcing for all services.
17. IWC has committed itself to driving forward improvement and development to achieve its ambition to become a 'good' local authority in the forthcoming CPA re-assessment, and in due course, to achieve its aspiration as 'an excellent council'.

## **Leadership**

### **Vision for the Community and Strategy**

- **striving to improve**
  - **recognising the unique quality of the island**
  - **leading the voice of the community**
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- **blue sky caution**
  - **sanctuary mentality**
  - **focusing on key priorities**
18. The review team was left in no doubt about the commitment and energy being applied to improvement. For example, the community strategy and corporate plan consistently demonstrate the importance being placed by the IWC on the delivery of a range of good, joined-up services. Further, the CPA improvement plan sets out a clear and logical framework with milestones for moving the local authority forward through its improvement agenda, with its sights set on 'good and in due course, excellent' within a finite and challenging timescale. The review team was also impressed with the sustainability audit.
19. Running through the corporate plan and community strategy is a clear theme of recognising the unique quality of the island and safeguarding the best to achieve 'a prosperous but still beautiful island'. There is evidence that the island community strongly promotes sustainability objectives. These not only cover protecting the environment and countryside and promoting sustainable behaviour, they also extend to championing independent local governance rather than over dependence upon the mainland. The community strategy seeks 'a happy, prosperous and contented island where each member of the community enjoys the highest quality of life and where people work together to ensure that the island's natural beauty and cultural heritage are passed undiminished to future generations'.
20. There is evidence that IWC has successfully worked to lead the voice of the community. For example, the community strategy is clearly based on the views expressed through community consultation, through a process led by the local authority and supported by the LSP in which IWC played a central part. The review team noted that the local authority is accepted as the island's principal public body, and is certainly the largest local employer. It has embraced this leadership role in relation to a large number of Island-based partnerships which is strengthened by the closeness of both members and officers to the communities they serve.



21. An emerging question to the review team concerned blue-sky thinking, where it is done and how it can help achieve the aspirations set out in the community strategy. For example, as a custodian of the island's future, IWC must ensure that plans are prepared for the medium to long term as well as the short-term priorities. There is evidence that the community strategy objectives provide a good short-term steer, but in the medium-term the review team wonder whether they will be achieved without taking a more proactive role. In particular, the island community should actively address the underlying economic realities of being an island and explore the extent to which the community objectives are likely to be achievable. To aid this, consideration should be given to promoting blue sky thinking, 'thinking the unthinkable' and directly addressing uncomfortable options in order to develop a long term vision for the island, for example over a 30 to 50 year horizon.
22. In order to help tackle caution to blue-sky thinking, IWC may wish to promote the debate directly with the community and with and through other stakeholders. It is suggested that the medium-term issues should include: identifying a population level that can sustain the local services sought, researching the economic strategy which would attract investment and ongoing spending to ensure that prosperity is maintained, identifying the brand and marketing proposition that will maximise the benefits for the island and its contribution to the region, and resolving the provision of adequate access between the island and the mainland.
23. As the result of a strong and understandable wish to protect and safeguard the best qualities of the island, the review team regularly encountered what was described as 'a sanctuary mentality'. This was both within the Council and on the island, in which protection of the status quo seeks to override the promotion of change. For IWC to demonstrate its leadership, consideration should be given to exploring further ways of reconciling and safeguarding that which is best about the island with sustained change and the evolution of island activities.
24. A key issue consistently raised to the review team, was the need to focus on key priorities in the face of new priorities, demands or obligations, all of which require resources. While the Council has continued to successfully deliver a balanced budget despite its stretched resources and the wish to limit council tax increases, the review team repeatedly encountered the view within and outside the local authority, that it has difficulty setting and keeping to clear priorities. An expression heard on a number of occasions was 'priorities, priorities, priorities'. The recent exercise to identify spare headroom in the budgets provides some evidence of focus on priorities. Consideration should be given on how best to ensure focus on key priorities and that non-priorities are clearly identified and agreed as non-priorities both within the council and externally with the community and partners.

