

## WEST MIDLANDS IMPROVEMENT AND EFFICIENCY PARTNERSHIP

### NOTES OF IEWM BOARD MEETING – 28<sup>th</sup> October 2010 Held at Regional Partnership Centre, Birmingham

#### Attendees:

Trish Haines (Chair); Nina Dawes (Vice Chair); Cllr Ken Meeson (Solihull); Celia Bahrami (Shropshire); Steve Winterflood (South Staffs); John Sutton (Sandwell); Tony Geeson (Herefordshire); Kevin Dicks (Bromsgrove & Redditch); Victor Brownlees (Telford & Wrekin); Glyn Evans (Birmingham); Sharon Menghini (WM DCS); Martin Clarke (WMFS); Phil Jones (Audit Commission); Paul Clarke (LGID); Dr Rashmi Shukla (NHS/SHAWM); Mike Barnes (RAWM); Eddie Clarke (WM DASS).

IEWM - Andy Hancox (Director); Sue Banks; Keith Gordon; Polly Reed; Rebecca Davis; Sonia Thomson (minutes).

#### Apologies:

Paul Lankester (Stratford); Mark Rogers (Solihull); Shane Bryans (GOWM); Chris Bull (Herefordshire); Michael Hyatt (Shropshire); Vij Randeniya (WMFS); Mark Pearce (AWM); Andrea Pope-Smith (WM DASS); Jan Brittan (Sandwell); Bev Messinger (Coventry); Howard Davies (LGID); John van de Laarschot (Stoke).

#### 1. Minutes and Apologies

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

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

#### 2a. CSR10/Local Government Improvement

Andy Hancox opened the discussion and suggested there were four key issues to consider arising from the CSR10 announcements:

- Were the announcements better or worse than anticipated?
- Were there any hidden threats (e.g. benefit payments; BSF; Adult Services)?
- What are the opportunities e.g. Community Based Budgets?

- What does this mean for sector led improvement and efficiency e.g. pressing need for ongoing collaboration and efficiency savings etc.

Cllr Meeson commented that he had attended meetings where various Cabinet members were present recently, including Eric Pickles, Andrew Lansley and Michael Gove and that there seemed to be a lot of reliance upon the removal of the ring-fencing to enable greater flexibility at the local level.

Trish Haines added that although we had the CSR10 announcement and headline figures we have not yet had the Local Government Settlement (expected January 2011) and therefore there were still no firm answers on some issues.

## **2b. Local Government Sector Led Improvement**

The Local Government Group has recently issued a consultation document about the future principles and framework of sector led improvement.

Sue Banks tabled a draft response on behalf of the IEWM Board. The key questions were considered and comments made as follows:

Glyn Evans commented that Peer Review might not help to build trust with the public; it could be perceived by the public as a lack of transparency. Any framework will need to encourage councils to be more transparent overall – not just about performance.

Steve Winterflood commented that he did not feel that Peer Review would detract from the process – it was not about who does it but how we do it.

Mike Barnes commented that there could be a risk of ‘you scratch my back’ etc. and that the peer approach could be extended to include the voluntary sector to introduce an independent role.

Martin Clarke commented that the Fire Service had a very positive experience of Peer Review but he was concerned as to how Ministers would get the assurance they need that services are ‘good to go’.

Paul Clarke commented that the framework could be scalable to localities but that it needed to focus upon the Council – e.g. the Warwickshire peer review had focused on the entire Partnership.

In terms of developing an ‘early warning system’, the following comments were made:

Steve Winterflood felt that adverse media coverage was not

necessarily a risk factor as usually the press were not favourable towards local councils.

Dr Rashmi Shukla highlighted 'the strength of relationships with partners' as being a key factor for consideration.

Tony Geeson reflected that 'disagreement amongst political groups' isn't necessarily a bad thing. Some element of disagreement could be constructive and healthy.

Cllr Meeson commented that staff morale/turnover etc. would be key indicators in terms of an early warning system.

Trish Haines summed up and the Board agreed that all the comments would be worked up into a response to the Local Government Group.

## **2c. Feedback from the IEP Lead Member Meeting**

Cllr Meeson was invited to give feedback on the recent National IEP Lead Members Group Forum.

Cllr Meeson fed back that it was generally a very positive meeting. Bob Neill MP (Under Secretary of State for Communities) was in attendance and all regions illustrated various achievements and savings to date. The West Midlands focused on Asset Management.

