



REPORT TO EXECUTIVE

PORTFOLIO AREA: CROSS CUTTING

Date of Meeting: 19 March 2007

Public

Key Decision: No

Recorded in Forward Plan:

No

Inside Policy Framework

Title: LOCAL GOVERNMENT IMPROVEMENT PROGRAMME - PEER
CHALLENGE OF CARLISLE CITY COUNCIL

Report of: Deputy Chief Executive

Report reference: CE 14/07

Summary:

This report presents the findings of the IDeA Peer Challenge of the City Council and outlines the Senior Management Team's approach to addressing the issues identified therein. The Executive Committee is invited to consider the report, appraise the Senior Management Team's response to the Peer Challenge and determine how the Executive will address the challenges described in the report.

Recommendations:

It is recommended that the Executive Committee:

1. Considers and comments upon the IDeA Peer Challenge.
2. Evaluates the Senior Management Teams response to the Peer Challenge.
3. Determines how the Executive will proceed having considered the Peer Challenge.
4. Seeks the views of Overview & Scrutiny Committees in relation to relevant aspects of the peer review.

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Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: IDeA Peer Challenge Report (25-27 Sept 2006)

1. BACKGROUND INFORMATION AND OPTIONS

Carlisle City Council is committed to continuous improvement, and the first necessary step to securing improvement is self-awareness. The Joint Management Team therefore commissioned a team from the Improvement and Development Agency (IDeA) to visit the City Council and conduct a peer review. The methodology and composition of the team is described in their attached report. The peer review team visited the council between the 25th and 27th September 2006.

The report identifies a number of strengths and members will recognise Carlisle City Council described as an organisation with ambition and capability beyond that of a typical district council.

An exercise such as this only has value if the review objectively identifies weaknesses and areas for development as well as pointing out strengths. The recognition of areas for improvement can be uncomfortable for the organisation, but a positive response to those challenges is an essential ingredient of continuous improvement. One of the hallmarks of excellent councils is the composed assessment of weakness and an unsentimental determination to take positive action in response.

Improvement activity can very quickly succumb to a proliferation of action plans, often in place of real progress, if the necessary constituents of improvement are not incorporated into the mainstream activity of the organisation. Moreover the purpose of the peer review is not to enable the rectification of a particular fault—it is intended to provide evidence to inform the strategic direction of the organisation. There are of course a number of specific and relatively straightforward actions to be taken at an operational level and these will be reflected in service plans. For the main recommendations in the report, a table is presented below that identifies ownership, suggested timescales and how these will cross-reference to plans and strategies.

The senior management team therefore formed the view that the response to the peer review should be manifest not in the production of another action plan, but in the content of the Corporate Improvement Plan and other relevant plans and strategies. The Corporate Improvement Plan is currently in draft form and it is essential that members bear in mind the lessons of the peer review when scrutinising or otherwise contributing to its production. In order to begin mapping out a response to the peer review, the Joint Management Team used a day to attend a facilitated workshop on 30 January 2007 that focussed upon the development of the priorities and the plan.

A number of the issues raised within the peer review are specifically for members rather than officers to consider. The Executive Committee may wish to reflect on how to monitor, demonstrate and communicate progress against these areas.

Page three of the peer review team's report highlights a number of key strategic recommendations for the organisation to consider. It is worth highlighting that these are recommendations rather than directions and the organisation may choose to accept or reject any or all of them. It would be wise however to have considered a weight of evidence and have a convincing argument before rejecting any of the recommendations.

The recommendations are organised according to the themes that were used to inform the review. These themes are ambition; decision making and scrutiny; customer focus; delivering through partnerships; performance management; organisational design and development; and managing people.

There is little value in repeating the text of the attached report here. What follows is a summary of the Senior Management Team's response to the relevant recommendations in the report under the review's themes.

Ambition

Members may wish to consider how they will respond to the first recommendation, which relates to political leadership.

The council is currently reviewing and refreshing the community plan and the corporate plan. This provides the opportunity to ensure that the hierarchy and relationship between the plans is clear. Officers and members must be clear that priorities are defined not by what is written in plans, but through the actions that the council takes—there must be integrity between the priorities and what the council does. Members and officers will work together to assure that integrity.

Once a clearer suite of plans is in place, the priorities and their context can be communicated widely both inside and outside the council. Plans are in place to produce 'digests' of the community and corporate plans that can be distributed to every household.

The review recommended that action should be taken to ensure plans are implemented quickly, particularly Carlisle Renaissance. With regard to Carlisle Renaissance, members will be shortly considering a policy statement – and since the review funding has been secured from the NWDA to support a number of projects in the sort to medium term.

The council is energetically communicating its successes to the outside world – particularly given the concerns posed by the County Council's plans for unitary status.

Decision-making and Scrutiny

Members may wish to consider how executive portfolios and overview and scrutiny arrangements can best relate to corporate priorities.

The review recommends that the feasibility of involving all non-executive members in overview and scrutiny is considered. The SMT would comment that this is not necessarily the same as all non-executive members having membership of an overview and scrutiny committee. Arrangements for scrutiny, for example in relation to Community Calls for Action, will need to be considered following the Local Government White Paper.

Customer Focus

Slow progress in equality and diversity was highlighted as a major concern in the peer review. The Equality and Diversity Policy was agreed by the Executive in February and will be considered by full Council this month. The Corporate Equality Group is driving work forward around equality and diversity, for example the development and adoption of a Gender Equality Scheme and action plan.

It is important that equality and diversity becomes mainstream activity as a matter of urgency. Members can support this by ensuring that service delivery is consistent with our values around equality.

