

Local Government Improvement Programme

Visit to Aberdeenshire Council

27th June – 1st July 2005

Summary

Aberdeenshire Council approached the Improvement and Development Agency requesting a peer review. The Agency's peer review process comprises a review of particular documents coupled with an onsite review. This includes a wide spectrum of activities such as meetings and workshops with a cross section of stakeholders. It seeks to test out perceptions and reality by holding a mirror up to the organisation. The feedback at the end of the onsite work given to the Council and this report is an account of those reflections.

Aberdeenshire Council has a good reputation amongst most partners and most residents are satisfied with service delivery. The Council is in a part of Scotland where the fishing and agricultural industries are facing decline and the gas and oil industries have been subject to exponential growth and are still subject to uncertainty and market fluctuations. Nevertheless the area is under considerable pressure for new housing development.

The peer review team found that the Council had a number of strengths e.g.:

- The political leadership of the Council is viewed as strong by external stakeholders
- The increasing commitment to external partnerships such as the North East of Scotland Economic Forum
- Most residents believe they receive good responsive services
- The scrutiny and audit committee is highly effective

Aberdeenshire Council enjoys an enormous amount of goodwill from its external partners. Its' staff are committed, generally enthusiastic and willing to go the extra mile. The Council has good foundations upon which to improve. It needs to harness the goodwill of its partners and the commitment of its staff. The Council made a good start in 1995 and now needs to be brave and take some bold steps once more. The challenges that the Council faces are too important to ignore and therefore a change in the approach of the corporate leadership, both political and managerial, are needed with particular emphasis internally. The political and managerial leadership need to articulate the corporate aims and objectives clearly and put measures in place to ensure that they are cascaded down to the front line in a meaningful and measurable way. The Council needs to pick up pace, take more calculated risks, be more innovative and develop a long-term and clearer vision for the future of Aberdeenshire. The Council should also consider prioritising the development and implementation of an effective communications strategy and to say "well done" to staff more often.

October 2005

The diversity and pluralism of the area requires ever greater community leadership at a local, area, council and the strategic level. The Council's leadership needs to start investing time in thinking and planning strategically what this means for Aberdeenshire and break out of the view that others hold that "it ain't broke but it does need fixing", and in doing so this would demonstrate that it is not resting on its laurels and is looking to achieve excellence for its staff and residents.

Recommendations

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

Leadership

- Clarify the Council's vision for Aberdeenshire for the next 15 – 20 years and share this with staff and residents
- The managerial leadership should take measures to move towards a much more open and inclusive style of leadership and consider ways of streamlining the corporate management team so that it can effectively dedicate time and effort to strategic thinking rather than getting involved in the operational detail
- Communicate the vision and corporate objectives to all staff and ensure that they understand their particular role in achieving those objectives. All managers should be encouraged to take ownership and responsibility for the messages and their translation, into actions that are measurable
- Rationalise the plethora of plans so that they align with the corporate objectives and the desired outcomes are clear to all. This should assist the Council in recognising the things that they need to stop doing as they are not corporate objectives or priorities
- Increase the pace of planning for the effects of the impending changes to the voting system in 2007 and in particular the potential impact on service delivery

Democratic Accountability

- Develop and implement an enhanced member training and development strategy and associated programme
- Review the consultation strategy to ensure that consultation is timely, targeted, considers a range of methods for consultation and feedback is given to residents and staff
- Be clear about the purpose of consultation, its scale and scope for residents and partners – in particular in relation to how they may be able to influence services
- Map out decision-making processes with a view to removing complexity and achieving consistency
- Be clear about the rationale for the level of resources spent in each of the geographical areas and to consider changes to recognise the differential needs. Communicate this to residents. Look to respond to the concerns of much of the north of Aberdeenshire where the greatest economic and social deprivation is to be found
- Consider producing an A-Z of contacts for each service and ensure that it is updated regularly. This should make it easier for residents to approach the Council and would also serve to address the lack of understanding that staff have of the services provided by the Council

Managing Performance

- Build a wider and clearer performance management framework that will deliver the vision and demonstrate the 'golden thread' that is underpinned by a continuous improvement strategy
- An improvement strategy should seek to clarify the rationale for best value reviews, Kaizen Blitz projects and define how their expected outcomes link together or complement each other. Progress on achieving the agreed outcomes should be monitored and evaluated and as such linking in with the performance management framework. The outcomes should be communicated to staff and residents
- The concept of the 'golden thread' needs to be explained and cascaded through the organisation and the measurement and monitoring of service outcomes needs to be related to the corporate aims and objectives of the Council. This will show whether middle management objectives flow from strategic objectives and flow into team and individual objectives and as such lead to a more effective and meaningful performance management framework
- All the various projects and initiatives would benefit from being mapped out with a view to streamlining and only continuing with those that seek to deliver against the corporate objectives and as such releasing resources that could be deployed more effectively elsewhere
- Revise the appraisal system to incorporate the targets and objectives that link to the corporate vision and objectives. Ensure that the new leadership behaviours are effectively built into the appraisal process and are evaluated and monitored, demonstrating openness and transparency to staff

Background

The Visit to Aberdeenshire Council was at the request of its Chief Executive, Alan Campbell.

