

Cabinet

13th March 2013



Update on the delivery of the Medium Term Financial Plan 2

Report of Corporate Management Team

Lorraine O'Donnell, Assistant Chief Executive

**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 December 2012 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 Across both MTFP 1 and 2 the number of projects is over 160 with as many again sub proposals, which reinforces the need for the robust approach to monitoring.
- 4 The council expects to have to make approximately £188m of savings from 2011/12 to 2016/17, including £26.4m in 2012/13.

Progress to date

- 5 Savings for MTFP2 are now 97% of the savings target for 2012/13, with a total of £25.6m having been achieved. As a result we remain on target to deliver the full years savings in accordance with the plan.
- 6 Overall progress on the delivery of the savings identified within MTFP 1 and 2 are shown in the graph below.

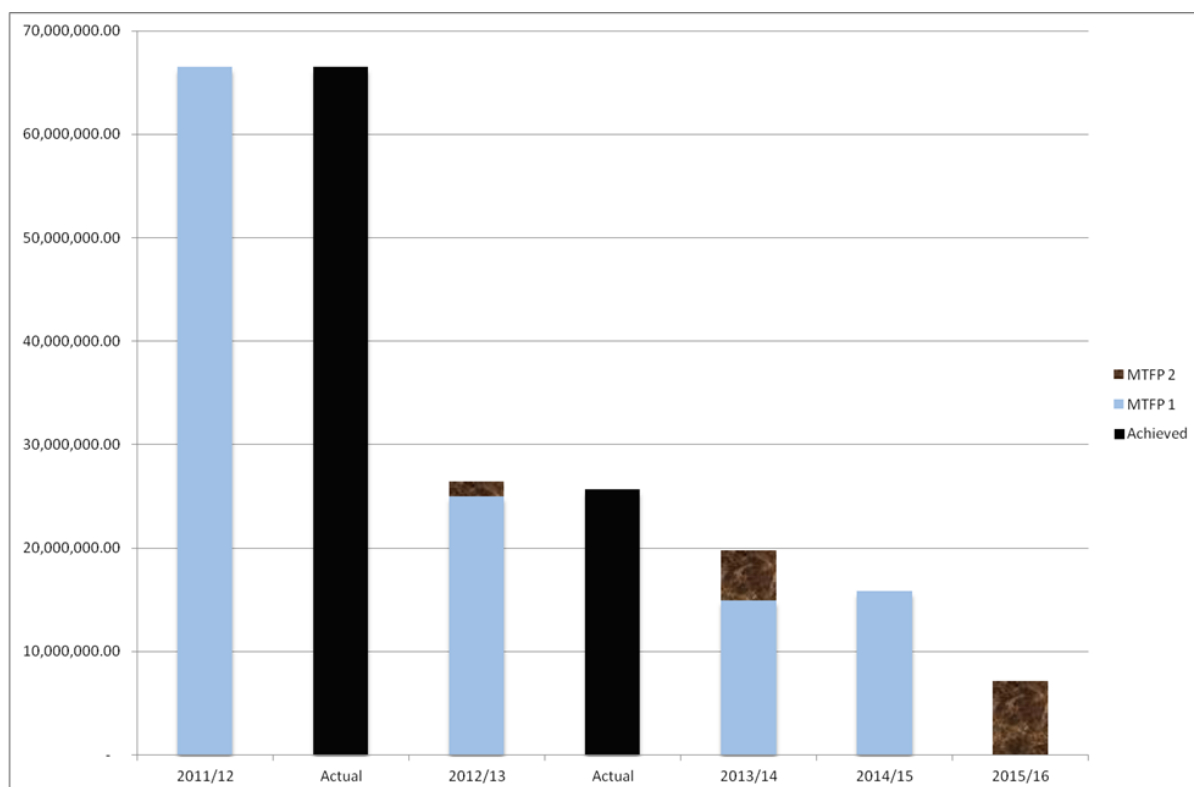


Figure1. MTFP1 and 2 savings targets and achievements

- 7 As reported previously many of the savings that have been delivered are following decisions made previously, which means that new activity this quarter has been limited and is mainly focussed on internal reviews within service groupings.
- 8 As well as reviews and changes to services, income generation continues to be a key tool in mitigating the reductions in funding and all of the planned income generation initiatives identified as part of the current plans remain on target.
- 9 The development of the leisure and culture trust which Members were aware had been put on hold, has now moved on with the beginning of the procurement process to identify a partner to take this important project forward.
- 10 Finally work has now turned to preparation for 2013/14 savings which are included in the 2013/14 Budget Report agreed by Council last month and those that will need to be in place for April are being progressed with planning well underway on the other proposals identified for the next 12 months.

