

Cabinet

8th February 2012

**Update on the Delivery of the 2011/2015
Medium Term Financial Plan**



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 quarter 3 on the delivery of the 2011/12 to 2014/15 Medium Term Financial Plan (MTFP).

Background

- 2 Cabinet has received updates in July and October last year on the progress made in responding to the unprecedented reduction in the levels of Government financial support the council is facing.
- 3 The level of reductions has resulted in a MTFP for the period of 2011/12 to 2014/15 with an overall financial savings target of £123.5m, broken down into the following savings targets over the next four years:
 - 2011/12 - £66.4m
 - 2012/13 - £25.0m
 - 2013/14 - £14.9m
 - 2014/15 - £17.2m
- 4 In total, the plan contains over 130 proposals, which in turn comprise over 250 separate projects. As Cabinet are aware the delivery of these proposals is being managed through a very robust programme management approach being adopted to ensure we take into account:

- Our duties under the Equality Act
- Appropriate consultation
- The HR implications of the change including consultation with employees and trade unions
- Communication of the change and the consultation results.

Progress to date

- 5 Progress on the delivery of the plan continues to be good. The percentage of original proposals, which remain on track for delivery within the first year, has remained static at around 83%. It has been noted previously that given the short lead in time in developing the original four year plan and the fact that the plan covers all council areas some of the original proposals identified in the MTFP for year 1 have been rescheduled to a later year, allowing more time for planning and project development.
- 6 For any delayed proposals, service groupings have identified mitigating actions to ensure the financial savings required are still delivered. These actions include bringing forward year 2 proposals and introducing new initiatives. We have also overachieved on some of our Year 1 projects, which has meant that we remain on track to deliver 100% of the financial reductions set for year 1 thereby ensuring the council delivers its MTFP target.
- 7 Since quarter 2, the review of leisure services has concluded and it is pleasing to note that in response to the feedback from the consultation, five of the six leisure centres under review will remain open. The work on the creation of the new One Point service has also now been progressed and the new integrated teams including health services have staffing structures in place.
- 8 The consultation on the waste/recycling centres has been completed and the results of this are being considered before any decision is made on how this service will change, whilst the other changes put forward in connection with waste and recycling services including the alternate weekly collection system are being implemented.
- 9 Cabinet is also being asked to approve the consultation on the Library Service, which will start shortly and aims to protect the library network whilst reducing costs in this important service.
- 10 Finally work has now turned to preparation for 2012/13 savings which are included in the 2012/13 Budget Report on this same Cabinet agenda and those that will need to be in place for April are being progressed with planning well underway on the others proposals identified for the next 12 months.

HR implications

- 11 Cabinet are aware that the MTFP identified that approximately 1600 posts would be removed over the 4 years of the plan and staff have been able to apply for early retirement and or voluntary redundancy (ER/VR), as well as a range of flexible working options.
- 12 This quarter a further 10 applications for ER/VR were accepted taking the total number of staff who have left through this managed process to 591.
- 13 Where staff are put at risk and do not wish to apply for ER/VR the Council has a redeployment process. To date this has successfully found alternative employment for over 340 staff. However, there are some staff where redeployment has not been possible resulting in a number of compulsory redundancies. The current total for these since April last year is 184.
- 14 The reduction in staffing remains in line with the original plan and a considerable number of applications for ER/VR are still in the pipeline for consideration over the remaining years of the MTFP ensuring we continue to try to minimise compulsory redundancies as far as possible.

Equality Impact Assessments

- 15 The programme of equality impact assessments for the MTFP continues with initial assessments completed against 2012/13 proposals and updated impact assessments for 2011/12 proposals where a further saving is being made. The cumulative impacts of existing savings are also being considered in the assessments of new proposals where appropriate.
- 16 The key impacts identified from the 2011/12 proposals relate to the effects of reduced access to particular services, for example changes to bus services, the Sunday closure of Clayport library, or increased charges through fees or other related costs, for example changes to leisure services would mean additional travel for some people in accessing alternative provision. Whilst the changes are likely to affect everyone using the particular service there are equality aspects relating to age, disability and gender. For example, women are more likely to be on lower incomes as a result of part-time working whilst older or disabled people may rely more heavily on benefits, they may also rely more on others for care and support including transport, which is also the case for many children and young people.
- 17 Mitigating actions were identified in impact assessments where a potential negative impact could be minimised or reduced. Delivery of these actions is monitored by Services and will be included in the corporate performance management framework going forward. Services were also advised to include longer-term actions in their service planning process.
- 18 Examples of progress on mitigating actions include:

