

Overview and Scrutiny Management Board

20 March 2015

Cabinet

18 March 2015

Update on the delivery of the
Medium Term Financial Plan 4



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 2014 on the delivery of the 2014/15 to 2016/17 Medium Term Financial Plan (MTFP 4).

Background

- 2 Cabinet has received regular updates on the progress made by the Council in delivering the financial targets within MTFP 1, 2 and 3 which covered the period 2011/12 to 2016/17. MTFP 4 was agreed by Council in February 2014 and for 2014/15 the savings target is just over £23m. This forms part of the overall savings target for the period from 2011/12 to 2018/19 of around £250m.

Progress to date

- 3 Delivery of the MTFP programme continues to remain challenging for the Council and the savings for 2014/15 represents an increase of 10% on the savings required in 2013/14.
- 4 Through the robust approach we continue to take in managing the programme to deliver the savings required, the plans for 2014/15 remain on track. By 31st December 2014, over 96% of the target has been met, an increase of 14% on the last quarter. £3.2m of savings were achieved in the third quarter, meaning so far for 2014/15 we have delivered over £22m of savings. Since April 2011 we have now made almost £136m of savings.
- 5 The main areas savings have been made in this period include savings through the closure of the Council's remaining care homes, reviewed charges

for adult care and savings from a range of procurement reviews. As we have also seen during this MTFP additional savings have been realised through internal restructures across the Council.

Consultation

6 There have been no major public consultations during this period.

HR implications

- 7 To the end of December 2014 we have concluded 99 ER/VR applications, deleted 76 vacant posts and made 167 employees redundant as a result of the MTFP 4 proposals.
- 8 The total impact on the workforce through reduced posts continues to remain in line with the original projections of 1,950 posts being removed by the end of 2014/15. Since 2011 a total of 1,014 ER/VR applications have been accepted, 444 vacant posts deleted and 512 compulsory redundancies made.
- 9 The Council continued to support employees affected by the MTFP savings plans and we have found 492 employees alternative employment through the Council's redeployment process.
- 10 Employees are also continuing to apply for ER/VR and to date we have 225 expressions of interest an increase of 26 from the end of the last quarter. These are actively monitoring and supported wherever possible in order to reduce the need for compulsory redundancies.
- 11 Information recorded for staff leaving the council during the third quarter through compulsory redundancy shows 93% were female, there was no declared disability however 87% of leavers had not disclosed whether or not they were disabled, 13% stated they were not disabled. 95% were white British with 5% not disclosing their ethnicity.
- 12 Of those leaving the authority through early retirement or voluntary redundancy (ER/VR) 60% were female which is more in keeping with the overall workforce profile, 8% had disclosed a disability and 96% were white British with 4% not disclosing their ethnicity.

Equality Impact Assessments

- 13 Equality impact assessments (EIA) form a key part of the ongoing MTFP process. A number of the initial screenings were provided to Cabinet in January 2014 and are updated during the year to take account of consultation responses and additional evidence; the updates also include information on any mitigating actions.
- 14 Action plans from equality impact assessment are monitored on a quarterly basis. The impact assessments and action plans are also reviewed during the decision making process, for example, updated EIAs are provided where Cabinet receive a report ahead of consultation and where a further report is received with any final recommendations.

Conclusions

- 15 The Council continues to remain in a strong position to meet the ongoing financial challenges and its approach of planning early and robustly managing the implementation of the changes ensures we remain ahead of the savings target requirements.
- 16 The Council has delivered £22m of the savings for 2014/15 (over 96% of the £23m target) which amount to almost £136m in savings made since 2011.

Recommendations

- 17 Members are recommended to note the contents of this report and the progress being made in delivering MTFP4.

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Appendix 1: Implications

Finance – The delivery of the MTFP involves cumulative saving of approximately £250m over the period from 2011 to 2019 of which nearly £136m has been delivered to date in 2011/12, 2012/13, 2013/14 and 2014/15.

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 proposals which have been 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.

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 1,950 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 and again in 2013. 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.