

**Update on the delivery of the
Medium Term Financial Plan 3**

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 June 2013 on the delivery of the 2013/14 to 2016/17 Medium Term Financial Plan (MTFP 3).

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 and within MTFP 2 which covers the period 2012/13 to 2015/16. 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 MTFP 3 agreed by Council takes the overall savings target for the period from 2011/12 to 2016/17 to over £188m.

Progress to date

- 4 Savings of this level continue to be a major challenge for the Council. However through detailed planning and robust decision making, we have continued to meet the savings targets agreed by members.
- 5 Progress on the savings for the current year of MTFP3 has been significant and against the target set for the year of £20.87m we have achieved £15.12m by 30 June 2013 which represents 72% of the 2013/14 target. This means that the council has delivered £108.6 m savings since 2011
- 6 This progress reflects the work undertaken already on delivering the previous MTFPs and the high level of savings this year that are from projects and changes implemented previously. These include restructures across a number of the Council's service groupings including CAS, RED, HR, ICT and Legal and Democratic Services. Other savings have come from the changes

to home to school transport, waste collection and disposal services and the on-going management of vacancies.

- 7 The amount delivered to date and the amounts still required over the coming few years are shown in the graph below.

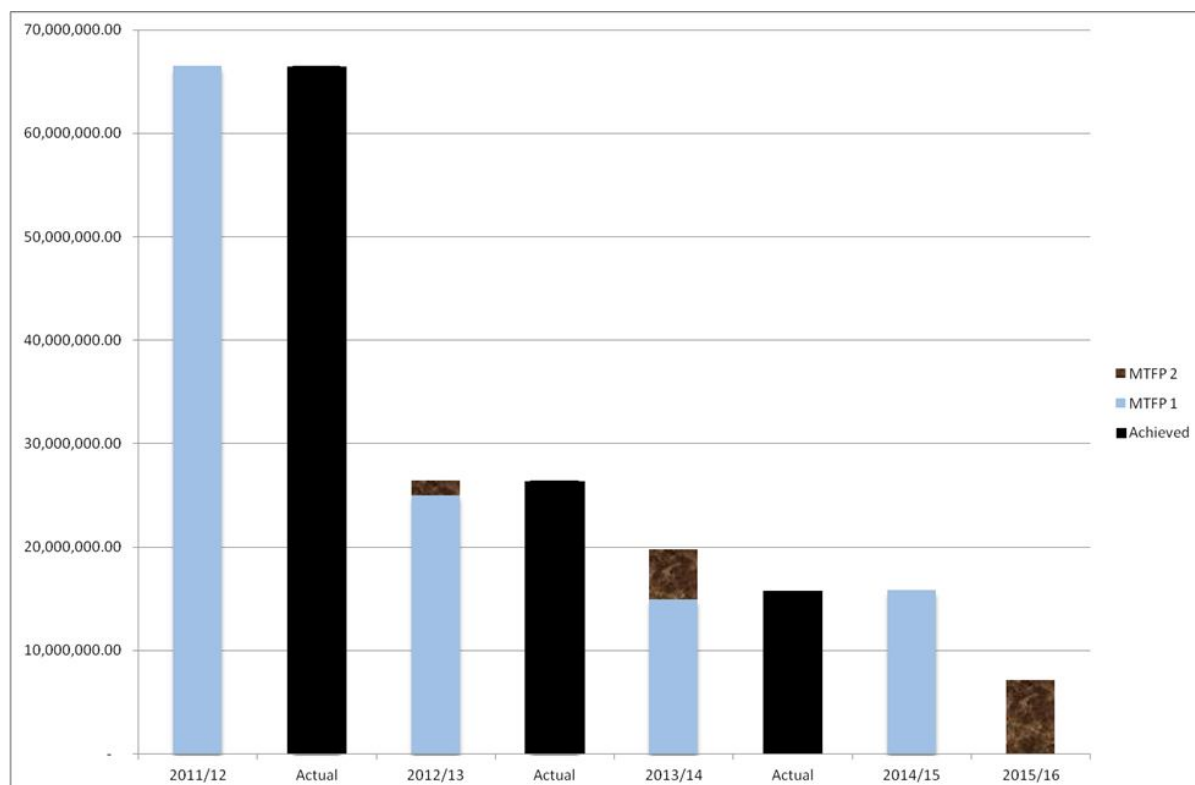


Figure1. MTFP 1, 2 and 3 savings targets and achievements

- 8 As part of the on-going delivery of the MTFP it is occasionally necessary to introduce a range of mitigating actions. These have been needed when an existing MTFP proposal has either been delayed or due to changed circumstances, has had to be revised. These additional/mitigating actions ensure the overall savings target is still being delivered through replacing planned proposals with other planned projects or initiatives.
- 9 The programme management approach used as part of the MTFP ensures where mitigation is required, these savings are monitored robustly.

