

AGENDA

IEWM Board Away Session - 23rd July 2009

‘Responding to the New Economic and Financial Realities’

**10 am – 2 pm Austin Court, Birmingham
(Refreshments available from 9.30am)**

Objectives for the day:

- To develop a shared perspective on and understanding of the emerging financial and political issues facing public services in the region.
- To develop a shared perspective on the types of action, particularly collaborative action, open to authorities and partnerships to respond to the new economic and financial realities.
- To consider the implications of the changing situation for the IEWM programme and how IEWM can best support authorities.
- To identify specific IEWM priorities and actions for the next six and twelve months.

09.30 Refreshments

10.00 Welcome and Introductions

10.10 Session 1 - Setting the Scene - The Shape of the Future

- **Government Economic and Financial Perspective**

- Helen Bailey, HMT

- **Round Table Discussions (10.30)**

- Just how severe do we think the financial pressures and impact on staffing are going to be for local government over the next 3-5 years?

- What will local authorities and partnerships need to do to survive these challenges effectively?

- **Plenary (10.55)**

Improvement & Efficiency West Midlands (IEWM)

**Feedback from the IEWM Board
Away Session – 23rd July 2009**

**‘Responding to the New Economic
and Financial Realities’**

Session 1: Setting the Scene - The Shape of the Future

Questions Considered:

1. How bad is the financial squeeze going to get and do we have the Political and Managerial skills in place to lead the region towards economic recovery?
2. Are councils and partnerships acting sufficiently fast in responding to the financial outlook?
3. What will local authorities and partnerships have to do to survive the financial outlook and continue to improve service delivery?

Summary of Feedback

Question 1

- Unprecedented negative growth – local authorities are planning cuts ranging from 10% to 20% over the next three years;
- District Councils will be particularly hard hit – combination of flat cash/no growth and reduced income from services and investments;
- Concern that Treasury projections may be too optimistic compared to other thinking (Institute of Fiscal Studies etc.)?
- Ring-fencing of Education and Health plus other big spending areas (Defence?) will place significant emphasis on finding savings from other services;
- Big savings alongside substantial improvements in big spend areas are possible – the financial climate is an opportunity to focus our minds – need to accelerate focus on long term sustainable change and transformation;
- Recognition that current leaders (political and managerial) may lack experience of managing through a downturn.

Question 2

- Concern that some authorities in the region are not adequately prepared and are being reactive rather than proactive in developing new solutions;
- Not all sectors are fully engaged or set up to participate – locally and nationally – Schools, NHS and Foundation Trusts are examples of this;
- We need to take control at the local level and challenge central government to remove barriers which inhibit progress (funding streams; structures; regulations and cultures (ref: Education, Health, DWP etc.));
- Local government should push from the front - tell government what the rules are – Total Place offers opportunity for dialogue and progress.

Question 3

- Partnership working and collaboration are generally acknowledged as the route to future efficiencies – this requires an open dialogue - we must be wary of ‘retrenchment’ and ‘fiefdoms’ when having to make tough financial choices;
- Need to build trust/relationships/commitment with partners and the 3rd sector
 - less focus on institutions – more emphasis on locality and customers;
- Broader engagement with big government departments and spending areas – NHS in particular – need to avoid ‘cost shunting’ as a result of organisations working in isolation;
- Safeguarding issues have potentially meant a lack of appetite to challenge Children’s services – leading to a lack of effective procurement and commissioning activities;
- Some streamlining/reshaping/re-prioritising already taking place but we need to significantly accelerate the pace and remain focused on the big wins;
- Widespread recognition of the need for long term transformation of public services as opposed to short term cuts. Alongside this – a need to focus on back office/corporate efficiencies and wider collaboration;
- Must not lose sight of the customer being central – need to focus on improved outcomes - don’t want to hark back to the days of CCT;
- Need to develop and strengthen skills - Strategic Commissioning; Risk Management; Change Management and general business acumen – what can we learn from the private sector – no slash and burn philosophy;
- The Fire Service has changed substantially in recent years – we need to bring partners to the table and identify more opportunities along these lines – also need to strengthen dialogue with government around good ideas and opportunities;
- Total Place offers significant opportunities and is likely to be the future delivery model regardless of any change in Central Government – need to understand service delivery ‘bottom up’ and identify duplication - but efficiency should not be the only driver;
- The next 12 months are crucial in developing future opportunities and strategies - but this is a marathon not a sprint...

Session 2: What should local authorities and partnerships be doing and how can the RIEP best contribute?

1. What are the **key opportunities** authorities and partnerships should be pursuing to achieve efficiency (either savings, improvement, or both).
2. How can the RIEP best support authorities and partnerships to respond to the changing context most effectively?

