

Cabinet

20th June 2012



**Update on the Delivery of the
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 2011/2012 on the delivery of the 2011/12 to 2014/15 Medium Term Financial Plan (MTFP).

Background

- 2 Cabinet has received updates in July 2011, October 2011 and February 2012 on the progress the council has made in responding to the unprecedented reduction in the levels of Government financial support.
- 3 The level of reductions has resulted in an MTFP for the period of 2011/12 to 2014/15 with an overall financial savings target of £123.5m. For the financial year 2011/12 the target was £66.4m.
- 4 As Cabinet are aware the delivery of the identified proposals is being managed through a very robust programme management approach 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
- 5 On 22nd February 2012 Council agreed a new MTFP which identified further savings resulting in a total savings target of £159.2m from 2011 to 2016.

Progress to date

- 6 During 2011/12 the saving target has been achieved with 83% of the original proposals delivered. For the remaining 17% of proposals, service groupings identified mitigating actions that ensured all financial savings required were achieved. These actions included bringing forward year two (2012/13) proposals and introducing new initiatives.
- 7 During the year savings have been made in line with the original consultation and wherever possible minimising the impact on front line services.
- 8 Savings have therefore been made through deleting vacant posts, reducing business support services including ICT, Audit, HR, Finance, Communications, AAP and Partnership support. In addition, the number of editions of Durham County News has been reduced to four per year and savings have also been made in supplies and services budgets and through reviewing existing contracts.
- 9 Other significant proposals delivered during the year include the review of leisure services with four of the six leisure centres identified for closure remaining open (discussions are still ongoing about Ferryhill leisure centre), the transfer of Roseberry Golf Club to the local community, the introduction of integrated teams with the health service under the new One Point Service and changes to the provision of social care.
- 10 Recent work which is now nearing conclusion and will contribute towards 2012/13 savings include the library services review, the implementation of alternate weekly collections, changes to household waste recycling centres and the outcomes from the changes to the policy of home to school transport.
- 11 As many of the required proposals for 2012/13 are a continuation of work already undertaken, nearly half of the savings target for 2012/13 has been delivered. This includes the new adult social care charging policy, adult care service level contracts and restructuring within service groupings including Regeneration and Economic Development, Resources and ACE.

Consultation

- 12 The development of a Consultation Forward Plan ensured that all consultation relating to the MTFP has been timely and comprehensive.
- 13 Consultations have, in some cases, endorsed the Council's proposals and helped plan the way forward; for example the consultation on the Community Building Strategy. Support for the Council's preferred option was very strong and feed back also helped develop a framework of support for community buildings over the next two years.
- 14 In some other circumstances, contributions from the public and partners led to new proposals being identified. For example in the Leisure Centre consultation where there was a possibility of six Leisure Centres closing,

suggestions from stakeholders led to suggestions of alternative ownership and resulted in three being transferred to alternative service providers.

- 15 In the case of the Household Waste Recycling Centres consultation, initial proposals to close six Centres were altered as a result of consultation with a final recommendation to close only two with the rest on reduced hours.
- 16 Given the need to make challenging budget reductions, it was not always possible to act upon the consultation findings particularly where no alternative proposals were identified that could deliver savings. Even in these areas consultation showed that decisions were made on a detailed understanding of their potential impact.

HR implications

- 17 Cabinet are aware that the MTFP for 2011/12 to 2014/15 identified that approximately 1600 posts would be removed over the four 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.
- 18 During the last quarter of the year a further 54 applications for ER/VR have been accepted bringing the total number of staff who have left through this process to 645.
- 19 Where staff are identified as being at risk because of proposals to reduce costs and do not wish to apply for ER/VR the Council has a redeployment process which has successfully found alternative employment for over 350 staff.
- 20 Unfortunately not all staff are able to be redeployed and during the course of the year 207 employees have been made compulsory redundant bringing the total number of staff who have left the Council to 852 as a result of the MTFP.
- 21 The reduction in staffing remains in line with the original plan and staff are continuing to apply for ER/VR assisting in minimising compulsory redundancies as we progress into year two of the plan.

Equality Impact Assessments

- 22 All proposals for 2011/12 and 2012/13 were equality screened before approval of the MTFP. For 2012/13 this also included updated equality impact assessments (EIA) from 2011/12 proposals where a further saving is being made. The cumulative impacts of additional savings are being considered in the assessments of new proposals where appropriate.
- 23 The majority of the savings proposals have primarily involved more efficient ways of working, deletion of vacant posts and staff reductions in line with the strategy agreed by the council. However there are key service impacts identified with certain proposals in relation to the effects of reduced access to

particular services. Whilst everyone using a service is likely to be impacted there is a cumulative impact in terms of the protected characteristics.

