

How Local Authorities Are Delivering Services Under Acute Financial Pressure

Kezia Pugh

December 2024

How are local authorities delivering prevention and early intervention services as funding fails to meet demand?

During 2024, IPPO spoke to Islington Council, Oxfordshire County Council, and Adur & Worthing Councils to spotlight their experiences of innovative programme design and delivery.

This work comes from a [project co-designed with New Local](#) to better understand how local governments are [responding to the financial crisis](#), and if there is potential to share [transferable practices](#) between authorities.

With limited money to spend, what kind of local government policy interventions are being developed to prevent increasing socio-economic inequalities?

Table of Contents

Introduction	3
The programmes	4
Making the case for prevention and early intervention	5
Collaboration with community partners and responding to local needs	7
Embedding principles of person-centred services	8
Responding to a lack of benchmarking.....	10
Navigating digital and data limitations	11
Reflections on funding pressures	13

Introduction

Councils are constantly making decisions about where to invest and where to save, balancing their budget and the wider fiscal environment against the social outcomes they strive to achieve. After over a decade of austerity and reduced funding, local authorities have been operating in an environment of fiscal constraint and successive budgetary cuts.

In 2024, the International Public Policy Observatory (IPPO) partnered with New Local to explore how local authorities are responding to these financial pressures. Discussions at three workshops brought together senior local authority officers from across England, revealing that despite facing significant challenges, there are clear areas of consensus regarding how the sector can be put on a more sustainable footing.

Following these workshops, we considered cases of policy innovation in this challenging environment. One particular area of focus was about prevention and early intervention. IPPO conducted case study interviews with three local authorities (Islington Council, Oxfordshire County Council, and Adur & Worthing Councils) who have launched innovative programmes as part of broader prevention and early intervention strategies.

They discussed the challenges and opportunities which arose during programme delivery concerning project logistics, monitoring, impact, and governance. Further reflections were also shared regarding the programmes' wider implications for organisational development and community and business partnerships. Despite a difference in local challenges and priorities, each programme shows a robust commitment to prevention and early intervention, allowing them to respond acutely to the needs of vulnerable residents and wider local communities.

The programmes

1. Islington Council: [Bright Lives](#)

This coaching service provides one-to-one wellbeing interventions for vulnerable residents in Islington requiring targeted support. While coaching has been widely adopted in the business world in various leadership contexts, it has not been used as extensively when it comes to councils' services for residents.

The programme duration is medium-term (up to six months), with most residents making good progress within three months. A stand-out figure from Islington Council hammers home the impact of their programme; out of 500 vulnerable residents, 97% have not escalated into crisis or statutory interventions.

2. Oxfordshire County Council: [The Oxfordshire Way](#)

The Oxfordshire Way began in 2020 as the council's approach to increased demands for adult social care services, transforming their ways of working to be centred around prevention and early intervention and supporting their staff to feel confident and empowered to deliver this. The council is working to expand this approach across other service areas, supporting communities to live healthy, happy lives independently.

3. Adur & Worthing Councils: [Proactive Programme](#)

Around four years ago, Adur & Worthing Councils established Proactive as part of an early intervention and prevention approach, aiming to utilise and harness data to become more proactive, and to reach people before they know they're in trouble. This includes a commissioning partnership with [Policy in Practice](#) (a social policy software and analytics company working with councils), which is used in tandem with the council's revenues and benefits system. This enables the council to use its data to target people who might be struggling, supporting them to maximise the benefits available to them and signposting them to other help and support.



Making the case for prevention and early intervention

All three councils spoke highly of the potential for approaches grounded in the principles of prevention and early intervention.

Islington Council emphasised the importance of their early interventionist strategy when making the business case for the Bright Lives programme to senior leaders at the organisation:

“Without targeted intervention, many residents will escalate into crisis or acute interventions. This creates complex challenges for the public sector and community organisations involved. During that period of escalation, it’s often difficult to engage people in a way that enables them to exercise and maintain choice, freedoms, and personalisation due to statutory processes that focus on risk management, and safeguarding.

Maintaining residents below this threshold of intervention allows for better and sustainable outcomes as well as better experiences, such as the coaching service.”

Islington Council also outlined the importance of framing early intervention in the context of savings and cost avoidance:

“We have begun to baseline and evidence cost avoidance as a result of the success of the coaching service. Research into Severe Multiple Disadvantage in Islington in 2018 revealed the approximate annual cost of multiple needs to public services in Islington to be £57.8 million (roughly £40,000 per multiple needs per resident).

