

Improvement & Efficiency West Midlands (IEWM) Stocktake and Consultation Paper – May 2016

1. Overview

This paper sets out proposals to consult upon and consider options for the future delivery of the IEWM Programme, recognising both the challenges and opportunities for the Programme in the context of the substantially changing operating environment for the sector (devolution, health integration etc.).

In consultation with the Chair of the IEWM Board, it has been agreed that we should utilise the time between now and March 2018 to explore and pursue options that could secure the future sustainability of the IEWM Programme (or elements of it), potentially to at least 2020 if the right solutions can be found.

In doing so, we are seeking to explore a combination of options that would not only enable the ongoing sustainability of the IEWM programme but would also bring in valuable resources, capability, knowledge and capacity from a range of partners as we move forward.

To help inform our future direction, we recognise that we need to test out the appetite of the sector and potential partners in respect of the potential options available. Linked to this, we also think it is sensible to consider the governance arrangements that we currently convene on behalf of the region (IEWM Board/regional SLI Board etc.) as part of this stocktake and to consider what makes sense in an increasingly devolved environment.

In terms of timescale, we are looking to consult with IEWM Board members and a variety of stakeholders over the coming months, with a view to convening an IEWM Board meeting in the Autumn (we provisionally have a meeting pencilled in for 19th October but can bring this forward if necessary) for us to take stock of the consultation/options appraisal and firm up the options / next steps going forward.

As part of this we are also looking to bring in some independent capacity to help firm up our thinking about the potential options/future operating models that could be available to us.

2. Context

The IEWM Programme has operated independently of the national RIEP Programme since April 2011 when all national activity and associated funding ceased. We have continued to operate utilising a mix of legacy funding that remained in place at that time (£4.9m), plus any new income that has come into the Programme since that date (£2.88m).

Our role is to:

- Help stimulate and influence new thinking and innovation;
- Support and enable sector collaboration;
- Mobilize sector-led improvement activities;
- Promote and encourage new ways of working;
- Lobby around the needs of our region and actively promote and celebrate our successes;
- Administer external funding for the region in the form of government/LGA grants etc.

Some of our key activities include:

Leadership and Transformation	Helping to stimulate and influence new thinking and innovation through all of our networks and encouraging new ways of working.	<ul style="list-style-type: none"> • Regional Chief Executive Network • District Council Network • Support for WMCA Public Service Reform • Transcend Alumni • Bespoke/hands-on Transformation Support • Annual conference and themed events • National and regional partnerships/relationships
Sector Led Improvement (SLI)	Working closely with the LGA and other sector support networks, IEWM provides a focus and momentum for SLI activities on behalf of all local authorities within the West Midlands.	<ul style="list-style-type: none"> • Regional SLI governance arrangements <ul style="list-style-type: none"> ◦ Performance of the Region • Shifting focus from 'sector led' to 'system led' • Engagement with the LGA and Inspection bodies • Regional peer challenge and self-assessment • Relationship management and brokering
Adult Social Care	IEWM is delivering a joint Improvement Programme with WMADASS to support councils in the region through a sector led approach and an environment to experiment and innovate.	<ul style="list-style-type: none"> • WMADASS Programme Management • Regional peer challenge programme and improvement summits • 10 Thematic Networks and associated Action Plans/Projects (e.g. DTOC etc.) • Care Act Implementation support/BCF/Integration • Towards Excellence in Adult Social Care • Use of Resources/Regional account
Health & Wellbeing and Integration	Collaborating with NHSE, health partners and local government services that have an impact on the health and wellbeing of residents, with a big focus upon workforce, prevention and integration.	<ul style="list-style-type: none"> • Relationship Management and brokering support • Focus on improvement activity e.g. DTOC • BCF assurance regional process • Links to STP's/health place based planning • Support for Health & Wellbeing Boards and lead members
Children's Services	IEWM & WMADCS are working together to deliver a Regional Improvement Plan focused upon reforming public services and improving outcomes for children and young people.	<ul style="list-style-type: none"> • WMADCS Programme Management • Thematic Networks and Action Plans/Projects (e.g. Workforce, Pride in Practice, CSE) • Improvement Summit/Self-Assessment/ Scorecards/Auditing the Auditors etc. • Agency Social Worker Protocol • Support for Lead Members and Scrutiny Chairs
Commissioning & Procurement	We are supporting the public sector to work collaboratively bringing in expertise from the public and private sector.	<ul style="list-style-type: none"> • IEWM Associate Framework (due for review in 16/17 – will need to support options for future) • Regional Frameworks • Children's Placements (Database; Price review) • Potential for Adult Social Care placement database

