

## **IMPROVEMENT AND EFFICIENCY WEST MIDLANDS (IEWM)**

### **NOTES OF BOARD MEETING – 7<sup>th</sup> October 2014 Inspire Room, The Studio, Birmingham**

**Attendees:** Mark Rogers (Chair); Steve Winterflood (Vice Chair); Howard Davies (LGA); Jan Britton (Sandwell); John Polychronakis (Dudley); Colin Williams (WME); Dawn Hewins (Stoke); Andrew Burns (Staffordshire).

IEWM: Sue Banks; Ged Bowles; Polly Reed; Tony Ashfield; Sonia Thomson (Minutes).

**Apologies:** Cllr Paul Middlebrough (Wychavon); Martin Reeves (Coventry); Kevin Dicks (Bromsgrove & Redditch); Clare Marchant (Worcestershire); Richard Partington (Telford & Wrekin); Ian James (Solihull), Laura Johnston (Telford & Wrekin); John van de Laarschot (Stoke).

#### **1. Welcome & Apologies**

Mark Rogers (Chair) welcomed everyone to the meeting and apologies were noted as above.

#### **2. Minutes of Board Meeting – June 2014 and Matters Arising**

The minutes of the previous Board meeting were not considered.

#### **3. Developing a Commercial Strategy & Approach – Presentation by David Robson of David B Robson and Partners**

Mark Rogers welcomed David Robson who presented details of a proposed informal alliance between IEWM and David B Robson & Partners. David outlined that his company's specialism was multi-faceted; the main focus being re-engineering, re-inventing and re-launching businesses. He stressed they were not an outsourcing company.

David Robson is an LGA Productivity Expert and has been working with a number of local authorities, including South Staffordshire District Council within the West Midlands. This relationship may now develop into a potential joint venture between South Staffs DC and David Robson & Partners.

The basis of the alliance with IEWM would be for David B Robson and Partners to up-skill IEWM in the delivery of support to LAs and the wider public sector in developing commercial acumen using a defined methodology developed by David B Robson and Partners. The benefit to David and his partners is that IEWM can act as the 'shop window' to Local Authorities and their partners.

Sue Banks (IEWM) highlighted that this proposal is part of IEWM's work to explore commercial opportunities and to generate income (on a not for profit basis) to protect

IEWM's core offer beyond March 2017. Sue asked the Board to consider how they would feel (in principle) about such an approach and forming an informal alliance with David B Robson and Partners.

The Board considered the possibility of forming an alliance and whilst a few questions were raised on the whole the group were in favour of exploring it further.

Howard Davis (LGA) felt that the idea was worth exploring more and that the LGA needs to consider how it can promote such examples as part of its work on Productivity.

Jan Britton (Sandwell) asked about the commercial basis of the proposed alliance and raised issues in relation to IPR with regard to any future relationship.

John Polychronakis (Dudley) asked what the role of IEWM would be and questioned why David could not do this without IEWM.

Steve Winterflood (South Staffs) wanted to explain why his authority got involved with David's company to give a broader perspective. Steve had heard about the LGA programme and was keen to explore it further. David came in and gave a presentation to the senior management team and helped them to understand how they could leverage their soft assets and resources to not only generate income but also to stimulate the local economy. Steve added that whilst it is still early days for them, things are looking good and they are very hopeful about its future. Local authorities need to recognise that they need to move beyond the sector in order to help themselves.

Andy Burns (Staffordshire) agreed that the model was definitely worth exploring more and felt that the focus should be to work collaboratively with partners across the sector, i.e. commissioners, Districts, NHS and Public Health colleagues. The big win for the region would be to convince commissioners to work collectively across the piece.

Mark Rogers thanked David for a very interesting presentation and for conveying a real sense of enthusiasm amongst the group. David then left the meeting to enable private discussion amongst the Board.

## **Board Discussion**

Mark Rogers asked the group for their thoughts about the proposed arrangement and asked if they were comfortable with the approach, which essentially would be a knowledge transfer arrangement, helping IEWM to develop and grow its business.

Colin Williams (WME) said that ultimately it is about instilling entrepreneurialship within IEWM. However, it raises the question as to whether IEWM needs to grow its capacity to deliver a new offer to local authorities.

Jan Britton (Sandwell) said that fundamentally he liked the model and also the idea of partnering however he felt that the basis of the commercial model and arrangement needs to be very clear. There must be a proper understanding of the relationship with David's company and due diligence work would need to be carried out. We also need to be clear about procurement arrangements for the proposed alliance.

Andy Burns (Staffordshire) echoed Jan's sentiments and added that it is imperative that the basis of the commercial arrangement is clear in order to protect IEWM.

John Polychronakis (Dudley) felt very positive about the proposal and would want to make sure that as well as transferring knowledge, the transferring of 'experience' should also be considered but recognised that this is easier said than done. John also agreed that more due diligence was absolutely necessary.

Steve Winterflood (South Staffs) said that whilst this is a unique situation and one that is difficult to analyse fully, it is really about implementing a radical change and IEWM ultimately have to feel confident enough to just do it.

Mark Rogers (Chair) concluded that the Board were supportive of the proposal in principle but that the debate had raised four key questions for further consideration:-

- Commercials
- Due diligence
- Procurement
- Timescales

### **Agreed**

It was agreed that IEWM will do more work in relation to the above and will bring a Business Case back to the Board for consideration (this will be done before the next meeting as we do not want to wait until February '15 to consider this item again).

Mark thanked Sue and the IEWM team for their work on the proposals so far in considering the future sustainability of IEWM.