The coaching service has achieved circa £19 million per annum to the ‘Islington system,’ on a conservative estimate.

We are highly motivated by the 97% success measure [mentioned above] and keen to share our experience with other local authorities. Coaching might not be for everyone, and local authorities might want to go for other models. It’s worth seriously looking at what innovative upstream investment in early intervention and prevention looks like, and what this could do for cost avoidance and better outcomes. Honestly, it’s mind-blowing amounts of money and improved outcomes for people, offering hope and optimism for their future.”

This sentiment was shared by **Adur & Worthing Councils**, who pointed out the importance of early intervention, particularly for councils facing financial hardship:

“In financially strapped councils, the more we can help people move from surviving to thriving means the more economically active people become, and that helps residents and communities.

It's also the right thing to do for people, especially in terms of addressing inequalities.

The more we prioritise prevention and early intervention, and the more we can use this work to influence some of our partners, the better our communities and the stronger our system will be. Whilst it's hard to fund in the current climate when we've had to make so many savings from our organisation, it is the right thing to do to enable and help our communities to thrive, because if we don't, it's just going to cost more. There's a strong economic argument for it.”

Collaboration with community partners and responding to local needs

Many councils are recognising the importance of engaging hyperlocal, neighbourhood-level arrangements which are more responsive to communities and their needs.

Oxfordshire County Council discussed these principles in the context of co-designing with partners and co-production with communities:

“[As part of the Oxfordshire Way programme], we’ve engaged extensively with our partners and our communities because we understand the importance of taking a multi-agency approach. It can’t just be a corporate County Council-led programme.

This means including the voluntary and community sector, local social enterprises, frontline workers and people of Oxfordshire with real-life experience. By bringing together and supporting our network we can better understand what matters the most to our communities and how to support them.

One example is our community capacity grants initiative, which we provide in partnership with [Community Catalysts](#), experts in people-led social care.

We have funded up to £500,000 to date and distributed this to over 90 grassroots, community-based groups across Oxfordshire. From our success, we’ve been able to leverage another £120,000 from the private sector to support more grassroots groups.

These community groups cover everything from gardening, litter picking, art and crafts, to mentoring and buddying. By targeting and boosting hyper-local activity like this we can tackle challenges such as isolation and loneliness that our communities have told us they experience.

The key to unlocking this is through collaboration with our partners, pooling resources and playing to each other’s strengths, and co-production with communities directly. Learning what the local needs are and hearing from people cannot be stressed enough.”

Separately, **Islington Council** noted the importance of collaboration with communities, not duplication:

“One of the big challenges that residents have been facing in Islington, and across the country, is the impact of the cost-of-living crisis, poverty, and hardship. This is increasing, and the complexity and the depth of that is increasing as well. [...] Residents may well be falling into debt, and it can feel like a downward spiral, bringing them down. One of the key areas of focus for us now going forward is looking at financial resilience. We know there are many organisations out there supporting people. We have services here in the Council as well, but we want to work in a complementary and supplementary way with that. We’re not intending to duplicate in any way or cover anybody else’s job.”

Embedding principles of person-centred services

Each of the councils we spoke to prioritises the development of person-centred services, whether through a commitment to the use of lived experience in their evidence base for project evaluation or by using methods of co-creation with their communities to inform programme delivery.

Islington Council ensured the development and evaluation of their programme was grounded in residents' concerns and lived experiences:

"When we receive referrals, residents share areas of concern with us during assessment and as a key goal for them.

The top three areas (among others) are around anxiety, social isolation, and mental health.

They feature on an ongoing basis, as a pattern in the referrals that we receive. We recently conducted some longitudinal surveys of people who had received a coaching intervention six months ago. We wanted to know where these people were now in terms of their anxiety, mental health, isolation, and the other things that they were dealing with when they completed their coaching intervention.

Six months later, 50% of the people that we surveyed so far have described their mental health as either good or very good."

Adur & Worthing Councils spoke about their person-centred approach to an income recovery programme launched alongside Proactive:

"We as councils have several areas of income that we collect and therefore debt that we accrue, but it's not joined up.

So, a resident could owe money on accommodation, on green bins, on Council tax etc., and we don't have a shared view of that because everything's on different systems. Sometimes even within teams it's on different systems.

