

# Isle of Wight Council Productivity Plan 2024/2025

Local authorities in England are required to develop a productivity plan for 2024/2025 to show how we will reduce waste and transform service delivery to ensure that we are providing value for money for our residents and other service users. Plans should cover 4 key themes:

- Transforming design and delivery to make better use of resources
- Using technology and data to improve decision-making, service design and use of resources
- Reducing wasteful spend in organisations and systems
- The barriers preventing progress

## Theme 1: Transforming design and delivery to make better use of resources

The Isle of Wight council needs to respond to the many challenges it faces to deliver a positive future for the Island and its community. The priority is to work together openly with the community to support and sustain our economy, environment, and people. Its aspiration remains to reverse the annual cycle of cuts in the council's budgets and reinvest in the services the community would like to see. However, the absence of funding keeping pace with inflation and ongoing demand (and associated cost) pressures in social care has made that impossible. Over the past 13 years the council has had to find savings of £97m.

The Local Government financial envelope set by the Government in their Comprehensive Spending Review 2021 for the period 2022/2023 to 2024/2025 did not foresee the elevated and prolonged levels of inflation of the past 2 years. Within 6 months of the Comprehensive Spending Review being set in the Autumn of 2021 and just 1 month before it came into effect, the financial environment changed rapidly precipitated by the war in Ukraine and other economic factors causing inflation to escalate rapidly across the globe. The impact of this has been unavoidable and unplanned cost increases in the delivery of council services as well as a "cost of living crisis" for residents which, in turn, has increased the demand for council services.

Despite this climate of increased cost and escalating demand, the funding envelope for local government has remained unchanged and has rendered aspirations to avoid savings and service reductions impossible.

The Isle of Wight Council has a higher tax amount than the England average and the average of its Nearest Neighbours and this differential increases further when parish precepts are taken into account. Given the constrained funding position of the council relative to its costs, the council has taken every opportunity to increase the level of Council Tax by the maximum permitted without breaching the referendum thresholds. Inevitably, this has led to the council having a high Council Tax level.

The Secretary of State's budget announcement provided for additional funding for the Island: "In recognition of the unique circumstances facing our island authorities, and their physical separation from the mainland, we will be increasing funding to the Isle of Wight and Isles of Scilly. The amount awarded which is assessed by the Isle of Wight Council as being circa 17% of the £24m required to provide parity with statistical neighbours and therefore at a £20m disadvantage.

As a direct consequence of this disparity of funding, the Council no longer provides the following services which are commonplace amongst statistical neighbours:

- No Day Centres (Adults Social Care)
- No School Crossing Patrols
- No Rural Bus Services
- Retained Libraries at minimum levels - tested by judicial review

- Non statutory services have been reduced to ensure that funding is available for statutory services.

In addition, the council works in partnership with Town, Parish and Community Councils on some areas:

- land leases / service transfers; For example, some public toilets, community libraries, theatres, and most of the countryside estate.
- contributions to support maintenance; For example, replacement playground equipment, and some beach cleansing and grounds maintenance services are contributed to by town and parish councils.
- paying for enhanced services through additional staff time. For example, planning enforcement and environment officers have increased hours from contributions from local councils to provide increased hours of service availability in their local areas.

The council's [budget and council tax setting 2024/2025 and future years forecasts](#) together with its Medium Term Financial Strategy (MTFS) have been developed to respond to these very challenging circumstances.

The council approved a [Medium Term Financial Strategy \(MTFS\) in October 2016](#) to guide the council towards financial sustainability. It is designed to resolutely maximise the deployment of the resources that it does have (revenue, capital, property, and staff) towards driving additional income / funding and cost savings to secure services for the future.

The MTFS has been designed as a comprehensive and complementary package of measures to support the council to navigate through the financial challenge that it faces. It is updated through the Annual Budget and Medium-Term Financial Forecast.

