

IMPROVEMENT AND EFFICIENCY WEST MIDLANDS (IEWM)

NOTES OF BOARD MEETING – 17th October 2011 Held at the Partnership Centre, Birmingham

Attendees: Trish Haines (Chair); Nina Dawes (Vice Chair); Cllr Paul Middlebrough (Lead Member); Fiona Narburgh (Wychavon), Martin Reeves (Coventry); Steve Winterflood (South Staffs); Mark Rogers (Solihull); Kim Riley (Shropshire); John Polychronakis (Dudley); Nigel Kletz (B'ham); Howard Davis (LGA); Colin Williams (WMC); Barbara Peacock (Sandwell); Darren Pearce (Stoke).

IEWM: Sue Banks, Matt Bowsher; Keith Gordon; Ged Bowles; Polly Reed; Tony Ashfield; Jonathan Jones; Sonia Thomson (minutes).

Apologies: John van de Laarschot (Stoke); Kevin Dicks (Bromsgrove & Redditch); Andrea Pope-Smith (Dudley); Andrew Burns (Staffordshire); Richard Partington (Telford & Wrekin).

1. Welcome & Apologies

Trish Haines (Chair) welcomed everyone to the meeting. Apologies were noted (as recorded above).

2. Minutes of May 2011 Board and Matters Arising (Paper 1)

The minutes were approved and there were no matters arising. Sue Banks updated the Board on the IEWM staffing situation. The restructure has been fully implemented since the last meeting; in addition two members of staff have since left (procurement and communications) and another member of staff is due to go on maternity leave in February. Arrangements are underway to fill all posts through interim/agency routes or secondments.

3. IEWM Progress Report & Financial Update (Paper 2)

Sue Banks introduced Paper 2; the accompanying slide presentation set out the key issues and decisions required:

Income Strategy & progress to date

Reasonably good progress is being made to date with £150k income firmly identified (a return from a combination of savings in excess of £4m). Other opportunities are also being pursued (c£400k).

There are some barriers to implementation which were highlighted to the Board; these include perceptions of 'profit' and some issues with the 'risk/reward' funding model.

We are responding to these issues and Sue emphasised that IEWM is seeking support from the Board to help promote the right messages in terms of its approach to income generation and sustainability, particularly at the middle management level where most of the resistance is being encountered.

Sue also proposed that IEWM will seek to recover any funding that is paid up front and where implementation does not take place in authorities within 6 months to achieve savings (e.g. eAuctions, energy audits etc.).

Cllr Middlebrough raised the point about some authorities preferring 'fixed fees' for services as opposed to a %age return model and asked if this was particularly the case for smaller authorities.

Sue confirmed that this did not appear to be the case and indeed a number of larger authorities were actually showing a preference for fixed fees.

Trish Haines suggested that the message should come through IEWM Chief Executives that IEWM is not about making profits but is a sustainable venture.

IEWM Associate Framework

Sue continued the presentation and introduced the proposed new IEWM Associate Framework. This would operate on two levels; at its simplest as a framework for local authorities to access specialist capacity (c55 Associates) at a market managed rate and also to support IEWM's new commissioning approach to delivery of support in relation to our key themes.

The £140k funding package proposed will enable access to Associates to be subsidised and/or combined with seedcorn funding for Authorities to benefit from the new IEWM offer.

WM Property Alliance Programme 2011 – 2013

Sue handed over to Martin Reeves and Keith Gordon to update the Board on the West Midlands Property Alliance programme.

Martin provided a summary of the programme to date and highlighted that progress has been steady and that there are some excellent examples across the region of innovative work. The West Midlands is taking a leading role across the country and is at the forefront of innovative thinking. With regard to the asset base, there are massive regeneration possibilities which will deliver significant ROI in addition to significant wider benefits in relation to the use of public space and facilities.

The ultimate aim for the WMPA is to have an exit plan towards the end of 2012 and to gain momentum towards sustainability within the sector.

Keith Gordon added that Martin Reeves has produced a 'Transforming Property Assets' brochure which is due to be published very soon. It showcases the work of the West Midlands region/the WMPA as a national leader on asset management with several pathfinder areas etc.