- Outdoor Education where two centres were closed and charges were raised at the remaining centre. Schools, which previously used the two closed centres, have been offered priority for bookings from September 2012 as well as information on weekend bookings and details of other providers. Improvements to the Middleton Centre should encourage weekend and holiday bookings, which will supplement the charges for term-time bookings. Whilst the number of centres has been reduced the work to increase revenue will mitigate against increasing charges, which were likely to impact most on lower income families. Improving access to the existing facility and identifying opportunities for partnership working will also minimise the impact of closure.
- Following the Leisure Facilities review some targeted activities are now delivered through community based programmes, including the Community Lifestyles programme for GP referrals or in alternative leisure centres including the Sports Ability session for disabled people. Leisure Services officers have met on a fortnightly basis to identify alternative venues for activities affected by closure and consultation is also ongoing with users of the multi sensory room at Deerness leisure centre and the People's Parliament to agree a future location. Staff in leisure centres have received information updates to help them support customers to identify alternative options, including travel plans for all remaining leisure centres and lists of alternative childcare where crèche facilities in centres have closed.

- 19 The impact on staff is also considered as part of the equality impact assessment process. It should be noted that the information below on ER/VR leavers does not relate to just MTFP decisions alone, although the majority are as a result of the MTFP. This does therefore offer a useful indication across the authority. Work to improve the detail and analysis of equality information is underway in order to provide a clearer understanding of the actual impact on staff affected by the MTFP.
- 20 From the data available for Quarter 3 (Oct-Dec 2011) the proportion of men leaving through ER/VR, early retirement or voluntary redundancy was just over 47% and is high compared to overall staffing figures, which show around 30% of male staff. This percentage has remained fairly consistent throughout the year. The proportion of staff recording a disability accounted for almost 4% of ER/VR leavers, which again is still higher than the overall disability profile but relates to a very small number of staff and shows a slight decline from the previous figure (reported in October 2011) which was around 6%. The disability profile is provided as an indication only as 78% of leavers have not disclosed whether they have a disability or not. Ethnicity data shows that 90% were white British, 9% did not have their ethnicity recorded and a very small number came from a black or ethnic minority background.
- 21 Compulsory redundancy figures are linked to MTFP decisions, the profiles show that around 48.5% (30 in total) were male and 51.5% (32 in total) were female, which again shows a relatively high percentage of men in comparison to the overall profile. The number of disabled staff was again very low and accounted for just over 3% but the majority (88.7%) did not disclose whether

they have a disability. The ethnicity profile also showed a very small number from a black or ethnic minority background.

- 22 The number of staff who submitted a flexible working request in the last quarter is less than ten so whilst the profile is available it does not provide a significant pattern. The majority of requests were made by female staff but there are no major differences in relation to the other protected characteristics.

Conclusions

- 23 The Council is continuing to make progress against the extremely demanding challenge of delivering £66.4m this year and £123.5m over 4 years.
- 24 The importance of the programme management approach continues to be seen by the high percentage of proposals being on track to deliver during this first year and the work being undertaken to ensure changes are supported by both a robust consultation and full equality impact assessment.
- 25 Planning is now well underway looking at next year's proposals ensuring work is started well in advance of next year to replicate the successful delivery seen during this year.

Recommendations

- 26 Members are recommended to note the contents of this report and the progress being made in delivering the MTFP for 2011/12 to 2014/15.

Background papers

[Cabinet, Medium Term Financial Plan 2011 12 to 2014 15 and 2011 12 Budget.pdf](#)

[..\Council\County Council, Medium Term Financial Plan 2011 12 – 2014 15 and Revenue and Capital Budget 2011 12.pdf](#)

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Appendix 1: Implications

Finance – The delivery of the MTFP involves saving £123.5m over 4 years of which £66.4m is to be saved in 2011/12.

Staffing – Where the proposals affect staff, full consultation is undertaken and the trade unions consulted. Overall, it is projected that 1600 posts will be lost because of the MTFP and wherever possible this is being done through voluntary means. In addition, there has been a proactive management of vacancies to lessen the impact on 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 MTFP. In addition, for each proposal an EIA is undertaken as part of the decision-making before the proposal is implemented.

Accommodation – N/A

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.