1. This review was undertaken in line with the remit of the national Local Government Improvement Programme (LGIP) of peer reviews in local authorities in England, arranged by the Improvement and Development Agency (IDeA) for local government. 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, now including elements of the Audit Commission's Key Lines of Enquiry where these are not already present (namely 'Achievement' and 'Future Plans'). This focuses on the three key organisational themes of leadership; democratic accountability and community engagement; and managing performance. The benchmark has been revised to take account of the ten Comprehensive Performance Assessment (CPA) corporate assessment themes and four top level questions, so that the Council could use the LGIP visit as a challenge to the views the Council holds about itself in its CPA assessment and more generally.
2. In Scotland, the regime is different. The Local Government in Scotland Act 2003 imposes a statutory duty of Best Value on all Scottish local authorities. The extent to which authorities are complying with this duty will be determined by Audit Scotland, who have introduced a three year programme, under which each council will be audited. Aberdeenshire is scheduled to be audited in 2006. However it was felt by the Council that the framework used in the peer review would be of a great benefit in enabling them to develop an improvement plan prior to audit. The LGIP Benchmark of an Ideal Authority fits well into the Scottish Best Value Framework established by the 2003 Act.
3. Peer review is not an inspection. Rather it offers a supportive approach, undertaken by friends, albeit 'critical friends' and its intention is to help a council identify its strengths as much as its weaknesses. Aberdeenshire Council is the fourth Scottish local authority to have undertaken a peer review.
4. The peer review is part of the Council's ongoing change process. That can then be taken forward by the authority with its 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.
5. In order to balance local knowledge and expertise with an appropriate level of challenge the team was made up of both Scottish and English representatives from local government. The members of the review team were:
 - Mark Henderson, Chief Executive, Northumberland County Council
 - Councillor Elizabeth Riches, Leader of the Opposition, Fife Council
 - Councillor Kevin Wilson, Milton Keynes Council and Member Peer, Improvement and Development Agency

- Zoe Van Zwanenberg, Chief Executive, Scottish Leadership Foundation
 - Mike Howes, Local Director, Surrey County Council
 - Jennifer Tankard, Head of Communications and Marketing, Improvement and Development Agency
 - Sokhjinder Kler, Review Manager, Improvement and Development Agency
6. 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. The team once on site requested a number of additional meetings and these were included in the schedule for the week. Outlined below are examples of the meetings and research carried out as part of the review:
- discussions with the political leadership and senior management of the Council
 - workshops for frontline employees, middle managers, and heads of service
 - meetings and workshops with Council members from all parties
 - discussions with trade unions
 - a tour of Aberdeenshire and visits to Westhill town centre, Blackburn community hall, Strathburn School Inverurie and Stewart Hall Huntly
 - meetings with external partners, community councils, and the voluntary and business sector
 - discussions with representatives of Aberdeen City Council
 - discussions with the external auditor and the local press
 - attendance at a Council and management team meeting
 - a review of documentation including audit reports, policies, strategies, plans, reports and agendas
7. The team was 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 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 three main organisational themes mentioned above, and the core organisational competencies supporting each of them.

Context

9. Aberdeenshire is a predominantly rural area in the North East of Scotland. The Council was established in 1996 replacing Banff and Buchan, Gordon and Kincardine and Deeside District Councils and Grampian Regional Council. It covers an area of 2,428 square miles, which is 8% of Scotland's overall territory. The landscape varies from mountainous Cairngorms and its national park, through to rich agricultural lowlands and rugged coastline. The Council serves a population of 229,330 (2003) including a higher proportion of younger age groups than the rest of Scotland. This reflects the employment-driven inward migration in recent years. The Council's head office is located in Aberdeen City. The main towns covered by the Council include Fraserburgh, Peterhead, Ellon, Huntly, Inverurie, Banchory and Stonehaven.
10. The northern towns of Peterhead and Fraserburgh have the highest levels of deprivation whilst towns such as Westhill and Inverurie have high indices of prosperity.
11. The main industries are agriculture, fishing, forestry, food processing, tourism, oil and gas. The oil and gas industry has led to a rapid increase in population although now it is predicted that the population will remain stable. Twenty-nine per cent of the working population commute to Aberdeen. Unemployment stands at 1.4% (2004) – this is lower than the Scottish rate of 3%.
12. The Council employs 9,278 staff and it has 68 elected councillors. The ruling administration is a coalition of the liberal democrat group and eight independents; the political make-up of the Council is:

Liberal Democrats	28
Scottish National Party	15
Independent	14
Conservative	11
13. The Council has adopted a committee-style model of political management. There is a scrutiny and audit committee and four policy committees: policy and resources; infrastructure services; education and recreation; and social work and housing. The Council has also devolved power to six area committees: Banff and Buchan, Buchan, Formartine, Garioch, Marr and Kincardine and Mearns. These are the Council's main point of contact with communities and their representative organisations and community councils.
14. The chief executive leads a management team of 15. This includes seven directors, the head of policy and six area managers. The directors have responsibility for housing and social work, planning and environmental service, transportation and infrastructure, education and recreation, finance, law and administration, and personnel and ICT.

15. Revenue expenditure to be met from government grants and local taxation and fees and charges totalled £456.9m for 2005/06. Funding from government grants and non-domestic rates of £324.7m, council tax £99.4m and £32.8m from fees and charges. Band D council tax has been set at £1,014 for 2004/05. The Council has a stock of 14,364 council houses and 1,531 sheltered houses.
16. The stakeholders felt that the main challenges facing the Council are:
managing rising customer expectations against declining resources, preparing for the political changes arising from a new electoral system in 2007; maximising the benefits of tourism; managing the impact of the decline in the fishing industry; managing the impact of the uncertain market fluctuations of the gas and oil industry; addressing the increase in the number of households and the associated increase in housing developments (and the wider consequences of this such as the impact on other services); preservation of the area's natural heritage; addressing the increase in the elderly population; addressing the local and diverse needs of the various localities; working in harmony with its partners, particularly Aberdeen City in delivery of the Structure Plan; developing an effective community plan and delivering on the government's efficiency agenda with partners.