Trish Haines added that the feedback from key partners in Worcestershire suggested that they are very inspired by what is happening.

Low Carbon 'Payback' Fund

Martin Reeves provided an update regarding progress with the Low Carbon Fund. There was a particular question around the £240k set aside for capital initiatives. This funding has been massively oversubscribed (£900k) and there is a question about the potential ROI/length of time to achieve a return from the projects proposed. A steer was sought from the Board.

Martin highlighted that the IEWM Board has a responsibility to do the right thing in sustainability terms and to not necessarily focus on ROI in all cases of investment.

Keith Gordon referred to Annex D in Paper 2 which provided more detail of the Climate Change programme. The 500k element of the programme with SWM is going well and IEWM/SWM intends to showcase an event next year and will seek to embed the learning and outcomes achieved.

Keith suggested that an alternative to funding the £240k projects could be to invest in lean activities which would potentially provide a shorter term ROI.

John Polychronakis referred to the project proposals and asked for example if the Rugby bid could be pared down to £35K instead of the £300k sought.

Keith Gordon replied that yes each proposal could be considered in 'modular' form and therefore reduced funding could be awarded on this basis.

John gave his support for the £240k proposals set out in Annex D and the Board agreed the recommendations set out therein, as follows:

- **The proposals set out in Table 1 totalling £240k were approved**
- **The original budget allocation of £100k for energy audits is revised down to £40k**
- **That the remaining £60k, plus £30k originally set aside for leveraging in EU funding, be either re-allocated to other elements of the low carbon fund or re-distributed to other activities**
- **The budget of £80k be retained for implementation support - to fund a resource to assist local authorities with capacity issues and also ensure best practice recommendations are implemented.**

Slow moving projects/investments

Sue Banks continued the slide presentation and referred to the work being undertaken to review existing projects and investments and the extent to which they are performing on behalf of the region (including the latest LIF investments).

Sue highlighted that £40k will be returned to the Waste programme as a result of this review and that an element of LIF funding is being redirected into new priorities in Staffordshire and Telford. Sue also highlighted that progress with the Cov/Sol/Warks LIF programme is relatively slow, although there is a meeting with the 3 Leaders this month to agree priorities for the funding which should accelerate progress.

Nina Dawes commented that a small balance of the LIF funding in Staffordshire is being redirected to support the 'Project Patchwork' initiative in Staffordshire which makes use of Assistive Technology in Staffordshire and is an initiative which is attracting national attention.

Agreed

All recommendations from Paper 2 were agreed as follows:

- That the overall financial position is noted.
- That progress with income generating activities to date and proposals going forward are endorsed (**Section 2.4 to 2.15 and Annex A**), specifically:
 - The IEWM Board actively promotes our approach to income generation, both within their own authorities and further afield;
 - To support this, IEWM will circulate a briefing note to all Chief Executives for cascade to key staff to highlight our approach and related activities;

- The Board agrees that any ‘invest to save’ funding (e.g. for Energy audits etc.) is refunded in full to IEWM in the event of no action being taken on the part of the Local Authority within six months of completed activity;
 - That IEWM generally focuses income generating activities on shorter term payback arrangements in line with the IEWM programme timescales, or at least ensures that practical arrangements will be in place to recover monies on behalf of the sector beyond the lifetime of the IEWM programme.
- That the proposals for the new IEWM Associate Framework are approved utilising the LIA legacy funding (£35k), £95k residual Partnership programme funding and £10k transformation funding **(Annex B)**.
 - That the progress and future work programme for the West Midlands Property Alliance **(Annex C)** is noted and agreed.
 - That the issues highlighted in relation to the allocation of funding from the Low Carbon fund **(Annex D)** are debated and a steer is provided by the Board.
 - That our work to identify and follow-up Slow Moving projects **(Annex E)** is noted and that the approach of returning any un-claimed funding (due to lack of progress) to the IEWM programme for redirection is supported.
 - That the latest version of the Programme Delivery Plan **(Paper 2a)** is noted.

4. West Midlands Procurement Programme

Sue handed over to Nigel Kletz and Jonathan Jones for the procurement presentation.