## **Change Management**

- **commitment to organisational change**
  - **new senior management team in place**
  - **change built into plans**
  
  - **embracing change**
  - **preparing the organisation**
  - **Great Access to Great Services (GAGS) as an important change agent**
25. There is evidence of a strong commitment to organisational change and development from the top of the local authority and a growing general acceptance of the need for ongoing change. This is epitomised by Shirley Smart, Leader and Mike Fisher, Chief Executive who are providing positive leadership and who actively work to develop the organisation to meet current and future demands. There is evidence that the chief executive is seen to be providing and promoting high standards in organisational development and management practice to demonstrate that it is a learning organisation.
26. Central to IWC's change programme has been placing the new top management team, which includes some external appointments. Further, the consolidation of the core of service heads from 31 to 17 over the past 12 months has brought additional focus to the management structure. There is evidence that this is welcomed and is seen as fit for purpose to contribute to sustained and broadly based improvement by a capable and motivated management team.
27. There is evidence that change is built into plans with IWC's commitment to improvement being captured by the production and adoption of the post-CPA improvement plan. This is seen by the review team to be a challenging and effective change programme with evidence that key milestones are being implemented and are likely to lead to substantial improvements in the local authority's delivery. The targets and objectives are ambitious and the energies and management resource applied to the task, seems to be generally appropriate.

28. Key to the ongoing improvement and development of the organisation is the need to ensure that all members and officers embrace change within the perspective of the medium to longer-term vision and objectives of IWC. This underlines the importance for a more clearly defined longer-term vision by the local authority and the need to both embrace change throughout and across the organisation and to constructively tackle resistance to change. The review team encountered a perception of IWC through statements such as 'we don't want to change, we are happy as we are'. Consideration should therefore be given to developing a medium to longer-term vision and supporting objectives for the local authority and encouraging a culture where change is both embraced and rewarded, especially by members.
29. While there is evidence that good progress has been made with the ambitious change management programme, further work to prepare the organisation for ongoing change and development should be considered. The external agenda of planning for and promoting change in the island's future needs to be matched by internal mechanisms constantly to seek new ways of delivering that future. IWC needs to see its role as leading the island by example, actively seeking out and developing innovation. The organisation must strive to learn from its best practice, through improved internal networking, as well as from the outside, and through ambitious external networking. Progress also needs to be shared publicly on a regular basis with encouragement given to tackling progressively more challenging issues.
30. There is evidence that the adoption of the GAGS initiative with the corporate call centre and help centres, is recognised to be an important vehicle for change. There is evidence of widespread awareness of the intention to deal with 80 percent of enquiries at the first point of contact through the split between the front and back office and the potential this has to transform the local authority into a truly customer centred organisation. In support of this, consideration should continue to be given to ensuring that GAGS is not only a success in itself, but that it is used as a driver of change throughout and across the organisation.

### **Motivation**

- **clear vision for the organisation**
- **enthusiasm at all levels**
- **young employees forum**
  
- **managing uncertainty**
- **celebrating success more**
- **bringing a spark into the workplace**

31. There is evidence to the review team that the vision for the local authority to 'improve island life', together with its underpinning values and corporate objectives is clear, understood and owned throughout and across the organisation. In support of this, a variety of mechanisms have been established to ensure clarity of vision and its delivery. These include for example, meetings of the strategic management team (SMT), which consists of directors, and heads of service, the programming of informal executive meetings involving both members and directors, and the holding of away-days for the executive.
32. The review team was struck by the enthusiasm for the local authority and its activity by officers at all levels. There is evidence that IWC's change management programme has resulted in higher levels of motivation, including through the external appointment of some new senior managers being cited as 'liberating and refreshing'. It is clearly very important for IWC to continue to build on the enthusiasm that is evident at all levels of the local authority.
33. There is evidence that the young employees forum is a successful initiative. This continues to strengthen staff motivation, with a number of enthusiastic young employees both contributing to the work of the forum, such as through the sharing of new ideas and seeking to contribute to improvement within their own specific work areas.
34. Whilst there is evidence that the need for change is widely understood by staff, a number of worries about the implications for frontline staff were highlighted to the review team. The review team also noted that some staff feel under considerable pressure with more and more tasks being required from them, coupled with some worries over future changes and what this may mean for their current work. The review team wondered whether some of this additional pressure being experienced by some staff, might be alleviated through clearly expressing priorities. Consideration should therefore be given to ensuring that any implications arising from the change management programme are both communicated to staff in a timely and sensitive manner and that practical steps are taken to help ensure high levels of staff motivation.
35. There are many examples of good practice within IWC and evidence of a general pride in the local authority, its work and its achievements. However if anything, the local authority may have been too modest in celebrating its own successes. In the view of the review team, consideration should be given to seeking out additional opportunities to celebrate success, promote good practice across the organisation and raise the profile of its good work.
36. Linked to this, there is widespread evidence that the staff who were met by the review team do enjoy their work and bring considerable enthusiasm with them to delivering their responsibilities. However, the perception by the review team was that IWC is a somewhat earnest place to work and might benefit from 'bringing more of a spark to the workplace'. For example, capturing good ideas and encouraging these.