Since becoming independent in 2011, the IEWM Board has agreed that the Programme should continue to operate provided that it is of value to the region and is financially viable. We last reviewed this position with the Board in 2014/15 when it was agreed that the Programme should continue to March 2017, based upon our financial forecasts at that time.

In consultation with the Chair of the IEWM Board, and taking into account the current financial position of the IEWM Programme (set out below), it has been agreed that we should utilise the time between now and March 2018 to explore options that could secure the future sustainability of the IEWM Programme (or elements of it) potentially to at least 2020 if the right solutions can be found.

3. Financial Overview

It is important to note that membership fees or subscriptions do not currently form part of our funding model, which is made up purely of legacy funding and new income generated since April 2011.

Since April 2011, a total of £2.88m new income has come into the Programme that has been generated from a variety of sources (including £468k held on behalf of WMADASS). The significant majority of this (c. £2.2m) has been in the form of grant funding from the LGA and government departments (primarily for Adults Social Care and Children's Improvement activities); however, some £240k has come directly from income generation activities (e.g. event sponsorship, payment for hands-on support, partnership arrangements etc.).

In addition, since 2011 we have significantly reduced our overheads and operating costs, by:

- Reducing our establishment from 16 ftes to 6, reducing our staffing budget by £550k+ per annum;
- Redirecting some £280k during the past 12-18 months through better contract/programme management
- Relocating to new premises within Sandwell MBC, introducing more agile working etc. saving c. £30kpa
- Ensuring major events 'wash their own face' through sponsorship and partnership approaches

All of this means that we now estimate that there will be a minimum of £1m available, as at March 2017, to support future options and sustainability for the IEWM Programme. This is considered to be a very prudent estimate in that it makes no assumptions about any new income in 2016/17, either in the form of grant funding or our own income generation activities, which experience shows we can expect to attract and generate throughout this financial year.

4. Opportunities

In considering various options for the future sustainability of the IEWM Programme, there are a number of opportunities that we should explore to help us understand better what role IEWM can continue to play on behalf of the sector both now and in the future, recognising the substantially different operating environment that now exists for the sector.

For example, support for the region's approach to **Sector Led Improvement** is a unique strength of IEWM. The growing and continued emphasis upon SLI by the government and the sector alike, through further self-mobilisation of the sector at the national and sub-national level, is an area where IEWM can play a valuable role in hosting and convening arrangements to bring partners, charities and other improvement agencies and resources together to support Local Authorities to continue to improve services in an increasingly devolved environment.

Linked to this, IEWM is very keen to explore what opportunities exist in relation to **Devolution and Combined Authorities**, for example in supporting Leadership, Leadership Development, Public Sector Reform, Health Integration activities etc. in a combined authority context and also how we can continue to support and share learning with those authorities that do not form part of a combined authority arrangement within the region.

We believe that whatever options or future routes are chosen for the IEWM Programme, **Partnership** with organisations at the national and sub-national level will be central to the model(s) we take forward, most likely on a more formal and commercial footing than the relationships we have in place at present.

As part of our exploration of future options and possibilities, we are also very keen to talk with stakeholders about other **opportunities at the national and sub-national level** that will help position IEWM to ensure we remain responsive to the needs of the sector in coming years.

5. High Level Options (as at May 2016)

We are at a very early stage in thinking through and exploring possibilities for the future. Set out below are a number of high level options which we are keen to explore and consult upon with our key stakeholders.

These are by no means exclusive and we are very open to exploring alternative options that may emerge as a result of the consultation. We also fully expect that the conclusions we come to and the options we pursue in the coming months will differ very much from where we start at this stage.