Leadership

Vision for the Community Strategy

- Council's political leadership externally viewed as "strong" by partners
- Provost has high visibility externally
- Externally Council viewed as "a pretty good council"

However

- Internally political leadership does not have high profile
 - Managerial leadership lacks visibility
17. The Scottish Executive, partner organisations and the trade unions all have a high regard for the Leader and the Provost of the Council. External partner organisations are of the view that both the leader and the Provost have the ability to get people on board and enable everyone to make valuable contributions to articulating a vision for the North East of Scotland and its delivery. A good example of this is the Provost's chairmanship of the North East Scotland Fisheries board because this is seen to have led to the commitment of key partners. Whilst those who come into contact with them hold the leader and the Provost in high esteem, the peer review team's workshop with residents highlighted that residents had little awareness of the political leadership of the Council. This will be an issue for the political leadership to consider in its aspiration to be effective community leaders representing the community of Aberdeenshire
 18. There is also a need for the leadership of the Council to increase its profile and visibility within the Council itself. During the workshops with staff it was apparent that a significant number were unaware of the political leadership. There is also a perception that the managerial leadership lacks visibility; it is acknowledged that the chief executive attends staff induction events and the management development programme start-up sessions. However whilst staff welcome and value this they see it as a fairly isolated activity and it does not extend to all of the directors. This in turn fuels the perception of the management team being seen as Woodhill-centric. More personalised communication of issues facing the Council and key decisions taken in line with corporate objectives would help to improve the visibility of the leadership.
 19. There is a lack of clarity around whether there is a shared vision for what Aberdeenshire may look like in 10-20 years time and the kinds of services it will provide - what the Council will look like, what skills and experience its staff will need and how it will get there.
 20. The peer review team were informed on a number of occasions by the opposition members that they felt that the officers ran the Council and drove policy development – this was particularly the case at middle management level, where service plans were divorced from the corporate objectives. There is

also a perception that senior officers overturn decisions made by members. During workshops and discussions with staff and stakeholders the messages that came across clearly were that the Council lacked strategic vision and clarity about what it was trying to achieve. People seemed genuinely confused by the number of plans. The issue around the vision and plans is detailed in full later in this report.

21. The Council delivers some effective services and is seen to provide value for money. However there is also a strong sense of tradition in the way services are delivered and how the Council operates. Aberdeenshire is a fast changing dynamic area and there are some key challenges ahead. The Council will need to move up a gear to ensure it is able to respond effectively. The key challenges ahead along with changes required need to be mapped out and effectively articulated with strong visible leadership to ensure that they are delivered. The Council cannot afford to be anything other than in the vanguard of this change and dynamism.

Change Management

- Growing evidence at top team level of questioning and challenging perceived complacency
- Library service is an example of change well managed

However

- No evidence of a consistent need for a strong learning culture
 - Resources not freed up to fund priorities
22. There is a desire for improvement and the development of a change culture as evidenced by the Council embarking on the peer review. The corporate management team and members are prepared to question actions and to challenge complacency within the Council.
 23. The peer review team found examples of successful implementation of change in the Council. The library service review is an example of change well managed where the public and school library services were brought together successfully to form the 'library and information' service. This new integrated service has led to greater efficiency and improved levels of service.
 24. The Council needs to look at how it presents itself in terms of the challenges ahead and its change programme to drive improvement in response to these. From the evidence gathered from a cross section of staff and members there is a perception that the way the Council responds to change does not always manifest itself as a challenge and an opportunity but more as a threat. Members of staff and managers have expressed concerns that there is a level of real resistance to change within the Council and that there needs to be more explanation of why things need to be done differently. This is compounded by the fact that managers are frustrated about not being able to lever in resources

to enable necessary changes to take place. The culture should be more than just simply asking whether the Council should change, there needs to be clarity around actions and outcomes sought and how change links through to a longer-term vision for Aberdeenshire.

25. There is also concern that the environment within the Council tends not to be one of a learning organisation. There are pockets within the organisation where staff do pick up good practice from one another but this is very much dependent on the personalities and behaviours of individuals rather than through a managed process with clear direction and support from senior managers. The Kaizen Blitz initiative may address this, however at this stage it is too early to have any impact.
26. The Council aims to identify communities with the greatest need and in the main allocates mainstream resources accordingly. Special funds are effectively used to address other immediate problems. However, there must be sustainability concerns about the use of short term funds for longer term projects that contribute significantly to achieving the Council's key objectives.

Motivation

- Stability of administration generates commitment
- Corporate management team continue to develop a corporate approach
- Middle managers are enthusiastic, committed and take initiative
- Investment in staff development e.g. Kaizen and Chrysalis and management development programmes
- Back to floor exercises

However

- Lack of recognition for a job well done
 - Staff development programmes lack cohesion
 - Motivation for the here and now
 - Number and range of initiatives possibly de-motivating
27. The stability of the Administration generates commitment from staff, who are hardworking and enthusiastic about their own roles and the services they provide.
 28. There are clear indicators that the corporate management team continue to develop a corporate approach towards service delivery, for example the directors have an area of corporate responsibility as well as specific responsibility for their own directorate. The daily breakfast meetings between members of the management team allow for timely informal updates between members and for more cohesive working.

29. The middle managers have the drive and enthusiasm to deliver good quality services. The informal delegation to middle managers makes them feel empowered and trusted to deliver against their service plans. As a result of this they have also been willing and able to take the lead on various initiatives such as work on the area committees, the planning section progressing with their work, the 'Taste of Grampian' initiative involving five partners including Scottish Enterprise Grampian, Press and Journal, ANM (an agricultural group) and Food Grampian. Work has also progressed on the development of a rehabilitation programme in partnership with staff at Peterhead prison.
30. The public trusts the Council staff in providing services; in fact satisfaction levels with the services provided show an increase between the last two resident surveys (2002 and 2004). In general staff are positive about working for the Council and their commitment was evident. They felt that the Council invests in their development. There are a number of development opportunities – for example Chrysalis, a programme targeted at women managers; management development programme targeted at all managers; and Kaizen Blitz provides opportunities for front-line staff to participate in service process re-engineering.
31. The directors have carried out 'back to the floor' exercises for example in refuse collection and building control and these have been welcomed by staff and have assisted directors in forming a better understanding of the work carried out by front line staff. It may be beneficial to communicate this fact and the learning to staff as it may breakdown the perceptions that most staff hold of the management team that it lacks visibility.
32. However, it is apparent from the staff workshops and the employee attitude survey (September 2004) that there is a lack of recognition from managers for work done by staff and this permeates through a number of tiers within the Council. The staff survey also pointed to a fairly high number of unpaid hours worked by staff, especially in social work, which appears to have become the organisational norm. While in an ideal world, staff levels should be brought into balance with service demands, this cannot always be achieved and certainly not in the short term. The Council needs to look at ways to address these issues.
33. There is a very strong perception from both staff and members that there is a lack of cohesion between the various staff development programmes. It would appear that the various programmes; Chrysalis, management development, Kaizen Blitz and the newly developed leadership behaviours are all running in isolation, as staff and members were unable to describe the links between them and state what it is that the combination is meant to achieve with regard to outcomes that link back to the corporate aims, objectives and priorities.
34. The peer review team are of the view that the Council needs to knit together the various staff development opportunities in a coherent way so as to provide a framework for development that will seek to address the gaps in skills and experience of staff to deliver the Council's objectives now and in the future. Staff are motivated to do what they need to do to deliver services on a daily