Consultation

- 11 As a result of the focus of the work in the last quarter the level of consultation activity has been similarly low, although a number of staff consultations have been undertaken.

- 12 In the Cabinet report last month the results of a comprehensive consultation on the MTFP for the next period were shared and this identified some positive feedback on the approach being taken, as well as providing a more up to date picture of areas residents would like to protect and those where they would like to see savings.
- 13 Whilst it was identified that the Council had managed the process so far well given the difficult circumstances and the tough decisions necessary, it was identified as essential that the involvement of local people remains central to the process.
- 14 The response to the consultation identified overwhelming support to continuing to engage the public in our decision making process, using a wide range of methods and groups including those representing protected characteristic groups, resident groups, local council, AAPs and user/focus groups.
- 15 The consultation looked at some specific changes that had been introduced during the first two years of the MTFP and sought feedback on how residents had been impacted by these changes. The changes included adult care provision, indoor leisure facilities, increased fees and charges, home to school transport and alternate weekly collection. From these areas the range of responses identified that between 77.3% and 47.4% of the response had identified no impact whilst the range of responses identifying a negative impact was between 22.9% and 12.2%. For alternate weekly collections over 40% of the responses indicated that this change has had a positive impact.

HR implications

- 16 Over the last nine months of the current financial year quarter of this year there have been 155 applications for ER/VR accepted and 102 compulsory redundancies.
- 17 On a positive note the Council's redeployment process has been able to find alternative employment for 30 of the employees affected.
- 18 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.
- 19 The equality profile of staff leaving as a result of early retirement or voluntary redundancy involves less than 50 staff and shows almost 73% were male and just over 27% female which is a significant increase in the male percentage (48%) from last quarter. Around 3%, which was less than five staff, had recorded a disability though most had not disclosed their disability status (82%). Almost 94% were white British whilst the remaining 6% had not disclosed their ethnicity. Around 88% were full-time employees.
- 20 The figures for compulsory redundancy also relate to less than 50 staff and show that around 35% were men and 65% women which is a higher proportion of women than last quarter but closer to the gender profile in the overall workforce which was 62% female and 38% male at the end of December 2012. The majority of staff had not disclosed their disability status

(75%) and the remainder were split equally between disabled and non-disabled. Again the majority were white British (95%) with the ethnicity of the remaining 5% not disclosed.

- 21 Full-time workers accounted for 37.5% and 62.5% worked part-time which is an increased percentage from last quarter when 18% worked part-time.

Equality Impact Assessments

- 22 The equality impact assessments [EIA] continue to be reviewed and updated where necessary to reflect any further mitigating actions or evidence of potential impacts on those with protected characteristics. Whilst the possibility of cumulative impacts on older people, disabled people and women have been identified across many proposals there has been no evidence of significant negative impact during the last quarter. Mitigating actions delivered this quarter include tailored information, communications and support where services users are affected, as well as specific consultation to understand the likely impact of proposals.

Conclusions

- 23 The Council's approach of planning early and delivering the savings through robust programme management continues to be an important aspect in overcoming the significant challenge of delivering over £26m of spending reductions in 2012/13, on top of the £66.4m that was delivered in 2011/12.
- 24 The council is on course to deliver the 2012/13 target of £26.4m which would mean a total of £93m in savings made since 2011.
- 25 The focus of the planning activity is now looking ahead to the savings required in 2013/14, in order that the required savings can be achieved, and to ensure we have allowed the appropriate amount of time to undertake consultations with all those affected.

Recommendations

- 26 Members are recommended to note the contents of this report and the progress being made in delivering MTFP 2, as well as the work that has begun on planning for the savings in 2013/14

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Appendix 1: Implications

Finance – The delivery of the MTFP involves cumulative saving of approximately £188m 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.