The current options as we perceive them can be summarised as follows and are set out in more detail in the table below:

- Enhancing the balance of resources available (£1m+) with a **Membership/Subscription model** that would provide core funds in the medium term to continue with aspects of the programme determined by the sector to be a priority and that they would buy in to
- Pursuing a **formal partnership model** for the entire IEWM Programme, or elements of it, that would not only bring in match funding to sustain the programme, but also skills, capacity, products and diagnostics etc. (again developing an offering that the sector would buy in to)
- Establishing the IEWM programme as a **fully commercial offering**, which would require any ongoing free activities to be fully subsidised by our commercial activities, if they were to continue at all

In reality we believe that a sustainable model can be found for 2018-2020 through developing a combination of these options, rather than pursuing a single option, which might for example bring together a partnership approach with income generation/commercial activities and by introducing a level of membership subscriptions (in return for a minimum offer that Local Authorities/subscribing partners could expect).

No.	Option	Description	Comments
1	Membership / subscription model	Introduce membership or subscription fees for 2016-17 onwards to subsidise core funding of £1m+ from April 2017 onwards	<p>Budget requirements/membership fees would need to link to consultation re: ongoing activities required by the sector and the menu they would buy in to</p> <p>A 2 or 3 year annual commitment from West Midlands LAs/other partners would provide a core fund which could then be enhanced with income generation/a commercial approach to provide the overall budget requirement for the agreed Programme/timescale (similar to the approach adopted by West Midlands Employers).</p> <p>We would need to set out a clear 'offer' with deliverables to local authorities to support the business case for investment and any anticipated return to authorities from that investment.</p> <p>WMADASS have recently agreed to contribute £10k from each LA (£140k in total) to top up the WMADASS budget from April 2016 to help support sustainability of the Adult Social Care programme</p> <p>We have not yet consulted with WMADCS about a similar approach</p>
2	Formal Partnership Public to Public Or Public to Private	Go to the market to find a public or private sector partner who will match fund / bring investment and skills to support further development of the Programme. Could apply to the whole Programme or elements of it e.g. Children's, Adults, Leadership etc.	<p>Go to tender to enter into a formal partnering arrangement - for whole programme or elements of it.</p> <p>Could require IEWM to operate on a full/part-commercial basis where any services/products that continue to be offered 'free of charge' would need to be subsidised by a commercial offering and take-up by the sector.</p> <p>Expectation to seek match funding, skills, capacity and improvement/efficiency products and diagnostics etc. from a partner that would be available to the sector.</p> <p>Legal, procurement and employment issues to consider dependent upon whether public or private sector partner sought/selected and whether a new delivery vehicle is required for the IEWM aspect of the Programme - TECKAL, Joint Venture, Corporation Tax issues etc.</p> <p>Issues re: continued administration of external</p>

			funding on behalf of region may apply dependent upon the delivery vehicle chosen.
3	Full (or part) commerciality	Set a target for IEWM to be fully self-sufficient by March 2018 to enable continued delivery from April 2018 on a commercial basis	<p>Would require us to develop a suite of new 'products' to sell to the sector; and/or deliver services for a charge on behalf of the sector e.g.</p> <ul style="list-style-type: none"> • Services - Programme Management / Performance Management / Transformation support • Regional Assets - Contacts Database / networks/ relationship building etc./events • Capacity - Sector specialists/interim support/ Associates • Products & Tools - Peer challenge/self-assessment tools/improvement tools/efficiency diagnostics/transformation methodologies • Knowledge – best practice/think pieces/keynotes <p>It should be noted that we have not been successful in adopting a commercial approach to date – though it is fair to say we have continued to prioritise delivery of our 'free' activities within the workstreams and much of what we do remains free at the point of delivery.</p> <p>We have not to date invested in the necessary business development/market development capacity to help achieve this shift in emphasis/approach and this is considered critical to the success or otherwise of this approach</p> <p>We would need to generate c. £750k/1m per annum to achieve this/support the full Programme as it currently stands; though this requirement could be scaled down if the Programme focus were narrowed down</p> <p>Would impact on our ability to continue to deliver 'free' services to the sector – indeed the priority would be to 'sell' services to cover all costs</p> <p>Would need to consider nature of delivery vehicle, as per Option 2, plus various legal, procurement and employment issues etc.</p> <p>Linked to this, we would also need to consider how the region would handle external grant funding</p>