basis. However, this motivation particularly for front-line staff does not extend to the future, which they see as uncertain. Particularly as they have little clarity about how what they do on a daily basis fits into the corporate objectives of the Council or for the North East. They seem to be working in a vacuum, concentrating solely on the here and now.

Innovation and creativity

- Good examples of area managers and service managers taking initiatives with external partners to achieve results
- Kaizen Blitz has resulted in real process change

However

- The Council's cautious approach inhibits innovation and new thinking
35. The area committees are a good example of innovation where managers and residents are able to work well together. Social work managers are working with officers at Peterhead prison to create opportunities for prisoner rehabilitation. Economic development managers are successfully driving the agricultural forum.
 36. The Kaizen Blitz process has resulted in streamlining the processes of particular aspects of service delivery for example, processing planning application registrations and the allocation and management of the education capital programme. It has also highlighted issues such as the under-reporting of violent incidents in schools. However the process is still in its infancy as a limited number of processes have been subjected to a review.
 37. There is a perception that the Council has a lack of ambition and that it is cautious to the extent that is likely to be holding back progress and the potential of some of its staff. Whilst much of what the Council does is effective it has further work to do to be confident of its journey to excellence. There is also a cautious approach to outsourcing or collective provision of back office functions across the local public sector bodies and the re-direction of resources, which are allocated to support agreed priorities for services rather than corporate objectives.

Alliance building

- Increasing commitment to regional partnership such as the North East of Scotland Economic Forum and community planning
- Growing positive culture of partnership working, evidenced by the success of the Aberdeenshire Towns Partnership, Peterhead Business Forum, Building Buchan and others

- At service delivery level, individual staff work effectively with colleagues from statutory, voluntary and independent sectors

However

- Ratio of effort to return in service delivery is frustrated by concentration on unclear structures
 - Staff are aware that there is still a long way to go before strategic partnerships deliver real change
38. Aberdeenshire Council has in the last 18 months become an equal player in the NESEF and is seen as a reasonably good performer with regards to community planning.
39. The Council works confidently with partners from other sectors. There was a significant level of positive comments about the Council's role in and contribution to partnerships such as the Aberdeenshire Towns Partnership and the Peterhead Business Forum.
40. However staff are frustrated by unclear structures, which are seen to be holding back success. It is difficult to work through the plethora of plans and strategies and have a clear understanding of how they link and compliment each other. The lack of a clear vision for the future is evident in the lack of a consistent direction of travel in the various partnerships to which the Council subscribes. There is also some concern about the level of support the Council provides to drive forward partnership processes so that they can achieve their potential. It is important for senior managers to understand that services can be delivered by a range of agencies and that in external partnerships the role of the Council may well be one of enabler rather than deliverer and once the role is established it needs to be communicated to staff and to residents.

Future Plans

- Positive engagement with key regional fora to create plans for a sustainable future
- Working with partners to develop vision for North East Scotland and Aberdeenshire
- Work started on workforce succession and planning

However

- Changes resulting from new voting system and multi-member wards yet to be worked through in detail and communicated to stakeholders and staff
- Lack of cohesion, challenge and clarity across plethora of plans, structures, strategies and policies results in fragmentation of effort and focus
- Lack of challenge and ambition is limiting future achievement

41. Aberdeenshire Council has a regional transport strategy in place and work is ongoing with the Aberdeenshire Towns Partnerships. The Council also has fruitful relationships with Europe in relation to the fishing industry.
42. The Council works well with its external partners on a regional level in developing a vision for the North East and with Aberdeen City on the Structure Plan.
43. There are services within the Council where managers have started to look at workforce succession planning. However this is very much in relation to a specific service and is in its infancy and not linked to a corporate policy. However, personnel has also now started to give some thought to this, by focusing on what services are going to look like and what skills will be required but, again there are no results to evidence this work as yet. In the main, staff felt that recruitment was from within the Council with little by way of external recruitment. Furthermore there was a strong perception that opportunities for progression were "when the other bloke dies".
44. The Council also needs to think about the impact of the impending changes to the voting system and the multi-member wards. The implications of this for officers at both strategic and operational level as well as for members have not been fully understood by stakeholders and staff.
45. The lack of a clear driving focus for the future allows staff to work to contradictory objectives. A mapping exercise of the plethora of plans may be a useful starting point and some rationalisation is required in order to provide managers, staff, partners and residents with a clear vision. Staff need to be able to relate their day-to-day activity to the bigger picture of Aberdeenshire Council and its vision and priorities. The peer review team felt that at the moment staff are going in different directions at the same time and this could amount to a significant level of energy and effort being deployed for tasks that do not align with the corporate objectives.

Democratic Accountability and Community Engagement

Vision for the community and strategy

- Strategy is manifesto-led
- Area plans respond to local area needs
- Operational service plans deliver high quality services appreciated by the public

However

- Council lacks strategic vision and cohesion
- Strategic policy and plans are officer-led and do not have apparent translation into clear deliverable results

46. The Council's strategy is led by the manifesto of the Administration though the links are not explicitly clear with regards to the service plans. The peer review team were informed that the service plans were drawn up by middle managers taking into account needs of the public but without consideration of the corporate objectives.
47. There are however as mentioned earlier concerns about the Council's strategy and vision – "where is the glue that holds the various Council strategies together? How do people know what the Council is aiming for and do targets reflect milestones on the road to that vision?" The Annual report to councillors and staff, which is a very recent initiative is a step in the right direction and may go some way to assist in addressing this issue.
48. Whilst the manifesto is politically-led the strategies, policies and plans are clearly officer-led, disjointed and do not work in harmony to a clear common goal. Therefore it is difficult to assess the outcomes, in particular at the service level for individuals, for services, for directorates and the Council against its intended goals. How do the many performance indicators fit with the vision and each member of staff's objectives?