Delivering through Partnerships

There is an inevitable sensitivity around relationships with some partners at this time as the Local Government White Paper could precipitate profound and unwelcome change in the shape of a unitary Cumbria. Nonetheless it is important the City Council has the self-discipline to relinquish the lead on issues that can better be led elsewhere or are not directly related to the delivery of a corporate priority.

Performance Management

Senior and middle managers need to ensure that all staff can be involved in service planning. The mechanism to do this (the Team Improvement Review) is already in place, so it is a question of more effective use of existing process.

Consistent standards for performance management can be enforced through the performance management framework. There is still an inconsistent approach to performance reporting, which is being tackled by SMT.

Organisational Design and Development

The Management Development Programme has been designed to meet the needs of middle management with the council. The peer review identifies a lack of understanding among middle managers with regard to the corporate priorities and their role in delivering them. The clarification of the priorities will help address this. It is important that the capacity and quality of managers within the organisation can meet the ambitious agenda that the City Council has.

Managing People

The reluctance to celebrate success was identified as a key weakness of the organisation. There are two principal strands to this – external communication and recognition of success by staff internally. This latter point is simply about managers taking the time to thank staff for a job well done—something that can be picked up through the Management Development Programme and the appraisal of managers.

The Executive Committee is invited to consider the peer review, the comments above and respond to the recommendations on the first page of this report.

The table below is intended to indicate how particular issues will be picked up and provide a framework for members to cross reference plans within the authority with the actions necessary to drive improvement. It is suggested that this table could be used to enable Overview & Scrutiny Committees to assess the response to the peer review and track the necessary actions in the plans and strategies that they will be scrutinising.

ACTION	RESPONSIBLE PERSON	TIMESCALE	PLAN
Ensure that members are seen to be leading the council and its priorities	Leader of the Council	To be arranged	
Review and revise the community and corporate plans and ensure priorities are fit for purpose	Deputy Chief Executive	June 2007	Community Plan and Corporate Improvement Plan
Communicate its priorities and anticipated outcomes inside and outside of the council	Leader of the Council and Chief Executive	June 2007	Corporate Improvement Plan
Take action to ensure plans are implemented quickly, particularly Carlisle Renaissance	Chief Executive	To be arranged	Corporate Improvement Plan and Service Plans
Ensure that the outside world is aware of its success	Leader of the Council and Chief Executive	To be arranged	Corporate Improvement Plan
Review the current arrangements for Executive portfolios and overview and scrutiny in relation to the council's priorities to show clear synergy between responsibilities and corporate priorities	Leader of the Council	To be arranged	Constitution
Consider the feasibility of involving all non-Executive members in overview and scrutiny	Leader of the Council	To be arranged	Constitution
Develop a clear understanding of equality and diversity issues and consider whether the council can accelerate its programme to achieve level 2 of the Equality Standard	Deputy Chief Executive	April 2007	Corporate Improvement Plan and Equality & Diversity Policy
Be mature in building relationships through partnership working and accept that the council does not always have to take the lead	Leader of the Council and Chief Executive	To be arranged	Community Plan

ACTION	RESPONSIBLE PERSON	TIMESCALE	PLAN
Create more genuine opportunities for all staff to be involved in and contribute to the service planning for their work areas	Deputy Chief Executive	April-June 2007	Service Plans
Ensure performance is managed consistently throughout the council	Deputy Chief Executive	June 2007	Performance Management Framework
Continue to develop middle managers to carry out their key roles	Chief Executive	To be arranged	Workforce Development Plan
Develop more cross-cutting working and a "One Council" approach	Leader of the Council and Chief Executive	To be arranged	Corporate Improvement Plan
Revisit the current approach to celebrating achievements, to ensure that thanks are received by staff from members and managers	Chief Executive	To be arranged	Workforce Development Plan

Local Government Improvement Programme

Peer Challenge of Carlisle City Council

25 - 27 September 2006

Summary

Carlisle City Council is an ambitious council and has proved it is capable of delivering in times of crisis and in its on-going activities, for example dealing with the immediate aftermath of the floods in January 2005 and successful redevelopment of Sheepmount Stadium.

Members and senior managers have a vision for the future of both the city and the council. The vision is founded on a good understanding of the national, regional and local context and is underpinned by effective consultation and performance management arrangements. The council aims to punch above its weight and is striving to be excellent. It recognises that this can best be done by working in partnership with others.

As community leader, the council is taking action to develop a new community plan for the city and to review its corporate plan and priorities in the light of this. This process will help to clarify the relationship between the plans and foster understanding, which is currently lacking, of the council's ambitions and priorities both internally and externally. It will also assist the council in taking difficult decisions to align resources with priorities, particularly in the light of financial pressures in the medium term. For the council's ambitions to be realised these plans must be prepared and implemented to time and deliver the projected outcomes.

The council has many positive attributes which will assist it in achieving its ambitions. There is mutual respect between political groups and a shared commitment to the future of the city, a good understanding and use of overview and scrutiny and good relationships and communications between members and officers. There is a need, however, for members to be seen to be providing leadership both inside and outside the council.

The council has a clear focus on its customers and is providing services that are generally performing well, with high satisfaction levels in some high priority service areas, such as street cleanliness and parks.

However, limited progress has been made in relation to equality and diversity and more needs to be done to understand and address these issues.

The council can demonstrate excellent examples of communications both internally and externally. However, there are inconsistencies in relation to internal communications and these need to be addressed. The council could also do more to recognise, publicise and celebrate its successes.