The Minister was impressed with the progress made and urged the IEPs to keep up the good work; however it was acknowledged that there would be no further mainstream central government funding from the CSR10 settlement to support this.

Andy Hancox added that it was a good meeting that reflected well on our collective achievements and that there was a strong sense of pride amongst the various IEPs and their members.

Cllr Meeson reflected that generally most members wanted some model of improvement and efficiency support to continue within the various regions and the challenge now was to find sustainable ways of achieving this for the most successful areas.

## **3. IEWM Programme Stocktake and Future Options (Paper 2)**

Andy Hancox referred to Paper 2 and said it was the key item for today's meeting. He set the context by saying that we are moving into a 'new world' in terms of sector support for improvement and efficiency and clearly any future model will need to change and develop and cannot simply offer 'more of the same'.

All IEPs are currently considering the question of 'where next' and all have different positions in terms of considering potential models of sub-national support in future. In terms of the West Midlands, the position is:

- We have budgeted to continue the core IEWM programme until September 2011 (though on a reducing scale)
- We have made good progress to date and are anticipating c£100m efficiencies by March 2011
- IEWM is not sitting on lots of uncommitted resources; the majority of funding has gone directly to localities and the £5m Locality Investment Fund is a good example of this approach
- In terms of new resources, there is the possibility of securing a small share of funding from LGID to support sub-national improvement activity but this would not be significant
- There will also potentially be small pots of money from other areas for national initiatives (e.g. DfT) and the use of Social Impact Bonds etc. could provide other opportunities
- The finance paper identifies that there is c£2.5m which is currently unallocated or which could be freed up to support any agreed future options
- If there was a will to do so, some projects could become self-sustaining by finding solutions for individual projects e.g. we have already agreed a position for the People & Leadership programme which should be self financing by 2013/14. Similarly the DASS have agreed to support the Adult Social Care programme management capacity, recognising the success of the current approach
- We now need to consider the options and agree what capacity is required at the sub-national level going forward
- Time horizons are diminishing and this is further complicated by the fact that we need to find a new employer for core IEWM staff from March 2011 onwards

The key questions that IEWM are seeking a steer on from the Board were tabled. Trish Haines opened the debate and invited comments and questions.

Dr Rashmi Shukla commented that there is a sense of building/ designing the new world and understanding what LGID would be offering nationally and how this might need to be complemented at the sub-national level. We also need to consider what the guiding principles would be in determining sustainability alongside evidence of success to date.

CLlr Meeson asked whether we would have to give any unspent money back to CLG. He also said that in terms of future sustainable models we need to think about implementing payback models etc. sooner rather than later.

Mike Barnes commented that the principle of payback models had previously been agreed by the Board and that it was important to consider the 'total cost of ownership' of any proposed operating model(s).

Andy Hancox picked up Rashmi's point and commented that the LGID essentially had 2 focuses going forward – the Place Based Productivity Programme which essentially built upon the work of the RIEPs to date – and supporting Local Government Improvement. Within this LGID had potentially offered a small amount of funding to regions, recognising that it would be important to tie in to sub-national arrangements where possible.

Andy reflected that we had invited Rob Whiteman to the Board but unfortunately he is on leave this week. We will contact him again to pursue a discussion about potential opportunities.

In terms of Cllr Meeson's question regarding having to pay money back, Andy reported that IEWM are confident that we are acting in the spirit of how CLG want to see current and residual monies utilised and we have received a letter which confirms there is no claw back for CSR07 funding.

Andy also commented that in terms of payback models, the People & Leadership activity would be moving to a full commercial model in the next 2/3 years and that this offered a 'path-breaking' shared service to authorities and partners. There were similar opportunities for income generation in relation to Procurement and Transformation in particular which we need to explore.

Paul Clarke commented that in terms of the LGID offer to the regions, we do not know what this will be yet; however we do know that there is 30% less money in the system. Paul went on to say that in his personal opinion, there did need to be some form of sub-national presence as part of the proposed 'early warning system'.

Glyn Evans agreed with the need for some sub-national capacity and felt that this needed to cover the whole of the West Midlands rather than being sub-regional as per some of the LEP models etc. Glyn also commented that the support for Procurement and Children's Services in Birmingham had been very positive. There is a need to retain the successful areas but also to look at new opportunities e.g. support for authorities to create mutuals, MBOs etc. and to look at ways of working with the wider public sector on the best use of resources/procurement opportunities etc.