Constitutional Arrangements and Scrutiny

- Scrutiny and audit committee is highly effective and well-regarded
- Area committees have strong political support and provide local decision making and a local focus

However

- Too many committees with too many members?
 - Overly complex approach to decision-making
 - Evidence of inconsistency in planning decisions due to devolved decision-making
49. The scrutiny and audit process is 'gold star' calibre and the area committees provide local solutions for local people. There is some evidence of cross party support for and commitment to area committees. Most opposition members interviewed believe that the Council is open and transparent and supports all councillors to oppose and challenge the Administration.
 50. There is also strong political support for area committees and they are seen as providing decision-making with a local focus. However it is questionable whether the area committees are in fact effective in their decision-making, for instance over the debate and decisions in relation to school closures; the level of devolved decision-making outside of developmental control is in fact quite limited. This could in part be attributable to the numerous policy committees and the number of members that are involved in the process. And this possibly makes for a somewhat overly complex approach to decision making. This set-up contrasts with the English 'cabinet and overview and scrutiny' structure.

51. The structure of the area committees has the potential to influence and perhaps determine more issues than there are currently within their terms of reference. A reduction in the proportion of their time spent on development control issues would enable them to play a better local community leadership role.

Ethics, Standards and Conduct

- Councillors are regarded as having high standards of integrity
- Consensual approach to decision-making
- Effective working relationship between senior officers and senior councillors

However

- Danger of conflict of interest on development control issues
52. Local people perceive that decisions are not bulldozed through but that councillors work together for the good of Aberdeenshire. There is however the potential for problems, particularly when local decisions are taken, by local members – especially in relation to development control. Therefore it is important for all councillors and officers to maintain high standards of integrity and probity particularly around ward interests on planning applications as this could lead to allegations of bias. The forthcoming impact of multi-member wards particularly on the integrity of the development control process needs to be seriously considered. The issues of inconsistency over decisions and in particular planning are covered above.
 53. Whilst the Council's consensual approach to decision-making appears to work it is stifling effective and necessary challenge.
 54. Generally, there appear to be effective working relationships between senior officers and members; both members and officers spoke positively about their working relationship with each other. This good working relationship is to be valued but it should also be one of challenge and support. The 'challenge' aspect should be part of the relationship because it is important that those involved do not become complacent about this relationship.
 55. An isolated example was given of possible bullying by a councillor. Both councillors and officers expressed concern to members of the peer review team. It is important to note that the peer review team were given no actual evidence to substantiate these claims beyond comments made at workshops and interviews. However, this is clearly an issue that is having a detrimental effect on staff morale and potentially on the image and integrity of the Council. Therefore, it is important that policies and procedures are in place and are well known to prevent such allegations arising in the future. It is also important that where this occurs people have the confidence to complain and are supported.

Customer and Citizen Focus

- Most residents believe that they get good, responsive services
- The area committees provide a local focus to service delivery
- Good examples of meeting local needs e.g. summer orderlies
- Good use of focus groups in scrutiny investigations

However

- Many people feel that their locality is forgotten, especially in the north
 - The Council is not universally approachable
56. The information gathered during the peer review indicates that most people felt that the services provided by the Council are good and believe they get value for money. This is supported by the resident satisfaction survey.
57. The area committees provide a good local focus and furthermore the scrutiny and audit committee has set up focus groups to aid the committee's investigation of particular issues such as roads maintenance and public consultation and engagement.
58. Officers and members appear to use their initiative to respond to local problems for example the setting up of the summer orderlies initiative, which has proved to be highly successful.
59. However, a proportion of residents feel that their locality is forgotten. This is particularly the case in the north and has resulted in residents feeling isolated and excluded from services. Their perception is that the Council invests fewer resources in their area and that they do not get the attention to detail that other areas receive and as such they are being discriminated against. Members of the peer review team found a striking contrast between the appearance and the upkeep of the approach road and the surrounding area to Fraserburgh in the north and Inverurie in the south. These first impressions were endorsed by resident's views in the north. Residents felt that they received a lesser proportion of investment compared to the south of Aberdeenshire. These issues are perhaps as much about perception as reality, but they matter just as much. Especially if the energies of the people and communities of Aberdeenshire are to be effectively harnessed towards achieving common objectives.
60. Residents who knew the Council quite well knew whom to contact. However most residents were uninformed and felt that others like them would find approaching the Council difficult, as contact information was not easily available. They were not aware of any published A-Z of council services directing them to the most appropriate person and providing the correct contact telephone number.
61. The best value reviews appeared to be focused on internal processes rather than on the outcomes for local people. There is also a lack of clarity regarding

community involvement in the reviews. The peer review team would advise the Council to ensure that residents play an active part in the best value reviews, that this is built into its consultation strategy and moreover that the reviews are not process-driven but focused on outcomes that lead to service improvements.

