

Cabinet

12th October 2011



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

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 quarter 2 on the delivery of the 2011/12 to 2014/15 Medium Term Financial Plan (MTFP).

Background

- 2 In July this year, Cabinet received an update on the progress made during quarter 1 in responding to the unprecedented reduction in the levels of Government financial support, which the council faces over the coming years.
- 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 comprises over 250 separate projects. In July Cabinet were advised of the considerable progress that had been made with over 85% of the proposals identified being on track or having already been delivered.

- 5 Cabinet were also advised of how the delivery of the MTFP is being managed with 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

- 6 The significant progress seen in quarter 1 has continued during quarter two. Of the proposals identified as part of the year 1 plan 82% of these are on track to be delivered or have already been delivered. Given the short lead in time in developing the original four year plan and the fact that the plan covers all council areas it is not surprising to note that some of the original proposals identified in the MTFP for year 1 have been rescheduled to a later year to allow more time for planning and project development.
- 7 Where proposals are delayed, service groupings have identified mitigating actions to ensure the financial savings required are still delivered. These actions include bringing forward year 2 proposals or introducing new initiatives. As a result, any shortfalls have quickly been filled and we are on track to deliver 100% of the financial reductions set for year 1 thereby ensuring the council delivers its MTFP target.
- 8 Since quarter 1, the review of leisure services has been concluded and in response to the feedback from the consultation, four of the six leisure centres under review will remain open. At the same time, again reflecting the results of the consultation undertaken Roseberry golf course transferred to new ownership, which has allowed the course to remain open.
- 9 Over the coming months, the work on creating integrated teams including health services will conclude, the delivery of the policy changes on home to school transport will be implemented and the changes to the waste and recycling service, including route optimisation and waste disposal costs progressed in order that these can be implemented next year.
- 10 Service groupings are currently reviewing the plans for 2012/13 alongside the requirement to identify a further 2% of savings as proposed in the next MTFP. Year 1 of the MTFP has demonstrated the importance of planning to deliver savings as early as possible and this approach is being extended to Year 2.

HR implications

- 11 The MTFP identified that approximately 1600 posts would be removed over the 4 years of the plan and as part of the planning work staff were invited 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 77 applications for ER/VR were accepted taking the total number of staff who have left through this managed process to 457. In addition, through the ongoing management of vacancies 229 vacant posts have now been deleted.
- 13 The reductions in staff are in line with the original plan and a considerable number of applications are still in the pipeline for consideration over the remaining years of the MTFP ensuring compulsory redundancies are minimised.

Equality Impact Assessments

- 14 All proposals for 2011/12 were screened before the MTFP was approved earlier this year and detailed impact assessments continue to be undertaken where required to inform decisions. For example, the changes to school transport and leisure centres both had full impact assessments within the respective Cabinet reports and work is ongoing on assessments for respite care for people with learning disabilities and changes to stairlift maintenance.
- 15 It is still too early in the implementation process to provide greater understanding of the actual equality impact of the MTFP proposals however, the action plans from impact assessments will continue to be monitored and work to understand the cumulative impact is continuing. For example, the changes to bus services were taken into account during the review of leisure centre and changes to opening hours at Clayport library impact assessments.
- 16 As predicted in the original MTFP report impacts have mainly related to older and younger people along with disabled people and, to a lesser extent, women. The changes to faith school transport obviously impact in relation to religion, though there are no other proposals with significant impact on this characteristic. Impacts on the other characteristics of race and sexual orientation have also been limited and there has been no evidence of specific impacts on transgender. In all cases, actions were identified in order to mitigate or reduce impact.
- 17 The impact on staff is also considered as part of the equality impact assessment process to understand whether there is a disproportionate effect on some protected characteristics. The overall workforce profile shows there are more women employed than men and low numbers of staff have been identified as disabled or from black and minority ethnic backgrounds. Recording of sexual orientation and religion or belief was introduced in October 2010 for new applicants and information is gradually being updated for existing staff through Resourcelink but the level of data is still too low in

many instances to offer meaningful evidence. It should be noted that the information below does not relate to MTFP decisions only and includes staff leaving for a number of reasons but it does offer a useful indication across the authority.

- 18 From the data available since the beginning of 2011, the proportion of men leaving through ER/VR at around 46% is high compared to overall staffing figures, which show around 30% of male staff. Those staff recording a disability accounted for almost 6% of ER/VR leavers, which again is higher than overall figures but may reflect some leaving on compassionate or disability related grounds. The profile of staff leaving through general early retirement also shows a high proportion of men at almost 70% but this is based on a very low number of fewer than 20 staff. Those staff leaving through voluntary redundancy show a lower level of male staff at around 35% with disabled staff still accounting for just fewer than 6%.
- 19 The profile of staff having flexible working requests approved or declined shows a very similar pattern across all characteristics with no significant differences in the outcome. From the data available, staff leaving because of redundancy show an almost 70:30 split between female and male staff, which equates to the overall workforce profile, less than 2% had recorded themselves as disabled and the majority were recorded as British.
- 20 The Equalities team continues to prioritise support for MTFP impact assessments and have begun a further series of training sessions for staff across the authority. There are specific sessions for Tier 4 managers in AWH and CYPS. Overview and Scrutiny Management Board also received an update on the equality impact assessment process including details of the recent legal cases.

Conclusions

- 21 The Council is continuing to make progress against the extremely demanding challenge of delivering £66.4m this year and £123.5m over 4 years.
- 22 The importance of the programme management approach has been 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.
- 23 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

- 24 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.