

Cabinet

17 December 2014



Update on the delivery of the Medium Term Financial Plan 4

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 September 2014 on the delivery of the 2014/15 to 2016/17 Medium Term Financial Plan (MTFP 4).

Background

- 2 Cabinet has received regular updates on the progress made by the Council in delivering the financial targets within MTFP 1, 2 and 3 which covered the period 2011/12 to 2016/17. 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 with the public and stakeholders.
- 3 MTFP 4 was agreed by Council in February 2014 and for 2014/15 the savings target is just over £23m. This forms part of the overall savings target for the period from 2011/12 to 2016/17 of around £224m.

Progress to date

- 4 Delivery of the MTFP programme remains very challenging for the Council and the savings for 2014/15 represents an increase of 10% on the savings required in 2013/14.
- 5 Through the robust approach we continue to take in managing the savings programme, we remain within plan in meeting the savings targets and therefore the savings required for 2014/15 are on track. By 30 September 2014, over 82% of the target has been met, which is up from 60% in the first quarter, with £4.6m of savings having been achieved in the second quarter, making the actual savings so far for 14/15 £18.8m. Since April 2011 we have now made almost £133m of savings.

- 6 The main areas savings have been made in this period include the consistent and effective application of existing eligibility criteria and the increased use of intermediate care services within Children's and Adults Services, along with the outcomes of the previous review of Home to School transport policies as the new school year falls within this review period. There has also been a reduction in funding, grants and awards for museums across the county.
- 7 Further savings also continue to be realised through internal restructures across the Council.

Consultation

- 8 Consultation with the public and other stakeholders remains an important element in the MTFP programme. Within the second quarter, a 12 week public consultation commenced on the Review of the Children's Centres (Early Years). This consultation however concerns changes to service provision to improve outcomes rather than to deliver MTFP savings, although it is anticipated that financial savings will result from the final outcome.

HR implications

- 9 By the end of the second quarter of 2014/15, we have concluded 65 ER/VR applications, deleted 58 vacant posts and made 98 employees redundant as a result of the MTFP proposals. The majority of the HR reductions resulting from MTFP4 savings were realised during 2013/14 and were included in previous figures provided to Members. This reflects our strategy of delivering savings early where possible.
- 10 The total impact on the workforce through reduced posts continues to remain in line with the original projections of 1,950 posts being removed by the end of 2014/15. Since 2011 a total of 980 ER/VR applications have been accepted, 426 vacant posts deleted and 443 compulsory redundancies made.
- 11 The Council continued to support employees affected by the MTFP savings plans and we have found 389 employees alternative employment through the Council's redeployment process.
- 12 Employees are also continuing to apply for ER/VR and to date we have 199 expressions of interest which we are actively monitoring to try to support where we can, as an alternative to compulsory redundancies.
- 13 Information recorded for staff leaving the council during quarter 2 through compulsory redundancy shows 88% were female, 4% declared a disability and 93% were white British with 7% not disclosing their ethnicity. Of those leaving the authority through ER/VR 65% were female which is more in keeping with the overall workforce profile, 10% had disclosed a disability and 83% were white British however 17% had not disclosed their ethnicity.

Equality Impact Assessments

- 14 Equality impact assessments (EIAs) continue to form a key part of the ongoing MTFP process. A number of the initial screenings were provided to Cabinet in January 2014 and these are updated where necessary during the year to take account of consultation responses and additional evidence; the updates also include information on any mitigating actions.
- 15 Action plans from equality impact assessments are monitored on a quarterly basis. The impact assessments and action plans are also reviewed during the decision making process, for example, updated EIAs are provided where Cabinet receive a report ahead of consultation and where a further report is received with any final recommendations.

Conclusions

- 16 The Council remains in a strong position to meet its current financial challenges and its approach of planning early and robustly managing the implementation of the changes ensures that we remain ahead of the savings target requirements.
- 17 The Council has delivered £18.8m of the savings for 2014/15 (over 82% of the £23m target) which amount to almost £133m in savings made since 2011.

Recommendations

- 18 Members are recommended to note the contents of this report and the progress being made in delivering MTFP4.

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Appendix 1: Implications

Finance – The delivery of the MTFP involves cumulative saving of approximately £224m over the period from 2011 to 2017 of which nearly £133m has been delivered to date in 2011/12, 2012/13, 2013/14 and 2014/15.

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 proposals which have been identified for subsequent MTFPs, together with 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 1950 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 and again in 2013. 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.