Communication (with customers and citizens)

- Awareness across the Council of the need to improve communications to staff and residents
- Clear branding of Council services
- Community councils appear to feel well informed

However

- No clear communication strategy
 - Over-reliance on media as channel of communication
 - Confusion between consultation and communication
 - Lack of clear key messages
62. The Council's logo is easily recognisable by its clear branding. The Council should ensure that this branding is used by all services, all of its offices and buildings. Also that all points of service provision are identifiable by this branding.
63. More generally, there is acceptance within the Council for the need for better communications both internally and externally. A significant number of people raised it as an issue and the Council should look to make improvements based on a clear communications strategy.
64. The Council's main vehicle for communicating with staff is by 'all staff' emails and this is viewed as ineffective as not all staff have access to computers and staff are inundated with emails and find sifting through for key messages somewhat cumbersome. In some service areas there is a team brief system and is found to be useful by staff. It may be helpful to investigate what makes this work and to share the good practice across all services. Staff were by and large of the view that the staff newsletter was generally out of date by the time they had sight of it and it was written in such a style that it could be mistaken that its target audience was in fact residents rather than staff.
65. There is some good practice including the involvement of community councillors in area committee debates. The community councils appear to receive a significant volume of communications, although sometimes too late to be able to respond effectively. In the main the information they received was statutory and "told" them what to do rather than "ask" them for a view.
67. The press is the Council's main communications channel with its residents. Therefore there is over-reliance on the use of the press and this is a risky strategy as the press are not accountable to the Council - while some of the

press report Council news faithfully, others do not. The Council does not sell its key messages well and therefore residents are unaware about what is in fact happening.

68. The Council is unclear when it needs to communicate and when it needs to consult. The Council has no clear key messages linked to corporate objectives and priorities that it seeks to promote when it does communicate.

Consultation and Participation

- Some good examples of consultation with some groups. e.g. agricultural advisory board, school boards, community councils and housing tenants
- Most parts of the Council appear willing to engage
- Local councillors visible and seen to listen
- Area committees can be effective forums for participation

However

- Consultation is not always well thought through and is driven by Council process rather than community needs
 - Council consults on issues where no options are available
 - Council doesn't always use available channels to consult, for example sets up own channels such as 'drop-in days' rather than use voluntary groups
 - How does the Council feedback the results of consultation?
69. The Council has some good examples of consultation, which are in main around the partnership working, for instance the agricultural advisory board, school boards and community councils. The Council is seen as willing to engage and listen.
70. The Council has recognised that it needs to improve its communications strategy and aligned to this is its consultation strategy. As stated above there appears to be confusion over the two and how the two processes fit together.
71. However, whilst most parts of the Council seem willing to engage it was difficult to ascertain how that engagement then influenced any of the services or their delivery and how any impact of the consultation was fed back to residents. The absence of obvious feedback mechanisms has devalued attempts at consultation and has led to resentment because residents do not understand whether their views have been taken into account, how the Council came to its decisions and, if the decisions do not follow their views, why an opposing course of action has been taken.
72. When considering how to consult, the Council seems to confine itself to its own mechanisms and may even set up new channels such as 'drop-in days' without looking at the opportunities that could be available, for instance by involving voluntary organisations. Exploring this would assist the Council in a

number of ways; for experience partnership working at a local level, and the ability to tap into existing networks.

73. Some residents are of the view that the Council's approach to consultation is simply about ticking the necessary boxes and is driven by its own processes rather than any real desire to consult. For instance, it consulted about the impact of the various routes in relation to the Aberdeen Western Peripheral Route, but residents were of the view that they were being consulted about the route and were unhappy as no alternatives were actually available. The public were therefore under a misunderstanding and unclear about what they were being consulted about. The impressions formed of the Council from this exercise have remained with residents. The voluntary sector view is that involvement depends on the commitment of individual officers and that consultation techniques are not always inclusive.
74. Furthermore if the Council wishes to consult residents then they need to know about the issue early and be offered options on which to express their opinions. Currently some residents feel intimidated by the consultation process, particularly if its set up as a committee style meeting. The peer review team are of the view that the Council needs to look at good practice from other organisations with regard to how they have set up various mechanisms for consultation that capture a diverse audience and uses a range of methods.

Managing Performance

Planning, Monitoring and Review

- New performance management system is a good start
- Kaizen process involves frontline staff in service improvement
- Service plans translate into real services with good customer satisfaction

However

- 'Golden thread' snaps quickly
 - Not part of the culture – service plans seem the main reference and guidance document
 - New project-planning done at middle management level with no upward overview taken resulting in disjointed action
75. Performance management is recognised as vital to any organisation as it translates organisational aims and objectives into priorities and plans, and plans into the delivery of services on time and on budget and allowing organisations to meet and exceed customer expectations. In this respect the peer review team felt that the new performance management system is a step in the right direction. Also the Council is good at financial reporting and has good data collection mechanisms for the formal performance indicators. The Auditor is satisfied that the statutory performance indicators are reported accurately.

However the lack of an over-arching performance management structure is recognised.

76. The Kaizen Blitz process involves some front-line staff in service improvements. This empowers staff to play an active role in the culture change and improvements to service processes.
77. The service plans provide a framework for service delivery that in many cases meets and exceeds customer expectations. Discussions with a range of groups have revealed high satisfaction with some services. For instance housing and education are particularly well regarded. Front line staff are experts in what they do and the Council is taking positive steps in some instances in harnessing this knowledge through the Kaizen Blitz initiative.
78. However, the golden thread between vision, planning, action and review does not run deeply through the organisation; it - 'snaps quickly'. The discussions with staff indicate that there is no measurement and monitoring of service outcomes that relate to the corporate aims and objectives of the Council. Hence it is difficult to show whether middle management objectives flow from strategic objectives and flow into team and individual objectives. On balance it appears that middle managers service plans are produced in isolation from the corporate objectives and are therefore not seen as a direct link to the corporate vision and objectives. Furthermore, relationships and structures are confused and a disproportionate amount of effort is directed at achieving relatively isolated performance indicator related activity and best value reviews where the emphasis is on the process rather than the outcome. In discussions, staff throughout the organisation struggled to identify improvements directly relating to best value reviews. Performance management is in its infancy and comprises a tick box element, which gives little indication of the quality of services achieved. The system needs further development and implementation.
79. Whilst the Kaizen Blitz initiative produces process improvement and quite clearly empowers staff and provides ownership, there is little evidence to suggest why particular processes are chosen and the strategic thinking behind the choices. It would seem that there is no strategic overview as to how the choices link to other improvement initiative such as best value reviews or to the performance management framework. The Council needs to make sure that this does not lead to ad hoc business process reviews that lead to short term improvements and the de-motivation of staff as the changes will not be sustainable because they do not link into any wider continuous improvement framework or strategy.
80. New projects, for example 'the agenda' project, discussed at the corporate management team meeting, lacked informed contribution from ICT and finance experts. Within services, managers are free to pursue improvements and initiatives, which result in a lack of cohesiveness and ad hoc improvements, demonstrating that strategic planning is clearly not an embedded activity within the Council.

