



## WEST MIDLANDS IMPROVEMENT AND EFFICIENCY PARTNERSHIP

### NOTES OF BOARD MEETING – 26th January 2011 Held at the Partnership Centre, Birmingham

#### Attendees:

Trish Haines (Chair); Nina Dawes (Vice Chair); Cllr Ken Meeson (Solihull); John Polychronakis (Dudley); John van de Laarschot (Stoke); Kevin Dicks (Bromsgrove & Redditch); Steve Winterflood (South Staffs); Paul Lankester (Stratford-upon-Avon); Howard Davis (LGID); Katie Trout (Birmingham); Eddie Clarke (Dudley); Denise Porter (NHS/SHAWM); Colin Williams (WMC).

IEWM - Sue Banks; Ged Bowles; Matt Bowsher; Polly Reed; Sonia Thomson (minutes)

**Apologies:** Chris Bull (Herefordshire); Dr Rashmi Shukla (NHS/SHAWM); Michael Hyatt (Shropshire); Phil Jones (Audit Commission); Shane Bryans (GOWM); Victor Brownlees (Telford & Wrekin); Bev Messinger (Coventry); Andrea Pope-Smith (Dudley); Sharon Menghini (Stoke); Mark Rogers (Solihull); Glyn Evans (Birmingham); Mike Barnes (RAWM); Vij Randeniya (WMFS); Andy Hancox (IEWM).

#### 1. Welcome, Apologies and Minutes of the Last Meeting (Paper 1).

Trish Haines (Chair) welcomed everyone to the meeting. Apologies were noted (as recorded above). Trish explained that Andy Hancox was unable to attend the meeting as he was recovering from a minor operation.

There were no matters arising from the minutes of last meeting.

#### 2. IEWM Sustainability Strategy (Paper 2)

Trish Haines opened the discussion by saying it was important to focus on the specific proposals being put forward within the paper, as the principle of extending a programme of sub-national support had already been agreed at the previous Board meeting last October.

Sue Banks set out the core principles of the proposed future model; the areas of focus for future activity and the anticipated high level outcomes. Trish paused the presentation at this point and invited comments.

John Polychronakis (Dudley) referred to the focus on future activity and reflected on the very positive experience in the Black Country re: Shared Services collaboration. He asked whether Shared Services should be a specific focus. Sue Banks explained that 'shared services' was a cross-cutting element within each of the themes and that this also featured strongly within the Transformation theme.

Paul Lankester (Stratford) said he felt the list of activities and outcomes highlighted in Annex 1 seemed ambitious and that some prioritisation on the really key issues/outcomes would be beneficial.

Eddie Clarke (Dudley) confirmed that ADASS is strongly supportive of the programme recognised by their financial contribution for 2011/12. There is a good track record of progress at the regional level which they wish to take forward in addition to exploiting new opportunities.

Nina Dawes (Lichfield) feedback on the District Council event held on 25th January 2011 which was very successful and welcomed the proposed support for a District Council Network in the new model.

Kevin Dicks (Bromsgrove) agreed that the event was a great success and supported Nina in wanting to establish a regular dialogue across Districts going forward with support and capacity from IEWM.

Steve Winterflood (S Staffs) said that if the network could accommodate the needs of his authority, then they would be happy to give their support.

Nina Dawes added that capacity was a real test for Districts in terms of realising savings.

Howard Davis (LGID) commented on the ongoing work nationally to develop risk factors and highlighted that there may be some national funding available for Adults and Children's Services for authorities in difficulty.

Kevin Dicks (Bromsgrove) asked about Member development and engagement and wondered whether this needed to be a more explicit focus within the Programme.

Colin Williams (WMC) agreed that it was an important focus but highlighted that we do not have specific resources set aside.

Cllr Meeson (Solihull) suggested that authorities could collaborate more on Member Development to maximise attendance and reduce duplication etc.

It was agreed that Member engagement across the workstreams would be made more explicit within the key focuses for the programme. It was also acknowledged that the proposals for stronger sector ownership would encourage more Member engagement at all levels.

Sue continued the presentation highlighting the proposed Delivery and Financial models including the proposed approach to Income Generation and paused again for comments and questions.

Paul Lankester fully endorsed the proposed approach to income generation and highlighted that he had been calling for this for some time. He also asked about the potential liabilities for Worcestershire and whether these were adequately covered, particularly in respect of pensions for staff approaching 55.