Nigel broadly set out the context for the presentation. The West Midlands Strategic Procurement Board has now been established and includes representatives from across the region, including all the sub-regions. The meetings are chaired by Andy Burns.

The group has been considering where procurement support should be focused and Adults and Children’s services have been identified as priority areas supported by a collaborative approach. The group has engaged with ADASS and has also been working with the West Midlands Procurement Network to highlight opportunities. A further £50M of savings are forecast to be achieved by March 2013.

Nigel then handed over to Jonathan to talk through the presentation. This

highlighted that £73.8M of procurement savings have been achieved so far and this is 'hard cash' that local authorities have achieved.

We are looking for new areas to focus on and Board views are sought on the priorities proposed.

Jonathan handed over to Matt Bowsher who highlighted the potential areas to be explored in Adult Services. These are not being approached from a narrow procurement perspective but the work is being linked to other efficiency activities underway in ADASS to ensure a comprehensive approach.

Matt asked the Board if the strategy/areas proposed was in the right place and whether there were any areas of unmet need. Board support was sought to champion activities and promote engagement with the programme.

Kim Riley highlighted that procurement and commissioning are not the same and there was a need to ensure that commissioning is also appropriately considered and linked in to the procurement activity. Kim highlighted the need to agree a common language with greater clarity and understanding of the various strands and activities.

John Polychronakis asked whether a £50M is challenging enough based on the £4bn spend across the region.

Howard Davis suggested that the offer could be broadened to include other public services as a means of both identifying further savings and providing income generation opportunities e.g. eAuctions.

Keith Gordon supported that but stressed that IEWM needs to concentrate on our primary customers which are the 33 local authorities in the West Midlands. Keith also flagged that there are substantial savings also being achieved through Highways, Waste, Construction etc. and these are in addition to the £50m for the procurement programme.

Martin Reeves highlighted the need to move away from managing markets to 'making' them and the need to move away from output models to outcome models with procurement and commissioning activities being used strategically to transform how we operate in future.

Nigel Kletz added that Birmingham had explored the procurement and commissioning debate and had set aside the distinctions, which can put barriers in place. Commissioners at Birmingham have welcomed procurement into 'their world' and the two are working together to develop a common language and approach.

Kim Riley referred to new areas of commissioning for example with GPs and Strategic Commissioning and new joint ventures to deliver services between local authorities which should also be factored into the mix.

Trish Haines referred to the forthcoming “All Change” event and suggested that these are some of the issues and challenges which will be surfaced on the day.

Agreed

- The Board endorsed the strategy proposed.
- No areas of unmet need were identified.
- Board members agreed to support implementation in their own areas and to champion activity further afield.

Procurement Review – Stoke City Council

Keith Gordon introduced the presentation and set out the context for the review and activities underway in Stoke, which have been supported by IEWM.

Darren Pearce then went on to set out the work that has taken place to date to refocus activity. So far over £1.5m savings have been identified from the new approach with more to come. A focus on clear categories has helped to build expertise and has resulted in huge benefits for the Council.

Stoke is considering the use of eAuctions for Domiciliary care with IEWM support. Other actions include partnering with an external company to identify further savings on a no savings, no fee basis.

Keith Gordon summarised by saying that Stoke now has a clear action plan and that Stoke and IEWM are continuing to work together and have agreed a small %age return to IEWM on this basis.

The Board thanked Darren for the presentation.

5. Sector Led Improvement (Paper 3)

Trish moved the presentation on to sector led improvement and asked Howard Davis to provide an update regarding take-up of the national LGID offer within the West Midlands.

Howard highlighted that detailed discussions are taking place nationally for around 90 peer reviews and around 10 of those reviews are in the West Midlands region. All are gathering momentum and interest in peer reviews in relation to self-regulation is growing.

Polly Reed gave an update for Children’s Services perspective and said

things were moving quite quickly in the West Midlands in relation to peer reviews and peer challenges etc.

Barbara Peacock added that there is a great deal of enthusiasm being generated by Liz Railton who is the new Director of the national Children's Improvement Board.

Mark Rogers highlighted that there could be opportunities for IEWM in respect of the productivity element of the CIB work programme and in terms of support for self-regulation etc.

