

Overview and Scrutiny Management Board

22nd March 2016

Cabinet

16th March 2016

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 December 2015 on the delivery of the 2015/16 Medium Term Financial Plan (MTFP5).

Background

- 2 MTFP5 was agreed by Council in February 2015 and for 2015/16 the savings target was just over £16 million. This forms part of the overall savings target for the period from 2011/12 to 2019/20 of £257 million.

Progress to date

- 3 By the end of December 2015 over 90% of the savings target for MTFP5 has already been met with £14.6 million of savings having been achieved. We remain on track to deliver the remaining amount by the end of March 2016.
- 4 This brings our total savings delivered since April 2011 to over £151 million with £1.7 million left to achieve by the end of the year.
- 5 The areas where the additional savings savings for MTFP5 have been made in this quarter are from proposals already introduced where further savings have been realised including review of services for early years, review of street light installations and the museum review. Further savings have come from proposals that have restructured service teams.
- 6 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 is being 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

- 7 During the third quarter of MTFP5 public consultations were held on the proposed changes in childrens services, home to school transport, non-assessed services and refuse and recycling arrangements. All of these relate to proposals for 2016/17.

HR implications

- 8 In the third quarter of 2015/16 we accepted 45 ER/VR applications, and made 2 employees redundant as a result of the MTFP proposals.
- 9 Up to the end of the third quarter of 2015/16 115 people have taken ER/VR or VR, we have deleted 58 vacant posts and unfortunately made 16 people redundant.
- 10 Since 2011 a total of 1,143 ER/VR applications have been accepted, 502 vacant posts deleted and 529 compulsory redundancies made.
- 11 Data relating to staff leaving through voluntary redundancy and early retirement during this quarter showed that 68% were female and 32% were male. While the number of leavers is relatively small these proportions are broadly comparable with the overall workforce profile. All leavers were white British. In terms of disability 57% did not disclose whether or not they had a disability, 11% said they were disabled and the remaining 32% of leavers said they did not have a disability. Given the small number involved these percentages are in line with the expected ratios.
- 12 Figures are too low to report on those leaving through compulsory redundancies to distinguish trends.
- 13 The Council continues to support employees affected by the MTFP savings plans and we have found 420 employees alternative employment through the Council's redeployment process.
- 14 Up to the of December 2015 we have 226 open expressions of interest for ER/VR which are are actively monitoring and supported wherever possible in order to reduce the need for future compulsory redundancies.

Equality Impact Assessments

- 15 As Members are aware 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.

Conclusions

- 16 With the Government's austerity programme due to continue for several more years, the Council remains in a 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.
- 17 For MTFP5 the Council has already delivered £14.6 million of the savings required (over 90%) and in total has now delivered over £151 million in savings since 2011.
- 18 We remain on track to deliver the MTFP5 savings target for 2015/16 of £16.3 million.

Recommendations

- 19 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 £260 million over the period from 2011 to 2020 of which over £151 million has been delivered to date. For MTFP5 £14.6 million of savings have been delivered over 90% 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 2,174 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.