The council recognises the benefits of working in partnership and can demonstrate examples of successful partnership working, for example related to the Learning City and Achieving Cumbrian Excellence. The council gives clear direction to this type of initiative, but also needs to recognise that there are times where it will be more advantageous for others to take the lead – particularly in relationship to the Local Strategic Partnership. The relationship with Cumbria County Council is critically important in a range of partnerships.

Effective performance, risk and project management systems and processes are in place within the council. However, more needs to be done to ensure that these processes are used consistently and that there is understanding of why they are necessary and beneficial. An implementation plan is in place to improve resource management.

The council is doing well in terms of organisational development. However, more needs to be done to develop middle managers who have a key role to play in forming the link and fostering communication between those delivering front-line services and the leadership of the council. They are pivotal in assisting the council in achieving the 'golden thread' between its overall priorities and how they are translated into effective service delivery on the ground.

Recommendations

While the report identifies issues for action, in the view of the review team, there are a number of key strategic priorities that the council must address if it is to achieve, and then sustain, further long-term improvement: These are listed below under the key areas of the benchmark.

The Peer Review team suggests that the council:

Ambition

- ensures that members are seen to be leading the council and its priorities
- reviews and revises the community and corporate plans and ensures priorities are fit for purpose
- communicates its priorities and anticipated outcomes inside and outside of the council
- takes action to ensure plans are implemented quickly, particularly Carlisle Renaissance
- ensures that the outside world is aware of its successes

Decision making and scrutiny

- reviews the current arrangements for Executive portfolios and overview and scrutiny in relation to the council's priorities to show clear synergy between responsibilities and corporate priorities
- considers the feasibility of involving all non-Executive members in overview and scrutiny

Customer focus

- develops a clear understanding of equality and diversity issues and considers whether the council can accelerate its programme to achieve level 2 of the Equality Standard

Delivering through partnerships

- be mature in building relationships through partnership working and accept that the council does not always have to take the lead

Performance management

- creates more genuine opportunities for all staff to be involved in and contribute to the service planning for their work areas
- ensures performance is managed consistently throughout the council

Organisational design and development

- continues to develop middle managers to carry out their key roles
- develops more cross-council working and a "One Council" approach

Managing people

- revisits the current approach to celebrating achievements, to ensure that thanks are received by staff from members and managers

Background

1. The visit to Carlisle City Council was part of the national Local Government Improvement Programme (LGIP) of peer reviews of local authorities, arranged by the Improvement and Development Agency for Local Government (IDeA). A peer review is designed to help an authority assess its current achievements and its capacity to deliver future improvements.
2. The basis of the review is a specially constructed benchmark of the ideal, fully effective local authority. The benchmark focuses on four key organisational themes: leadership and governance, customer focus and community engagement, resources and performance management, and organisation and people.
3. Peer review is part of an ongoing change process, whereby the recommendations from it can, along with CPA recommendations, inform improvement planning. The peer review is not an inspection and the team are acting as 'critical friends' when making their recommendations.
4. The peer review process consists of an initial, desk based research phase, a three day on-site visit to the council, followed by interim feedback, and a final written report (this document).
5. The members of the peer review team were:
 - Geoff Paul, Chief Executive, Blyth Valley Borough Council
 - Lesley Clarke, Leader, Wycombe District Council
 - Ben Spinks, Principal Consultant, IDeA
 - Tom Russell, Principal Consultant, IDeA
6. The programme for the three days on-site was organised in advance and included a wide variety of activities designed to enable members of the team to meet and talk to a wide range of internal and external stakeholders including:
 - Discussions with the political leadership and senior management of the council
 - Meetings with council members from all parties
 - Attendance at Executive, Corporate Management Team, Audit Committee and Local Strategic Partnership meetings
 - Workshops for frontline staff, middle managers and heads of service and representatives of the public
 - Meetings and telephone calls with external partners, voluntary sector representatives and groups
7. The team was very appreciative of the warm welcome and hospitality provided by the council during their stay, and would like to thank all involved for their valuable contributions. 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.

8. 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 four main organisational themes mentioned above and the core organisational competencies supporting each of them.

Context

9. Carlisle City Council is one of six district councils in the three-tier local government area of Cumbria. Cumbria County Council also provides local government services within the district and there are 35 parish councils covering the area of the District outside the city.
10. Carlisle is the most northerly of Cumbria's Districts, stretching from the Scottish and Northumbrian borders in the north and east, to the Solway Firth in the west and the Lake District in the south. The district covers: 398 square miles (1030 sq. km.).
11. The historic city of Carlisle is the largest settlement with a number of smaller market towns and large villages spread across the district. The remaining area is rural with smaller dispersed settlements.
12. In 2001, the population of the district was 100,750 of whom approximately 69 per cent lived in the city of Carlisle itself. While there has been a small reduction (0.2 per cent) in the overall population of the district since 1991, it is predicted to grow by 1.2 per cent over the next ten years. The black and minority ethnic population grew from 0.5 per cent in 1991 to 2.18 per cent in 2001. Children and young people account for 23.7 per cent of the population.
13. Carlisle is mixed in terms of disadvantage. It is ranked as the 122nd most deprived district out of 354 nationally, with 65 per cent of its wards in the 50 per cent most deprived nationally and four inner city wards featuring in the 25 per cent most deprived nationally. At 2.2% (July 2006), unemployment is lower than both the regional and national averages of 2.8% and 2.6% respectively although higher than the Cumbria average of 1.9%.
14. Employment in non-service industries, such as agriculture, manufacturing and construction is higher than the national average. With one in four jobs in the rural area being agriculture-related, the area was severely hit by the foot and mouth epidemic in 2001.
15. Floods devastated the city in January 2005 with around 2,000 homes and businesses being affected and the cost of damage estimated at more than £250 million.
16. The political composition of the council currently comprises 52 elected members in 22 electoral wards. There is no overall control of the council with Conservatives holding 19 of the 52 seats, Labour 24, Liberal Democrats 8 and one Independent. The Leader of the Council is Councillor Michael Mitchelson (Conservative). The council is elected by thirds.