Mark also highlighted that the CIB needs to devolve £2.25m to the regions by 1st January and that they are seeking Accountable Bodies at the sub-national level to do this. Governance needs to be in place regarding the devolved model. The West Midlands will have its share and needs a mechanism in place on how to spend that money etc. It was suggested that IEWM could play a role here.

Matt Bowsher highlighted the work underway in Adult Services and that work was taking place to share learning and approaches across Adults and Children's services. Matt also asked Howard Davis to clarify the position regarding national funding for LGID support and whether any of this would be devolved sub-nationally.

Agreed

It was agreed that IEWM/Worcestershire CC would be put forward for consideration by WMDCS as the Accountable Body for the devolved funding from the CIB.

Presentation from Councillor Middlebrough and Fiona Narburgh – Wychavon DC & Elmbridge DC Peer Review

Cllr Middlebrough and Fiona Narburgh gave a presentation on the Wychavon DC & Elmbridge Peer Review. This was led by both authorities and not facilitated by LGID.

Elmbridge Council had approached Wychavon as they wanted to work with a similarly ambitious authority. Wychavon welcomed the opportunity and have always embraced Peer Reviews and encouraged staff to participate. Wychavon also welcomed the challenge of another high performing authority who wanted to look at their business.

Paul and Fiona talked through the approach and process. The reviews were simple and there were no key lines of enquiry etc. Teams were assembled bringing together a mix of skills with two days spent on site and feedback provided on the final day respectively.

The sessions were engaging because of the great questions that were asked. The review offered a friendly approach and an opportunity to meet like minded people and staff. Clear learning and benefit was achieved on both sides and work is now underway to implement the resultant action plan etc.

Trish Haines thanked Cllr Middlebrough and Fiona for giving a great example of the sector 'doing it for itself'.

Mark Rogers congratulated both and said how energising he found the presentation; Mark also asked how the voice of the community was authentically fed in and captured as part of the process.

Fiona referred to the work that Wychavon does with all Worcestershire authorities on regular satisfaction surveys etc. All of this was fed in; there was also an open session as part of the review but this was not well attended by the community.

Fiona said that this would be one area that she would want to improve upon in future but other sources of information had helped to ensure citizens views were adequately accounted for.

6. Transformation Offer

Kim Riley gave a brief update to the Board on the progress of the Transformation programme.

The "All Change" Marketplace and Think Tank event will take place on the 9th December at Warwick Business School where over 200 delegates are expected to attend, predominantly Chief Executives and Council Leaders. There will be a series of informative workshops throughout the day for sharing thoughts and ideas.

A Transformation Network meeting is scheduled for 12th November for practitioners from across the West Midlands to come together and share best practice.

Work is currently underway to update the Transformation website.

The IEWM Vanguard Academy has now been set up and work is currently underway to set up the first forum in December.

Work is continuing to establish a Time Bank model to share transformation skills across authorities.

7. Verbal Updates

District Council Network

Steve Winterflood gave a brief update to Board regarding the new DC network. The meetings have been very well received by all the Districts involved and everyone recognised the value in coming together.

The Network has identified 3 issues to work on in the short term; Universal Credits, Business Rates and Planning. Meetings had taken place on the first two of these which had resulted in both practical actions and had also supported DC lobbying activities. A third session is due to take place on Planning on 4th November.

The Network will then decide where else they wish to focus in future.

Trish Haines added that the Worcestershire Districts had found the Network and meetings very valuable.

Waste Alliance

Nina gave a brief update on the Waste Alliance Programme and reported good progress. Nina highlighted that the Alliance is focusing on fewer, bigger picture projects such as collection and that cluster working was being supported and encouraged where practical.

8. Communications & Events

Sue Banks highlighted the Local & Community Intelligence compendium which showcases the key outcomes from the LACI programme and is recommended as a useful resource. Sue also highlighted the small amount of legacy funding which had been made available to the Local Area & Research Association which will help support sustainability of the agenda in the West Midlands.

9. Any Other Business

None discussed.

10. Dates of Future Meetings

- 21st February 2012 – 2pm to 4pm
- 21st June 2012 – 2pm to 4pm
- 15th October 2012 – 2pm to 4pm