## **Innovation and Creativity**

- **task and finish opportunities**
- **partnering and procurement**
- **off-island potential**
- **coastal management centre**
  
- **stating corporate messages**
- **importing best practice**
- **internal innovation network**

37. The use of task and finish groups is seen to be an effective innovative and creative way for IWC to manage some of its business. For example, a task and finish group drawing staff from across the local authority is currently being used to deliver the headroom exercise to identify potential financial flexibility for re-allocation to other council priorities. Another high profile example where a start and finish group is currently being used, is for the GAGS initiative through which it is anticipated that a significantly improved customer interface will be introduced via the separation of the front and back desk and the use of call and help centres.
38. There is evidence that IWC has looked creatively at its partnering and procurement arrangements. For example this includes the public finance initiative on waste disposal and externalisation of waste management that has achieved high recycling figures. Other examples include, the coastal management centre, the construction of the Military Road utilising innovative engineering methods linked to coastal erosion, and transferring care homes to the private sector. More recently, the local authority has opened itself up to an IDeA challenge of its approach to procurement. Of special note to the review team, the work and publications on coastal erosion are examples of a contribution of national, even global significance, bringing defined local benefits arising from a strong lifetime engagement of particular staff with a local issue.
39. IWC has demonstrated its willingness to work creatively with partners from the mainland, both to provide direct benefit to residents on the island and to assist with the sharing of learning. For example, this includes: sharing learning arising from the coastal management centre nationally and internationally and bringing learning on coastal erosion and coastal environmental management back to the island, licensing links with other UK authorities and willingness to be used as a test bed for the new licensing powers of local authorities.

40. While significant innovation is taking place, there is the perception that this is the result of individual initiatives, rather than as a consequence of a corporate policy. In order to bring added value and greater coherence to the innovative projects and programmes of the local authority, consideration should be given to making use of corporate whole-council messages so that all initiatives are clearly identified with the council and its corporate thinking.
41. The review team noted that IWC is in the process of opening itself up to external challenge and importing best practice. In order to promote further innovation and creativity throughout the local authority, help drive the change management programme forwards, and tackle what was described to the review team as a tendency towards 'parochialism and the sanctuary mentality', consideration should be given to continuing and extending the opportunities to engage in external challenge
42. As a result of the various discussions and workshops throughout the week, the review team wish to highlight the value which can be accrued from establishing and nurturing an internal innovation network where people from across the organisation have the opportunities to meet together, to share ideas, capture learning and devise proposals on new ways of realising the council's vision. Consideration should therefore be given to the establishment of an internal innovation network.

### **Alliance Building**

- **active and committed Local Strategic Partnership**
  - **joint working with strategic partners**
  - **strong community networks**
  - **business driving regeneration**
  
  - **refreshing the community strategy**
  - **strengthening parish collaboration**
  - **safeguarding stakeholder stamina**
43. There is clear evidence that IWC was instrumental in leading the establishment of the active LSP and that it is committed to its ongoing success. More recently, in the spirit of inclusiveness, the leader of the council has recently handed over the position of LSP chair to another sector. The community strategy 'Island Futures' provides a clear framework for engagement by the LSP, which is well aware of the challenges ahead as it seeks to distil the many issues in the community strategy into a more prioritised programme of work.

44. There is evidence that the local authority engages in a wide range of productive partnerships and alliances in addition to the LSP. These include the Isle of Wight Economic Partnership which is highly regarded by the South Eastern Economic Development Agency (SEEDA) and has been successful in delivering regeneration projects. The local authority also enjoys strong links with other sectors, for example such as the voluntary and community based organisations, health sector, childcare development, tourism industry, and police through the Crime and Disorder Partnership.
45. There is evidence that the local authority enjoys strong community networks, including the 34 community forums, liaison with town and parish councils and the compact with the voluntary sector. It is helpful that many Isle of Wight councillors are also active community leaders and sit on many local bodies.
46. There is evidence that regeneration; economic development and tourism are all being driven forward with strong involvement and leadership from the business sector. In particular, the Isle of Wight Economic Partnership, which brings the business sector together with the council, has in its relatively short life become a viable financially sound organisation with an ambitious vision for the economic regeneration of the island. A number of ambitious projects drawing on external funding, especially from SEEDA and the EU are in the process of being delivered, including the waterfront development at Cowes, esplanade development at Ryde, and the Market Towns Initiative in Ventnor, Sandown and Shanklin
47. While there is evidence that the community strategy is currently in the process of being refreshed through a process of consultation, the review team suggests that this be done within the context of blue-sky thinking for the island and the proposed longer-term strategy and associated priorities for the council. Further, and as a consequence of the longer-term strategy, consideration should be given to periodically refreshing the community partnerships on which the Council depends.
48. It became clear to the review team that while there are some examples of good liaison with forum, town and parish councils, there appeared to be opportunities to extend this. Consideration should be given to improve communications with forum, town and parish councils as important stakeholders and to seek further ways of how the IWC can better support them, for example through the joint organisation and provision on training, supporting interested local councils to access the Quality Parish Initiative.