We challenge ourselves to improve the services and experiences we are providing for our customers, for example:

- Dementia training for whole social care workforce – delivered by the Alzheimer's Café IW and Dementia Awareness Partnership.
- Development and delivery of Parklands – the Islands first dementia centre for local people – shaped and led by care experienced people and the Voluntary sector providers closest to them.
- Raising Standards Initiative for Independent care sector – leadership programme delivered by the sector for the sector which has seen a shift in quality for 62% of regulated activity rates 'good' or better by the CQC to over 90%.
- Working with other public sector agencies to tackle shared outcomes in areas such as community safety,
- partnership working with the Environment Agency, and Southern Water, to develop coastal and flood alleviation capital projects and fund project managers to facilitate the delivery of these projects.
- working with town and parish councils (referenced above)
- The Southeast Sector Led Improvement Partnership will be supporting the Island with the development of new arrangements for our multi agency safeguarding hub (MASH) and a redesign of our children's social care referral and assessment and child protection teams (summer / autumn 2024).
- The Local Government Association will be conducting a peer review of arrangements for special educational needs and disabilities on the Island (October 2024).

We place significant importance on ensuring that the voice of local people is integral to the delivery of our services. We have sought to actively engage residents in the design of a number of key health and social care system strategies including the Islands Dementia Strategy and the Islands Carers Strategy, with investment aligned to the key priorities identified through this co-design activity.

We measure our ongoing productivity and performance through quarterly public reports ([QPMR Q4 2023/2024](#)).

In the short to medium term, our productivity priorities are:

- Where possible, developing preventative services that lead to reduced demand in adults and children's services. We will continue to work with families at the earliest stage possible e.g., through our Family Hubs network, where parents and carers can access a range of multi-agency support to identify needs and prevent their escalation. We will also continue to develop more integrated working between our children's and adults directorates so that commissioned services are well planned, are tightly focused on the specific to the needs of the population, and where applicable are jointly commissioned and funded with the ICB.
- Focusing on the delivery of capital schemes that support statutory obligations, economic development, and transform public services through reduction of future cost or return on investment.

## Theme 2: Using technology and data to improve decision-making, service design and use of resources

*"We will unlock the value of data to improve service delivery and evidence-based decision making and utilise business intelligence tools to better understand the needs of our residents, customers, businesses and visitors"*

The [Digital Strategy 2022-2027](#) sets out our aims to make the most of the opportunities that digital transformation presents to:

- transform our residents experience with us by making our online services simpler, clearer, and faster and tailored to your specific needs.
- work more openly with our residents and engaging with our residents on the decisions that affect our communities.
- help our local digital economy to grow stronger and larger, creating the jobs and skilled workforce of the future, and making sure no-one is left behind through lack of digital skills or access to the internet.
- making our Island and public services smarter and more sustainable using innovative ideas and technologies.

This is supplemented by a Data Strategy 2023-2027 that recognises data as a key enabler to delivering the best possible services for our residents. We aspire to use data to power our processes, support our digital transformation, facilitate better and more robust decision making, and to build trust with our residents, customers, businesses, and visitors.

The implementation of these strategies is overseen by a strategic programme board. The strategies have driven the organisations approach to directing the council's available resources to the exploitation of technological developments that will have the most impact on efficiency and effectiveness in the delivery of services. At the heart of digital transformation is a digital first approach, where on-line services are the preferred method of contact with the council, allowing us to target staffing resources where they are needed. Our [Digital Customer Strategy](#) sets out our approach to customer digital experience, ensuring it is the same for everyone, regardless of technology choice or ability and creating trust in our brand online.

[iow.gov.uk](http://iow.gov.uk) is our residents and businesses window to the council. Right channelling is now more important than ever as our population is set to increase by 5.6% from 2020 to 2030, with the prediction that almost 34.5% of the population will be 65 or older by 2030 (JSNA). The model for delivery is simple, cost effective and reliable; with websites and applications that are secure, accessible, and well maintained.

