

**Update on the delivery of the
Medium Term Financial Plan 6**

Report of Corporate Management Team

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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 2016 on the delivery of the 2016/17 Medium Term Financial Plan (MTFP6).

Background

2. Cabinet has received regular updates on the progress made by the Council in delivering the financial targets within the MTFP since 2011/12.
3. MTFP6 was agreed by Council in February 2016 and for 2016/17 the savings target was just over £28million. This forms part of the overall savings target for the period from 2011/12 to 2019/20 of around £250million.

Progress to date

4. Previous reports have described our robust approach to delivery of the savings so that savings are delivered early where this is practical.
5. As a result, by the end of June 2016 over 80% of the savings target for MTFP6 has already been met with £22.5million of savings having been achieved. This is a significant achievement considering our total savings delivered since April 2011 is over £180million including public health savings and the identification of proposals for future savings is becoming increasingly challenging. There will be few councils in the country who can report that they have been able to successfully deliver their savings so early within the financial year.
6. By the end of March 2017 we will have achieved £185.9million, including the savings which have been made in public health.
7. That said we do recognise that on occasions plans need to change which could delay when savings are made, but through the regular monitoring of our MTFPs we are able to smooth out delivery of saving using cash limits, ensuring we don't miss our overall savings targets.
8. The savings achieved towards MTFP6 include proposals relating to review of day care services; transformational change in the Children's and Adult Care services; a review of non-assessed services; and through self-funding capital schemes.

Consultation

9. As members are aware consultation with the public and other stakeholders remains an important element in the MTFP programme. During the first quarter we consulted on increased charging in respect of adult care provision. In addition, the feedback from the consultation in February 2016 on Youth Support will be presented at this meeting.

HR implications

10. In the first quarter of 2016/17 we accepted 23 ER/VR applications, made 8 employees redundant and 59 vacant posts were removed from the establishment as a result of the MTFP proposals. Whilst the figures appear low for the 80% achievement in savings, the majority of the HR activity required for MTFP6 Savings proposals occurred in the previous financial year.
11. Since 2011 a total of 1221 ER/VR applications have been accepted, 572 vacant posts deleted and 547 compulsory redundancies made.
12. Provisional data suggests that relating to staff leaving through voluntary redundancy and early retirement during this quarter showed that 63% were female and 37% were male. While the number of leavers is relatively small these proportions are broadly comparable with the overall workforce profile. Further information to follow regarding those with a disability.
13. For compulsory redundancies 87% were female and 13% male. The number of compulsory leavers was low and there is insufficient disclosed ethnicity data to report upon.
14. The Councils redeployment scheme has now helped well over 400 employees since the process started.
15. Up to the end of June 2016 we have over 244 open expressions of interest for ER/VR which are actively monitored and supported wherever possible in order to reduce the need for future compulsory redundancies, many of which are being factored into plans for future MTFPs.

Equality Impact Assessments

16. Equality impact assessments (EIA) form a key part of the ongoing MTFP process. A number of initial screenings for new savings and updated EIAs for ongoing savings were provided to Cabinet ahead of the budget setting decision in February 2016. They are updated during the year to take account of consultation responses and additional evidence; the updates also include information on any mitigating actions.
17. The impact assessments and action plans are considered during decision making processes, 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

18. With the Government's austerity programme due to continue for several more years, the Council continues to be in a strong position to meet the ongoing financial challenges although recognising these are becoming even more challenging. Through the robust management process supporting the MTFP ensures we remain ahead of the savings target requirements.
19. For MTFP6 the Council has already delivered £22.5million of the savings required (80%), with an additional £4.3million from Public Health and in total has now delivered over £180million in savings since 2011.

Recommendations

20. Members are recommended to note the contents of this report and the progress made in delivering MTFP6.

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Appendix 1: Implications

Finance – The delivery of the MTFP involves cumulative saving of approximately £250million over the period from 2011 to 2020 of which over £180million has been delivered to date. This figure now also includes savings delivered in Public Health.

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 loss of over 2,453 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.