Notes of a Budget Consultation meeting between representatives of the Council and the Trade Unions held at Sunderland Civic Centre on Wednesday 4 February 2009 at 11.00am

Present:-

Council Representatives

Councillor P Watson	-	Leader of the Council
Councillor Anderson	-	Deputy Leader of the Council
Councillor Allan	-	Cabinet Portfolio Holder for Resources
Keith Beardmore	-	City Treasurer
Sue Stanhope	-	Corporate Head of Personnel

Trade Union Representatives

Alyson Bryan	-	GMB
Gillian Mitchell	-	NAHT
David Short	-	UCATT
Karen Loughlin	-	UNISON
Jacqui Gallagher	-	UNISON

The Leader of the Council welcomed representatives from the Trade Unions and asked Keith Beardmore, the City Treasurer, to outline the current position regarding the Council's budget for 2009/10.

The City Treasurer advised that informal meetings had been held with the Trade Unions representatives and they had been provided with relevant Revenue Budget reports. This meeting formed part of the statutory consultation process for the Council's budget proposals and views and comments would be presented to the Cabinet.

The City Treasurer reported that the budget had been particularly difficult in light of:

- the fact that the Government grant increase of 2.16% for 2009/10 was low in comparison with recent years.
- the cessation of the Neighbourhood Renewal Fund (NRF) which had made it necessary to make provision in the mainstream budget for some high priority projects and schemes which had been funded through NRF. This fund had been replaced by the Working Neighbourhoods Fund (WNF) which is being focused particularly on worklessness and enterprise.
- the need to deal with the effects of levels of inflation, which although now reducing had impacted significantly on the budgetary position, particularly in relation to energy.
- the need to provide for waste disposal, specifically in relation to increased landfill tax and the new Strategic Waste Solution which was being developed with Gateshead and South Tyneside Councils in order to seek to avoid reliance on landfill.

Most importantly, reference was made to the need for the budget to address the impact of the economic downturn particularly in relation to the impact on the Council's financial position and the need to invest in services which faced greater demand pressures as a consequence.

Finally, the City Treasurer referred to Government guidelines to restrict Council Tax rises and it had been requested that the increases should be significantly below 5%.

The City Treasurer explained that the approach to budget setting had been to maximise efficiency savings - £11.681m had been identified - and to allocate resources to high priority areas. In the wider financial environment, there had been massive changes since October 2008. The Budget Planning Framework had been required to respond to those changes but had stood up well to this challenge.

The Leader stated that Sunderland as a Council wanted to be aspirational and to inspire residents of the City, but at the same time would still provide excellent services for the most vulnerable people. A number of high priority areas had been highlighted for investment including: -

- Adult Social Care – investment in preventative and community based services aimed at retaining people's independence and improving their quality of life;
- Children's Services – investment in Fostering and Adoption Services to better meet the needs of children;
- Additional resources for youth services to enable wider deployment of the youth village model;
- Neighbourhood Services – investment in waste to enable the City to move away from a reliance on landfill and utilise a cleaner method of disposing of the City's waste;
- Additional Enforcement Officers to address environmental crime;
- Provision for pay and single status issues.

The Leader then invited views and questions from the Trade Union representatives.

Karen Loughlin asked if there was a proposed figure for the council tax increase and if it was known how this would impact on the provision of services. She also enquired if it was felt that it would be feasible to retain service provision 'in-house' over the next few years.

The Leader advised that the final details of council tax would not be known until there was full information about precepts from other authorities. However, he stated that the Council would be mindful of the direction given by the Government regarding rises and the exact percentage rise would depend on final information still being received and late adjustments to the budget.

The Leader also emphasised the Council's commitment to continuing to provide services without effecting compulsory redundancies. If there were to be any reductions in staffing, the indications were that these would be voluntary. The Leader highlighted that the Council had always been fiscally sensible in the past and felt it was realistic to retain services 'in-house' providing needs of customers continued to be placed at the heart of service provision.

Jacqui Gallagher queried if there would be an impact on the revenue obtained from council tax if there were more unemployed residents in the City who were not paying council tax. The City Treasurer advised that these residents would be eligible for council tax benefit which is paid for by the Government and therefore there would be no detriment to the Council's financial position. He added that whilst some authorities had announced their council tax levels already, it was felt prudent and sensible, given the rapidly changing wider financial environment to use the maximum time available to ensure that the budget which is set is as sustainable as possible over the medium term, not just for the next financial year.

Jacqui Gallagher asked if elected Members felt that holding off from announcing the council tax levels left them politically vulnerable and the Leader responded that sometimes it was a matter of doing what was right for the City. The priority was for the Authority to remain sound in its finances rather than popular. Councillor Allan added that the Council wanted to consult rather than just tell people what the levels of council tax would be. He highlighted that the budget would be agreed by the Full Council and that he was determined that the council tax in Sunderland would still be the lowest in Tyne and Wear. Councillor Allan also reiterated the Council's commitment to providing high levels of service and maintaining jobs.

Karen Loughlin commented that the Trade Unions would always want to see staff having meaningful jobs and asked if there were any specific figures on the savings that had been made. The City Treasurer reported that savings of approximately 4.5% on the net budget had been made but this included, for example, additional income from the PCT for providing services. The Leader added that efficiencies had been made through working smarter and better.

Gillian Mitchell thanked the Council for giving them this opportunity to discuss the budget and commented that the financial stability of the Authority had been to the advantage of the people in the City.

The Leader thanked the Trade Union representatives for their comments and informed them that they would be taken into consideration by the Cabinet. He also thanked those present for their support of the Council's position and then closed the meeting.