49. An issue raised to the review team was that of the need to safeguard stakeholder stamina, such as through regularly evaluating contacts and the impact of partnership working in order to keep the relationships fresh and alive. Consideration should be given to managing relationships with partners and stakeholders in such a way to safeguard stamina in the interest of efficient and effective longer-term partnership working.

## **Democratic Accountability and Community Engagement**

### **Constitutional Arrangements and Scrutiny**

- **executive easing into strategic role**
  - **resourcing scrutiny**
  - **availability of member development and training**
  
  - **cross-party engagement**
  - **independence of scrutiny**
  - **electoral structures**
50. There is evidence that as the new political structures have bedded-in and the executive has developed its approach and eased into a more strategic role with a more strategic agenda. Formal meetings have been reduced in number and frequency and have been replaced by regular informal meetings at which executive and senior officers address strategic issues. This provides an important opportunity to deal with the more intractable issues and is widely valued as being essential to addressing the strategic implications of the sustained and complex change programme for the council.
51. IWC has ensured that dedicated resources have been allocated to support member's representational and scrutiny role, currently at 6.5 full time equivalents. This is clear evidence of the commitment and importance given to the scrutiny function by the council and members. Further, there is evidence of positive relationships between members and officers undertaking this function.
52. The peer review team found evidence of extensive participation by members in training and development activities to support their leadership and community representational role. For example, a significant number of members have attended internally organised courses, as well as external courses such as the Leadership Academy provided by the IDeA. In addition, opportunities have been made available for members to attend briefing and information sessions relevant to their individual roles within the council.

53. However, the review team saw very little evidence of cross-party engagement within the formal political arrangements of the council, as well as the informal arrangements. As a result of this there was a perception amongst some members, particularly non-executive members that they were excluded from many aspects of the council's decision-making processes with transparency and accountability being compromised as a result. Consideration should be given to seeking opportunities to better engage with and include all political groups in key activities to better demonstrate trust and enhance the council's image that it is striving for the highest standards and contribution by all of its members.
54. An issue of some concern to the review team was the extent to which the operation of scrutiny is independent with the chairs of select committees all coming from the administration. Consideration should be given to reviewing the chairing of select committees, with a view to enhancing the perception by all members of the independence of this important function.
55. The review team recognised that one of the key characteristics of island politics is the importance of very local issues. This is reinforced by the electoral structure of 48 small wards and the existence of strong local communities sometimes supported by parish and town councils. There is evidence that the resulting dominance of very local issues does at times militate against the balanced consideration of island-wide interests, the support for consistent island-wide policies and the ability of the council to concentrate more on the strategic. In several fora the review team was presented with very strong feedback around very local issues, reinforcing the strength of this local dimension. The council may wish to review the electoral structures which would best serve their need to strengthen their strategic capacity, and seek ways to bring forward an electoral review.

### **Ethics, Standards and Conduct**

- **effective executive decisions**
- **clear corporate governance arrangements**
- **parish liaison**
  
- **member involvement in detail**
- **space for senior officers to manage**
- **misinterpretation of development control**

56. There is evidence that IWC has successfully implemented the new political arrangements. It was evident to the review team that all members of the executive were aware of their roles and responsibilities and that an effective working relationship was in place for effective working, both formally and informally. The review team noted the holding of informal executive meetings as a move towards ensuring strategic thinking time is prioritised.
57. There is evidence that IWC has recognised its corporate responsibility in setting and promoting high ethical standards, probity and good governance and ensuring that these are adhered to. A standards committee is in place, along with a code of conduct for both members and officers. The corporate plan underpins both the political and management arrangements which it leads on, as well as developing its community leadership roles.
58. There was evidence that the relationship with town and parish councils was a challenging one, demonstrating the tensions between island-wide and very local issues. Never the less, there was evidence that the liaison function between IWC parishes is effectively co-ordinated with good officer support which is valued by the parishes met by the review team. A number of areas for improvement were highlighted to the review team, including the need for the protocol for parishes to be more rigorously followed. On balance, the review team was of the opinion that the necessary building blocks were available and that with some more dedicated effort and good will, good progress could be made. Consideration should be given to ensuring that the protocol with towns and parishes is more rigorously followed and that effort continues to be invested in strengthening relationships and raising the perception of IWC by all towns and parishes. Further, the IWC website could be used to help address this issue.
59. The review team was impressed with the commitment, time and energy that was demonstrated by members, especially with regard to their community representational and leadership roles. However, there were examples and areas of council activity which demonstrated high levels of involvement by members in the detail of operational issues. For instance, the member vacancy panel was seen within the local authority to take up a disproportionate amount of member time, which could be otherwise employed in contributing to strategic human resource policies and workforce planning. Consideration should be given to ensuring that as a general rule, members do not become involved in the detail of operational issues which should rather be left for officers to manage. Clearly though, this needs to recognise the legitimate interest of members and good accountability to members.
60. The view of the review team is that with a new management team in place and the successful delivery of the ambitious change management programme, consideration should be given to giving senior officers the necessary space and trust to manage the running of the organisation.

