

Overview and Scrutiny Management Board

17th December 2015

Cabinet

15th December 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 September 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 As Members are aware we have developed a robust managed approach to the delivery of the savings and seek to deliver these early where we can. Through this approach by the end of September over 86% of the savings target for MTFP5 has already been met totalling £14m. This brings our total savings delivered since April 2011 to over £151m.
- 4 The areas where the additional savings for MTFP5 have been made in this quarter are mainly from proposals already introduced where further savings have been realised including changes to adult and childrens care. Further savings have come from proposals that have restructured service teams.

Consultation

- 5 Consultation with the public and other stakeholders remains an important element in the MTFP programme. During the second quarter of MTFP5 consultations which began or finished including changes to the provision of childrens services, adult day care and home to school transport.

HR implications

- 6 In the second quarter of 2015/16 as part of the MTFP programme we accepted a further 16 ER/VR applications, deleted 1.85 vacant posts and made 3 employees redundant. This brings the totals for MTFP5 to 53 staff leaving via ER/VR or VR, 58.36 vacant posts deleted and 14 employees being made redundant.
- 7 Since 2011 a total of 1,081 ER/VR applications have been accepted, over 502 vacant posts have been deleted and 527 compulsory redundancies made as part of MTFP savings.
- 8 Data relating to staff leaving through voluntary redundancy and early retirement during this quarter showed that 74% were female and 26% were male, 93% of leavers were white British and the remaining 7% had not disclosed their ethnicity. In terms of disability, 2% said they were disabled and the remaining 98% of leavers said they did not have a disability or preferred not to say. While the number of leavers is relatively small these proportions are broadly comparable with the overall workforce profile.
- 9 Figures are too low to report on those leaving through compulsory redundancies to distinguish trends.
- 10 The Council continues to support employees affected by the MTFP savings plans and to date we have found over 420 employees alternative employment through the Council's redeployment process.
- 11 Employees are also continuing to apply for ER/VR and to date we have 226 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

- 12 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.
- 13 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.

Conclusion

- 14 Work has begun on planning for future savings as a result of the Government's Comprehensive Spending Review which was announced last month. Details of this are on the same Cabinet agenda as this update report.

- 15 With regard to the current MTFP the Council has already delivered £14m of the savings required (over 86%) and in total has now delivered over £151m in savings since 2011.

Recommendations

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

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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 £151m has been delivered to date. For MTFP5 £14m of savings have been delivered (86% 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.