

# **REPORT FROM THE LEADER AND EXECUTIVE MEMBER FOR RESOURCES, ORGANISATIONAL CHANGE AND CHILDREN'S SERVICES TO THE MEETING OF FULL COUNCIL ON WEDNESDAY, 24 FEBRUARY 2016**

## **Leader and Resources**

I commenced my last written report to Full Council by commenting that the majority of my time had been taken up dealing with the budget and budget related issues. The situation has been much the same in the last month. By the time this report is formally considered by Full Council we will hopefully have considered and passed the budget for 2016/17. This will, however, not be the conclusion of a process but, in the particular circumstances we are in, it will be the commencement of the process of working with central government ministers and civil servants to review the funding structure that affects the Isle of Wight and hopefully ensuring that something new is put in place that will actually serve and provide for the Island's needs.

This process follows the publication of the final version of the financial settlement which was a deep disappointment. Not only did we secure no increase in funding but we have not even been granted the requested ability to use capital receipts received prior to April 2016 for transformation projects. We can perhaps hope that this course was taken because it is clear that the process of funding of the Island needs a fundamental rewrite rather than just tinkering around the edges. We have of course secured recognition at the highest level that the Island is unique together with the fact that we face unique costs by virtue of being an Island. We await a visit from the Local Government Minister to further explore these points, hopefully with a view to securing the required new funding structure which we so desperately need.

This process may put us en route to a form of 'Island Deal' which has been argued as being what we need for a considerable time. As agreed at the Executive meeting on 11 February, following tonight's meeting, the council will work with partners and stakeholders to produce a financial case for the future of the Isle of Wight Council and actively campaign to demonstrate the additional costs of overcoming the unique challenges of providing public services on the Isle of Wight as well as the relative disparity in the quality of opportunities available to Island residents caused by unfairness of the government's current funding formula.

## **Devolution**

Since the last Full Council meeting two significant meetings have taken place in respect of the Combined Authority proposal. On 29 January, leaders of most of the authorities and partners involved met with the Devolution Minister James Wharton. It was made abundantly clear at this meeting that the government has little interest in a devolution deal for Hampshire and the Isle of Wight that does not involve a mayor. This conflicts with previous indications and it is unclear whether this is a change in view or the government has failed to make its stance adequately clear before. This position was reported back to members at an informal meeting on 8 February. I took

the views expressed at that meeting to the next partnership meeting on 12 January. Those views were largely in accordance with the views of the partnership, which has formed a collective view that it will not make an 'offer' to government which includes a mayor. It is unclear where this leaves the process. Devolution potentially offers great benefits for the Isle of Wight if it is part of a Combined Authority which is able to step outside the current system of local government finance and use an independent income based on retention of business rates.

The next partnership meeting in March will decide how to proceed from this point and whether a revised offer will be put to government. However, it seems that there is little chance of a deal that is acceptable to both sides coming forward in the short term. We should perhaps look more towards what we can secure from the minister's acknowledgement of the Isle of Wight's unique position and commitment to review its finance that have arisen from our arguments in relation to the financial settlement. Although we must also have in mind the fact that following the enactment of the Cities and Local Government Devolution Act 2016 the government now has extensive power to impose devolution and even unitarisation upon local authorities.

### **Children's Services**

In December 2015 an internal peer inspection took place of children's social care services on the Isle of Wight. This is part of a well-established and rigorous programme of peer inspections undertaken across Hampshire and Isle of Wight children's social care. The inspection team used the Ofsted inspection framework and concluded on an overall judgment of 'good', reinforcing the continuing improvements being made. The team highlighted the robust management of cases and teams, the improved stability and morale of the workforce, effective and timely management of cases within the court arena, improvement in inter-agency working and an increased understanding of safeguarding thresholds. It was also found that practitioners were able to talk competently and confidently about their cases. This is a good result for which the staff involved must be congratulated and feel proud of, and which stands as an important milestone in the continuing process of bringing Children's Services far from the position they were found to be in in 2012. However, there is absolutely no room for complacency and the review rightly highlighted areas where further improvements can be made in order to consolidate progress before Ofsted return again.

### **Councillor Jonathan Bacon**

**Leader and Executive Member for Resources, Organisational Change and Children's Services**