Gender

- 24 It is expected that women will be disproportionately impacted by some service reductions as they are more likely to access local services either as service users or carers. There are a number of reasons for this including an ageing population with a higher proportion of women accessing services, pregnancy and maternity and because women are more likely to be carers they may rely more heavily on access to local services. Additionally women are less likely to have access to private transport and often have lower incomes as a result of lower earnings and part-time working.
- 25 The proposals with the greatest impact on women include the review of day care charging, indoor leisure facilities review, changes to learning disability respite services, transport of service users, concessionary fares, reductions in contracted bus services and crèche closures. The following provides an overview on the progress of actions aimed to minimise any actual or potential negative impact.
- 26 To minimise any adverse impact on women of the review of day care charging individual assessments of need and welfare benefit checks were carried out. Service users and carers continue to receive individual support to ensure a smooth transition to any new provision and support has been provided for service users to privately arrange transport where they are not eligible under DCC's transport policy.
- 27 Users of leisure centre crèches were signposted to the Sure Start Family Information Service for information about alternative childcare provision however this did not mitigate against any increased costs.
- 28 Retaining daytime bus services has reduced the potential impact in relation to accessing employment and childcare for women however reductions in evening and Sunday services may impact on women with care responsibilities. The council is continuing to monitor this with the help of transport providers.
- 29 It was expected that the review of the substance misuse service would disproportionately affect men however this has been minimal as it focused on management efficiencies. There is no evidence to indicate specific impact for Transgender people.

Age

- 30 Service reductions affect older people and children and younger people in different ways. Bus service reductions and changes to concessionary travel will compound the impact of other service reductions as people may have to travel to access alternative provision. Consultation feedback in relation to the indoor leisure facility review highlighted that people feel that the loss of

activities and reduced access to transport for young people may have a knock on effect on the wider community.

- 31 Younger people will be limited in accessing alternative leisure provision as a result of the indoor leisure facilities review particularly the loss of activities run during holiday periods and after school. Where possible affected youth activities have been transferred to the nearest indoor facility or, if appropriate, retained locally with provision being found in community centres and schools. Successful transfer of four out of six, with work on a fifth continuing, of the leisure centres involved in the review has enabled the council to work alongside new management in relation to future service provision.
- 32 Negative impacts have been identified for teenagers (16-19) using public transport to access education, training, work and social activities as these groups make up a high proportion of travellers. To mitigate this daytime and early evening services have been retained as far as possible with reductions in evening and Sunday services. The council is monitoring complaints regarding transport and meets with stakeholders to understand concerns and the information gathered from this will be used to inform decisions on future services.
- 33 Particular proposals with impacts in relation to older people include waste collection services, review of day care charging, indoor leisure facilities review, transport of service users, concessionary fares and bus reductions. In terms of waste collection services there may be an impact on bin pull out arrangements (assisted collection) which many older people rely on. A robust communication strategy is in place to ensure people are aware of changes in collection dates and the assisted collection service is promoted to ensure it is available to those that qualify.
- 34 Older people view day care services as helping to alleviate social isolation as well as providing a break for carers who may also be elderly. Review of charging has ensured more consistent charging and following personal financial assessment many people have continued on the same level of contribution towards the cost of their services, with some people making no contribution. However some users have been required to contribute towards costs for the first time or contribute more than previously required. Social workers are working with users who have cancelled their day care services in order to assess their decision and some have been redirected to community resources.
- 35 The review of the transport of service users disproportionately impacts on older people. In mitigation all individuals are provided with appropriate transport in line with their individual assessed need as part of a more streamlined service utilising fewer and more fully occupied vehicles.
- 36 It was predicted that the introduction of changes to the non-statutory elements of concessionary travel would have a negative impact for older people. However we have had feedback from pass holders who feel the 50p charge prior to 9:30am on weekdays is reasonable and they are quite willing to pay this.