Consultation

- 10 As a result of the nature of the savings already delivered during the first quarter of 2013 the level of public consultation activity has been low in this quarter, although a number of staff consultations have been undertaken.
- 11 Work is currently underway to design an extensive consultation of residents and partners on the overall MTFP as we look to identify further savings required after 2015 through to 2017 when it is expected the overall target since 2011/12 for the Council will be in excess of £222m.
- 12 The AAPs will be a key focus of this during October and November and each AAP is planning to host a Participatory Budget event at which residents and

partners will be able to provide their feedback on how the Council should deliver the additional savings required.

- 13 Full details of these events will be publicised during September.

HR implications

- 14 The impact on the Council's workforce continues to be in line with the original MTFP estimates in 2011. At that time it was anticipated that approximately 1,600 staff posts would be removed from the establishment together with a further 350 vacant posts deleted over the period from 2011 to 2015.
- 15 During the first quarter of this year 43 employees have left through redundancy or early retirement related to MTFP and 60.5 vacant posts deleted.
- 16 The Council has continued to support employees affected by the MTFP including offering staff affected alternative employment through the Council's redeployment process.
- 17 Employees are also continuing to apply for ER/VR and to date we have over 170 expressions of interest which we are actively managing.
- 18 The impacts on employees are also considered as part of the equality impact assessment process. It should be noted that although the information below does not relate solely to MTFP decisions, the majority are the result of MTFP and this offers a useful indication of the impact on staff across the authority.
- 19 Of those leaving through voluntary redundancy or early retirement just over 45% were male which is relatively high compared to our overall workforce profile. The proportion of employees recorded as having a disability accounted for 9% which is also high compared to our overall workforce profile, around 82% had not disclosed whether or not they had a disability. The majority (94%) were recorded as white British whilst the remainder had not disclosed their ethnicity. Working pattern information shows that 73% were full-time and 27% part-time.
- 20 Of those employees made compulsorily redundant almost 56% were female and just over 44% male which is a relatively higher proportion of men compared to our overall workforce profile. The proportion of employees in this category recorded as having a disability was 11% which again is high compared to our overall workforce profile, although 72% had not recorded whether they had a disability or not. Just over 94% were white British and the remainder had not disclosed their ethnicity. Around 61% worked full-time and almost 39% worked part-time.

Equality Impact Assessments

21 In order to ascertain ongoing impacts the council has examined the effects of efficiencies across MTFP1-3 with updates provided below on several key proposals during this period:

- An early MTFP proposal related to the review of respite services for people with learning disabilities (LD). After extensive consultation with service users, carers and staff it was recommended to close Dean Lodge, consolidate in-house services at Hawthorn House and explore alternative provision to provide wider choice in respite care. All of the actions identified within the EIA as part of the proposal have been completed. For example specific issues around transition, transport, older carers' needs and communication have been addressed. All service users who have an assessed need for respite are continuing to have those needs met. Additionally the council has ensured that increased options for respite are available.
- A number of CAS EIAs aimed to mitigate some of the potential negative impact of proposals through utilisation of the in-house reablement service. The service aims to give people over the age of 18 the opportunity, motivation and confidence to relearn/regain some of the skills they may have lost as a consequence of a physical, sensory or learning disability including mental health needs. Data suggests that on average 60% of people require no ongoing care after accessing a period of reablement. The support and recovery team have discharged over 90 people during 2012 with positive outcomes in terms of independence, education and employment.
- Regarding the review of adult day services all venue changes have now been made according to schedule. Consultation feedback was acted upon and the service has worked closely with service users and carers to improve plans, for example, extending spaces and layouts within new venues and improving access such as parking facilities and changing areas. Anecdotal feedback is positive with services users stating they prefer the new arrangements and, because services are based within public venues, this increases a feeling of involvement with their local community. All new units have a 'quiet room' for use if people need a retreat, for example, some older people found the lunch period noisy and preferred to eat their meal in a quieter area. Feedback is continually sought and acted upon as necessary.
- The review of Household Waste Recycling Centres (HWRC) resulted in the closure of some sites, reduced opening hours at remaining sites and the appointment of a new contractor from 1st June 2013. Proposals were widely consulted upon including consultation with Disability Partnership in December 2011. Actions within the EIA regarding proactive assistance and prominent signage have been addressed within the contract specification. The action regarding mobile provision is still being considered. Complaints and issues are monitored on an ongoing basis and acted upon in conjunction with the contractor where necessary.

Conclusions

- 22 The Council's approach of planning early and delivering the savings through robust programme management continues to be an important aspect in overcoming the significant challenge of delivering the MTFP.
- 23 The Council has delivered £15.12m of the 2013/14 MTFP target of £20.87m by the end of June.
- 24 Work is now underway to enable a major consultation exercise to be undertaken in October and November on how future savings for MTFP 4 should be delivered.

Recommendations

- 25 Members are recommended to note the contents of this report and the progress being made in delivering the £20.87m of savings for 2013/14 where 72% of the savings have been delivered by 30 June 2013.

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Appendix 1: Implications

Finance – The delivery of the MTFP involves cumulative saving of approximately £222m over the period from 2011 to 2017 of which £66.4m was delivered in 2011/12 and £26.4m delivered during 2012/13. In the current year we have already delivered 72% of the target of £20.87m, which brings the total amount saved to date to over £107m.

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.