The idea of the income team is how we start to collect income in more person-centred ways, so that we can join the dots between people. This will work alongside Proactive as a project; the income team is considering how we collect income, and the Proactive project is thinking about how we work with vulnerable people who are struggling to live, and how we help to maximise their benefits. We see this as fundamental to our overall purpose."

Oxfordshire County Council also highlighted the internal benefits of a person-centred approach:

“So far, it’s been great to see the interest within Oxfordshire. It shows the attention and energy from us and our partners is in the same space, the right space.

There’s a growing focus and attention on prevention and early intervention across the country and we’re excited for what the future holds. We’re in the process of running external co-designing workshops with our wider partnership network and voluntary community sector. This is helping us to keep the programme embedded across our network as opposed to being owned and led solely by the council.

It was important for us to include partners who could challenge our way of thinking, this encourages the council to be mindful of not just how we engage with our communities, but also how we act and behave in our communities.

It’s also important to recognise the humanity in all this. Numbers and data are useful from a business perspective, but we’re talking about real people and real lives across Oxfordshire. By drawing out success stories from our communities, capturing people’s voices and sharing this across the council, we’ve been able to show how the work we’re trying to do in this space relates in some way to everyone’s role at the organisation.

Even colleagues who only work with spreadsheets have a part to play in this, sharing real life stories help us all understand the impact of our day-to-day work, and this has really helped to empower and motivate our workforce.”

Responding to a lack of benchmarking

Launching innovative programmes comes with challenges in terms of modelling and benchmarking against other comparable approaches and strategies.

Islington Council outlined:

“We didn't have a lot to rely on in terms of other experiences and benchmarking. There was nothing at all that we found across the UK as a 'like-for-like' that we could learn from, or base any of our assumptions upon, or even consider in terms of our modelling.

While there are models in the NHS which build trauma-informed relational practice, in terms of our model for delivery, the level of involvement with residents, the intensity, and the referral pathways, they were all quite different. So, we had to go for a model that stood on its own. This meant when we launched the model, we were simultaneously testing it.”

Oxfordshire County Council shared some of the challenges they have experienced when adapting and expanding the Oxfordshire Way to settings outside of social care, without having comparable examples to draw upon:

“In recent years, there's been a shift in government funding towards preventative measures, so many local authorities are starting to prioritise prevention and early intervention. It's easy to focus this solely on social care, and while a large part of it always will be about social care services, when you look at the bigger picture, there's a lot else that we do as county councils that supports prevention and early intervention within our communities, it just might not be so obvious.

The first main challenge is getting buy-in from the wider business. When we started to engage different service areas it was hard at first as the connections between their work and this preventative approach weren't so obvious. Historically, it has only focused on adult social care and we quickly realised that if we are to support our staff to feel confident in delivering this approach and get behind it, we needed to change things up a bit. Success stories are one way to draw those connections to real life outcomes, as well as adapting the language we used when talking about The Oxfordshire Way to be less social care focused, and more inclusive of the wider organisation so it made sense to everyone. That goes a long way to getting buy-in.

We should not fall into the trap of thinking prevention and early intervention approaches are solely a social care initiative. For instance, public access footpaths that run through local neighbourhoods that provide access to green spaces and public transport connections are another way to support communities. By ensuring they are in the right places, well maintained, signposted, and well lit, it encourages communities to be more active and stay connected, and these aren't social care initiatives. Think about the bigger picture and don't be afraid to be ambitious, it can all support people to live healthier lives independently in some form or another.”

Navigating digital and data limitations

While digital and data transformation has long been discussed across the public sector, many councils are still struggling with the implementation of this in practice. Of the three councils we spoke to, each faced their own challenges in relation to this.

Adur & Worthing Councils spoke about the challenges they've faced and overall objectives they have in joining up data from across different systems:

“Councils have a lot of data. If we were able to better harness data on behalf of local areas, we could then do a lot of proactive segmenting and targeting of people for a range of activities. We can then consider how this feeds into work on social value with private companies and creates opportunities with devolution. This could support getting people back into work.

One key policy area that Policy in Practice are lobbying on is about Universal Credit.

Currently, their Low Income Family Tracker platform doesn't have access to people on Universal Credit, which means as people move to this, we're losing their data from our system. Allowing this access would be a powerful tool and massively helpful.