Disability

- 37 People with disabilities are more likely to be affected by savings proposals as they often need greater access to local services including care services and respite. Additionally people with disabilities are less likely to have access to private transport and often have lower than average household incomes. Overall impact is compounded by the cumulative impact of proposals such as day care charging, changes to respite care for people with learning disabilities, bus reductions, changes to concessionary travel and the indoor leisure facilities review.
- 38 Equity of charging for adult day care has had significant impacts as the majority of users have a disability. The review removed differences between those charged for services however some people have now cancelled their day services. This is being managed through social workers in order to minimise social isolation and impact for users and carers. As a reduction in the use of services may impact on the overall viability of services for others this is being monitored.
- 39 There was a delay in rolling out changes in charges to mental health service users as clarification was required as to which services were universal and preventative and therefore free. We were also conscious of the possible increased risk to service users, given the fact that financial pressure is one of the common factors which can contribute to mental ill health. Bearing this in mind we continued to work closely with service providers and care coordinators to make sure that service users were given as much support and information as possible to reduce risks. A policy was established whereby service users were withdrawn from the process if the risk assessment indicated that subjecting them to financial assessment posed significant health risks. Charges for these service users has been delayed by a year and is currently being implemented post April 2012.
- 40 Changes for concessionary pass holders have had a negative impact on disabled people who need to travel before 9.30 on a weekday morning to get to work, training or further education. Part of the mitigation has been to charge a flat rate of 50p and not a full fare and this also applies to accompanying registered carers. The Link2 service continues to provide free travel between 8-9.30am for people unable to access public transport due to mobility issues and this is a further mitigation. Monitoring reveals that Link2 usage doubled during 2011 and the additional mileage costs incurred have been absorbed within the existing service.
- 41 Changes to respite care for people with learning disabilities impacts the most vulnerable people who often cannot speak up for themselves and that of their carers. Significant consideration was given to the consultation process to ensure fair access for service users who have a reduced capacity to understand issues and communicate their views. Services remain available to all potential service users and users and carers are supported with change to meet their individual needs as part of the care coordination process.
- 42 Mitigating actions in terms of the leisure facilities review involved ensuring that affected activities could continue at the nearest indoor facility. An example of this is the transfer of the evening 'Sports Ability' sessions for disabled people

from Sherburn leisure centre to the same evening time slot at Abbey leisure centre.

Religion and belief, ethnicity, and sexual orientation

- 43 In terms of religion, impacts have been identified in relation to home to faith school transport (denominational) and reductions in contracted bus services. Removal of travel provisions for denominational schools will impact significantly on families who adhere to a particular faith namely Catholic and Anglican.
- 44 Mitigating arrangements already include free provision for pupils whose family is in receipt of certain benefits and free school meals. The council is also currently working with schools, diocesan authorities and parents to explore the practicalities of establishing a self financing concessionary travel scheme to faith schools.
- 45 Regarding commercial bus reductions Christians may be affected by the loss of Sunday services in order to travel to places of worship. Places of worship for other religions are mainly outside of county boundaries and some people may use public transport to access them. Loss of evening services may also impact on faith related activities.
- 46 There is little evidence to suggest other cumulative impact in terms of religion and belief, ethnicity and sexual orientation.

Impacts on Staff

- 47 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.
- 48 From the data available for Quarter 4 (Jan-Mar 2012) the proportion of men leaving through ER/VR, early retirement or voluntary redundancy was 61% and is high compared to overall staffing figures, which show around 30% male staff. This percentage has remained fairly consistent throughout 2011/12. The proportion of staff recording a disability accounted for 2% but relates to a very small number of staff and shows a decline on figures for previous quarters. The disability profile is provided as an indication only as 88% of leavers have not disclosed whether or not they have a disability. Ethnicity data shows that 84% were White British and 2% other African, however 14% did not have their ethnicity recorded.
- 49 Compulsory redundancy figures are linked to MTFP decisions. The profiles show 36% were male and 64% female which is reflective of the overall workforce profile. There were no recorded disabled staff however the majority (73%) did not disclose whether they have a disability. The ethnicity profile also showed a very small number from a black or ethnic minority background.

Conclusions

- 50 The Council has successfully delivered the required savings for year one (2011/12) and is already well on the way to delivering year two (2012/13).
- 51 The importance of the programme management approach continues to be seen by the high percentage of proposals being delivered during the first year and the work being undertaken to ensure changes are supported by both a robust consultation and full equality impact assessment.

Recommendations

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

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 £159.2 over the period from 2011 to 2016 of which £66.4m was 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, 852 left during 2011/12. 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 original 4 year MTFP plan and additional screening was undertaken for the 2015/16 proposals and 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 1600 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. 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.