

Cabinet

12th September 2012



**Update on the delivery of the
Medium Term Financial Plan 2**

Report of Corporate Management Team

Lorraine O'Donnell, Assistant Chief Executive

**Councillor Simon Henig, Leader of the Council and all Cabinet
collectively**

Purpose of the Report

- 1 This report provides an update on the progress made at the end of the first quarter this year on the delivery of the 2012/13 to 2015/16 Medium Term Financial Plan (MTFP 2).

Background

- 2 Cabinet has received regular updates on the progress made by the Council in delivering the financial targets within MTFP 1 which covered the period 2011/12 to 2014/15. These updates have also outlined the approach being taken to ensure the Council has a rigorous programme management framework in place to make certain we meet our duties under the Equalities Act, we comply with our duties as an employer and we consult on and communicate the changes being made.
- 3 The council expects to have to make approximately £180m of savings from 2011/12 to 2016/17, including £26.4m in 2012/13.

Progress to date

- 4 Significant progress has already been made with over 70% or £19.7m of the savings required for this year having been delivered. This is largely through a significant number of the proposals having already been introduced before the start of the financial year because they resulted from decisions and changes made in the previous year. These include savings from commissioning adult care, the review of leisure facilities, the restructure of the Regeneration and Economic Development service grouping, the unitisation of Human Resources and Finance and ongoing reviews of business support and management across the Council.

- 5 Other changes made which are now beginning to contribute to this year's savings include the introduction of alternate weekly collections and the implementation of the revised home to school transport policy.
- 6 The principles established through the original consultation on protecting front line services as far as possible are continuing to be used as the basis of the proposals wherever possible, as seen by the continuing review of business support teams and management across all service groupings.

Consultation

- 7 Within the framework set up to manage the MTFP programme the council has established a consultation forward plan to ensure the consultation is undertaken in a timely and comprehensive manner.
- 8 As part of MTFP 2 there have been consultations this year on the library services review with a further consultation planned on individual library opening hours, day care provision, parking charges at Hardwick Park, street markets and houses in multiple occupation.
- 9 In identifying the final recommendations, feedback from consultations is considered and changes made wherever possible. A recent example is the final recommendations considered on the proposal to change the mobile library service.

HR implications

- 10 During the first quarter of this year there have been 57 applications for ER/VR accepted and 6 compulsory redundancies.
- 11 The Council's redeployment process has been able to find alternative employment for 14 employees.
- 12 The reduction in staffing continues to remain in line with the original plan and staff are continuing to apply for ER/VR assisting in minimising compulsory redundancies as we progress the second year of delivering CSR spending reductions.
- 13 The equality profile of staff leaving as a result of early retirement or voluntary redundancy shows 53% were male and 47% female. This does not reflect the overall workforce profile which has a higher proportion of women. Fewer than 5 people had recorded a disability, the majority were White British and almost 80% were full-time employees. The figures for compulsory redundancy show an equal proportion of men and women which again is a higher proportion of men than represented in the overall workforce profile. They also showed an equal proportion of full and part-time workers, none had recorded a disability and none indicated ethnicity other than White British.

Equality Impact Assessments

- 14 All savings proposed had been equality screened before approval of the MTFP 2. This also included updating equality impact assessments for 2011/12 proposals where a further saving was proposed. The cumulative impacts of additional savings are being considered in the assessments of new proposals where appropriate.
- 15 The majority of the savings proposals have primarily involved more efficient ways of working, deletion of vacant posts and staff reductions in line with the strategy agreed by the council. However there are key service impacts identified for certain proposals in relation to the effects of reduced access to particular services.
- 16 The equality impact assessment process influences consultation and identifies mitigating actions to address potential negative impacts on those with protected characteristics. Key examples of mitigating actions this quarter included identifying options to maintain outreach work for younger, older and disabled people in the library services review, supporting organisations taking on leisure centres or community buildings to understand their equality responsibilities, progressing plans to re-locate the multi-sensory facility from Deerness Leisure Centre and monitoring the implementation of car parking charges at Hardwick Park to identify issues for disabled people.

Conclusions

- 17 Previous reports have outlined the significant challenge of delivering over £26m of spending reductions in 2012/13. £66.4m was delivered in 2011/12 with a further £19.7m delivered so far in 2012/13. The Council has achieved this by planning early and delivering through robust programme management.
- 18 The council is on course to deliver the 2012/13 target of £26.4m which would mean a total of £92.8m in savings made since 2011.
- 19 The importance of the programme management approach continues to be seen by the high percentage of proposals delivered already and the work being undertaken to ensure changes are supported by both a robust consultation and full equality impact assessment.

Recommendations

- 20 Members are recommended to note the contents of this report and the progress being made in delivering MTFP 2.

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Appendix 1: Implications

Finance – The delivery of the MTFP involves cumulative saving of approximately £180m over the period from 2011 to 2017 of which £66.4m was delivered in 2011/12 and £26.4m is to be delivered during 2012/13.

Staffing – Where the proposals affect staff, full consultation is undertaken and the trade unions consulted. Wherever possible, staff reductions are done through voluntary means. In addition, there has been a proactive management of vacancies to lessen the impact on staff and the Council has a redeployment process which continues to find alternative employment for a number of staff

Risk – The delivery of the MTFP is highlighted as one of the Council's strategic risks and is monitored through the corporate risk management process. In addition, risks for individual proposals are being monitored through the work undertaken to deliver the proposal.

Equality and Diversity / Public Sector Equality Duty – An Equality Impact Assessment (EIA) was undertaken for the original 4 year MTFP plan and additional screening was undertaken for the 2012/13 proposals and any other changes made to the original plan. In addition, for each proposal an EIA is undertaken as part of the decision-making before the proposal is implemented.

Accommodation As proposals are planned the impact on accommodation is ascertained, with staff being consulted on any moves as part of the process. The anticipated loss of 1600 posts from the Authority will mean a requirement for less accommodation and the Office Accommodation Team has built this into the Office Accommodation Strategy.

Crime and Disorder – N/A

Human Rights – N/A

Consultation – A full consultation with a range of stakeholders was undertaken on the MTFP prior to its agreement. In addition, where appropriate for individual proposals, internal and external consultation plans are developed so that consultation informs the decision making process.

Procurement – A number of the proposals involve the changing of existing contracts and this work is being taken forward through the Council's agreed procurement processes.

Disability Issues – Any disability impacts are being picked up through the Equality Impact Assessments undertaken.

Legal Implications – The legal implications of any decisions required are being considered as part of the delivery of the proposals.