

Cabinet

18 March 2020

Update on the delivery of the Medium Term Financial Plan 9

Ordinary Decision



Report of Corporate Management Team

John Hewitt, Corporate Director of Resources

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 3 (December 2019) for the MTFP9 period of 2019/20.
- 3 For MTFP9 the council has delivered quarter 3 savings of £9,601,545 which is 93% of the £10,334,712 target.
- 4 Since 2011, the Council has delivered over £233 million in savings.

Recommendation(s)

- 5 Cabinet is recommended to:
 - (a) note the contents of this report and the amount of savings delivered during quarter 3 of the MTFP9 period;
 - (b) note the savings met to date through the use of cash limits and ensure alternative proposals are in place;
 - (c) agree that future quarterly updates will be included in the finance reports which are presented to Cabinet.

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 £107,000 mitigated using cash limits in order to achieve the MTFP savings for 2019/20. £47,000 of these savings are expected to be achieved in 2020/21 however £60,000 will require alternative plans and will continue to be monitored.
- 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 may be higher than anticipated therefore further consideration is currently being undertaken for future

years with additional consideration being given to the development of growth proposals.

- 13 It is proposed that growth proposals will be subject to the same project assurance as savings and this will be included in future quarterly updates.

Consultation

- 14 There has not been any public consultation on MTFP 9 proposals in the last quarter.

HR implications

- 15 Equality data relating to the 8 staff leaving through voluntary redundancy, early retirement and ER/VR during quarter 3 of MTFP9 showed that 88% were female and 12% were male. In terms of race, 75% of leavers had not disclosed their ethnicity and the remaining 25% stated that they were white British or white English. Regarding disability status no employees said they had a disability, 12% had no disability and 88% did not disclose their disability status.
- 16 Equality data relating to the 5 staff leaving through compulsory redundancy during quarter 3 of MTFP9 showed that 100% were female (this is due to a restructure in catering and cleaning in education which is a predominately female occupied profession). In terms of race, 20% of leavers had not disclosed their ethnicity and the remaining 80% stated that they were white British or white English. Regarding disability status no employees said they had a disability, 40% had no disability and 60% did not disclose their disability status.
- 17 Since austerity began in 2011, equality data relating to staff leaving through voluntary redundancy, showed that 62% were female and 38% 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).
- 18 In terms of race, since 2011, 32% of leavers had not disclosed their ethnicity, with 68% stating that they were white British or white English. Regarding disability status 4% said they had a disability, 16% had no disability and 80% did not disclose their disability status.

Equality Impact Assessments

- 19 Services have completed EIA screenings as part of the decision-making process for 2020/21 MTFP10 proposals.
- 20 Projects to deliver growth proposals will be supported to ensure robust planning and that EIA screening are also completed.

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 An additional report will be introduced to monitor the one-off growth projects across the Council to ensure that monies are spent as planned with benefits realised for the customer. 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 3 savings of £9,601,545 which is 93% of the £10,334,712 target and in total to date, we have delivered over £233 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 (12 September 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 £251 million over the period from 2011 to 2021 of which over £233 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.