Kevin Dicks commented that he supported the principle of finding self-sustaining models of support and that it would be sad to lose what we have built up to the private sector. Kevin felt that the IEWM Relationship Management model had been particularly helpful in

supporting improvement and that this could link to a sub-national improvement role moving forwards.

Dr Rashmi Shukla commented that health and the local government sector could work together to jointly scope out and progress the issues in relation to new GP Commissioning models; Public Health arrangements etc.

Trish Haines identified that there was a clear view emerging from the Board about the need to work with LGID and to have some capacity at the sub-national level to mobilise improvement activity etc.

Similarly, the key priority areas for sustainability that were emerging from the discussion included Procurement, Transformation, Adults, Children and People & Leadership.

Eddie Clarke commented that the LA interface with GP Commissioning will be crucial. He fully supported this as a priority focus. Eddie also confirmed that ADASS had agreed to ongoing support for programme management of the Adult Social Care programme.

Sharon Menghini commented that the rate and scale of transformation across Children's services is huge; there have also been a relatively high number of staffing changes in senior positions. The Children's Forum is currently redefining its priorities and will have 2 or 3 regional focuses going forward. The group needs to be clearer about the benefits of coming together/areas for future focus and the ADASS/ Adult Social Care work could provide a model for this. The timescale for agreeing future options for IEWM fits in with these discussions.

Nina Dawes commented that we need to avoid having too many priorities. Nina also highlighted that the Climate Change monies received in 2010 are not ring-fenced and need to be considered against other priorities. Nina endorsed the need for ongoing Transformation support and reflected that we need to be flexible in how we shape this and include broader areas e.g. transforming Waste services etc.

Trish Haines paused to take stock of the discussion and reflected the Board's support to look at options for sustainable models for People & Leadership; Procurement; Transformation; Improvement Support/a link with LGID. Trish also reflected that any future models may necessarily need to focus in on particular specialisms e.g. Lean Systems Thinking to transform service areas, as opposed to other skills which are required to achieve locality wide Transformation/Community Budgets etc.

Kevin Dicks commented that in his experience Transformation/Lean Systems Thinking can help achieve Total Place principles, but it is

important to recognise the need for effective Leadership support to help achieve this.

Andy Hancox reflected that the Transformation work in Dudley had helped improve alcohol services by taking a 'lean' approach across agencies. Andy also highlighted that much of the work covered in the big Alliances, e.g. Waste, Construction and particularly Asset Management, tied in to Transformation in many ways.

Nina Dawes commented that the efficiency potential from improving Waste services was potentially going to be of more interest following CSR10 and that this may become more central to organisational efficiency savings than has previously been the case. It is important that we continue to 'grow initiatives from the bottom' in some cases (particularly for Districts) who may need some support to get going.

Trish Haines again paused to take stock of the discussion and referred to Section 6.3 of Paper 2 in particular. She asked whether the Board was happy with the proposals being put forward in terms of developing future options for consideration.

Mike Barnes commented that he felt something was needed at the sub-national level between LEPs and the Government centrally and also wondered whether we should consider collaborating/ merging with another IEP to retain something on a smaller scale from September 2011 e.g. with the East Midlands?

Nina Dawes commented that we need to distinguish between IEWM and other structures e.g. West Midlands Councils that would be picking up the LEP agenda across the West Midlands. Nina also reflected that any proposed mergers would require a huge set of negotiations which might not be practical.

Andy Hancox commented that the East Midlands IEP is not necessarily a good model as most of their money has already been devolved through a network of sub-regional partnerships and it is not clear what might continue beyond March 2011. We are however talking to other IEPs about how we might make the best use of collaborative opportunities going forward (though not on the basis of a merger).

Cllr Meeson commented that he is happy with the options being proposed but highlighted that we should ensure we are in a position to be flexible and to take advantage of any new developments that come up in future.

Steve Winterflood commented that he supported IEWM doing further work on future options as proposed but that he would rule out considering a merger at this stage.

## **Agreed**

Trish Haines summed up and confirmed the consensus of the Board in relation to the Recommendations set out in section 9.3, namely:

- That IEWM costs up and develops options/operating models for consideration by the Board by the end of January 2011;
- Confirmed that the IEWM core programme will continue to September 2011 (though on a reducing scale);
- To test emerging ideas with Regional Chief Executives;
- To continue to liaise with LGID; to consider how we might work best in a complementary way at the sub-national level; and to explore the potential to draw down funding from the local government Top Slice;
- To take a cautious approach to the allocation of further funding to individual localities pending more work on future options (and recognising that the LIF was substantial in supporting authorities).