61. An issue raised to the review team on a number of occasions was what may be described as a misinterpretation of development control. In particular, a view amongst a number of local stakeholders met by the review team was on the alleged lack of transparency and consistency of development control decisions. This is despite evidence that IWC has implemented the recommendations about probity in planning made by District Audit in 2001. The review team neither sought nor found any examples of inappropriate development control decisions. There is nonetheless some concern that this issue will continue to detract from the local authority's efforts to be seen to deal impartially with local development issues. IWC should promote clear understanding by all, within and outside of the local authority on the statutory, ethical and procedural constraints within which development control must be undertaken.

### **Customer and Citizen Focus**

- **commitment to getting it right and GAGS can transform**
  - **community involvement**
  
  - **electronic access to services**
  - **physical access to facilities**
  - **young people's voice**
62. There is considerable evidence of IWC's 'commitment to getting it right' and ensuring high levels of customer and citizen focus across the board. Comments received by the review team were significantly characterised by compliments on the council's ability to 'look after people' and 'deliver quality services'. This was further evidenced by the local authority's GAGS initiative which aims to transform the way in which the local authority interacts with and relates to its customers and citizens. Further, this initiative is seen to be in support of meeting the government's e-government agenda.
63. IWC takes its community leadership role very importantly and this commitment is evidenced by its actions in a wide range of ways, including for example: community planning, investment in people and financial resources in community initiatives and by leading and paving the way for other stakeholders and partner organisations. The existence of the 34 area forums it has established and its recent development of the voluntary sector compact are further evidence of this.

64. In terms of meeting the government's 2005 e-government targets, there is evidence that IWC can demonstrate some pockets of good examples of where this is happening, such as the website, the electronic payment of bills and plans for GAGS. However, the review team was concerned that progress appeared to be lagging behind targets. Consideration should be given to ensure that corporate arrangements for the delivery and resourcing of e-government and the electronic access to services are in place, together with adequate project management arrangements to meet the 2005 e-government targets.
65. An issue raised to the review team related to physical access to facilities. In the light of demographic trends and an increasing and aging population this is seen by the review team to be a priority for further consideration. In particular, BVPI 156 raises some questions about delivery and the decision to reduce the target from 60 percent to 11 percent to reflect actual performance. Consideration should be given to reviewing IWC's plans relating to physical access to facilities with a view to reinstating more challenging targets.
66. The review team wondered as to the extent to which the voice and aspirations of young people are being sought, not only in delivering wider services to meet their needs, but also through their involvement and contribution to shape the vision for the future of the island. Similar questions were raised within the review team on providing for hard to reach groups and the small, but evident black and ethnic minority population on the island. Consideration should be given to seeking opportunities to provide a voice for young people and hard to reach groups to assist IWC ensure its customer and citizen focus.

### **Communication (with Customers and Citizens)**

- **award winning website**
  - **strong island focus**
  
  - **island media and a strong approach to communications**
  - **coherent branding and marketing**
67. There is evidence that IWC is striving to be a 'listening and learning' organisation and positive communication is used as a tool for ensuring that the public is better informed and able to understand the council's policies and priorities. The review team noted some good examples of this, notably including the council's website which has been recognised nationally through winning an award.