Colin Williams stated that the current contingency set aside should be adequate as it is based upon people's service/age as at March 2013. It was also likely that the wider issue around pension liabilities would be addressed upon the wind up of West Midlands Councils in line with the approach being put forward to authorities.

John Polychronakis asked if the £2.8M was net of overheads. Sue referred the Board to Annex 2 which gave a financial breakdown of the residual funding and showed the proposed breakdown between overheads and project funding (net of any income).

Steve Winterflood strongly supported the proposals and said that the assumptions seemed very prudent. He asked for clarification on the employee contract end dates.

Sue confirmed that the existing core staff of 12 would transfer to Worcestershire CC on 1<sup>st</sup> April 2011. There would then be some slimming-down of core staff from June to circa 6-10 employees by September 2011.

Katie Trout (Birmingham) welcomed the decision to keep the Relationship Manager role in the future and emphasised the need to retain mechanisms for sharing/communicating learning and knowledge as a key strength of the programme.

Cllr Meeson supported a 'payment by results' approach and also highlighted that a recent meeting with David Parsons (Chair of the LG Improvement Board) had been positive and recognised the importance of sub-national arrangements.

Sue continued with the presentation and talked about Sector Ownership, Transformation and Governance and Identity. Sue handed over to Ged Bowles to talk about the transformation model.

Ged set out the current arrangements for IEWM Transformation support and highlighted some of the successes to date. The challenge now was to re-position the offer to both build upon the successful operational activities and to strengthen support for authorities to transform at the 'strategic' level – i.e. enabling a move to 'small state' local government in future.

There has been interest from the sector in directly hosting this aspect of the programme and some discussions have taken place as to how this might work in practice, particularly with Kevin Dicks.

This work is still underway and it is proposed that a small steering group is established to oversee this comprising Andy Hancox, Ged Bowles, Kevin Dicks, John van de Laarshot and someone with an external perspective.

Trish paused the presentation at this point and asked the Board to consider the question of how we shape the Transformation offer going forward.

Howard Davis (LGID) felt that there is a viable model for transformation but asked about the impact on the residual programme if the team were to be hosted elsewhere.

Ged replied that it was anticipated that the legacy funding set out would provide a strong basis for the team to be self-sustaining by March 2013 and there would be no negative effect on the wider IEWM programme.

Colin Williams suggested that the hands on aspect (e.g. lean systems) could be hosted by an authority but that he felt the 'strategic' aspect should remain as part of the wider IEWM programme.

John van de Laarschot agreed that the two do not necessarily line up. He made reference to the very successful work in Stoke adopting the Lean Systems method and expressed that the value of the approach is about using what other local authorities have experienced and not reinventing the wheel. Stoke now has a team of in-house practitioners and he believes there is scope to build on this to develop further capacity and expertise within the sector, rather than paying for expensive external support.

Kevin Dicks said that Bromsgrove were very interested in hosting the Transformation team and that their activities should not be constrained to Local Government. The capacity in the transformation team should grow within the region through an 'academy' approach with accredited practitioners.

Nina Dawes felt that we should not be signing up to anything that is too product focussed – we need to recognise there are a mix of successful approaches to transformation which will meet different organisational needs and we need to have practitioners who have a breadth of expertise, knowledge and skills but not necessarily in one technique

Katie Trout agreed and said that if Glyn were present at the meeting he would be promoting the Champs2 model. Katie proposed Glyn as a member of the review group which is to be established.

Paul Lankester also agreed that there were a number of different

approaches and that he did not want to endorse the Academy model just yet – his preference was for the review group to develop a range of proposals for consideration.

Trish agreed the need to get the working group up and running first before making any firm decisions and asked that any nominations were made to Ged.

John van de Laarschot stated that he did not have time to explore a number of different theories; the lean approach (Vanguard) is proven and he is happy to support an Academy approach to developing these skills in the region but he cannot give his time to a review that is very broad in scope.

Trish summed up and stated that a brief/membership of the working group would be agreed shortly with a view to them making recommendations for the future Transformation offer by the end of March.

Sue continued with the presentation and talked about the Governance proposals. Trish asked for the Board's comments.

Cllr Meeson (Solihull) asked whether senior leads for themes needed to be Chief Executives as there could be others who were better placed to take this role.

Sue agreed the leads could come from different levels but it was vital that they could ensure focus and accountability.

