

Cabinet

14 March 2018



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 December 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 per annum.

Progress to date

- 4 Previous reports have described our robust approach to the delivery of savings, in which savings are delivered early where this is practical and not additionally detrimental to service delivery.
- 5 By the end of December 2017 over 94% of the savings target for MTFP7 had been met with just over £22 million of savings having been achieved. This is a significant achievement considering our total savings delivered since April 2011 is over £211 million per annum including public health savings and the identification of proposals for future savings is becoming increasingly challenging.
- 6 It is recognised however, that on occasions plans may need to change due to unforeseen circumstances which could delay when savings are made. However through the regular monitoring of our MTFP we are able to ensure delivery of saving through the prudent use of cash limits, ensuring we hit our overall savings targets and remain within budget limits.

Consultation

- 7 As members are aware consultation with the public and other stakeholders remains an important element in the MTFP programme. Whilst there were no consultations planned for this period for specific MTFP proposals, a wide-ranging consultation programme was carried out at AAP boards and forums, and several public events across the county in October and November 2017.

HR implications

- 8 We accepted 67 ER/VR applications as a result of the MTFP proposals during this period.
- 9 Since 2011 a total of 1,446 ER/VR applications have been accepted, 704 vacant posts deleted and 570 compulsory redundancies (CR) made.
- 10 Data relating to staff leaving through ER/VR during this single quarter showed that 93% were female and 7% were male, however, relatively few staff (28 people) left the authority over this period. So far this financial year, of the staff that have left the organisation through ER/VR as a result of MTFP proposals, 75% have been female and 25% male. This proportion of female leavers is higher than the overall organisational breakdown which shows around 64% of staff are female¹.
- 11 7% of leavers had not disclosed their ethnicity and the remaining 93% were white British. Regarding disability status 7% said they had a disability, 32% had no disability and 61% did not disclose their disability status.
- 12 In this quarter no one left the authority through a compulsory redundancy. However, of the staff that have left the organisation through compulsory redundancy as a result of MTFP proposals, 52% have been female and 48% male. This proportion of male leavers is higher than the overall organisational breakdown which shows around 36% of staff are male¹.
- 13 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.
- 14 At the end of December 2017 we had 128 open expressions of interest for ER/VR.

Equality Impact Assessments

- 15 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.

¹ As at 31 March 2017

- 16 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

- 17 Whilst the Government's austerity programme is due to continue for several more years, the Council continues to be in a strong financial position to meet the ongoing challenges, whilst recognising these are becoming increasingly challenging. Through the robust management process supporting the MTFP ensures we remain ahead of the savings target requirements and continue to minimise impact on frontline services wherever possible.
- 18 For MTFP7 the Council has already delivered over £22 million of the savings required (94%), and in total has now delivered over £211 million in savings since 2011.
- 19 Cabinet is recommended to:
- (a) 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 annual saving of approximately £250million over the period from 2011 to 2020 of which over £206 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. This exercise has been undertaken again in November 2017. 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.