Within children's services we continue to invest in technology such as the case management systems within our children's social care and youth justice services, and data analysis through the Power BI tool. This will allow our teams to be more accurately targeted in areas where they can have most impact, preventing escalation of need and accelerating reductions in the quantum of support required by families.

### Theme 3: Reducing wasteful spend in organisations and systems

The council has a rigorous approach to financial management, with a strong focus on budget management to ensure that expenditure is in line with approved budgets. The delivery of significant savings over several years; a critical requirement of the council.

We have reduced waste in utility costs and introduced day to day working practices that support carbon reductions and reduce the cost of administering services through the Public Sector Decarbonisation scheme, installing solar, heat pumps and LED lighting across 12 civic buildings.

Our transformation fund is used to fund investment that reduces expenditure in the long term:

- Creation of a Community Capacity & Resilience Fund (£0.25m) - to improve partnership working with the community and voluntary sector allowing them to intervene to provide services where it is safe and appropriate.
- Edge of Care Project (Children's Social Care) - Preventative work with children at risk of entering the care system.
- Support for Highways PFI Negotiations - Delivering £50m savings over the life of the contract.
- Adult Social Care - Dedicated review / assessment team ensuring that care packages are "right sized" for assessed need.

We partner with other local authorities to help reduce costs, for example our relationship with Portsmouth City Council, where we have shared our s151 officer and commissioned external audit capacity for some years as well as our partnership with Hampshire County Council with a shared Director of Public Health. We see huge benefits in such arrangements including the collaboration, the increased resilience across partners and the opportunity to share best practice and professional development.

The council is not part of a combined authority arrangement or devolution deal, although discussions have taken place with neighbouring councils to consider the possibilities. The council is working with other upper tier local authorities in the Solent region.

In the coming year, our focus will be on improving productive relationships with partners in the health sector as significant organisational restructures of the relevant integrated care board, acute and community providers take place. We will also put in place a proactive response to the requirements of the Procurement Act, that will be essential in helping us to drive value for money through contract procurement and management.

The council does use consultancy support, particularly in relation to large, timebound capital schemes where delivery capacity may be through consultants, and where this is often an appropriate approach to ensure the best skills mix.

In social care we have committed to reducing the reliance on costly agency staffing in all areas. For Adult Social Care this has resulted in agency staffing now only being utilised to support the discharge of our Approved Mental Health Practitioner functions. Ongoing investment in staff training should see this area also reducing reliance on agency staff over the next 12 – 18 months.

Within children's services we will continue to expand the support of pathways into social work through the facilitation of social work degrees funded by the apprenticeship levy. Over the next three years this will reduce the use of agency social work staff and the consequential fees paid to social work

agencies, and improve the quality of relationships with children, young people, and families, also likely to reduce costs.

Our approach to equality, diversity, and inclusion not disproportionate, nor does it represent wasteful expenditure; is based on the Local Government Association (LGA) Equality Framework for Local Government 2021 and reflects the duties on the authority under The Equality Act 2010. We have an Equality and Diversity board which drives implementation of our strategy together with a staff equality group who consider and escalate any issues to the board. We have mandatory training on issues of Equality Diversity & Inclusion to ensure that the general duty is understood and upheld by staff.

Industrial relations with recognised trade unions who support our staff are good.

#### Theme 4 - The barriers preventing progress

The LGA has recently published its [Local Government White Paper](#) and the council supports the approach and the asks within this paper.

The most significant barrier for the council is the need for **sustainable funding**. The nature of short-term funding continues to mitigate against the most effective use of resources, for example, the ongoing uncertainty around the Household Support Fund. The organisation has had to remobilise every six months to implement the scheme, where an alternative, longer-term approach would have enabled a clear delivery structure to be established and longer-term delivery decisions to be made; or annual Public Health budgets, not providing for optimum commissioning strategies and preventing efficient solutions being developed. Alongside this is the increase in funding through competitive bidding, which distracts from delivery.