17. The council adopted a leader and executive model in 2001. The Executive consists of seven members with portfolios of:
 - Leader and Promoting Carlisle
 - Economic Development and Enterprise
 - Finance and Performance Management
 - Infrastructure and Environment
 - Learning and Development
 - Leisure, Culture and Heritage
 - Sustainable Communities
18. The council's overview and scrutiny function is provided by three overview and scrutiny committees which cover community, infrastructure and corporate resources and a further overview and scrutiny management committee which manages and co-ordinates these. Each committee operates task and finish groups covering specific topics
19. There is an audit committee, standards committee, development control committee and a licensing committee.
20. The Town Clerk and Chief Executive is Maggie Mooney, appointed in an acting capacity in September 2004 and confirmed in post in February 2005. She is supported by six Corporate Directors – Deputy Chief Executive and Director of People Policy and Performance; Director of Development Services; Director of Legal and Democratic Services; Director of Community Services; Director of Corporate Services; and Director of Carlisle Renaissance.
21. The council's mission is:

"To ensure a high quality of life for all in both our urban and rural communities".
22. Its two key priorities are:
 - Cleaner, greener and safer
 - Learning city.

Leadership and Governance

Ambition

- The council is clearly ambitious for the future of Carlisle – recent developments, for example Carlisle Renaissance
- Ambition is founded on good understanding of national and local context, for example use of ward profiles
- The council recognises the need to and has the knowledge to set targets and monitor outcomes
- The council is aiming to “punch above its weight” – a phrase we heard many times from different people - for example its aspirations for Carlisle as a small city-region
- The council recognises the need to work in partnership, even when it is difficult

However

- The hierarchy of and relationships between council plans, strategies and priorities needs to be rationalised urgently
 - The council needs to move faster in terms of implementation
23. It was clear from our discussions and the documents we read that leading members and senior officers have a vision of the role that Carlisle should play in serving both its own citizens and its wider catchment area. They are clearly ambitious for the city’s future. This is evident in the way the council has recognised and grasped the opportunity of the floods to develop Carlisle Renaissance.
24. It is also shown in the way it has successfully implemented a number of smaller, but nevertheless important, projects such as the Sheepmount Stadium and has a number of feasibility studies under way for future developments, for example a new theatre and Tullie House. Leading members are proud that they have successfully implemented their manifesto promises.
25. The council’s ambitions are founded on a good understanding of the national, regional and local context. It has a long history of effective consultation with its partners, citizens and customers. It is to be commended on its development and use of city-wide and ward profiles to guide its future thinking and decision-making. The council also has a good performance management system in place, developed in consultation with members, which will allow the forthcoming Community Plan and revised Corporate Plan to be monitored and evaluated.
26. The council is also ambitious in terms of its own performance. We were told that it is striving to be excellent – “... being on a par with other districts is not good enough.” We also heard on a number of occasions, from members of all political groups, of the desire to achieve unitary status.

27. During our visit we frequently heard that Carlisle aims to punch above its weight, that is take initiatives and provide a wider range of services than might be expected of a council of its size and type. Carlisle City Council succeeds in doing this. Examples include taking a proactive role in developing Carlisle as the "Learning City", being the lead council in the Achieving Cumbrian Excellence capacity building programme and taking a national lead role in integrating and coordinating partners in flood management.
28. All of these initiatives demonstrate the council's willingness and ability to work in partnership and to develop and modify these partnerships as necessary. They also highlight the council's willingness to go beyond the provision of its core services in seeking to deliver its ambitions for the city
29. The council has recognised the need and is taking action to develop the Community Plan for the city through the recently re-established local strategic partnership and to revise its Corporate Plan to take account of this. It has set an ambitious timetable for doing this.
30. It is essential that this timetable be met, as at present the hierarchy of and relationships between plans, strategies and priorities are unclear. For example where does Carlisle Renaissance sit in the hierarchy? The review team found these relationships difficult to understand and found confirmation of these views in our discussions with staff and partners.
31. The council's ambitions were not widely understood or bought into by staff, including some middle managers. There was a prevalent view that many of the council's initiatives and activities were externally driven and imposed rather than being part of a coherent vision for the future of the city.
32. While it is important that plans are in place, it is more important that they are seen to be implemented and outcomes delivered more quickly than is the perception, particularly amongst partners, at present. The council has clearly demonstrated that it can act quickly in times of emergency; it needs to demonstrate the same sense of urgency with its planned activities.

Prioritisation

- The council has recognised the need to focus on a reduced number of real priorities
- The council has also recognised the need to align its resources and activities with priorities
- Officers and members are aware of the priorities in general
- There is commitment to test the priorities against community plan

However

- There is limited understanding of what the priorities really are and what they are intended to achieve
- As a consequence we have seen little evidence of commitment to the priorities
- There is confusion about the role of Carlisle Renaissance in relation to priorities
- There is limited evidence of resources being aligned with priorities, at this stage
- There is some evidence of resources being aligned to projects which have limited impact on priorities or are the responsibilities of others
- Services and projects should flow from priorities, not be shoe-horned into them

33. The council was criticised in its Comprehensive Performance Assessment (CPA), published in September 2003, for having too many priorities, making it difficult to understand what really were priorities and what were not. The council has taken this message on board and reduced its priorities to two, "Learning City" and "Cleaner, Greener, Safer", taking account of national and local messages. We were told that there is cross-party buy-in to these priorities and also that the council is committed to realigning its resources and activities to fit the revised priorities, although we saw little evidence that this has yet been done.
34. In our discussions with members, staff and partners, it was clear that the priorities were well known. What was also clear, however, was that they were not well understood. The lack of understanding manifested itself in an inability to define the meanings behind the headline statements or to clearly describe what they were intended to achieve – the Learning City was referred to by one individual as "...an enigma, a virtual initiative."