Summary of Feedback

Question 1

- Develop a shared understanding of the challenges and opportunities between regional/sub-regional leaders – with a commitment to act and collaborate;
- Linked to the above, enhance and support political and managerial leadership through increased ‘challenge’ to get more involved – adopt a peer challenge approach;
- Encourage more responsiveness from partners at a regional and national level;
- Focus on long-term transformation and ‘big bucks opportunities’ – accelerate the pace of change and get buy-in from key players at cross-sector/regional level;
- Identify scalable solutions and lobby regionally and nationally to secure take-up as well as promoting the West Midlands to Whitehall;
- Be more prepared to take a risk and be innovative – “more of the same will deliver more of the same”;
- Better use of Customer Insight and a collective view of the customer across the locality/partnership setting;
- Use existing services differently (e.g. licensing) and look for more opportunities to join up (e.g. regulatory services);
- More creative structures and staffing solutions during the recession – learning from the private sector – retain skills and avoid need for redundancy – 4 day weeks; sabbaticals, talent exchange and skills shortage projects etc.

Question 2

- No fundamental change to the IEWM offer but we need to rationalise our activities, accelerate the pace of change and stay focused on the big wins;
- 'Up' the level of our engagement with senior decision makers – Leaders, CEX and 'movers and shakers' - convince Leaders and CEX that they cannot afford to not be involved and build a 'coalition of the willing';
- Support risk taking and innovation where possible and feedback to CLG and other government departments issues that are inhibiting progress;
- Better targeted communications - shift emphasis on communications from 'formal and passive' to 'fluid and aggressive';
- Demonstrate tangibly how IEWM adds value - practical examples of what can be achieved – not theory – top 10 things your Council should be doing etc;
- Broaden IEWM engagement to a Locality/partnership focus – ensure we are not solely focused upon LAs;
- Integrate workstream support from the customer perspective and focus on practical improvement activities - join up activity and resources and focus support where most required;
- Strengthen the Relationship Management approach to reduce bureaucracy and enable authorities to access IEWM support in a speedier manner;
- Facilitate and promote the sector led approach through development of peer to peer challenge and support models;
- Emerging new products:
 - Enhanced support for shared services and collaboration – 'dating agency'
 - Total Place Support Package

Session 3: Sharpening IEWM Priorities and Agreeing Key Actions

Question Considered:

What are the key issues for the Sector; the IEWM Board and the RIEP and what do we need to do differently over the next 18 months?

Summary of Feedback

General Messages

- Focus on **Transformation** to unlock potential:
 - Customer focus
 - Accelerate and sustain pace of change
 - Skills to manage cultural change combined with business acumen/change management/risk management etc.
 - Knowledge of what works - practical approach – not theory
- **Challenge** the sector to take responsibility and lead improvement activity:
 - Sense of urgency
 - Mature dialogue at cross-sector/regional level
 - Shared understanding – leading to better deployment of resources
 - Gearing up the region – role of peer/efficiency challenge
 - Lobbying both regionally and nationally (Health, DWP etc.)
 - Community engagement – beyond ‘sector specific activity’
- Strengthen **engagement** strategy and **communications** activities:
 - Particularly strengthen engagement with Leaders
 - Use strength of CEX to CEX networks and relationships
 - Clearer role for the IEWM Board and Champions
 - More “aggressive” communications style
- **Integrate** packages of support:
 - Breaking down workstream approach
 - Joined-up packages of support focussed on the locality
 - Strengthen Relationship Management approach
 - New offers – Total Place; Shared Services
- **Rationalise** work programmes and **simplify** access to support:
 - Focus on ‘big wins’
 - Tailored packages which recognise different needs (2 tier areas)
 - Integrated products e.g. Total Place offer
 - Passport monies to localities quickly

Session 4: Core IEWM Business

Updated Financial Position and Projects for Sign Off

Andy Hancox provided an overview of Paper 1 and Paper 1a (the IEWM Delivery Plan) and highlighted that CLG have indicated that Year 2 funds will be paid over shortly; however 20% of these funds will be paid as capital instead of revenue – we are reviewing the impact that this will have on the programme.

Inevitably some grants will now be paid as capital rather than revenue - provided they meet the criteria for capital expenditure - authorities will need to satisfy themselves that all related capital expenditure is in line with their own financial regulations.

In addition, we are expecting an additional c£2m capital from the CLG Capital & Efficiency Fund in October/November – further details will be brought to the Board in October.

Agreed

All recommendations were agreed, namely:

1. That the overall financial position is noted.
2. That (delegated) approval is given for the following major projects:
 - Sandwell Service Review Programme (delegated) £175,000
 - Regional Talent Exchange £136,737
(delegated subject to gateway review) £262,889
3. That approval for the Stoke programme as outlined is delegated to the Director to finalise.
4. That the final close down of CSR04 funds is noted and proposals for using the remaining balance are approved.
5. That the Board notes the progress being made with regards to the implementation of the overall IEWM programme and that any views are highlighted.
6. That the latest version of the accompanying Delivery Plan Summary (Paper 1a) is noted.

No Other Business was discussed.

