

Overview and Scrutiny Management Board

16 June 2015

Cabinet

10th June 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 confirmation that the 2014/15 to 2015/16 Medium Term Financial Plan (MTFP 4) has been successfully delivered.

Background

- 2 Cabinet has received regular updates on the progress made by the Council in delivering the financial targets within MTFP 1, 2, 3 and 4 covering the period 2011/12 to 2015/16. MTFP 4 was agreed by Council in February 2014 and for 2014/15 the savings target was 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 Through the robust approach we continue to take in managing the programme to deliver the savings required, the plans for 2014/15 have now been successfully delivered. With all of the savings delivered to the end of March 2015 since 2011 we have now made over £136m of savings.
- 4 The outstanding £1m of savings made during the last quarter of 2014/15 to deliver MTFP4 were mainly from a number of proposals that had already been put in place during the year, including a review of non-assessed services (Care Connect), the changes to home to school transport, the review of planning charges, premises savings on depots and administration buildings, savings from street lighting's 'invest to save' programme, the replacement of desktop printers with multi-functional devices and procurement rebates.

Consultation

- 5 There were no public consultations during this period on MTFP4. However it is worth noting that a consultation took place in January and February with community building management groups and other interested organisations on proposals put forward as part of MTFP5 to reduce the grant currently provided for community buildings.

HR implications

- 6 During 2014/15 through the delivery of MTFP4 we concluded 113 ER/VR applications, deleted 77 vacant posts and made 168 employees redundant.
- 7 The total impact on the workforce through reduced posts has remained in line with the original projections of 1,950 posts being removed by the end of 2014/15. Since 2011 a total of 1,028 ER/VR applications have been accepted, 444 vacant posts deleted and 513 compulsory redundancies made.
- 8 Of the staff that left the council during quarter 4 through both compulsory redundancy and ER/VR, 65% were female and 35% were male. Recorded equality data is too low to draw conclusions other than to say none of the leavers had declared a disability.
- 9 The Council continues to support employees affected by the MTFP savings plans and we have found 391 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 open expressions of interest. These are actively monitoring and supported wherever possible in order to reduce the need for future compulsory redundancies.

Equality Impact Assessments

- 11 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.
- 12 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

- 13 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.

- 14 We can confirm that the Council has delivered all of the savings planned for 2014/15 through MTFP4 which brings the total savings made since 2011 to over £136m.
- 15 Work is now underway implementing the plans for the delivery of MTFP5 which will deliver a further £16.3m of savings by the end of April 2016.

Recommendations

- 16 Members are recommended to note the contents of this report and the progress 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.