

Cabinet

12th July 2017



Update on the delivery of the Medium Term Financial Plan 6

Report of Corporate Management Team

Lorraine O'Donnell, Director Transformation and Partnerships

Councillor Simon Henig, Leader of the Council and all Cabinet collectively

Purpose of the Report

- 1 This report provides confirmation that the 2016/17 Medium Term Financial Plan (MTFP6) 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 The latest MTFP6 was agreed by Council in February 2016 and set a savings target of just over £28 million. This brings the overall savings target for the period from 2011/12 to 2019/20 of around £250 million.

Progress to date

- 4 The delivery of the MTFP is being managed with a very robust programme management approach being adopted to ensure we take into account:
 - Our duties under the Equality Act
 - Appropriate consultation
 - The HR implications of the change including consultation with employees and trade unions
 - Communication of the change and the consultation results
 - Sound risk management.
- 5 Through this robust approach we continue to take in managing the programme to deliver the savings required, the plans for 2016/17 have now

been successfully delivered. Since 2011 we have now made over £185,828,961 million of savings including Public Health.

- 6 The remaining £2.7 million of savings made during the last quarter of 2016/17 to deliver MTFP6 were mainly from proposals that had already been put in place during the year, including; increased charging income in respect of adult care provision; consistent and effective use of existing eligibility criteria, a review of home to school transport policies; a review within youth support; and savings in provision of leisure facilities.
- 7 In some instances where it is not possible to deliver specific proposals, due perhaps to budget pressures or due to timing issues in developing the 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. As with previous years for some of the savings planned in 2016/17 mitigation was put in place.
- 8 An example of this is the savings proposed through a review of business support services. In the update on the MTFP to Cabinet in December 2016 members were advised that the planned savings for 2016/17 through this review of business support functions have now been incorporated into the Transformation Programme savings to be delivered as part of the wider savings that will be identified from the programme.

Consultation

- 9 There were no public consultations relating to MTFP6 during this last quarter.

HR implications

- 10 In the fourth quarter of 2016/17 we accepted 72 ER/VR applications, made 3 employees redundant and 17 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 MTFP7.
- 11 During 2016/17 137 FTE posts left via ER/VR or VR, we have deleted 85 vacant posts and unfortunately made 19 posts redundant.
- 12 Since 2011 a total of 1,335 ER/VR applications have been accepted, 599 vacant posts deleted and 558 compulsory redundancies made.

HR Implications

- 13 Data relating to staff leaving through voluntary redundancy, early retirement and ER/VR during this quarter showed that 68% were female and 32% were male, this represents a slightly disproportionately higher level of females in comparison with the overall gender profile for staff. Overall 68% of leavers had not disclosed a disability, 26% said they were not disabled and 6% had a

disability. Less than 2% of leavers were BME.

- 14 The staff numbers of those leaving through compulsory redundancies are too low to analyse.
- 15 The Council continues to support employees affected by the MTFP savings plans and the total number of staff who have been redeployed is 436 since the process started.
- 16 Up to the end of March 2017 we have over 176 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.

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 We are continuing to assume the Government's austerity programme will continue for several more years, however 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.
- 20 We can confirm that the Council has delivered all of the savings planned for 2016/17 through MTFP6 which brings the total savings made since 2011 to over £185million including savings in Public Health.
- 21 Work is now underway implementing the plans for delivery of MTFP7 which will deliver a further £23.3million of savings by the end of April 2018.

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 £185.8million 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 2,492 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.