## **Governance**

Andy Hancox then referred to the Governance issues highlighted in section 7 of paper 2 and the proposal to potentially refocus the IEWM Board in future to include leads from each of the 6 sub-regions, plus District Council reps and key partners (health, fire etc.).

In terms of Members, the proposal was to link more clearly to West Midlands Councils' governance arrangements, with Cllr Meeson continuing as the lead IEWM member in addition to identifying an additional member from the WMC Task and Finish group (possibly Cllr Roger Philips).

The existing Member Steering Group would be wound down on this basis; though regular updates would continue to be provided to lead member contacts in each authority as appropriate.

Steve Winterflood commented that Governance arrangements should follow function and that this should be reviewed once future operating models have been agreed.

Mike Barnes commented that there were strengths to the IEWM Board which brought different authorities together e.g. Unitaries, Mets and Counties, in a forum that doesn't really happen elsewhere. He also felt that it was important to consider an ongoing role for the Voluntary Sector in any governance arrangements, especially in the context of the Big Society etc.

Cllr Meeson agreed with the suggestion that this should be looked at once the options work has been progressed.

### **Agreed**

Trish Haines summed up and agreed that future governance arrangements should be considered alongside the options development work and brought back to the Board in January 2011.

However, in the meantime it seemed sensible to progress with the proposed changes to the Member Steering Group and to make stronger links with the new arrangements for West Midlands Councils.

#### **4. Budget Update/Projects for Approval (Paper 3)**

Andy Hancox presented paper 3 and gave a summary of the overall financial position, including the potential to free up c£2.5m from the existing programme to support the development of future options/ sustainability for priority areas.

Andy also gave a position statement regarding known liabilities and the actions we are taking to actively manage these. A key issue is the need to find a new employer for core IEWM staff from March 2011 onwards.

Project updates were provided for:

- IEWM Locality Investment Fund
- Climate Change Programme
- People & Leadership Programme

The locality Investment Fund is progressing well and all awards have now been agreed. We are chasing confirmation of the 5:1 minimum ROI from all authorities, along with confirmation of the capital monies, to enable the speedy allocation of LIF resources.

In terms of the Climate Change programme, Andy reiterated that the monies (£950k) were not ring-fenced. £140k has been released to SWM for programme management and benchmarking activities etc. Future funding will be released in tranches upon agreement of priorities and outcomes. John Polychronakis is chairing the Steering Group.

In terms of People & Leadership, Andy highlighted the current discussions which were underway to agree a future host for the Programme (either with Wychavon DC or Birmingham CC) and asked the Board to confirm they were happy to delegate the final hosting decision to him.

Approval was sought for the following projects:

- Highways Alliance Systems Thinking Programme - £150k
- Love Food Hate Waste - £90k
- Staffordshire Connects Improving Customer Access £100k (delegated to the IEWM Director to sign-off with the Staffordshire Director of Adult Services)
- Social Care Improvement Partners (SCIP) Programme - £60,515

### **Agreed**

All recommendations were agreed by the Board 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 latest version of the Delivery Plan Summary (Paper 3a – circulated separately) was noted.
- The Board agreed to delegate the final decision regarding the future hosting of the People & Leadership Programme to the IEWM Director.
- The list of approvals made under delegated authority since the last Board meeting was noted.
- The following projects were approved:
  - Highways Alliance - £150k
  - Love Food Hate Waste - £90k
  - Staffordshire Connects – Improving Customer Access - £100k - (delegated to the IEWM Director following sign-off with the Staffordshire Director of Adult Services)
  - Social Care Improvement Partners (SCIP) programme - £60,515

## **5. Communications**

### Property and Assets Conference – 3<sup>rd</sup> November 2011

Keith Gordon provided an overview of the conference programme and reported that c140 delegates will be in attendance. The conference and Asset Management Programme is attracting national interest and recognition. Martin Reeves (CX at Coventry) is the chair of the West Midlands Property Alliance.

## Planned District Council Event – January 2011

Andy Hancox highlighted the proposed District Council event to be held at the end of January 2011. Ideally, we would like to involve DC CEX from the Board to help shape the programme content and showcase material etc. Nina Dawes welcomed the event and agreed to Chair. Kevin Dicks and Steve Winterflood also kindly offered their support.

### **6. Any Other Business**

No other business was discussed.

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

It was agreed to set dates for quarterly Board meetings next year:

Dates: January/April/July/October 2011 – to be confirmed in diaries ASAP.