## **4. IEWM Review of Operating Structures (Paper 2)**

Sue referred to paper 2 and the ongoing review to look at the most appropriate operating model for IEWM in the future. Sue said that it had been sensible to look at this with WME to see if IEWM could take advantage of WME's model as one of the options considered.

Other models were considered including the Sandwell SIPS model and the Improvement & Efficiency Social Enterprise (iESE) model. IEWM have also commissioned Bevan Brittan to provide ongoing advice regarding the different operating structures that might be available to them in future.

There are several options open to IEWM, each of which has its own advantages and disadvantages which would need careful consideration.

Having explored the options available, Sue highlighted that there are two which would appear to be the most appropriate to consider (a) remain unincorporated via the Lead Authority model; (b) a company limited by guarantee.

Sue highlighted that whatever was decided it is clear that form should follow function and that in her view we should be clearer about what the sector requires from IEWM before we decide upon the structure required to deliver those services.

Colin Williams (WME) highlighted the significant issue around grant funding payments and whether these could be administered on behalf of the region by a company limited by guarantee.

Jan Britton (Sandwell) agreed with all that Sue had presented and added that 80% of Sandwell SIPS was now owned by the schools that used its services, hence there was a strong incentive for members to use the services as they were part owners in the organisation. Jan asked if there might be a parallel that IEWM could learn from.

Mark Rogers agreed that form should follow function and when IEWM gets to the 'form' it should consider how it can incentivise its customers and grow the business. He added that this work would only bear out in the fullness of time.

Colin Williams (WME) agreed that IEWM should revisit this again in 12 months time as it was too early to decide anything at this stage. Their attention now should be concentrated on how it might grow its business.

### **Agreed**

Mark Rogers said that the Board will revisit this work alongside the review of sector requirements/sustainability proposals during the next 12 months or so and will make a decision in the fullness of time in the run up to March 2017.

Mark also wanted to relay his thanks to Worcestershire colleagues for their continued support as IEWM's Accountable Body.

## **5. IEWM Financial Overview (Paper 3)**

Sue Banks (IEWM) referred to Paper 3 and gave a brief overview of IEWM's financial position.

Sue confirmed that the programme is funded to March 2017 and that core budgets have been allocated accordingly. A contingency pot has been set aside for WCC and all employment liabilities are covered. There was nothing more to highlight in terms of future risks and challenges at this stage.

Sue reported that further funding of some £400K is expected to be allocated shortly from the Department of Health to support workforce development activities in relation to the Better Care Fund, DoH has asked for the money to be spent by March 2015.

Sue was also pleased to report that IEWM's return on investment for its various projects had now reached almost £400M in savings for the region, reflecting a 10:1 return. IEWM will continue to monitor and track ROI and report back to the Board although this is no longer a primary driver for our activities.

## **Agreed**

The Board agreed the recommendations from Paper 3 as follows:

- That the overall financial position is noted and agreed.
- The progress with the individual programmes, including the legacy arrangements are noted.
- That the latest Return on Investment position is noted.

## **6. IEWM Annual Conference**

Ged Bowles (IEWM) referred to Paper 4 and talked about IEWM's 4<sup>th</sup> Annual Conference on Friday, 5<sup>th</sup> December. The event will be hosted at the ICC in Birmingham in partnership with the LGA and sponsored by Virgin Media.

Mark Rogers will be chairing the event and there will be two keynote speakers, Virgin Media (as key sponsors) and Carolyn Downs, Chief Executive of the LGA. There will also be a plenary session around upping the ante for sector led improvement.

There will be an innovation fair over lunchtime and IEWM are currently assembling around 15 exhibitors. The afternoon session will comprise of a series of 6 themed workshops covering Social Value & Social Finance, Children's Services, Adult Social Care, Devolution and the Economy and Digital Technology. Sue Banks asked the Board to contact her direct if they had any burning issues they would like to include on the agenda.

Mark Rogers thanked IEWM for putting together a good programme and asked everyone to ensure it was in their diaries.

## **7. Children's Agency Social Workers**

Colin Williams gave a brief update on the report he has recently produced regarding proposing a series of capped rates for various Children's Agency Social Worker roles. Colin highlighted continuing difficulties in validating the data but was pleased to say that 13 of the 14 authorities had now given their commitment to support the approach.

Colin highlighted that other regions were interested in our work and that if the approach could be successfully transferred then this would help the sector to manage the market nationally and would leave the West Midlands less susceptible to regional variations in pay rates.

Colin highlighted that Polly Reed (IEWM) is currently working up a set of protocols to support the approach once it is implemented and that Polly had been helpful in securing the commitment from authorities via ADCS.

Jan Britton (Sandwell) suggested that next steps would be for the Mets CEX group to

approve the report/recommendations and that this should then go to Leaders for approval. At this stage it then needs to hand over to WMADCS to implement and manage going forward. Clearly some councils may have issues with the report/proposed rates but they will need to speak up about their concerns. Jan was confident that the peer approach to implementation would help ensure success.

John Polychronakis (Dudley) raised his concerns about imposing a capped rate that could then be supplemented by a form of 'golden hellos' or other incentives for agency workers which would defeat the object in the longer term.

Mark Rogers (Chair) thanked Colin, Jan and Polly for all of their contributions to date and said this was a great example of how the sector could collaborate around significant issues of mutual benefit.

### **Agreed**

Jan Britton to approve Colin's report and take it to the Mets CEX group initially.

The report will then go to Leaders for approval prior to being handed over to WMADCS for implementation and management.

### **8. AOB**

None discussed.

### **9. Dates of Future Meeting**

Dates for meetings in 2015 to be confirmed