35. Middle managers clearly felt that they had not been involved in the debate leading to the adoption of the priorities and consequently showed no ownership of them. Unsurprisingly, this manifested itself in similar feelings amongst staff.
36. There was also real confusion about the place of Carlisle Renaissance in relation to the priorities. It was described by some as sitting alongside them, by others as being on top of them. What was clear is that Carlisle Renaissance is not seen as being integrated with the council's mainstream activities in either strategic or operational terms. There is a danger that this will make the whole programme vulnerable when the current three year funding for staff comes to an end
37. While there is a stated commitment to realign resources, we detected reluctance among both members and staff to actually do this, particularly to take the difficult decisions to reduce investment in non-priority areas.
38. The breadth of the existing priorities and the lack of well-articulated outcomes make it easier to avoid taking these decisions. We heard arguments and saw evidence of expenditure on activities, for example concessionary fares in addition to the national scheme, which may well be laudable and even necessary, but to our minds were not being considered in the context of the council's priorities. Instead individual projects were being "shoe-horned" into the priority structure that has been established. One commentator described the process as being one of "... hanging wish lists on any priority if you could".
39. The commitment to test the council's priorities against the revised community plan gives the opportunity to look at them again, involving staff at all levels of the organisation and to develop a set of fit for purpose priorities with clear outcomes which can gain the support of all.
40. Some front line staff and middle managers did not feel that they could identify how their work, or the work of their team, contributes to the delivery of the council's priorities. This has led to the perception amongst some staff that their work is not valued by the organisation.

Decision Making and Scrutiny

- Good understanding and use of overview and scrutiny, including policy development and risk management roles
- Mutual respect between political groups and shared commitment to the future of the city
- Good member officer relationships
- Good lines of communication between the Chief Executive and senior politicians

However

- The council is seen as being officer led, with the exception of members themselves
 - The external perception is that the Chief Executive does not always receive appropriate political support
 - Members need to develop their strategic outlook and provide more visible leadership
 - Members not involved in overview and scrutiny feel sidelined
 - Alignment between Executive portfolios and service units is unclear
 - Junior officers do not understand the roles of members
41. Positive and constructive working between the Executive and the Overview and Scrutiny Review Committees is evident, with mutual respect from each element. Members recognise the respective roles that each can play and there is good dialogue which leads to improved decision making.
 42. The Overview and Scrutiny Committees bring constructive challenge to the executive of the council, and undertake both policy development and risk management roles. We were impressed by the use of overview and scrutiny at an early stage to inform policy review and development, for example waste minimisation.
 43. We were also impressed by the level of mutual respect between political groups and their shared commitment to the future of the city. The Leader holds regular briefings and meetings with the other group leaders and the opposition was described as being "... mature and grown up". We observed this for ourselves at a meeting of the Audit Committee, which showed no evidence of political point scoring and consisted of cooperative and constructive debate.
 44. We were told that relationships between members and officers are good and our observations during the visit confirmed this. We also observed good lines of communication between the Chief Executive and senior members.

45. Amongst senior officers and members, there is clear understanding of their respective roles and of the need for members to show leadership. We have no doubt that senior members feel they are offering political leadership. We also have no doubt that officers wish to work in partnership with that political leadership. However, this is not the perception lower down the organisation and with some external agencies. Junior officers in particular were very unclear as to the role of members.
46. The council was described to us, both internally and externally, as being officer led, with members offering insufficient challenge and leadership. We were also told that at times the Chief Executive appears not to receive the political support she requires when dealing with contentious issues with partners.
47. Both middle managers and staff felt that there was a lack of political leadership. One member of staff, to the general agreement of others, described members and staff as being "...two separate organisations".
48. Whether the lack of political leadership is real or only perceived is largely immaterial. There is a clear need for members, supported by officers, to be seen to be providing leadership both within and outside the council, that is a council where members and officers work together with clearer roles and responsibilities and members have a higher profile. From our observations there is also a need to develop the collective leadership of the Executive, with all of its members playing a fuller role.
49. From our discussions with members overall, we felt there was also a need for them, again supported by officers, to keep their focus on strategic issues affecting the council. While members obviously have a continuing responsibility to respond to matters of detail affecting individual constituents, we felt that in some cases this element of their role may be over-emphasised to the detriment of their other roles.
50. While some members do not participate in the Overview and Scrutiny Committees through choice, others informed us that their lack of involvement meant they felt sidelined. The council may wish to consider the structure and processes of its overview and scrutiny function in relation to the review of priorities. There are no clear links between the existing committee structure and priorities and the council may wish to look at whether there would be advantages in creating these and in involving all members in overview and scrutiny. The council should also review whether the current level of dedicated officer support to overview and scrutiny is sufficient.
51. We also noted that confusion exists among middle managers relating to the links between Executive portfolios and priorities and between the portfolios and directorates and services. One manager commented: "I'm not sure who covers which bit of my service". Again the review of priorities will give the opportunity to review this.