			coming into the region etc. as this could not be paid to a non-LA entity if IEWM were to move outside of the sector – would WCC still wish to do this?
4	Continue with (some) aspects of the IEWM Programme beyond March 2018 utilising available resources	<p>Most likely areas (to be determined by the sector):</p> <ul style="list-style-type: none"> • Leadership / SLI • Adult Social Care • Children’s Services (including commissioning / Placements database etc.) 	<p>Exact funding/budget requirements to be determined but this could enable certain activities (as defined by the sector) to continue to (say) March 2019 on a smaller scale</p> <p>Governance/hosting could be via WMADASS, WMADCS and any other regional bodies/Lead LAs considered suitable – disaggregation of relevant funding/budget management and employment issues would need to be considered within this</p> <p>The Board could set a challenge for those areas to aim to become self-sufficient over time</p> <p>Comments and assumptions would then be broadly as per Option 5 for a March 2019 end-date</p>
5	Continue the IEWM Programme to March 2018 and then cease all activity – worst case scenario	Cease the IEWM Programme as at March 2018, assuming no model for sustainability is found between now and then	<p>Would leave a balance of surplus resources to fund a regional ‘shopping list’ of any known commitments – with hand-over/governance arrangements in place accordingly</p> <p>Would need to ensure a contingency is set aside for WCC (our Accountable Body) for any unforeseen circumstances beyond closure - £50k currently set aside and regularly reviewed</p> <p>Would need to ensure an adequate Employment Reserve / consider employment options for core team - £270k currently set aside and regularly reviewed</p> <p>Would need to consider handling/passporting of external grant funding on behalf of the region in the future – would WCC wish to continue this role and how would this be administered? Would need to factor in estimated costs here.</p> <p>Impact assessment re: ceased activity/sustainability options within the sector</p>

This is high level thinking at the moment and substantially more work needs to be done in the coming months to conduct a full options appraisal supported by appropriate methodologies to determine the best fit with sector requirements.

As part of this we are looking to bring in some form of independent capacity to inform and support the options appraisal work which will build upon the consultation we are now launching. IEWM will also invite the support of Worcestershire CC’s internal audit team to provide assurance to the process as appropriate.

We also need to ensure appropriate and full staff consultation in relation to the review as it progresses and be mindful of employee welfare too. Again, an element of independent involvement will be helpful here.

At this stage our preferred option is to explore a combination of a partnership (part-commercial) model with the membership/subscription approach and we now need to test out the appetite of the sector to determine opportunities and the likelihood of success.

Our intention is to use this paper to consult with IEWM Board members and wider stakeholders in the coming weeks and months to collate views around these options (and others that people may wish us to consider) to help steer wider discussion with the IEWM Board in the Autumn about future options.

6. Some questions to help us think about the future

To support our consultation we have started to think about the questions that can best inform our approach. These need substantially further refinement and sharpening but our current thoughts are set out here as a ‘starter for ten’:

Role/Purpose/Focus	
Why – is it important to have IEWM around for the near future?	<ul style="list-style-type: none"> • What are the key challenges for the medium term that the region would welcome support with? • What ‘help’ do people need? • What challenge do people need? • What role can IEWM play going forward?
What - might IEWM provide and how would we provide it?	<ul style="list-style-type: none"> • How could IEWM provide support to devolution and place based approaches to Leadership and Change Management? • How could IEWM support Health and Care Integration in the West Midlands? • How could IEWM support improvement in Adults and Children’s services and more generally? • How could we promote and support digital innovation and new ways of working? • How could IEWM contribute to raising/improving the profile of the West Midlands?
How - What does the regional SLI model look like going forward and what role would IEWM play within this?	<ul style="list-style-type: none"> • Further self-mobilisation of the sector • Governance, assurance and oversight • Relationship building and management • Self-awareness, self-assessment, peer to peer support and challenge, diagnostics/

