

## **Cabinet**

**12th December 2012**



### **Update on the delivery of the Medium Term Financial Plan 2**

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#### **Report of Corporate Management Team**

**Lorraine O'Donnell, Assistant Chief Executive**

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

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#### **Purpose of the Report**

- 1 This report provides an update on the progress made at the end of the second quarter this year on the delivery of the 2012/13 to 2015/16 Medium Term Financial Plan (MTFP 2).

#### **Background**

- 2 Cabinet has received regular updates on the progress made by the Council in delivering the financial targets within MTFP 1 which covered the period 2011/12 to 2014/15 and within MTFP 2 which covers the period 2012/13 to 2015/16. These updates have also outlined the approach being taken to ensure the Council has a rigorous programme management framework in place to make certain we meet our duties under the Equalities Act, we comply with our duties as an employer and we consult on and communicate the changes being made.
- 3 The council expects to have to make approximately £180m of savings from 2011/12 to 2016/17, including £26.4m in 2012/13.

#### **Progress to date**

- 4 As Cabinet were advised in September significant progress has already been made in delivering the MTFP 2 targets through a significant number of the proposals having already been introduced before the start of the financial year.
- 5 By October 2012 over 90% of the savings target for 2012/13 has been delivered totalling £24.3m and we remain on target to deliver the full years savings in accordance with the plan
- 6 As Members were advised in September 2012 many of the savings that have been delivered are following decisions made last year. These include the commissioning of adult care, the review of leisure facilities, the introduction of

alternate weekly collections and the implementation of the revised home to school transport policy.

- 7 The principles established through the original consultation on protecting front line services as far as possible are continuing to be used as the basis of the proposals wherever possible, as seen by savings contribution from the unitisation of Human Resources and Finance and the many reviews of business support and management ongoing across the Council.
- 8 Work is also now in hand to develop the leisure and culture trust following the Cabinet decision in November to progress this work, savings from this will be realised in 2013/14. This proposal had been put on hold whilst the implications of changes to business rates were considered. Whilst this review was underway the savings target was met through the introduction of mitigating actions in line with other instances where savings originally planned were delayed or no longer possible. Often the mitigation is through bringing forward proposals planned for later in the MTFP or where a proposal delivers more than was originally expected.

### **Consultation**

- 9 As part of a wider consultation exercise to review the progress made with the MTFP since 2011 and to gather views on how the changes have impacted residents, an exercise involving AAP forums has just concluded. The consultation is also looking at identifying further areas for savings which residents would like to see and which can be considered for future MTFPs.
- 10 In line with the consultation framework set up to manage the MTFP programme a public consultation on the CREATE service has just concluded. CREATE provides recreational opportunities to help individuals and includes music, art, photography and exercise classes.
- 11 The consultation on the review of Library opening hours has now concluded. Following this the changes to opening hours are to be introduced in January and each library has been advertising the changes to their opening hours so users are aware.

### **HR implications**

- 12 During the first six months of the current financial year quarter of this year there have been 116 applications for ER/VR accepted and 25 compulsory redundancies.
- 13 The Council's redeployment process has been able to find alternative employment for 20 employees.
- 14 The reduction in staffing continues to remain in line with the original plan and staff are continuing to apply for ER/VR assisting in minimising compulsory redundancies as we progress the second year of delivering CSR spending reductions.
- 15 The equality profile of staff leaving as a result of early retirement or voluntary redundancy shows almost 48% were male and just over 52% female which is a slight change to more females from last quarter. This does not reflect the

overall workforce profile which has a higher proportion of women. Fewer than 5 people had recorded a disability, the majority were White British and just over 53% were full-time employees. The figures for compulsory redundancy show almost 46.5% were men and 53.5% women which again is a higher proportion of men than represented in the overall workforce profile. Slightly more than 82% were full-time workers, none had recorded a disability and none indicated ethnicity other than White British.

### **Equality Impact Assessments**

- 16 The equality impact assessments continue to be updated to reflect any further mitigating actions or evidence of potential impacts on those with protected characteristics. Examples of updates this quarter included changes to the proposals for stairlift maintenance to include a financial assessment before charging in order to mitigate the impact for those on the lowest income; consultation responses on local library opening hours analysed to ensure inclusion is considered in final decisions.
- 17 Following the introduction of the removal of free home to school transport to faith schools (new applicants only); the Council has worked closely with these schools to enable “self-financing schemes” to come into operation. These schemes have the effect of guaranteeing capacity on transport, so that any pupil wishing to access transport to a faith school can do so. There is a charge for this and to help families spread the payment for the bus pass, a system has been introduced whereby payment can be made in 10 monthly instalments.
- 18 In addition, where previously the Council’s policy only provided free home to school transport to a faith school if the pupil was of the faith, now the policy provides free transport to the geographically nearest suitable school, which can be a faith school in some circumstances.
- 19 In relation to disabled parents, where a child’s attendance at their nearest school relies on a disabled parent to accompany them, then the council would put in place transport arrangements for the pupil to get to school.

### **Conclusions**

- 20 Previous reports have outlined the significant challenge of delivering over £26m of spending reductions in 2012/13. £66.4m was delivered in 2011/12 with a further £24m delivered so far in 2012/13. The Council has achieved this by planning early and delivering through robust programme management.
- 21 The council is on course to deliver the 2012/13 target of £26.4m which would mean a total of £92.8m in savings made since 2011.
- 22 The importance of the programme management approach continues to be seen by the high percentage of proposals delivered already and the work being undertaken to ensure changes are supported by both a robust consultation and full equality impact assessment.

## **Recommendations**

- 23 Members are recommended to note the contents of this report and the progress being made in delivering MTFP 2.

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## Appendix 1: Implications

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**Finance** – The delivery of the MTFP involves cumulative saving of approximately £180m over the period from 2011 to 2017 of which £66.4m was delivered in 2011/12 and £26.4m is to be delivered during 2012/13.

**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 the 2012/13 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.