CUSTOMER FOCUS & COMMUNITY ENGAGEMENT

Customer Focus

- Council services are generally performing well and to good levels of satisfaction
- Staff acknowledge the primacy of customers
- The use of consultation with customers and citizens is well understood
- Customer contact centre is in place

However

- Has the council established customers' wishes in relation to type and place of service delivery?
- Are the needs of rural areas being adequately addressed?
- Our experience of the call centre is not good – slow response times and a limited, not joined-up response
- The council has made limited progress in addressing and understanding issues of equality and diversity

52. The council's services are generally performing well. The majority of services achieved their performance standards in 2005/06 and where they did not appropriate explanations were given. The council can demonstrate a high satisfaction level with some high priority services, for example street cleanliness and parks and our discussions with residents revealed high satisfaction with the waste collection and museums services.
53. The desire to achieve the best possible outcomes for the people of Carlisle was clearly expressed by members and officers throughout the course of this review. One partner stated "... senior officers have real commitment to and energy for serving the community". In our workshop with front-line staff, customers were clearly seen as being of prime importance. Mention has been made previously of the council's good use of consultation.
54. Although delayed as a result of the floods, the council has a customer contact centre in place, providing a one-stop shop for enquiries. The council also provides 24 hour access to services through its website, including provision for on-line payments.

55. From our observations of face-to-face enquiries at the contact centre, it appears to be efficient and well used. However, our, admittedly limited, direct experience of the contact centre was not good. Our three mystery shopper telephone calls revealed long waiting times for an answer, between one minute five seconds and over four minutes, and, in one instance, a singularly non-joined up response in relation to a query about libraries when were told to "... look up the number in the Yellow Pages".
56. We were also concerned that little consideration appears to have been given to meeting the needs for face-to-face contact of residents of outlying areas. The council may wish to look at examples of how such services have been provided in other rural areas, particularly in partnership with other organisations such as parish councils.
57. The council has achieved level 1 of the Equality Standard for Local Government and we saw evidence of the attention that had been paid to providing disabled access to buildings throughout Carlisle. The council has an action plan in place to achieve level 2 by 2007/08. In comparison with councils elsewhere, however, this is not a challenging target. We were also concerned that our discussions revealed a general lack of understanding of and concern about equality and diversity issues, with an over focus on race to the exclusion of other factors.

Communication & Community Empowerment

- Good external communication through Carlisle Focus and other council publications
- Good use made of local media to communicate key messages
- Good relationship with local press
- Positive support for recent consultation events from residents
- Positive action in keeping members of Citizens Panel for Focus Groups
- Focus Groups proving to be positive and helpful
- Regular internal staff focus publication
- Neighbourhood forums in place

However

- Inconsistent internal communications
- No evidence of local empowerment or engagement to link into Integrated Area Teams
- Not celebrating success

58. The council has clearly put an emphasis on good communication with its citizens, winning awards for its residents' newsletter and Council Tax and performance summary leaflets. It also makes good use of the local media and we received positive comments on how the council deals with the press.
59. The Citizens Panel members we spoke to were generally happy with the way they were consulted – "... they listen to you". Favourable comments were also made on the recent Carlisle Renaissance consultations. We were impressed by the use the council makes of former panel members to participate in focus groups looking at particular aspects of service delivery. The introduction of neighbourhood forums is also a positive step, but we saw no evidence of local empowerment or engagement to link into the integrated area teams that are aimed at improving service standards.
60. The council also has a clear emphasis on communication with staff with an internal newsletter and innovative approaches such as the Chief Executive hosting staff sounding board lunches.
61. In common with many other councils, however, there are clearly inconsistencies in internal communications, primarily at middle management level. Staff raised a number of examples where they felt communications had been poor, for example the recent management restructure, the corporate priorities, performance management and job evaluation

62. The practice of holding team meetings was not universal and a number of staff did not feel that they had the opportunity to contribute to new initiatives. A comment was made by one middle manager that he did not feel he could communicate messages to his staff when he did not understand them himself, for example the corporate priorities. It seemed clear to us that Team Managers were not consistently cascading information to their staff.
63. We also found evidence of a belief amongst front-line and middle management staff that almost all initiatives and priorities were externally imposed on the council by central government. The council needs to ensure that its internal communication combats this perception, and that staff are encouraged to take ownership of the council's decisions.
64. One of the first comments that the council itself made to us was that it is not good at celebrating success, externally or internally. Our experience confirmed this, which is at odds with the council's stated intention and actual achievement of punching above its weight.

Delivering Through Partnerships

- Good examples of appropriate partnerships
- Excellent partnership working during the flood
- Leisure Trust arrangements working well
- Waste partnership delivering results
- Crime and Disorder Reduction Partnership (CDRP) improving
- Achieving Cumbrian Excellence (ACE) partnership recognised as good practice
- Decision to dissolve Carlisle / Eden Local Strategic Partnership (LSP) – welcomed by partners
- Actively involved in Local Area Agreement (LAA) and aligned LSP themed groups to its service blocks

However

- Make up of LSP executive
 - Culture of Carlisle want to lead on everything
 - Fragile relationship with Cumbria County Council
 - Need to start delivering
65. Many examples of positive partnership working were brought to our attention, both internally and by partners themselves. Particular examples were in relation to the Learning City initiative and the buy-in of key partners and a range of practical examples of joint working with Cumbria County Council, for example back lanes enhancement, and partners recognised Carlisle as a council that will deliver.
66. The decision to dissolve the previous joint LSP with Eden District Council and establish a Carlisle specific LSP was welcomed by partners, feeling that the new LSP has greater focus and direction. One external agency commented that "... the LSP is getting there and there is a real commitment to build capacity".
67. The alignment of the LSP priority groups with the LAA blocks is a positive step as is the consideration of the relevant chapter of the LAA by the relevant priority group before it came to the LSP Executive. Partners recognised the LAA as a positive opportunity, which the council should and has sought to influence.
68. However, the make-up of the LSP Executive is seen as being a real issue, with a number of partners feeling that the council is over-represented. There is a danger that this will put off other partners, particularly those from the private and voluntary sectors. One partner organisation said: "I'm happy with the priorities and the sense of direction, but I'm not sure anyone else is going to get to drive the vehicle".