Eddie Clarke stated that he did not feel a lead Chief Executive was necessary for the Adults programme as they had the JIP in place and the Children's programme had similar arrangements in place.

Steve Winterflood asked why there was a need to reduce the numbers on the Board as there was no evidence that the Board did not work effectively at present.

Trish replied that geographically the proposals would ensure better representation but willing volunteers would be welcomed.

Howard Davis said he felt it was important the IEWM brand was retained and that new logos etc. were not developed as would lead to confusion.

Trish fed in that she had received two emails from authorities arising from the recent consultation with RCEG giving their support for the proposed model.

## **Agreed**

All recommendations were agreed by the Board as follows:

- A sustainability model from September 2011 to March 2013 was agreed;
- The focuses for future activity were agreed; to include an emphasis on Member engagement and awareness across all themes;
- That up to £2.5m residual funding is allocated to the model;
- That the prime focus is on outcomes not income generation – but with an expectation of achieving £0.5m by March 2013;
- The key outcomes were endorsed including a further £100m efficiencies supported by March 2013;
- The move to increasing sector ownership was endorsed;
- A flexible and open approach to exploring new models was endorsed;
- A steering group will be established to agree a clear position on the handling and location of Transformation support by end March 2011;
- The staffing model was agreed and future detailed decisions on this were delegated to the IEWM Chair;
- The governance principles outlined were endorsed and these will now be developed into more detailed proposals for consideration.

### **3. Sector Led Improvement (Paper 3 and 3a).**

Sue referred to Paper 3 which was a discussion note and had formed the basis of a meeting with Rob Whiteman, LGID which took place on 13<sup>th</sup> January 2011.

The note updated Board members on proposals that had previously been discussed to establish a clear link with LGID on improvement matters and to seek a small amount of funding to support the sub-national improvement model in the West Midlands.

Sue then invited Nina Dawes to give some feedback from the District Council Event on 25 January 2011 at which Rob Whiteman had given the keynote speech and had referred to some of these issues.

Nina Dawes fed back some of Rob's key points in relation to the future improvement framework; namely that this would be far less prescriptive than before with a move away from a performance management and regulatory framework. LGID is currently leading work to establish what a self-regulation model will look like and the Knowledge Hub and Peer Review will be key components of this along with the identification of key risk factors etc.

Howard Davis highlighted the reduction in the LGG top-slice and the reduction in LGG staffing from some 550 to 270. He emphasised the need for a new set of relationships and the importance of collaboration and mutual support across the sector. He also confirmed that the LGID Regional Associate role would continue and that this would need to link effectively to the sub-national model.

Howard also referred to the LIA proposal in paper 3a as an example of how we could strengthen improvement support to the sector going forward.

Cllr Meeson supported the proposals and emphasised that it is vital we get the buy-in of elected members, especially in terms of the peer review model. It was also vital to persuade elected members to be open and to seek help and support from the sector.

### **Agreed**

It was agreed that a formal arrangement for collaborative working between LGID nationally and IEWM sub-nationally should be sought.

It was also agreed that a small contribution from LGID would be sought to support sub-national improvement work in the West Midlands.

Paper 3a was not discussed in detail but work will continue with LGID and others to explore options for a more broadly based sector support framework, utilising the legacy of the Local Improvement Advisor Programme.

## **4. Budget Update/Projects for Approval (Papers 4, 4a and 4b).**

Sue presented papers 4 (the financial overview) and 4b (the programme delivery plan) and gave a summary of the overall financial position, which included programme budgets, commitments and spend to date plus confirmation of the estimated residual resources (c£2.8M) that are available to support the proposed IEWM model until March 2013.

Sue referred to page 4 and sought the Board's approval for moving £200K funding from the Construction programme to Procurement recognising changing priorities in those areas.

Sue stressed that the £2.8m funding was an estimate and that this position would be regularly reviewed and any major changes highlighted to the Board.

Sue gave an overview of the LIF programme and highlighted 3 areas where funding has not been agreed/drawn down to date. Sue also highlighted ongoing work to review projects where spend/progress was slow and stated that the intention in future would be to 'claw back' funding where progress was not being made/delivered as agreed.

Trish asked the Board for comments.

Paul Lankester supported the proposed approach to ensuring progress on projects was achieved and asked if funding that is not being drawn-down was at risk of being lost to the region.

