

## **Directorate Risks – CBSS**

### **Reduced Funding**

1. In looking at the overall risks facing the Directorate, the overwhelming major risk area is that of reduced funding and the implications that brings to the Directorate.
2. The scale of the funding reductions, and the level of savings required is unprecedented, and is on the back of major reductions that have already taken place.
3. Within CBSS efficiency savings of over £4m have already being achieved in the last 2-3 years. This has been achieved through restructuring, consolidation of services, and additional income.
4. Looking ahead however, a further £2m of savings will be expected of the Directorate in the next two years, and further savings beyond that.
5. These savings in both the immediate and longer term give rise to a number of risks, and in particular there are two broad themes to these.
  - Reduced staffing levels which will lead to lower service levels, impacting on both internal and external customers and the ability to manage significant financial risk.
  - Impact on staff morale, due to ongoing restructuring/potential job loss
6. Each of these areas is discussed more below

### **Reduced staffing levels, and the implications for service delivery**

7. Key services are provided by the CBSS Directorate, covering Finance, ICT, HR, Legal, Customer Services, Benefits, Democratic Services. These services are provided to both internal customers (eg other departments), to the Council as a whole (eg financial management/democratic) and to external customers (eg benefits/customer centre)

8. At a time of major change, and financial pressures, many of these “support” services are in greater need than they have been. For example the need for sound financial advice, for HR support in dealing with staffing changes, and in ICT in delivering more efficient solutions. This brings with it a huge challenge – in simple terms the demands and expectations of the services are increasing but the resources available to deliver those are declining.
9. There are natural risks in all of this – a failure to deliver some of these critical services, due to reduced resource levels, could lead to further implications and cost. Failure to manage budgets effectively, or to properly address the HR implications of major change, could result in added cost pressures.
10. In respect of external customers, the expectations of Customers are rightly increasing, with people expecting more ways to interact with the Council, and at different times. This brings with it potential resource issues, and also related ICT implications in developing new solutions. In respect of benefits, there is a huge national agenda, with complex changes in the benefits system, alongside increased client numbers seeking assistance.
11. The risks are clear then, and the challenge is how best to respond, as the one certainty is that we face reduced funding.
12. The Directorate has to date shown its ability to deliver major efficiency changes, and structural change. The recent organisation review of senior management over achieved its target by over £100,000 and work in relation to income collection/debt management has been very successful, along with wide ranging changes in all areas.
13. Opportunities are being reviewed to see what areas of service we could trade with other organisations (ie attract income), and to see how we can work effectively other providers
14. There will be continued detailed review of all service areas, to seek out opportunities for efficiency. However, its clear that not all savings can be delivered through “efficiency”, there will need to be a significant element of “cuts”. Managing those cuts, and

prioritising service delivery, will need very careful handling to mitigate the potential risks.

### Financial Risk

15. CBSS is responsible for much of the councils financial resource including:
  - Employee budget £14M
  - Council Tax collection £80m
  - NNDR (business rates) £80m
  - Benefits paid £50m
  - Other Fees & Income £50m
  - Debt portfolio £120m
  - Treasury Management circa £400m turnover
  - Payroll £100m
  - Payments processed to suppliers over £100m
  - Approaching a £1bn cash turnover
  
16. There are significant risks associated with the management of this level of financial resource. These have to be managed at a time when staff resources have been cut and key new challenges are arising that will need to be effectively risk managed in the short and medium term including:
  - £100m of new debt in respect of the HRA
  - Localisation of NNDR (Business Rates)
  - Localisation of Council Tax Benefits

### Impact of Staff Morale

17. In order to achieve high levels of service, during a time of reduced resource, there is a need to ensure that staff remain committed and deliver services to the highest standards.
  
18. However, with the considerable change, and at times uncertainty, that staff are facing, there is a natural danger that morale suffers and that this leads to some implications in terms of service.
  
19. Throughout such periods it is important to be open with staff, and to engage with the workforce, and this is something the Directorate

will seek to achieve at all times. Close working exists with the Unions, and the Directorate is committed to avoid compulsory redundancies wherever possible.

### Major Projects

20. The Directorate supports a number of major projects, but these sit within other Director responsibilities.
21. Specific Projects in the Directorate that do have potential risks are set out below.

### New Payroll/HR System – iTrent

22. This is a major project which will deliver transformation in how we deliver and integrate HR and payroll services. It will require a cultural shift in manager and employee self service if we are to recognise the significant benefits and efficiencies from implementing the system. There have been challenges in getting the right skills and processes in place in order to effectively deliver such a wide ranging project successfully which has required and will require careful management over the next 6 months.

### Delivery of the Customer and Workforce Strategies

23. These will be reliant on officers across the council working effectively together using a well planned and resourced project management approach to delivery