68. The 'strong island focus' was very much in evidence with IWC both nurturing this sense and striving to meeting 'the aspirations of islanders' and the wish expressed by some 'not to dilute the island status' in the context of the debate of the possibility of a permanent transport link with the mainland. Significantly, the local authority has been successful in attracting additional funds from central government to meet some of the costs of being an island. There is also evidence that the council has on its own and in partnership with others, especially the Isle of Wight Economic Partnership highlighted the need to develop the local community and economy with a range of significant and ambitious practical programmes for economic development which are currently being delivered.
69. However, a strong island focus together with evidence of an inward looking tendency is not seen by all to be a benefit. Some concern was raised to the review team of the need for local authority to seek to communicate with its constituents better in order to promote the bigger longer-term picture on the future of the island. This is especially important in the context and opportunities afforded by a more ambitious, outward and forward looking approach to economic development, including proposals for the possible establishment of international centres of excellence on the island. Further, there is a need to provide support to enable local people to expand their vision and aspirations, not least young people, many of whom leave the island. Consideration should be given to making use of the council's communications to both promote the strong island focus as well as the benefits which could be accrued from a more ambitious approach to the future of the island and its economic development.
70. In its self-assessment in preparation for the peer review, IWC highlights some of the benefits and challenges of having an extremely active and highly interested local media on its doorstep. There is evidence that the local authority is very much aware of the potential of the press to influence and inform the establishment of local views. The review team was of the opinion that this relationship offered a range of opportunities which the council might wish to seek to shape, not least in the interest of promoting its own successes. Consideration should be given to adopting a more proactive and confident stance with the media, to establish regular dialogue and identify some areas for collaboration. These could for example include the issue of joint communication, involving the local TV station to deliver some innovative ways of communicating and engaging the local community and capturing the imagination of the public.
71. Consideration should also be given to strengthening council briefing of the media on and involving them in communicating its 'bigger picture' vision and ambitions to help ensure that the media more fully understand how council thinking can promote the interests of their audiences and the island in general.

72. The local authority has recently appointed a communications manager who has identified a number of key areas for action, including the development of communications policy and underpinning strategies. There is evidence that some change is being experienced. In order to maintain the momentum consideration should be given to enshrining a coherent and corporate approach to branding and marketing throughout and across the local authority. A more unified and co-ordinated approach would, in the view of the review team have the potential of considerably strengthening the council's ability to communicate and engage effectively with its customers and citizens.

## **Consultation and Participation**

- **priorities and a strong island commitment**
  - **variety of consultation fora**
  - **members and officers locally active**
  
  - **community rivalries**
  - **feedback mechanisms**
  - **managing expectations**
73. There is evidence that IWC places considerable priority on its consultative work with local communities in support of both local as well as whole-island needs in order to achieve its mission and commitment 'to improve island life'. The local authority can demonstrate a good track record in working to identify the priorities of its constituents.
74. Further, to deliver its consultative and participative work with and on behalf of its citizens, the local authority makes use of a variety of mechanisms, ranging from the Island Futures and Island Voices activities to progress the development of Local Agenda 21 environmental sustainability approaches, through to the establishment of the 34 community forums across the island and plans for a new citizens panel. The latter will be used for a variety of purposes, including user satisfaction surveys for Best Value. There is evidence that the council is placing emphasis on embedding these approaches and seeking new and alternative ways of enhancing consultation, such as possibly through the voluntary sector and local media.

75. A characteristic of the local authority is that with all but a relatively small exception, all members and officers live within the boundaries of the local authority. There is evidence that members are locally active in their own communities and bring their local knowledge back to the local authority. The review team also noted that some staff themselves wore a number of hats which contributed to the social cohesion of the community by offering their professional skills and expertise in a number of ways, for example as school governors and trustees of community groups.
76. A feature of the island encountered by the review team was the emergence of local rivalries between local communities as to priorities and calls for preferential treatment to meet local needs. For example, through application for and allocation of external funding to targeted communities. Consideration should be given to using the community strategy process to help manage community rivalries in the interest of the bigger all-island picture.
77. Key to consulting with citizens and enhancing their participation in the democratic process, is managing feedback in a transparent and accessible way to a diverse audience. All should know what the decision is and the reasons for the decision. Similarly, the review team's attention was drawn to the need to ensure that 'consultation fatigue' did not set in where local communities once consulted might wonder whether their input was yielding results. Specifically, with regard to the current consultation on the community strategy, consideration should be given to ensuring that community feedback mechanisms are timely and comprehensive and targeted.
78. An emerging feature which appeared to the review team to warrant some further attention, related to managing the expectations which citizens, community groups and local communities have of their local authority. In particular, the island nature of the local authority makes this aspect all the more important to manage and the need for the framework for initial consultation, with its limits and boundaries to be clearly understood by all from the outset. Consideration should be given as how best to manage the expectations of those involved in local authority consultation.