	<p>tools/analysis and improvement products</p> <ul style="list-style-type: none"> • Engagement with regulators • Wider Systems Leadership – engagement with partners e.g. health.
Where - What are the geographical questions	<ul style="list-style-type: none"> • Does a West Midlands footprint still make sense? • What impact will an expanding WMCA footprint have? • How do we work with those those areas not in a CA? • How can IEWM support place based planning and connectedness with local communities?
Options/Form	
What does IEWM do well and what do you value about our activities/support?	<ul style="list-style-type: none"> • What has and is working well (asset based approach) what are our key strengths? • Trust and collective endeavour/ coalition of the willing/ providing capacity for leaders to engage in regional improvement/system leadership thinking/ promotion of innovation/ promotion of the West Midlands / availability of Associates. • Do these ingredients still provide the best way for IEWM to support the region?
What new areas should we focus on e.g. Innovation, Digital	<ul style="list-style-type: none"> • Plus views as to whether these should be provided for free as part of our offer or on a chargeable basis?
What products or services would you buy from IEWM and/or from a formal partner of IEWM?	<ul style="list-style-type: none"> • Services - Programme Management / Performance Management / Transformation support • Regional Assets - Contacts Database / networks/ relationship building / events etc. • Capacity - Sector specialists/ interim support/ Associates • Products & Tools - Peer challenge/self-assessment tools/improvement tools/efficiency diagnostics/transformation methodologies • Knowledge – best practice/ think pieces/ keynotes • Other?
What is IEWM not good at? What should/could we stop doing?	<ul style="list-style-type: none"> • What has become business as usual that IEWM could stop supporting e.g. Networks that manage themselves now? • Is the sector receiving a similar service from others?
How might the sector better support itself; and	<ul style="list-style-type: none"> • What capacity does the sector have to take on elements of this itself and what support

How might the sector support itself differently if IEWM were not in place?	would it need to make it sustainable?
How do we retain accountability within the region and what governance needs to be in place going forward?	<ul style="list-style-type: none"> Views on regional governance arrangements IEWM Board/regional SLI Board/Regional Chief Executives meeting etc. <ul style="list-style-type: none"> What makes sense in an increasingly devolved environment? What would meet the needs of the future IEWM programme? Management and reporting against regionally delivered grants and funding e.g. BCF – who and how?
Who in the Public Sector is not as engaged with IEWM as well as they could be?	<ul style="list-style-type: none"> Is there an opportunity here that we (IEWM) are missing? What are the gaps that we can assist with?
What do we do next?	

7. Stakeholder Groups

The various stakeholders that we will be seeking to consult with include:

IEWM Board//Regional SLI Board	Mark Rogers, Chair Steve Winterflood, Deputy Chair Cllr Paul Middlebrough, Lead Member Cllr Ken Meeson, Lead Member
IEWM Accountable Body	Clare Marchant, CEX, Worcestershire CC Internal Audit Team, Finance colleagues etc.
Regional Networks <ul style="list-style-type: none"> Regional Chief Executives Network District Council Network Transcend Alumni West Midlands Employers 	Mark Rogers/Martin Reeves – Chair John Sellgren, Chair, WM District Council Network Various Colin Williams, Director, WME
National/Regional partners	Helen Murray, LGA – West Midlands Principal Advisor Claire Burgess, Children’s Improvement Partner (LGA/DfE)
Adult Social Care & Health <ul style="list-style-type: none"> WMADASS WMADPH Adults Improvement Board 	Peter Hay, Chair, WMADASS Stephen Munday, Chair, WMADPH Martin Reeves, Chair, Adult Improvement Board

<ul style="list-style-type: none"> • Health Integration Leadership Group • Thematic workstream leads • Lead Members 	<p>(outgoing) Alistair Neil, Lead CEX for Health Integration Martin Samuels, Lead for Adult Social Care Improvement</p>
<p>Children's Services</p> <ul style="list-style-type: none"> • WMADCS • Children's Improvement Board • Thematic workstream leads • Lead Members 	<p>Karen Bradshaw, Chair, WMADCS Cllr Brigid Jones/Cllr Val Gibson, Chair Children's Improvement Board Matthew Sampson, Lead for Children's Services Improvement Chris Lewington, Chair, Children's Commissioning Partnership</p>
<p>IEWM Team</p>	<p>Sue Banks, Ged Bowles, Pete Jackson, Paula Whitehouse (maternity cover), Polly Reed (maternity leave), Tony Ashfield, Shelley Madley IEWM Associates</p>