The council will continue to make the case to Central Government to fully recognise the additional costs of providing council services on the Isle of Wight due to its physical separation from the mainland. The latest estimates made by the council, based on national data sets, are that it costs an additional £23.7m to provide services across the council's major spending areas compared to the average of the council's statistical neighbours. Government is yet to be convinced that the full extent of those additional costs arise as a direct result of physical separation. The current uplift in funding of £4m therefore is considered by the council as an initial starting point for future discussions with Government.

To accompany sustainable funding, we would welcome an approach which allows for a **focus on prevention**. The overall reduction of resource means that the financial focus for the council is entirely on delivery of statutory services rather than on the preventative and capacity building measures that support demand reduction, and which better support our residents. This in turn is driving more need into systems, which ultimately increases costs and leads to poorer outcomes overall.

This lack of resource from preventative services is a barrier to addressing root causes and reducing need and resultant demand, rather than just processing it. This is true of all demand-led services where vulnerability is a key factor, and of services where issues relate to asset deterioration where anything other than essential maintenance has been reduced. Key examples play out in the health and care arena, where we know investment in community led admissions avoidance is effective but is sporadic and reducing. Earlier intervention can reduce the need for crisis care. Similarly, we know that sufficient availability of housing stock reduces the need for expensive and inadequate temporary accommodation. However, in the current climate there is little to no scope for rebalancing activity and resource.

**Building affordable homes** – a single pot to fund the delivery of locally affordable homes alongside powers to build more affordable houses at scale would enable delivery that would not only meet local need but reduce pressure on increasing homelessness and demand for temporary accommodation. The current focus on bidding for funding from several grant pots increases administrative costs to the council and the capacity for submitting bids is increasing at a time where capacity resources are

diminishing. Examples of this are the Brownfield Land Release Fund, the Local Authority Housing Fund, and the Armed Forces Covenant Fund Trust.

**Children's Services** – we will continue to expand the availability of specialist state education provision on the Island, reducing our use of placements on the mainland, and the use of independent and non-maintained school placements which are often more expensive than maintained or academy placements, as mainland placements incur the additional very significant costs of ferry travel from the Island to the mainland and back, or when this is prohibitive from a duration perspective, additional residential care fees, both of which would be avoided if the child was living at home and attending school on the Island.

Reform of the SEND statutory framework, specifically the definition of additional/special educational needs, and the role of statutory plans, avoiding the lack of clarity in the current definitions and statutory tests. In a future system based on meeting young people's needs within a broader mainstream offer, there would be less need for a separate system to secure provision through individual entitlements and statutory plans.

**Adult Social Care** – the lack of alignment in the financial planning processes for the council and health partners means that, often, the opportunity for joint commissioning is lost. In addition, the legacy of underspending and cost cutting in prevention and community solutions by health partners has impacted on demand. The temporary nature to funding to support system pressures and lack of certainty surround the future of the Better Care Fund arrangements make for a very challenging landscape within which to deliver essential services that are so very much required by local vulnerable people.

The lack of the supported accommodation market for social care is exacerbated by the similar small size of the domiciliary care market on the Isle of Wight, again due to the overall small market size, limited labour market and therefore the reluctance of the private sector to seek to establish services. This has led to the only alternative being self-directed support as there is no other option available to them. Whilst this manifests itself as positive performance it is a function of lack of provision and unmet need which could be remedied by the council seeking to establish the direct delivery of domiciliary care through its own service provision although the Council does not have the financial capacity to meet this unmet need. This is an example of under provision of services.

Finally, the significant shortages of professional skills across a range of sectors means that the organisation is engaging more expensive agency staff, not being able to invest in the long-term development of the workforce, and not operating at full strength. There is an urgent and pressing need to grow the public sector workforce that is beyond the capacity of individual organisations to manage.