## **Managing Performance**

### **Planning, Monitoring and Review**

- **strong corporate focus on performance**
- **impressive CPA improvement plan**
- **positive approach to prioritising**
- **leading and evolving through Best Value**
  
- **accountability and numbers**
- **keeping a good start fresh**
- **keeping in touch with CPA refresh**

79. There is very clear evidence that IWC places a strong corporate focus on managing its performance. This is evident through the corporate management team which is actively engaged in the performance agenda, as are most portfolio holders. New ideas have arrived with the recruitment of some new senior managers with an emphasis on putting a stronger performance culture in place. Improvements are beginning to be evident and there are signs that staff at all levels, and particularly young staff, are likely to be involved and engaged in what the top is trying to do.
80. The local authority has developed its impressive CPA improvement plan which clearly sets out under 5 themes what needs to be done, with accountability for each step clearly shown.
81. There is evidence that the framework for corporate planning and quarterly performance reporting, monitoring and action has developed by leaps and bounds over the past year. It is well constructed, has the potential to increase focus and consistency in managing performance and is well set to deliver the council's goals.
82. Progress is being made to ensure a positive approach to prioritisation in local authority thinking at all levels. For example, through corporate planning, quarterly reporting and the emphasis on personal accountability. Previous concerns about poor information and qualified indicators appear to have been substantially overcome. However the review team wondered, given the need to stress prioritisation and focus on the delivery of the council's priorities, whether this might form a sixth priority to the CPA improvement plan in order to help sustain resolve and restate this as a key principle. The review team suggests that consideration be given to including prioritisation as a sixth element of the CPA improvement plan.

83. There is clear evidence that the Best Value performance plan has moved on with Best Value now a part of the culture of the organisation. There are fewer, but more carefully selected reviews planned, with an improved confidence which has been achieved through previous Best Value learning and success. The review team did wonder whether the effort to engage members in Best Value reviews is really paying off and whether the executive and strategic directors do actually secure the level of results which they seek, or whether additional attention should be paid to maximising the benefits from Best Value reviews.
84. On the issue of presentation of some data in education, the issue was raised within the review team about whether information and trends must be more clearly reflected through the use of graphics in some cases. For example, the evidence of very limited improvement in pupils gaining five or more A-C GCSE's compared to the national rate of improvement, does not seem to be given prominence.
85. Similarly, the wide gaps between girls and boys performance should be particularly identified and presented, therefore assisting with public accountability and pressure for improvement. Consideration should be given to making use of more charts when presenting comparative data, and in some cases the use of traffic lights to highlight areas where urgent action is required.
86. A key priority will be to maintain the good start that has been made to driving forward improvements to performance management. Further sustained work will be required to ensure that performance is managed and not just monitored with ownership and engagement spread consistently across all departments and teams. Ongoing consideration should be given to embedding the performance management system throughout and across the organisation.
87. In support of IWC's wish to become a good, and in due course an excellent council, consideration should be given as to the timing of a CPA refresh and the improvements it wishes to have in place by then.

### **People Management**

- **senior structure in place and fit for purpose**
- **personal development plans and Investors in People in place**
- **involvement in training and development**
  
- **women in management**
- **harnessing creativity and drive**
- **communicating human resources objectives**
- **sickness and absence**

- **recruitment and retention**

88. A key achievement has been to complete the filling of posts of the new senior management team and the perception that the structure is fit for purpose. Linked to this there is evidence that organisational development is alive and well, for example with staff enthusiastic about development days and Farringford away-days
89. There is evidence that the local authority places considerable emphasis on people development, starting with the Investors in People award (IIP) with more than 70 percent of employees already covered by the standard and the intention for all directorates to be IIP accredited by the end of the financial year. Linked to this and from the workshops and meetings conducted during the review, it would appear that the personal development plans are being widely used.
90. There is a commitment to training and development of staff across the local authority and this is evident from the range of training courses and development programmes in which many of the staff met by the review team have participated in. The PDP process is linked to service plans and council objectives, with training and development needs identified. However, attention should be given to ensuring that PDP's are consistently applied across the local authority and within the agreed timescales.
91. An issue of concern raised by the review team related to the low percentage of women at a senior level in the organisation and consequently, the relative absence of female role models higher up the organisation. Consideration should be given to seek to redress the gender balance at a senior level within the local authority, for instance through skills development, arrangements for childcare, etc.
92. The review team wondered whether further opportunities to harness the creativity and drive of its employees might be worth further consideration. This is linked to the need to celebrate success, identify best practice and share this across the local authority, the review team suggests that this is an area where the people side of the organisation might be enhanced.
93. There is evidence that there is a need to clearly communicate and if necessary, reinforce human resource objectives and in particular, the specific procedures and criteria relating to staff selection and recruitment. Consideration should be given to ensuring that human resource objectives and in particular, the procedures and criteria for staff selection and recruitment are understood by all.
94. There is evidence that sickness absence is an issue for the local authority, with the number of working days lost at a relatively high 9 days per annum, against a target of 7.25 days per annum. Consideration should be given to addressing sickness absence with a view to reducing the number of days lost,

for example through the provision of staff support approaches and people development.

