

Directorate Risks – CBSS

This note looks at the main risks within CBSS, and focuses upon a generic overarching risk of reduced funding, and then more specific service based issues.

1) Reduced Funding

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.

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.

Within CBSS efficiency savings of over £6m have already being achieved in the last 4-5 years (incl approved savings for 13/14). This has been achieved through restructuring, consolidation of services, and additional income.

Looking ahead however, a further £1.7m of savings will be expected of the Directorate in 14/15 as part of a new 2 year budget – this reflects a much increased size of Directorate with the inclusion of Asset Management, and Council wide consolidated facilities management.

This brings with it risks in a number of ways, and in particular there are two broad themes to these risks

- Reduced staff levels which mean lower service levels, impacting on both internal and external customers
- Impact on staff morale, due to ongoing restructuring/potential job loss
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Each of these areas is discussed more below

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

Key services are provided by the CBSS Directorate, covering Finance, ICT, HR, Legal, Customer Services, Benefits, Democratic Services,

Asset Management Facilities Management, and Procurement. 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)

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.

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.

In respect of external customers, the expectations of Customers are 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.

The risks are clear then, and the challenge is how best to respond, as the one certainty is that we face reduced funding.

The Directorate has to date shown its ability to deliver major efficiency changes, and structural change. Major restructuring has taken place in recent years, including major reductions in senior management (all the AD posts for example now have considerably increased portfolios of responsibility than say 2-3 years ago). Work in relation to income collection/debt management has been very successful, along with wide ranging changes in all areas.

Opportunities are being reviewed to see what areas of service we could trade to other organisation (ie attract income), and to see how we can work with other authorities

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.

- **Impact of Staff Morale**

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.

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.

Throughout such periods it is important to be open with staff, and to engage with them, and this is something the Directorate seeks to achieve at all times. Close working exists with the Unions, and the Directorate is committed to avoid compulsory redundancies wherever possible.

2) **Other Directorate Risks**

Significant specific tasks which the Directorate lead upon are summarised below, with brief comment about the main risks

- **Developing the financial strategy** – linked to earlier comments, the challenges facing the Council are major in terms of the impact of funding changes, increased costs, and unavoidable pressures. There are risks in the non achievement of savings, and risks in terms of service delivery with reduced funding. A detailed risk assessment is undertaken as part of the financial strategy, and risks associated with savings are considered.
- **Budget Monitoring** – risk of non achievement of the budget in year. Detailed monitoring, reporting, and mitigation takes place, and this has resulted in the spending being within budget in all recent years.
- **Final Accounts** – linked to earlier general comments, the pressures on reduced staff could potentially lead to delays to final accounts productions/errors in production. This is a statutory responsibility however, and the Director recognises the need to ensure staffing is maintained in this area

- **Council Tax Benefit Changes** – major changes in the funding of council tax benefits, requiring a significant change to be introduced unless the Council fully funded the loss in Government Grant (around £1.5m)
- **Localisation of Business Rates** – this brings with it both the potential to benefit from additional income, but also places any shortfalls in collection upon the Council. This has been recognised as an area where greater resource needs to be targeted, and the income team will be reviewed accordingly.
- **Ensuring Legal Compliance** – general ongoing need to ensure that all the Council does is in line with legislation.
- **HR Issues** – significant changes in terms of roles being undertaken by staff, major restructuring, and significant numbers of staff being made redundant/taken voluntary redundancy. These all require effective HR to mitigate any risks.
- **ICT** – all services rely upon ICT, and any period without systems would impact on service delivery. The service has a comprehensive Disaster Management plan in place. The work the service will undertake linked to the West Offices move is a key piece of work.
- **Facilities Management** – undergoing a major period of change, consolidation, and preparation for the move to West Offices
- **Major Projects** – Directorate supports or leads on a number of major projects, including West Offices, EPH review, Community Stadium. Each of these has their own risk assessment and are monitored through appropriate project teams. Key risks naturally involve issues in terms of ensuring schemes stay within budget, within timescale, and deliver the project objectives.