

Corporate Overview and Scrutiny Management Board

9 October 2017

Cabinet

13 September 2017

**Update on the delivery of the
Medium Term Financial Plan 7**



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 June 2017 on the delivery of the 2017/18 Medium Term Financial Plan (MTFP7).

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 Council agreed MTFP7 in February 2017 and for 2017/18 the savings target was just over £23 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 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 June 2017 over 74% of the savings target for MTFP7 had already been met with almost £17.2 million of savings having been achieved. This is a significant achievement considering our total savings delivered since April 2011 is over £203 million including public health savings and the identification of proposals for future savings is becoming increasingly challenging.
- 6 By the end of March 2017, we had already achieved over £9.7 million of the savings required for MTFP7.
- 7 The savings fully achieved by April 2017 towards MTFP7 include proposals relating to a full service review undertaken to look at a range of options for the

future delivery of those adult care services currently provided by County Durham Care and Support; a service restructure following the disaggregation of children's and adults services; through the reduction of funding to some providers of non statutory services; a restructure in EHCP; a renegotiation of the Co Durham Housing Group grounds maintenance SLA; price negotiations with bus companies; and a review of insurance claims excess required.

- 8 Further savings achieved within the first quarter included a review of youth support; increase in garden waste charging; a reduction in non-staffing budgets within Libraries; as well as a number of service restructures; and the street lighting energy reduction programme.
- 9 That said we do recognise that on occasions plans need to change which could delay when savings are made, but through the regular monitoring of our MTFP we are able to smooth out delivery of saving using cash limits, ensuring we do not miss our overall savings targets.

Consultation

- 10 As members are aware consultation with the public and other stakeholders remains an important element in the MTFP programme. However due to purdah the planning for delivery of the MTFP meant no public consultations were due to take place during this quarter.

HR implications

- 11 We accepted 28 ER/VR applications, made five employees redundant and 49 vacant posts were removed from the establishment as a result of the MTFP proposals during this period. Whilst the figures appear low for the 74% achievement in savings, the majority of the HR activity required for MTFP7 savings proposals occurred in the previous financial year.
- 12 Since 2011 a total of 1,363 ER/VR applications have been accepted, 648 vacant posts deleted and 567 compulsory redundancies made.
- 13 We are also reviewing all vacant posts to ensure these are being declared surplus as soon as possible or being filled where a business need exists.
- 14 Data relating to staff leaving through voluntary redundancy, early retirement and ER/VR during this quarter showed that 65.5% were female and 34.5% were male, 18% of leavers had not disclosed their ethnicity, 80% were white British and 2% were Black, Asian and minority ethnic (BAME). Regarding disability status 5.5% said they had a disability, 18% had no disability and 76.5% did not disclose their disability status.
- 15 The profile of those leaving through compulsory redundancies showed that 59% were female and 41% were male, 41% had not disclosed their ethnicity and the remaining 59% were white British. There was no disclosed disability.
- 16 The Council continues to support employees affected by the MTFP savings plans and the total number of staff who have been redeployed is 442 since the process started.

- 17 At the end of June 2017 we had over 157 open expressions of interest for ER/VR. This has reduced by 20 since the last quarter through active monitoring in order to reduce the need for future compulsory redundancies.

Equality Impact Assessments

- 18 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 2017. They are updated during the year to take account of consultation responses and additional evidence; the updates also include information on any mitigating actions.
- 19 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.

Recommendations and reasons

- 20 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. Through the robust management, process supporting the MTFP ensures we remain ahead of the savings target requirements.
- 21 For MTFP7 the Council has already delivered almost £17.2 million of the savings required (74%), and in total has now delivered over £203 million in savings since 2011.
- 22 Members are recommended to note the contents of this report and progress made in delivering MTFP7.

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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 £203 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 2,578 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.