

Cabinet

15 March 2017



Update on the delivery of the Medium Term Financial Plan 6

Report of Corporate Management Team

**Lorraine O'Donnell, Director of Transformation and Partnerships
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 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 £28 million. This forms part of the overall savings target for the period from 2011/12 to 2019/20 of around £250 million.

Progress to date

- 4 We continue to apply a robust and managed approach to the delivery of planned savings seeking wherever possible to deliver these early so we remain ahead of the saving target and any issues in delivery are identified in plenty of time to take mitigating action. This way we have since 2011 been extremely successful in meeting our targets.
- 5 As a result of this approach, by the end of December 2016 over 91% of the savings target for MTFP6 has already been met with £25.6 million of savings having been achieved (including planned use of cash limits). This is an increase of £3.1 million on the figure last reported to Cabinet at the end of quarter 2.
- 6 Total savings since 2011 now stand at over £183 million.
- 7 The savings in quarter 3 in 2016/17 contributing towards MTFP6 include: a continued focus on adult social care assessments and provision; a review of youth support providing a more targeted approach for those most in need;

increasing income from interagency adoption fees; and continuation of effective use of eligibility criteria for adults with learning disability, mental health, sensory loss and older people. We also realised savings from the ongoing programme of rationalising our office accommodation.

- 8 During quarter 3 we have carried out detailed planning of the delivery of savings for 2017/18 (MTFP7) in anticipation of the decision on MTFP7 so that we are well prepared in advance. Some savings have already been made towards this plan including; the deletion of vacant posts and restructures within direct services, human resources, and ICT. We also expect savings from the cost of our corporate insurance and through an overachievement of income within Direct Services.

Consultation

- 9 No public consultation has taken place during this period.

HR implications

- 10 In the third quarter of 2016/17 we accepted 29 ER/VR applications, made 5 employees redundant and 10 vacant posts were removed from the establishment as a result of the MTFP proposals. Whilst the figures appear low for the 91% achievement in savings, the majority of the HR activity required for MTFP6 savings proposals occurred in the previous quarters and where possible in the previous financial year.
- 11 Since 2011 a total of 1,263 ER/VR applications have been accepted, 582 vacant posts deleted and 555 compulsory redundancies made.
- 12 Data relating to staff leaving through voluntary redundancy, early retirement and ER/VR during this quarter showed that 41% were female and 59% were male, this represents a disproportionately higher level of males in comparison with the overall gender profile for staff. Overall 7% of leavers had not disclosed their ethnicity, 4% were other white and 89% were white British. In relation to disability 63% had not disclosed, 33% said they were not disabled and 4% had a disability.
- 13 The staff numbers of those leaving through compulsory redundancies are too low to analyse and this reflects our ongoing aim of keeping compulsory redundancies to a minimum.
- 14 The Council's redeployment scheme has now helped over 430 employees since the process started.
- 15 Up to the end of December 2016 we have over 262 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

- 16 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 regarding MTFP7 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.
- 17 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

- 18 For the current MTFP the Council has already delivered £25.6 million of the savings required (91%) and in total has now delivered over £183 million in savings since 2011.
- 19 Work is well advanced on planning for the delivery of savings for 2017/18 and we remain in a strong position to meet the ongoing financial challenges although recognising these are becoming even more challenging.

Recommendations

- 20 Cabinet is recommended to note the contents of this report and the progress made in delivering MTFP6.

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

Appendix 1: Implications

Finance – The delivery of the MTFP involves cumulative saving of approximately £250 million over the period from 2011 to 2020 of which over £183 million 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 2,410 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.