IMPACT OF REDUCED CAPACITY TASK GROUP – 6 OCTOBER 2011

A meeting of the Impact of Reduced Capacity Task Group will be held at 5.30 pm on Thursday 6 October 2011 in Committee Room 1 at the Town Hall, Rugby.

Councillor Mahoney
Chairman

A G E N D A

PART 1 – PUBLIC BUSINESS

1. Minutes – to approve the minutes of the meeting held on 12 September 2011.
2. Apologies – to receive apologies for absence from the meeting.
3. Declarations of Interest.

To receive declarations of –

(a) personal interests as defined by the Council’s Code of Conduct for Councillors;

(b) prejudicial interests as defined by the Council’s Code of Conduct for Councillors; and

(c) notice under Section 106 Local Government Finance Act 1992 – non-payment of Community Charge or Council Tax.

Note: Members are reminded that they should declare the existence and nature of their personal interests at the commencement of the meeting (or as soon as the interest becomes apparent). If that interest is a prejudicial interest, the Member must withdraw from the room unless one of the exceptions applies.

Membership of Warwickshire County Council or any Parish Council is classed as a personal interest under the Code of Conduct. A Member does not need to declare this interest unless the Member chooses to speak on a matter relating to their membership. If the Member does not wish to speak on the matter, the Member may still vote on the matter without making a declaration.
4. Risk workshop follow-up: Presentation from Head of Business Transformation and Communication, Consultation and Information Manager on key developments outlining key developments since the Council began its process of reducing capacity in the face of economic challenges and additional information requested at the Risk Workshop on 12 September 2011 (see Briefing Paper 2b attached).

5. One Page Strategy.

6. Programme of Work.

7. Dates of Future Meetings – please bring your diaries to the meeting.

*Any additional papers for this meeting can be accessed here via the website.*

**Membership of the Task Group:**

Councillors Mahoney (Chairman), G Francis, Mistry, Mrs O’Rourke, Roodhouse, Sandison, Srivastava, Helen Walton and Miss Watts

*If you have any general queries with regard to this agenda please contact Linn Enticott, Democratic and Scrutiny Services Officer (01788 533523 or e-mail linn.enticott@rugby.gov.uk). Any specific queries concerning reports should be directed to the listed contact officer.*

*If you wish to attend the meeting and have any special requirements for access please contact the Democratic and Scrutiny Services Officer named above.*
1. **OVERVIEW**

At its first meeting, on 3 August 2011, the task group decided to undertake the review in two stages. The first stage would focus on the risks to the organisation resulting from reduced capacity and would take the form of a risk workshop.

The task group held a meeting on 12 September, and considered examples of strategic and operational risks, along with the Equality Impact Assessments for each of the significant budget decisions involving redundancies and service changes taken by Council in February 2011. This was with a view to assessing how the Council is managing its risks in the context of reduced capacity.

Following discussion, the Task Group agreed to adjourn the meeting until more data could be gathered and to reconvene on Monday 26 September to consider the following items:

1. The past and present organisational structures of the Council (to follow);
2. Budget figures for each service area for before and after the spending review (see appendix 1)
3. A presentation by the Communication, Consultation and Information Manager providing an overview of key points from the Equality Impact Assessments; and
4. Relevant extracts from the Audit Committee’s minutes providing evidence that the Council’s risk management arrangements are fit for purpose (see appendix 2).

2. **NEXT STEPS**

The above information aims to give the Task Group an overview of how the Council is corporately managing the impact of reduced capacity.

As discussed previously, following this the Group will identify two or three specific service areas to use as case studies to consider in more detail how this reduced capacity is being managed within particular services that have been affected by increased demand or reduced staffing as a result of the challenging economic context. Community safety has already been highlighted as one area for consideration, as the Crime and Disorder Committee was the parent committee for this review and all partners engaged in this work are facing financial pressures.
## GENERAL REVENUE FUND BUDGETS

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<th>Portfolio Expenditure:–</th>
<th>2011/12 Budget</th>
<th>2010/11 Revised Net Budget</th>
<th>Outturn 2010/11</th>
<th>Variance between 2011/12 Budget and 2010/11 Outturn</th>
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EXTRACTS FROM AUDIT COMMITTEE MINUTES RELATING TO RISK MANAGEMENT

1. Audit Committee (Minute 30) 15 February 2011

MANAGING HIGH-PRIORITY RISKS
The Committee considered the report of the Head of Business Transformation on the Strategic Risk Register (Part 1 agenda item 6). Concerns were raised surrounding partnerships. Shared services can bring additional risks and these should be incorporated into the strategic and operational risk registers.