69. This comment ties in with a view we heard, on a number of occasions, that the council is not good at letting go and letting others take the lead in a partnership arrangement.
70. We heard a range of views on relationships with Cumbria County Council and the other district councils in the county. At officer level, these were felt to be generally good. At the political level they were felt to be less so and responsibility for this was felt to lie equally between the council and the other authorities. We were also told, however, that the council needs to be more challenging of the county council. The relationship with the county was described as “fragile” on a number of occasions, by both internal and external people. Given the central role the partnership with the county council has in assisting the council to deliver its priorities, the council needs to consider what action it can take to put this relationship on a more robust footing.

RESOURCE & PERFORMANCE MANAGEMENT

Performance management

- Good framework in place
- Senior officers and members actively involved in performance management (PM)
- Positive examples of overview and scrutiny actively being involved in PM
- Working on corporate template for service plans
- Staff appraisal system in place
- Good range of top quarter performance indicators (PIs)
- Sickness levels reduced

However

- Lack of clarity / understanding of priorities impacts on PM
- Some staff and middle management not committed to PM framework
- Inconsistent approach to service planning
- Limited involvement of staff in development of service plans

71. The council has a good performance management framework in place, developed with input from members and staff. Performance is systematically and regularly reported to senior management and members in an appropriate manner. There are positive examples of Overview and Scrutiny Committees being actively involved in performance management. The performance management role is well resourced corporately. A number of staff took pride in the ownership of the performance indicators in their areas.
72. The performance management framework is continuing to be developed with the production of a corporate template to provide greater consistency in service plans, a recognition that performance management of outsourced services needs improvement and action being taken to achieve this and a commitment to develop performance monitoring and management of the LSP.
73. A staff appraisal process is in place linked to service and corporate planning. The vast majority of staff at the workshop confirmed that they are receiving regular appraisals. The council needs to ensure staff are appraised in line with their contribution to achieving the council's priorities.

74. The council achieved top quartile performance for a number of services, notably in housing benefits. In terms of performance indicators, 63% had met their targets. For those services where comparison was possible, 67% were improving, 8% had remained the same and 25% were deteriorating. Sickness levels had improved from 12.87 days in 2004/05 to 10.9 days in 2005/06.
75. The lack of understanding of the corporate priorities and associated explicit outcomes has an impact on the effectiveness of performance management. If staff do not know what they are supposed to achieve then monitoring and managing it becomes impossible.
76. We also identified a lack of commitment to performance management amongst both middle managers and staff. Performance management in a number of cases was perceived as being something imposed externally/ corporately and seen as being additional to the day job rather than being an integral part of it.
77. While all staff were aware of the service plan relevant to them, many had only limited involvement in its development. The way that individuals can influence or contribute to service plans varies in accordance with the style of management in a particular section. If the council is to improve further it is important that staff, especially front-line staff have the opportunity to engage with and feel ownership of the development of these service plans, and have opportunities to understand their respective roles in delivering against targets and objectives set.

Resource Management

- Positive action by council over Section 11 recommendations
- Recognition of need to align resources and priorities
- Significant landowner in Carlisle
- Identified gap in Medium Term Financial Plan (MTFP)

However

- How will the council fill the gap in MTFP?
- Need to know the costs of service provision
- Need to implement Institute of Public Finance recommendations and move on
- Recognise that resources are more than cash
- Need to prepare business case for Carlisle Renaissance
- Face the challenge of realigning resources to priorities – hard choices to be made

78. The Audit Commission's Annual Audit and Inspection Letter for 2004/05 included a recommendation under Section 11 of the Audit Commission Act 1998 which the full Council had to consider and agree a response to within one month from the date of issue of the recommendation. The recommendation was that the council should improve its financial management arrangements and systems of internal controls, in order that that it is able to prepare financial statements which are free from material error and demonstrate proper stewardship of public money.
79. The council has taken positive action to address this recommendation, employing the Institute of Public Finance to review its financial procedures and preparing an action plan to implement the review's recommendations. It is anticipated that this will result in an unqualified audit for 2005/06. There is a clear desire on the part of both the District Auditor and the council to bring this issue to a close and move on and this is to be welcomed.
80. Mention has previously been made in this report of the recognition of the need to align resources and priorities and the expressed commitment to do so. The review of priorities to be carried out in relation to the LSP will assist this process, but difficult decisions will need to be made. Members have had little input into the Improvement Agenda targets of achieving 6% savings over three years. It would help if progress in meeting saving targets were included in reports to the Executive.

81. The council is a major landowner in Carlisle and this is expected to be of major benefit in the implementation of Carlisle Renaissance. There are concerns, however, about the revenue implications of disposing of these assets. In addition, some senior officers felt that the council has not yet undertaken a robust analysis of the value of its land assets, and therefore, that some of the assumptions underpinning the delivery of Carlisle Renaissance may not be accurate.
82. Associated with this, the council has identified a gap in its Medium Term Financial Plan arising as a potential impact of Job evaluation. The authority has taken appropriate steps to minimise the potential impact by identifying and earmarking adequate revenue reserves. . Not all officers or members, who should have been, were aware of this gap, however, or involved in discussions about how it could be addressed.
83. The council has identified that some of its services are high cost in relation to other councils and these are priorities for service improvement reviews. More needs to be done on this as many officers and members were not aware of the costs of the services they were providing, particularly high cost discretionary services.
84. Carlisle Renaissance has now reached the stage where its business case needs to be prepared to allow its implementation to begin.

