

Cabinet

11 December 2019

Update on the delivery of the Medium Term Financial Plan 9

Ordinary Decision



Report of Corporate Management Team

Lorraine O'Donnell, Director of Transformation and Partnerships

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

Electoral division(s) affected:

None

Purpose of the Report

- 1 This report provides an update on the position of the delivery of the 2019/20 Medium Term Financial Plan (MTFP9).

Executive summary

- 2 This report gives detail of the cumulative MTFP savings since 2011 and confirmation of the savings achieved up to the end of quarter 2 (September 2019) for the MTFP9 period of 2019/20.
- 3 For MTFP9 the council has delivered quarter 2 savings of £8,808,379 which is 85% of the £10,334,712 target.
- 4 In total to date, the Council has delivered in excess of £232 million in savings since 2011.

Recommendation(s)

- 5 Cabinet is recommended to:
 - (a) note the contents of this report and the amount of savings delivered during quarter 2 of the MTFP9 period;
 - (b) consider MTFP10 proposals once all information is available.

Background

- 6 Cabinet has received regular updates on the progress made by the Council in delivering the financial targets within the MTFP since 2011/12.
- 7 MTFP9 savings were agreed by Council in February 2019 and set a savings target of over £10 million for 2019/20. This brings the overall savings target for the period from 2011/12 to 2020/21 to circa £251 million. At the current time there is significant progress towards these savings.

Progress to date

- 8 The delivery of the MTFP has been managed through a robust programme management approach to ensure the Council takes into account:
 - (a) the duties under the Equality Act;
 - (b) appropriate consultation;
 - (c) the HR implications of the change including consultation with employees and trade unions;
 - (d) communication of the change and the consultation results;
 - (e) sound risk management.
- 9 Through this approach the Council is managing the programme to ensure the savings for 2019/20 are successfully delivered.
- 10 Members have been advised of the careful planning and monitoring of the savings which is carried out. On occasions plans need to change which could delay when savings are made, but through the ongoing management of the process we are able to smooth out delivery of savings using cash limits, ensuring we haven't missed our overall savings targets.
- 11 To date, there has been £46,981 identified as at risk and this has been mitigated using cash limits in order to achieve the MTFP savings for 2019/20.
- 12 The development of MTFP10 proposals for 2020/21 has been underway since the 2019/20 proposals were agreed. The latest information suggests that the settlement figure will be higher than anticipated therefore further consideration is currently being undertaken and some of the proposals for next year are being revisited.

Consultation

- 13 There has not been any public consultation on MTFP 9 proposals in the last quarter.
- 14 Consultation has been undertaken in connection with the review of the High Needs Block Funding for SEND and Inclusion (MTFP10) which was approved by Cabinet on 10 July 2019. The consultation was open from 17th July to 17th October 2019 and received a significant response.
- 15 The recommendations report following the consultation will be presented to Cabinet on 15th January for approval.

HR implications

- 16 Equality data relating to the 15 staff leaving through voluntary redundancy, early retirement and ER/VR during quarter 2 of MTFP9 showed that 81% were female and 29% were male. In terms of race, 18% of leavers had not disclosed their ethnicity and the remaining 82% stated that they were white British or white English. Regarding disability status no employees said they had a disability, 41% had no disability and 59% did not disclose their disability status.
- 17 The numbers of those leaving through compulsory redundancy are also too low to effectively analyse (zero).
- 18 Since austerity began in 2011, equality data relating to staff leaving through voluntary redundancy, showed that 62.5% were female and 37.5% were male. The higher proportion of female leavers is likely due to the exercises which took place in previous years which focused on traditionally female occupied professions, (these included the closure of care homes, reduction in service in the Pathways and Youth service and a restructure and change of working pattern for Care Connect).
- 19 In terms of race, since 2011, 47% of leavers had not disclosed their ethnicity, with 52% stating that they were white British or white English. Regarding disability status 3% said they had a disability, 12.5% had no disability and 84.5% did not disclose their disability status.

Equality Impact Assessments

- 20 Services have completed EIA screenings as part of the decision-making process. Full assessments are underway in order to be presented as part of the budget setting process in February 2020.

Project Management Approach

- 21 MTFP savings are monitored and managed through a recognised and robust approach utilising service-based savings targets and associated

project plans for their delivery which are reviewed independently to provide assurance that they are realistic and achievable.

- 22 Through the Transformation Programme, efficiencies are becoming Council Wide and non-service specific due to cross cutting nature of both efficiency and income generation. In order to accommodate the additional methods of achieving efficiency savings, the way in which savings are to be monitored for 2020/21 includes an additional element relating to Council Wide initiatives and progress towards their achievement. The process will remain transparent and with regular updates to cabinet on progress.

Conclusion

- 23 We are continuing to plan on the basis that the government's austerity will continue for several more years. The Council remains in a strong position to meet the ongoing financial challenges through an updated and refreshed robust programme management process.
- 24 For MTFP9 the council has delivered quarter 2 savings of £8,808,379 which is 85% of the £10,334,712 target and in total to date, we have delivered over £232 million in savings since 2011.
- 25 From MTFP10 onwards, monitoring will include an additional element to track progress against Council Wide Transformation based efficiency savings and income targets.

Background papers

- None

Other useful documents

Update on the delivery of the Medium Term Financial Plan 9 (16 October 2019)

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Appendix 1: Implications

Legal Implications

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

Finance

The delivery of the MTFP involves cumulative saving of approximately £251million over the period from 2011 to 2021 of which over £232 million has been delivered to date.

Consultation

A full consultation with a range of stakeholders was undertaken on the MTFP prior to its agreement and again in 2013 and 2018. In addition, where appropriate for individual proposals, internal and external consultation plans are developed so that consultation informs the decision making process.

Equality and Diversity / Public Sector Equality Duty

An Equality Impact Assessment (EIA) was undertaken for the original 4 year MTFP plan and additional screening is undertaken for proposals which are 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.

Climate Change

None.

Human Rights

None.

Crime and Disorder

None.

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.

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 2,800 posts from the Authority will mean a requirement for less accommodation and the Office Accommodation Team has built this into the Office Accommodation Strategy.

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.

Procurement

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