Sue confirmed that any funding clawed back would come back into the core programme and would not be lost. Future financial reports will include a summary where claw back may be recommended.

Colin Williams added that the LIF projects in particular need to be accelerated as substantial sums of money were committed to these.

### **Agreed**

All recommendations were agreed as follows:

- The overall financial position was noted;
- The Board noted the progress being made with regards to the continued implementation of the overall IEWM programme;
- The proposal to move £200K funding from the Construction programme to Procurement was endorsed;
- The latest version of the Delivery Plan Summary was noted;
- The list of approvals made under delegated authority since the last Board meeting was noted.

### **Climate Change – Low Carbon Economy Programme (Paper 4a)**

Sue went on to present paper 4a which set out options for the commitment of resources for the Climate Change Low Carbon Economy Programme.

Sue referred to the emerging position set out in sections 5 and 6 and set out the three options for committing resources stated in section 9. Within this Sue highlighted that IEWM and SWM had differing preferences regarding the proposed commitments but that all options would release residual resources towards establishing a payback fund if agreed.

Sue asked the Board to consider the options and handed over to John Polychronakis who Chair's the Climate Change Steering Group for any comments.

John Polychronakis stated he was surprised that the £950K funding had not been cut by the Government; however this was an important agenda for local authorities and many needed support with implementation.

The role of the Steering Group, which John Chairs, is to oversee and guide the programme which SWM has developed, ensuring sector input and ownership.

Recognising the importance of the agenda, John's preferred option would be Option 1 as set out in the paper; however John recognised that there were other pressures on funding that the Board needed to consider. Trish then invited wider comments from the Board.

Cllr Meeson stated that LEPs have got a key role to play in carbon reduction initiatives, especially in terms of linking with the business community.

Nina Dawes referred to paragraph 6 and the first bullet point which proposed committing £133K for the development of carbon management plans for up to 12 authorities; this roughly equates to £10K each for plan writing activities. Nina's preference would be for the money to be targeted on practical efficiency projects that deliver results and bottom line efficiency savings for local authorities as opposed to paying money to consultants to write plans, which many authorities have.

The key issue is not the lack of plans but more a question of capacity - the ability to deliver plans – rather than develop them. Nina felt that investment in something like Energy Audits could be a better use of the resources and would produce tangible results.

Trish fed back similar comments from practitioners in Worcestershire CC who felt that the proposal was 'woolly' and doesn't identify practical low carbon initiatives that will produce efficiencies for authorities. Trish would also like to see a focus on the business community but again with an emphasis on practical action to realise efficiencies.

Paul Lankester agreed with the comments and said he would also welcome a focus on community/third sector initiatives recognising that local authorities had a key role to play in enabling such activities through community based products.

Colin Williams suggested there might be a compromise perhaps between Options B and C; i.e. award £500k in total to SWM but ask for sharper proposals to be developed, taking account of the above comments – which would then leave £450k to be established as a carbon reduction payback fund which both IEWM and SWM could submit proposals to.

John Polychronakis emphasised that £500K would not go very far across the region so we would need to be realistic about expectations.

## **Agreed**

It was agreed that £500K in total would be earmarked for the SWM proposal (including funds already allocated) – and that this would need to come back for sign off by the Chair/Vice Chair based on a strong practical model which is more outcome focussed.

It was also agreed that the remaining £450k would be used to establish a 'Climate Change Efficiency Fund' that all energy and cost reduction proposals could bid into on a payback basis. This approach will enable strong SWM proposals, if not funded in the above programme, to proceed if strong enough. It will also provide the opportunity to potentially support strong proposals emerging through other IEWM programmes.

It was agreed that this fund will be administered by a small virtual sub-group of IEWM Board members and representatives from the Climate Change Steering Group.

The scope of the payback fund and membership of the virtual sub-group will be agreed following the Board meeting.

## **5. Communications and Events**

Sue highlighted 5 upcoming events that IEWM are supporting and asked the Board to register their interest via email/the web site.

## **6. Any other Business**

None discussed.

## **7. Dates of Future Meetings for 2011**

To be confirmed in line with the new governance proposals which are to be consulted upon.

**\*\*\*Post meeting note – the next meeting scheduled for 28<sup>th</sup> April is to be cancelled as 25<sup>th</sup> April and 29<sup>th</sup> April are Bank Holidays and many people will be on leave.**