Change & Project Management

- PRINCE2 principles used for major projects
- Corporate risk register in place
- Overview and Scrutiny Committee reviews risks every 3 months
- High level commitment to change to address the changing environment
- Workforce development plan in place to support change
- Staff recognise training and development opportunities available

However

- Is Carlisle a completer–finisher?
- Foundations are in place – the challenge is to build on them
- Reluctance/ resistance to change beneath senior management
- Middle managers have a key role to play
- Published a tight timetable for community and corporate plan – needs to be managed to be met

85. The council has in place the structures to manage change effectively, with PRINCE2 project management adapted to meet its needs and used to manage complex projects, for example the Pay and Workforce Strategy. A capital projects board and programme board monitor capital projects resulting in improved monitoring of the capital programme.
86. A corporate risk register is in place and the council has established a Risk Management Group including the portfolio holder for finance and performance management. All committee reports contain analysis of risk and risk assessment is seen as an integral part of project management.
87. There is a recognition at senior member and officer level that the council needs to change to address the changing environment in which it operates and a commitment to do this. A Workforce Development Plan and employee and management development programmes support this commitment. Staff recognise the training and development opportunities that are available and are appreciative of them.
88. Some concerns were expressed to us, however, that Carlisle is not good at managing change to meet targets. Examples put forward by the council itself included the housing capital programme not being delivered and e-government monies not being spent. Other examples where we would have expected to see faster timetables for implementation are the action plans relating to equality and diversity and relating to the findings of the staff survey.

89. Corporately the council has established appropriate structures and processes to manage change. The challenge is to ensure that these are used consistently across the council.
90. Use of these processes is highly dependent on the understanding of the reasons for and objectives of change. In our discussions with middle managers and staff, we were concerned that such understanding is not in place and that change is seen as being for change's sake. We detected a consequent reluctance and resistance to change.
91. Again, developing this understanding is highly dependent on the preparation of the community plan and the subsequent review of the corporate plan and its priorities. A very tight timetable has been set for all of this to be done by March 2007. Commitment to and management of this timetable is essential.

ORGANISATION & PEOPLE

Organisational Design & Development/ Managing People & Diversity

- Staff surveys carried out and action plan being implemented
- Staff think the council is a good place to work – flexible working warmly appreciated
- Mutual respect across departments
- Innovative approaches to communications – Sounding Board lunches

However

- Further develop thinking on how to address skill shortages
- Communication of key issues has not always been successful
- Everyone has a role to play in promoting good communications
- Front line staff don't understand the structure
- Evidence of continuing silo mentality
- Development of the Intranet needed to improve access to information
- Inconsistent application of policies and practices
- Impression that managers are not taking ownership of decisions
- Organisational reluctance to celebrate success

92. In terms of organisational design and development the council is taking positive steps. The development of its Pay and Workforce Strategy is underway, including a Workforce Development Plan. Employee, management and member development programmes are in place. The council is also taking the lead in the ACE capacity building programme, including looking at the possibility of providing shared services with other Cumbrian councils.
93. Like other councils the council is experiencing difficulty in recruiting skilled, experienced staff in certain areas, for example planning and building control. Although, once appointments are made employees tend to stay. This was particularly noteworthy of middle managers. The council should develop its thinking and strategies further on how to address shortages. Greater celebration of your successes may help here in promoting the council as a good place to work.

94. The council carried out a robust employee survey in December 2005, resulting in a mixture of positive and negative messages. Generally positive responses were received relating to the council being a good place to work, health welfare and safety issues, training and development, job satisfaction, flexible working and communications. The response was less positive in regard to staff/team meetings and equalities. An action plan has been prepared and is being implemented to address the findings.
95. These findings were generally confirmed by our discussions with staff, particularly in relation to the council being a good place to work and its approach to flexible working. Staff saw the latter as making a real contribution to quality of life.
96. We were impressed by the levels of mutual respect expressed by staff towards those working in other areas of the council. Staff clearly saw the provision of services to customers as being of prime importance and recognised that this was a common view within the organisation.
97. At the same time, however, there was evidence of a continuing silo mentality within the council, with limited knowledge or understanding of what was happening outwith their immediate service areas. Middle managers also commented on the existence of silos saying that cross-service working was based on personal relations rather than being the norm. Positive action needs to be taken to develop more cross-council working and a "One Council" approach.
98. There was also a real lack of understanding of current and recent changes within the council including the management restructuring, job evaluation and the revised priorities.
99. While the staff survey said that 74% of staff were satisfied with internal communications and the council has adopted some innovative approaches, more needs to be done to ensure that key messages are getting through to and being understood by staff. The introduction of the intranet will help here, particularly as the staff survey showed that staff already value receiving information via e-mail.
100. Achieving good communications both up and down the council is everyone's responsibility, but middle managers are key in this respect. We were concerned about an apparent lack of understanding and ownership of a number of the council's key initiatives and inconsistency in communications.
101. We also found evidence of inconsistent application of policies and practice in relation to appraisals, team meetings, involvement in service planning and training. Again, middle managers have a key role to play here.
102. While 56% of staff in the survey said that their line manager always or most of the time gives them recognition for work well done, we detected a cultural reluctance to celebrate success. This needs to be addressed.

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