

Cabinet

14 December 2016



Update on the delivery of the Medium Term Financial Plan 6

Report of Corporate Management Team

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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 2016 on the delivery of the 2016/17 Medium Term Financial Plan (MTFP6).

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. MTFP6 was agreed by Council in February 2016 and for 2016/17 the savings target was just over £28million. This forms part of the overall savings target for the period from 2011/12 to 2019/20 of around £250million.

Progress to date

4. Previous reports have described our robust approach to delivery of the savings so that savings are delivered early where this is practical.
5. As a result, by the end of September 2016 over 83% of the savings target for MTFP6 has already been met with £23.5million of savings having been achieved. This is a significant achievement considering our total savings delivered since April 2011 is over £180million. Including public health savings, by the end of March 2017 total savings of £185.9million will have been achieved.
6. The savings in 2016/17 contributing towards MTFP6 include proposals for further restructuring and targeting efficiencies in management and back office services; a review of day care services; transformational change in the Children's and Adult Care services; a continued focus on adult social care assessments and provision; a review of non-assessed services; and a range of corporate savings, including a review of self-funding capital schemes.

7. 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. Through rigorous monitoring of the savings we identify these issues early and are able to put in place the necessary mitigation to ensure we meet our overall savings target.
8. Members will be aware that the Transformation Programme which has recently been launched is planning to deliver significant savings within business support services and through the use of IT systems and revised work processes. With this in mind the planned savings for 2016/17 through a review of business support functions have now been incorporated into this programme and will be delivered as part of the wider savings that will be identified from the programme. That said work is still ongoing to unitise where we can and by the end of the year communications and marketing will be brought together into a single team.

Consultation

9. A significant public consultation has taken place during this period on the savings plans for (MTFP7) 2017/18. This involved AAPs, community groups, partners and members of the public. This has been extremely successful in getting the views of a wide range of individuals and organisations and the results will be reported to Cabinet in December.
10. Other consultations also carried out in this period include transport to health appointments and internal consultations on staff restructures. These largely relate to savings proposals included within MTFP7, although final decisions on these have not been taken yet.

HR implications

11. In the second quarter of 2016/17 we accepted 13 ER/VR applications, made 3 employees redundant and no further vacant posts were removed from the establishment as a result of the MTFP proposals. Whilst the figures appear low for the 83% achievement in savings, the majority of the HR activity required for MTFP6 savings proposals occurred in the previous financial year.
12. Since 2011 a total of 1,234 ER/VR applications have been accepted, 572 vacant posts deleted and 550 compulsory redundancies made.
13. The breakdown of voluntary redundancies and early retirements during this quarter comprised of 57% female and 43% male. Of those who indicated whether or not they are disabled, 14% said they are. Compared with the overall workforce profile these percentages represent a higher proportion of male and disabled leavers however the calculations are based on a very low number of leavers within this quarter and it is difficult to draw conclusions. All leavers were white British.

14. For compulsory redundancies 66.7% were female and 33.3% were male. The number of compulsory leavers was low and there is insufficient ethnicity and disability data to report upon.
15. The Council's redeployment scheme has now helped well over 400 employees since the process started.
16. Up to the end of September 2016 we have over 244 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, many of which are being factored into plans for future MTFPs.

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 2016. 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. For the current MTFP the Council has already delivered £23.5million of the savings required (83%) and in total has now delivered over £180million in savings since 2011.
20. Whilst some savings have been delayed the robust programme management approach adopted by the council has ensured these delays have been mitigated and plans revised to deliver the savings as soon as possible.
21. With the Government's austerity programme due to continue for several more years, the Council continues to be in a strong position to meet the ongoing financial challenges although recognising these are becoming even more challenging. This is despite for the first time reporting the non-delivery of some savings. This however demonstrates the value of the robust management process supporting the MTFP the council has adopted and used since 2011.

Recommendations

22. Members are recommended to note the contents of this report and the progress made in delivering MTFP6.

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Appendix 1: Implications

Finance – The delivery of the MTFP involves cumulative saving of approximately £250million over the period from 2011 to 2020 of which over £180million has been delivered to date. This figure now also includes savings delivered in Public Health.

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 2,453 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, again in 2013 and earlier this year. 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.