81. The peer review team felt that the Council needed to ensure that the performance-management system is effectively implemented so that the librarian, the person that cuts the grass, the middle manager etc all understand the part they play in delivering the objectives of the Council and how in turn it helps to deliver its vision.

People Management

- Management team and directors engage regularly and work as a team
- Staff are committed and pay and conditions valued
- Good development opportunities for staff – upwards and downwards in 'back to the floor'
- Open and consultative relationship between members and officers

However

- Initiative overload – need for activity accepted but not always explained
 - Performance management is patchy
 - House style feels autocratic, sometimes unintentionally intimidating
 - Some talk of dissatisfaction and frustration at lack of job opportunities
 - Need to place some priority on member support and development
82. The relationship between members and senior officers is viewed as good and they work together as a team. The open and consultative relationship between members and officers shows a team approach to the Council's partners. This helps to build trust and confidence in the Council amongst external partners.
83. The corporate management team have daily breakfast meetings and appears to be supportive and demonstrate mutual respect. Open discussion is encouraged to a point, but it is not allowed to delay reaching decisions. The flip side is that not enough thinking time is dedicated to vital strategic decisions where options need to be explored and then considered.
84. The staff are committed to providing a service, they are knowledgeable and resourceful and pay levels are considered reasonable. There are some anecdotes about pressure to comply with a long hours culture. The various relationships between staff and their direct line managers allow trust and confidence to flourish. There are formal structures in place for trade union consultation although they are not always implemented, and relationships with union officials are positive.
85. Training and development within the Council appears to be appropriate and available to staff. There is an induction programme that provides a good understanding of the Council and its processes. The staff development programmes are seen as good, however career progression meets a glass ceiling fairly quickly in the structure of the Council leading to inevitable frustration. They are also somewhat disjointed as discussed earlier in the report.

86. However, service planning is distanced from the strategic planning and the relationship between different initiatives is not well explained or perhaps understood. There are too many initiatives that lack clarity about aims or rationale. Staff find it difficult to knit them together and this leads to them being de-motivated. Staff recognise the need for various initiatives/new projects, but, because there is little or no explanation as to their rationale staff find them confusing and 'just another initiative' particularly as they do not know how they fit into the bigger picture. Continuous improvement is regarded as one more process rather than an overarching strategy for improvement and performance management. This lack of an integrated continuous improvement strategy is seen to allow some people to 'coast'.
87. The Council's staff appraisal system seems to lack the links to corporate objectives and, as such, does not set individual targets to support their delivery. The consequences are that there is little evaluation of achievement at the individual, team and service levels. Furthermore the appraisal system in place is not always conducted properly and provides too little supervision and guidance.
88. The Council's house style feels somewhat autocratic and unintentionally intimidating for example in the way that some meetings are held with a degree of formality and the presence of a top table. This is also indicative in consultation meetings with residents, who find such events intimidating due to the committee like structure of the consultation meetings where room layouts incorporate physical barriers. This reinforces a 'them and us' hierarchical style.
89. The Council has a member induction programme, which is valued. However any follow-up or member capacity and skill building - for instance in their role in relation to committee work - appears to be lacking. The level of member development and support is possibly therefore less-than desirable. Members have a key role here in taking ownership for their development and making sure that the training and development meets their needs and is offered in a way and at a time that meets their requirements. Therefore the Council may need to consider looking at how best to increase the levels of support and member-development. The Council needs to have at the back of its mind that members are running a substantial sized business and therefore need continuous training and development.

Project Management and Procurement

- Seems good at managing projects and listens to employee feedback to improve delivery
- Keen to pick up efficiency agenda and some good examples underway
- Kaizen Blitz new but shows promise and 'behaviours' point in the right direction
- Can respond quickly when needed – e.g. rebuild of primary school

However

- Lack of overall action plan and clear targets
 - Need to identify more opportunities for joint procurement
 - Best value and performance management systems new and not embedded – need consistent application
 - Scrutiny process is first class but needs to be used effectively by the wider organisation
90. There is a sense that project management at service delivery level is fairly good. One particular example that demonstrates this is the Kaizen Blitz projects. The rebuilding of the primary school is another excellent example.
91. The Council are keen to pick up the efficiency agenda by building on the way in which substantial savings have been achieved in the base revenue budget since the Council was established. Rather than by reducing the level and range of services provided, the intention is to do this through greater efficiency, for example in the Joint Public Service Forum, where there are various activity groups underway looking at the potential efficiency gains, and the ICT group's work with Aberdeen City.
92. The Council's approach to rebuilding the Strathburn School after it was burnt down worked extremely well. By setting up a 'special projects committee' and streamlining the various committee approvals stages the Council was able to re-open the school within 18 months.
93. However, while there are service plans, there is no overall corporate action plan linking service activity to the strategic plan or driving the choice of priorities. For instance a service plan for education will deliver a, b, and c outcomes which are linked to x, y, and z objectives of the Council. Therefore a number of projects that are undertaken work in isolation. The Kaizen Blitz projects do not appear to link to the performance management framework, the best value reviews, and the appraisal system. Furthermore an overarching continuous improvement strategy is missing. Unfortunately the impact is that the Council then has numerous projects and initiatives and is unclear of the priority of any of them and how the outcomes can be taken forward in a systematic way.
94. Staff perception confirms that the best value reviews appear to be about processes rather than being driven by service improvement. Staff across the Council found it difficult to recall the service improvements resulting from the best value reviews and furthermore could not link them to any other improvement initiatives such as Kaizen Blitz. Staff also expressed concern at the number of initiatives that were underway and commented that new initiatives started before existing ones were complete. They were not aware of any evaluation or outcome assessment of the various initiatives or projects. In some cases when new projects came on stream, existing projects were abandoned and therefore not fully implemented. The Council needs to look at ways to ensure effective implementation of initiatives and projects with timely monitoring, evaluation and feedback built in from the outset.

