

Overview and Scrutiny Management Board

18 September 2015

Cabinet

16th September 2015

**Update on the delivery of the
Medium Term Financial Plan 5**



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 June 2015 on the delivery of the 2015/16 Medium Term Financial Plan (MTFP 5).

Background

- 2 MTFP 5 was agreed by Council in February 2015 and for 2015/16 the savings target was just over £16m. This forms part of the overall savings target for the period from 2011/12 to 2019/20 of around £260m.

Progress to date

- 3 Members have been informed previously about the robust approach to delivery of the savings and that savings are delivered early where this is practical. This approach has meant that by the start of the MTFP5 period over £5m of savings had already been achieved. Some of these were as a result of savings proposals that were agreed for earlier MTFPs and delivered savings over a number of years. These included savings from our reablement service, extra care management and from the in-house residential care closure programme.
- 4 By the end of June 2015 over 65% of the savings target for MTFP5 has already been met with £10.6m of savings having been achieved. This brings our total savings delivered since April 2011 to over £147m.
- 5 Additional areas where savings have been made in this period include the review of garden waste, service rationalisation of Childrens Centres, and a fuel review which resulted in a reduction of car mileage incurred by around 20% with the exception of some key front line services such as social care.

- 6 Savings have also been realised through internal restructures including HR, ICT, Housing Solutions, Culture & Sport, Environmental, Health and Consumer Protection, Direct Services and Strategic Highways. Alongside restructures supporting budgets are also reduced, adding to the overall savings delivered
- 7 Again members will be aware that in some instances where it is not possible to deliver specific proposals mitigating actions are put in place to ensure the overall savings target is achieved. The mitigation can include the overachievement of savings from other proposals and the occasional use of cash limits where it is appropriate to delay the delivery of the savings for a short period.
- 8 Through the monitoring of MTFP5 it has already been identified that a proposal to reduce the car mileage rate will not be achieved this year and is therefore going to be mitigated through the use of the corporate contingencies budget. Discussions with trade unions are continuing to agree changes in order that this savings proposal can deliver savings from next year.

Consultation

- 9 Consultation with the public and other stakeholders remains an important element in the MTFP programme. However during the first quarter of MTFP5 there were no external consultations undertaken in part due to the purdah period in line with the general election.
- 10 Since June a public consultation on proposed changes to our in-house adult day care services has begun and is due to end in September.

HR implications

- 11 In the first quarter of 2015/16 we accepted 37 ER/VR applications, deleted 56.51 vacant posts and made 11 employees redundant as a result of the MTFP proposals.
- 12 Since 2011 a total of 1,065 ER/VR applications have been accepted, 501 vacant posts deleted and 524 compulsory redundancies made as part of MTFP savings.
- 13 Data relating to staff leaving through voluntary redundancy, early retirement and ER/VR during this quarter showed that 71% were female and 29% were male, 89% of leavers were white British and 11% black, Asian and minority ethnic, 6% said they were disabled.
- 14 The profile of those leaving through compulsory redundancies showed 60% were female and 40% were male. Figures are too low to report on disability and ethnicity.
- 15 The Council continues to support employees affected by the MTFP savings plans and we have found 415 employees alternative employment through the Council's redeployment process.

- 16 Employees are also continuing to apply for ER/VR and to date we have 187 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

- 17 Equality impact assessments (EIA) form a key part of the ongoing MTFP process. A number of initial screenings for new savings and updated EIAs for ongoing savings were provided to Cabinet ahead of the budget setting decision in February 2015. They are updated during the year to take account of consultation responses and additional evidence; the updates also include information on any mitigating actions.
- 18 The impact assessments and action plans are considered during decision making processes; 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

- 19 With the Government's austerity programme due to continue for several more years, the Council remains in a relatively strong position to meet the ongoing financial challenges and through the robust management process supporting the MTFP ensures we remain ahead of the savings target requirements.
- 20 For MTFP 5 the Council has already delivered £10.6m of the savings required (over 65%) and in total has now delivered over £147m in savings since 2011.

Recommendations

- 21 Members are recommended to note the contents of this report and the progress made in delivering MTFP5.

Contact: Roger Goodes, Head of Policy & Communications
Tel: 03000 268050

Appendix 1: Implications

Finance – The delivery of the MTFP involves cumulative saving of approximately £260m over the period from 2011 to 2020 of which over £147m has been delivered to date. For MTFP5 £10.6m of savings have been delivered over 65% of the target.

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 loss of over 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.