

Overview and Scrutiny Management Board

17 June 2016

Cabinet

15th June 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 confirmation that the 2015/16 Medium Term Financial Plan (MTFP5) has been successfully delivered.

Background

- 2 Cabinet has received regular updates on the progress made by the Council in delivering the financial targets within the MTFP since 2011/12.
- 3 MTFP5 was agreed by Council in February 2015 and set a savings target of just over £16 million for 2015/16. The overall savings requirements for the period from 2011/12 to 2019/20 is £257 million.

Progress to date

- 4 Through the robust approach we continue to take in managing the programme to deliver the savings required, the plans for 2015/16 have now been successfully delivered. With all of the savings delivered to the end of March 2016, since 2011 we have now made over £153 million of savings.
- 5 £1.7 million of savings were made during the last quarter of 2015/16 to deliver MTFP5, mainly from proposals that had already been put in place during the year including: children's centres; looked after children care provision; restructuring of environmental health and consumer protection; street lighting's 'invest to save' programme; and a review in finance.

Consultation

- 6 There were no consultations relating to MTFP5 during this last quarter. However consultation took place on charges for adult care provision and youth support delivery which both relate to MTFP6 proposals.

HR implications

- 7 In the fourth quarter of 2015/16 we accepted 55 ER/VR applications, made 10 employees redundant and 10 vacant posts were removed from the establishment as a result of the MTFP proposals. As per our usual approach of delivering our savings early the majority of this activity relates to proposals that will help deliver the savings for MTFP6.
- 8 During 2015/16 170 people left via ER/VR or VR, we have deleted 69 vacant posts and unfortunately made 26 people redundant.
- 9 Since 2011 a total of 1073 ER/VR applications have been accepted, 507 vacant posts deleted and 529 compulsory redundancies made.
- 10 Data relating to staff leaving through voluntary redundancy and early retirement during this quarter showed that 65% were female and 35% were male. While the number of leavers is relatively small these proportions are broadly comparable with the overall workforce profile. In terms of disability 75% did not disclose whether or not they had a disability, 4% said they were disabled and the remaining 21% of leavers said they did not have a disability. Figures were too low to report on ethnicity.
- 11 For compulsory redundancies 67% were female and 33% male with nobody disclosing a disability. The number of compulsory leavers was low and there is insufficient disclosed ethnicity data to report upon.
- 12 The Council continues to support employees affected by the MTFP savings plans and during this quarter we have found a further 4 employees alternative employment through the Council's redeployment process. The total number of staff who have been redeployed is well over 400 since the process started.
- 13 Up to the end of March 2016 we have over 150 open expressions of interest for ER/VR which are actively monitored and supported wherever possible in order to reduce the need for future compulsory redundancies. We recently sent out a further request to staff for expressions of interest in early retirement and voluntary redundancies, should they be considering this in the future.

Equality Impact Assessments

- 14 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 and the updates also include information on any mitigating actions.
- 15 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

- 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 our robust management process supporting the MTFP ensures we remain ahead of the savings target requirements.
- 17 The Council has delivered all of the savings planned for 2015/16 through MTFP5 which brings the total savings made since 2011 to over £153million.
- 18 Work is now underway implementing the plans for delivery of MTFP6 which will deliver a further £28.3million of savings by the end of March 2017.

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 £257million over the period from 2011 to 2020 of which over £153million has been delivered to date.

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 2,518 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.