RESOLVED THAT – the report be noted.

2. Audit Committee (Minute 22) 23 November 2010

MANAGING HIGH PRIORITY RISKS
The Committee received a report detailing the Council’s ‘Top Ten’ risks which were all ‘red’ risks (following the Council’s performance traffic light system).

The risk assessments for the top five risks had been circulated with the agenda.

All the risks contained within the Strategic Risk Register were monitored and managed on a regular basis via a number of different mediums.

The Strategic Risk Register had been fully revised in July 2010 and was being reviewed on a quarterly basis. The Head of Resources suggested re-timetabling the Strategic Risk Register meetings so that they fell in line with reporting dates to the Audit Committee.

The Committee was advised that it was intended to reinstate the Strategic Risk Management Group and a meeting was planned for February 2011.

RESOLVED THAT - the report be noted.

3. Audit Committee (Minute 10) 29 June 2010

ANNUAL GOVERNANCE STATEMENT
The Committee considered a report on the Annual Governance Statement for 2009/10 (Part 1 - agenda item 10). The following comments were made:
- To date, end to end service reviews of Development Control, Housing Benefits and Housing Repairs had been commenced and some significant enhancements had been made operationally within these areas.
- The AGS had been signed off by the Deputy Chief Executive and Leader of the Council.

RESOLVED THAT-
(1) The Committee endorse the Annual Governance Statement; and
(2) IT BE RECOMMENDED TO COUNCIL that the Annual Governance Statement be approved.
IMPACT OF REDUCED CAPACITY
FOLLOWING THE COMPREHENSIVE SPENDING REVIEW

REVISED ONE-PAGE STRATEGY

What is the broad topic area?
How the council is responding to the challenging financial context in which it is now operating.

What is the specific topic area?
How the Council manages reduced capacity and obtains best value for money in the current challenging economic climate.

How the council needs to adapt its working practices and service delivery models to meet the challenge of reduced resources and reduced staffing capacity within teams

The review will also consider how the council can work with partners and stakeholders to maximise resources and minimise the impact of cumulative service cuts by different agencies on local communities. The review has been allocated to the Crime and Disorder Committee as there are pertinent issues around reduced capacity in all partner organisations relating to community safety.

What is the ‘unreasonable’ ambition of the review?
Despite reduced capacity across the Council and other local public bodies, services remain largely unaffected as partners work together with local stakeholders to identify gaps and minimise impact. Teams within the Council deliver high quality services, focused on a clear purpose, defined in customer terms and council services make measurable improvements.

How well do we perform at the moment?
This is not a review of the Government’s spending strategy, nor would there be much value in picking over decisions already taken and identifying past mistakes.

The review will establish and consider:

- The financial context in which the council is operating – cost pressures, financial outlook
- What are the key principles / approaches we are following in relation to cost reduction proposals? How do the Corporate Strategy, Community Strategy and Regeneration Strategy inform budget decisions?
- Are we exploring the scope for increasing our income, and by what criteria are decisions about this, and about shared services, being taken?
- Are there any areas where performance is threatened by reduced resources? How is this being managed? Is there a clear view about any areas where we are content to see reduced performance?
- How is the systems thinking approach being disseminated and embedded across the organisation? How are we adapting our working practices, and do we have robust ways of measuring the impact of this new approach?
What support can (or should) we provide to local community groups to build their capacity to fill gaps in services?

How effective are existing partnership arrangements in maximising the combined contributions and resources of different agencies and identifying gaps in services as a result of reduced resources?

Who shall we consult about the current service and about how we can improve it?
The review will be undertaken in two stages:

Stage 1 – Focusing on the risks to the organisation resulting from the reduced capacity and how we are managing those risks. Drawing on existing work and support from Corporate Assurance Team.

Stage 2 – Practical case study(ies) looking at the actual impact of service changes in order to identify examples of good practice and particular challenges arising within the organisation. This will involve consultation with officers and external partners as relevant to the service in question.

What other help do we need?
Copies of the Council’s organisational structure
Details of the Council’s physical assets (?)
Copies of Strategic and Operational risk registers
Support from the Corporate Assurance Team
Community safety as a case study?

How long should it take?
3-4 months

What will be the outcome?
The review should result in positive recommendations to Cabinet that will deliver improvements in the way the council operates and works with partners, to benefit the council and the local community. With further reductions in the Council’s income to come in 2012/13, the review recommendations should inform the next budget-setting process if they are to deliver tangible benefits.