95. Aberdeenshire has an opportunity to lead on joint procurement and provision in the region by virtue of the closely defined region. In so doing it should look at working across the public sector building upon the existing partnerships, with the aim of making Aberdeenshire a leader in Scotland for consortia procurement. The Council needs to move away from resting on past achievements and recognise that there is more to do, continually scan the environment in which it works and look for opportunities that will move the Council forward. The peer review team were of the view that the Council shares a common set of priorities with its partners and as such there are real opportunities for it to work with them with a view to the provision of shared services.

Financial Management

- Sound management of budgets and accountable financial practices
- Managed tough base budget reduction since 1995
- Devolution of funds to local areas responds to local needs
- 30 year housing revenue plan is forward thinking and gives robust framework
- Informed residents feel the Council gives value for money

However

- Budget allocation does not appear to follow local priorities
 - 3 year settlement is too closely followed by the medium term plan
 - Residents do not understand budget issues and decisions
 - Duplication of back office functions across directorates and public bodies
 - Swimming pools – Maintenance programming time bomb?
96. The Council has sound management of budgets and accounting practices. Audit Scotland found the technical aspects of financial management satisfactory. The Council brought in the CIPFA accountancy code at an early stage, there are no problems associated with its grant claims, the medium term financial plan is in place and budget monitoring is tight. The Council has started to link planning and budgeting, but it may be that improvements to those linkages will be needed.
97. The Council have managed a significant base budget reduction of £63m since inception in 1995 without an impact on main services and it is recognised that this will have not been without particular challenges to the Council.
98. The limited devolved budgets to area committees' supports rapid local action to address local priorities.
99. The Council has in place a long-term Housing Revenue Account strategy and plans for long-term investment to improve the housing stock.

100. The public who know what the Council does believe that they get value for money. The 'FairShare' campaign achieved some local understanding of the budget process and the effect of gearing and limitations imposed by financial constraints.
101. However, because the Council has only just started to link planning and budgeting it is not always obvious that budgets follow strategic or corporate priorities. The medium term financial strategy needs to be stretched beyond the term of the grant settlement and public understanding improved for instance of the effect of gearing on council tax levels. Better explanations of, for instance why the percentage council tax increases do not reflect headline percentage increases in the Council's cost base such as wage awards may lead to more realistic resident expectations. The financial planning function is linked closely to the revenue support grant settlement and does not seem to take other variables into account.
102. There appears to be a duplication of back office functions across directorates. There are for example print units in more than one directorate; discussions on consortia arrangements for support services such as procurement and pay roll are either at an early stage or not underway. It may be that the Council needs to consider rationalising the back office functions across directorates and service areas to ensure more effective and efficient use of resources.
103. There appears to be a lack of effective implementation of the asset management strategy and as such, poor awareness of long-term investment needs - for example the issue around the Council's swimming pools, where major maintenance or replacement will fall at about the same time for all assets. The Council needs to look at how it is going to manage this issue and evaluate if there are other similar asset management challenges.

Risk Management

- Good track record and obvious improvement in last 5 years
- Key policies in place e.g. whistle blowing / risk management
- No obvious exposure to risk exposed ventures

However

- Risk management principles don't appear to be carried through to risk assessment of own and partnership projects
 - Risk management register not carried forward or seen as priority
 - Culture seems risk averse – fear of failure or North East coyness?
104. The Council's Auditor and partners are of the view that the Council has a good track record for risk management. This has ensured that risks have not impacted negatively on the Council's progress. Furthermore the Council has not overly exposed itself to risk.

105. The Council has ensured that some key policies are in place such as risk management and whistle blowing.
106. However, Audit Scotland and the Council's Auditor have noted slow progress in risk management. It is felt that the Council has not made sufficient progress and there seems to be an absence of the link between risk and the planning process. The Council's risk register is not as up-to-date as it could be and, in particular, the risks associated with partnership projects do not seem to have been adequately considered. The Council needs to be mindful of the constantly changing environment in which it operates and in particular the impact that those changes may have on partner organisations and in turn any joint projects and or ventures.
107. The Culture of the Council appears to be risk averse and mirrors the culture of the region – 'steady and sure and perhaps not very innovative'. The Council seems to stick to what it knows best; partnerships that may lead in unfamiliar directions are not embraced. There is a natural fear of new ideas and a retreat to the tried and tested. However there is evidence that some staff and members are willing to consider new ideas and innovations such as in the work of economic and development sections- this seems to take place outside of the main structures and is dependent on individual personalities rather than a corporate approach. Hence the general tendency is towards a conservative culture that allows innovation and experimentation rather than actively encourages it. The political and managerial structures of the Council (other than scrutiny and audit committee and some particular initiatives such as Kaizen) do not provide either sufficient challenge or an environment that would support change management. That coupled with the relatively low profile of the Council leads to a tendency to let matters rest.

Achievement of Improvement

- At service level there is clear evidence of improvement, e.g. in education, village services, budgets held at area level for local improvements
- Cross service co-operation has resulted in measurable improvements for individual service users
- These improvements are noticed and appreciated by residents and communities

However

- Communities will always expect better services
108. At the service level there is clear evidence of improvements, for example education, village services, summer orderlies, and budgets are held at area level for improvements.

October 2005

109. Some staff work across services and this has led to measurable improvements for individual service users and these improvements are noticed and appreciated by residents and communities.
110. However as the public will always want more from fewer resources, improved communications and explanations will help to temper demands although this will represent a challenge for the Council.
111. The review team did not get a sense of how the Council actually measures improvements against its corporate objectives, particularly as there is the absence of the golden thread. From the discussions with members of staff across the Council it would seem that the Council does not evaluate or monitor effectively the implementation and the outcomes of improvement initiatives to establish if the desired results have been achieved. It was difficult to establish the improvements made by the Council in the last 5 years.

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