Another policy area in need of development is data sharing. It is a challenge to work out how to share data between agencies and services. Often, it comes down to data and consent, which leads to delays with people. By the time we get the various consensus, it's been months, and then quite often people are in a difficult situation.

Our ambition is to use digital and become a digital-first council so that we enable more people to get what they need online, and to do more for themselves in their own time.”

Islington Council noted the challenges they faced when measuring and reporting impact stemmed from a lack of digital infrastructure, meaning they resorted to manual reporting mechanisms:

“One of the challenges we've had when measuring impact is not being able to utilise existing operating systems at the council, which is probably quite similar to lots of other organisations. Resourcing has been a real challenge here, to create a reporting mechanism within the case management system.

Until quite recently, a lot of our reporting was done manually; we had to manually check all our records. That includes numbers for closures, referrals, and how many people have disengaged from coaching within three months or after three months. This is the level of reporting which tells us about demographics, but which also tells us about outcomes for residents and the performance of the service.”

Oxfordshire County Council highlighted the opportunities of digital technology to enhance outcomes as well as measuring impact:

“In some areas, we’ve been able to implement new technologies such as our online self-assessment tool, a digital tool that allows anyone to assess how much they may need to financially contribute towards their care package should they need it.

This allows our communities to feel empowered and better informed about their future. Part of the transformation work with the Oxfordshire Way is updating the technology and processes that we’re using to provide services. In some service areas, we still have manual processes, and we’re missing opportunities from digital enhancement to alleviate pressure and support our staff.

Our online self-assessment tool is just one example of how we can take a previously council-led service and shape it into something that our communities can access and complete without needing us at all.

Despite being a data-rich organisation, one of our biggest challenges is measuring and reflecting on the outcomes and lasting impacts of our community work. It is notoriously hard to measure and often difficult to demonstrate return on investment too, characteristics that sometimes make it hard to justify from a business perspective, particularly under the financial challenges that councils are facing.

The Oxfordshire Way has delivered tangible benefits in our adult social care service area, so we know it works, but we know we can be better at measuring and evaluating the impacts. We are working to develop a more robust evaluation framework that can apply not just to our social care teams but the whole organisation. Our data is one of our greatest assets and we should always be using it to inform our decisions.”

Reflections on funding pressures

Despite clear evidence of innovation, the wider environment of fiscal constraint and insecure funding settlements is known to impede progress and increase pressure on councils already facing complex challenges.

Adur & Worthing Councils were affected by the instability of external funding:

“Sometimes, it's about the amount of funding. Quite often, it's just if there were more flexibilities [in funding settlements], we could create more sustainability with the funding.

For instance, the Shared Prosperity Fund could have been a medium-term programme, but in effect, the bulk of it was issued in year three [of the Proactive programme]. This meant we have had to scramble to spend it all this year. Over the three years for Proactive, the profile of this spend has meant that the bulk of the spend is in year three which doesn't enable us to plan well with year-end spend requirements, which focuses us on short-term delivery rather than making the best use of resources over the medium term.

It is also difficult because we don't have the infrastructure to host the work and plan (especially given the wider financial pressures on us regarding housing). It's hard to put things into place which you don't want to create a demand for, when you can't fund it post-March.”

Oxfordshire County Council also shared reflections on resourcing challenges faced by local government:

“Resourcing is always a challenge in local authorities and that comes back to increased demand and pressures year on year; budgets being cut, or even if they're not cut, they're not increasing. In essence this means we have the same pot of money and more and more people to support. To overcome this, we must be innovative, be bold, take calculated risks, and strive to do things in new ways. We've been connecting with other councils lately to share our learnings and mistakes. Hearing other organisations' challenges and what worked for them has empowered us to keep our momentum in this area.

“Given that the demand from across the county continues to grow, and resourcing is such a challenge, this programme [the Oxfordshire Way] is a big focus for us. Our adult social care service area has demonstrated benefits achieved by this approach (increase in number of people fully re-abled, reduction in number of people on waiting lists for a care assessment). It has reduced demand on some of the service teams, freeing up capacity to allow our staff to deliver a better-quality service and to be able to focus on new and different things they previously weren't able to. This in turn increases workers' satisfaction and retention rates; it has a knock-on effect for everything.”

www.theippo.co.uk
[@ippouk](https://twitter.com/ippouk)