## **Project Management and Procurement**

- **generally delivering on plans**
- **procurement good practice and improvement**
- **use of task and finish groups**
  
- **maintaining momentum on procurement**
- **maintaining momentum on project management**

95. There is evidence that the local authority is generally delivering on its plans, not least through its response to its CPA inspection and the impressive range of improvements being progressed.
96. The local authority is committed to securing additional improvements to its procurement activity, especially as procurement forms a significant part of the local authority's expenditure. This is evidenced by the recent challenge on procurement when the IDeA was invited into the local authority and the task now is to make revisions to the procurement strategy. Further, there are good examples of strategic partnering for the procurement of construction professional services and the management of tender lists for contractors and consultants, arising from the Egan Report on Rethinking Construction.
97. The use of task and finish groups drawing staff from different teams across the organisation to deliver smaller scale projects, such as in the current financial headroom exercise is welcomed.
98. It will be important for the local authority to maintain its momentum on its procurement work and ensure that the findings resulting from the IDeA challenge on procurement are carried forward. Additionally, the review team wondered whether the perceived resistance to external sourcing and off-island partnering may result in lost opportunities for cost savings, risk transfer and private capital and the possible damage to its reputation this may cause in the eyes of funders. In order to better understand the not sustainable 'keep it on the island' preference which the review team encountered as a theme, a cost-benefit analysis of the options and implications might be helpful. Such an approach would help to separate the emotional from the rational and bring clarity about costs. In summary, consideration should be given to maintain the momentum to make improvements to the procurement activity of the local authority.

99. IWC has made progress in partnering and procurement around construction and highways. The review team was in addition made aware of the current debate and views on strategic partnering options that are available to take forward GAGS, such as one big partner versus multiple partners. The review team wondered whether there had been sufficient shared discussion and exposure of the arguments both ways, including on timing and delay to assist in making the decision.
100. An area requiring some effort relates to project management and the need to ensure that there is a clear understanding about the Prince2 methodology that has been adopted for ICT projects across the local authority and the need to share good practice. This is especially important given the range of ambitious projects in which the Council is engaged and the associated risks. Consideration should be given to ensuring that the necessary project management awareness raising and training is provided to both officers and members and that a consistent approach to project management is embedded across the local authority.

### **Financial Management**

- **prudent financial management**
  - **integrating financial and service planning**
  - **good collection rates**
  
  - **sharpening scrutiny of financial monitoring**
101. IWC has a reputation for sound financial management, consistently receiving unqualified audit reports with a balanced budget despite tight financial constraints.
102. There is evidence that the linking of financial information to IWC priorities is beginning to happen during the planning process and this is encouraging for ongoing improvements, with the headroom exercise substantiating this.
103. The Council has secured good council tax collection rates at 98.9 percent.

104. An issue raised to the review team relates to the provision of financial information to select committees to enable them to scrutinise budgets. While there is evidently appropriate financial information to enable managers to manage budgets, papers to select committees indicate that inadequate information was being reported. The review team understands that reports to select committees will now show: to date budget, actual, variance, year end budget, expected, variance, and a commentary on the major issues or consequent actions that these figures throw up. The review team anticipates that this format for presentation of financial information will enable members to better scrutinise the financial monitoring information through the reports to be provided.

## **Risk Management**

- **embedding risk management**
- **corporate training delivered**
- **services have not fallen over**
  
- **maintaining momentum on corporate governance**
- **internal audit capacity**
- **delivering improved housing benefits**

105. The risk management strategy and supporting policy statement in support of the corporate governance code has been produced and various practical steps taken to ensure that risk management is embedded across the organisation. The review team note that the risk management strategy is in the process of revision and it is anticipated that this will identify risks which will form an integral part of the business planning process.

106. Corporate training on risk management has been delivered as part of a well thought out programme with an ongoing programme of training and support in place.

107. The review team noted that despite dealing with the sometimes unexpected, the local authority has delivered its services, none of which have fallen over.

108. It will be important for the council to continue to maintain its momentum to deliver the corporate governance agenda, including risk management, asset management and procurement as set out by the District Audit recommendations. Consideration should be given to ensuring that practical steps are taken to deliver the requirements of the corporate governance agenda. Further, the role and importance of risk analysis and risk management in long-term thinking should be further highlighted.

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109. Despite a recent strengthening of the council's internal audit capacity, consideration should be given to further increasing this under review to ensure that the necessary resources are in place.
110. A specific and high-risk issue raised to the review team was the requirement to deliver improved housing benefits performance. It is noted that specific actions have been taken and it will be important to deliver these.

**Richard Masters**  
**Review Manager on behalf of the Peer Review Team**