- 11.10 Refreshments**
- 11.20 Session 2 - What should local authorities and partnerships be doing and how can the RIEP best contribute?**
- **Setting the Scene**
 - Key messages from Session 1 – John Tizard, Centre for Public Sector Partnerships, Birmingham University
 - **Round Table Discussions – Five Themes (11.30)**
 - How does the region accelerate its preparedness for the new financial realities?
 - What are the big things we need to focus on and what should IEWM be doing to support these?
 - How do we build a stronger commitment to collaborative activity?
 - **Plenary (12.10)**
- 12.30 Lunch**
- 13.00 Session 3 - Sharpening IEWM Priorities and Agreeing Key Actions**
- **Synthesis of Discussions in one Group:**
 - What are the really big opportunities for the region?
 - What does IEWM need to take from the session and action/do differently?
- 13.40 Urgent IEWM Business**
- Financial Update and Programme Decisions (Paper 1)
- 2.0 Close**

Session 1: The Shape of the Future 10.10 – 11.10

Approach

- Overview by Helen Bailey - HMT
- 25 minute round table discussions
- 15 minute plenary

Key Questions for Discussion (Discussions in 5 Roundtables)

1. How bad is the financial squeeze going to get? What assumptions are we planning for in our authorities? How significantly would a change of government affect the position and in what ways?
2. Are councils and partnerships acting sufficiently fast in responding to the financial outlook?
3. What will local authorities and partnerships have to do to survive the financial outlook and continue to improve service delivery?

Session 2: What should local authorities and partnerships be doing and how can the RIEP best contribute?

Approach

- 10 minute Overview – John Tizard
- 40 minute round table discussions
- 20 minute plenary

5 Round Table Groups

- a. Procurement and Efficiency
- b. Transformation/Process Improvement/Shared Services
- c. Partnership/Strategic Commissioning
- d. People/Leadership/Organisation
- e. Adults and Children's Services

Key Questions for Discussion

1. What are the key opportunities for authorities and partnerships to achieve efficiency – either savings; improvements; or both?
 - Within and between authorities?
 - Across Public Services (Total Place)?
2. What are the key challenges and barriers to achieving rapid progress, innovation and collaborative action and how might we overcome them?
3. What are the new delivery arrangements and structures that financial restraint is likely to move us towards?
 - Within and between authorities (e.g. shared services, shared functions, shared CX etc.)?
 - Across Public Services (Total Place – e.g. shared functions and resources between agencies – health/local government etc)?
4. What does the RIEP need to do differently to support authorities and partnerships most effectively in terms of:
 - Investment focus?
 - Skills development and Capacity Building?
 - Tools and support provision?
 - Knowledge Management?

(Please answer the questions generally but also from the perspective of your thematic group)

Session 3: Key	Sharpening IEWM Priorities and Agreeing Actions (13.00 – 13.40)
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Approach

- Collective session
- Chaired by Paul Sheehan/ supported by small Panel
- Needs to achieve clear outcomes/deliverables

Key Areas to Reach Agreement On:

1. From the earlier discussions, what are the big opportunities for local authorities and partnerships to deliver improved efficiency?
2. What does this mean for IEWM support? For example:
 - Do we need to create a stronger efficiency diagnostic/accelerate a strong culture of 'cost control' (efficiency peer challenge model for example) and further integrate our efficiency support?
 - Do we need to create a regional Total Place support package for all authorities in the region?
 - Do we need to focus on strategic commissioning and decommissioning skills?
 - Do we need to develop a better information base around shared functions and services – case studies, toolkits etc?
 - What are the changing pressures on people and leadership support given the recession and financial outlook?
3. What do we need to do to?
 - Strengthen the commitment and buy-in to sector led improvement within the region?
 - Sustain the capacity to drive sector led improvement in the region – given uncertainty about longer term RIEP funding?
4. What are the most pressing priorities/actions from today's session for IEWM?

Session 4: Core IEWM Business (13.40 – 14.00)

Approach

- Will be kept brief
- Focus on essential decisions only

1. **Updated Financial Position and Projects for Sign Off** - Paper 1

2. **Delivery Plan Update** - for information (Paper 1a)

3. **Communication Issues** – if any (oral)

Proposed Round Table Groups (provisional)

a. Procurement and Efficiency

- Paul Sheehan
- Nina Dawes
- Laura Rowley
- John Tizard
- Keith Gordon
- Sue Banks

b. Transformation/Process Improvement/Shared Services

- Paul Lankester
- Kevin Hubery
- Chris Harman
- Ged Bowles
- Tony Ashfield

c. Partnership/Strategic Commissioning

- Trish Haines
- Annie Faulder
- Cllr Ken Meeson
- Shane Bryans
- Andy Hancox
- David Galliers

d. People/Leadership/Organisation

- Bev Messinger
- Kevin Dicks
- Cllr Paul Middleborough
- Howard Davies
- Phil Jones
- Rebecca Davis

e. Adults and Children's Services

- Linda Sanders
- Rashmi Shukla
- Anne Brereton
- Olwen Dutton
- Andrew Worrall
- Polly Garnett
- Matt Bowsher (from 1pm)