

Notes of a Budget Consultation meeting between representatives of the Council and the Trade Unions held at Sunderland Civic Centre on Monday 1 February 2010 at 10.00am

Present:

Council Representatives

Councillor Paul Watson	-	Leader of the Council
Councillor Mrs Florence Anderson	-	Deputy Leader of the Council
Keith Beardmore	-	Director of Financial Resources
Sue Stanhope	-	Director of Human Resources and Organisational Development
Graeme Farnworth	-	Head of Regeneration Programmes
Keith Lowes	-	Head of Planning and Environment

Trade Union Representatives

Peter De-Vere	-	UNISON
George Pearson	-	UNISON
Helen Finkill	-	UNISON
David Short	-	UCATT
Howard Brown	-	NUT
Paul Owens	-	GMB
Alyson Bryan	-	GMB

The Leader of the Council welcomed representatives from the Trade Unions and asked Keith Beardmore, Director of Financial Resources, to outline the current position with regard to the Council's budget for 2010/2011.

The Director of Financial Resources advised that informal meetings had been held with the Trade Union representatives and they had more recently been provided with the relevant Revenue Budget reports considered by the City Council's Cabinet. This meeting formed part of the statutory consultation process for the Council's budget proposals and any views and comments would be presented to the Cabinet at its next meeting when it is to consider the final budget proposals for the next year.

The Director of Financial Resources reported that the budget had been particularly difficult in light of the current economic climate and that the Government grant increase of 1.84% would present the authority with challenges in the next year. It was also apparent that the Council could expect significantly reduced levels of grant increases in future years.

Attention was drawn to the spending pressures and priorities which were outlined in the Revenue Budget report. Proposed additional provisions in each strategic and corporate improvement priority improvement area included: -

- Healthy City – additional provision is proposed to meet the costs of the second year of an agreement with independent providers of care in respect of fees, to

recognise the need to support the expanded Telecare service and a contingency for additional costs which may arise from the government's intention that personal care should be provided free to those with assessed high needs;

- Children and Learning City – further investment is proposed to support the implementation of the Foster Care Recruitment and Retention Strategy, the expansion of youth initiatives; and additional staffing in Safeguarding services;
- Safer City – provision is proposed to enable the enhancement of the Citywide Events Programme, to support the Family Intervention Project and to support the identification of vulnerable people at risk of Anti-Social Behaviour and crime and address their needs;
- Sustainable Communities – additional investment is proposed to seek to reduce further the number of empty properties; to plan to meet the funding implications of the new Strategic Waste Solution; and to address community cohesion initiatives;
- Attractive and Inclusive City – these proposals include additional provision to fund the improvement and development of the Transport and Engineering service; to meet the full year running costs of the new Silksworth Pool; to meet ongoing maintenance costs associated with the new Play Parks; and to meet the costs of the 'Kerb It' replacement scheme;
- Provision is also to meet the higher levels of investment required in respect of the Occupational Health Unit and to provide support for the implementation of the Community Leadership Programme.

The Director of Financial Resources then highlighted the Council's plan to realise efficiency savings in 2010/2011 and beyond and emphasised that the Council was intent on having regard to the medium to long term context for the future funding of local government and the need to set a sustainable budget for next year.

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

Peter De-Vere noted that the reserves and levels of interest had been good in previous years but were considerably lower this financial year. The Director of Financial Resources advised that budget for interest receipts had been reduced to £1.6m for next year, but that the Council had taken the decision not to build in ongoing expenditure commitments the higher levels of investment income generated in previous years.

The Leader added that the Council had also looked at the way money was invested and had ensured that no losses were incurred. He emphasised that it had been difficult to restrict expenditure to areas which did not require an ongoing revenue budget commitment but the difficult decisions taken in the past had been proven to be beneficial and ensure that the Council was as well placed as possible financially. He emphasised that with the impending constraints on public spending, as long as staff understood the need to retrain and up-skill, and were prepared to be as flexible as possible, then the Council had the best prospect of working through any difficult times ahead together and in a way that would seek to protect and retain jobs as far as possible.

Peter De-Vere then made reference to the provision of free personal care which were being brought in from October 2010 and asked if it was felt this was realistic

from the local authority's point of view and queried if it would be more cost efficient in the long term to bring the services back in house.

The Director of Financial Resources advised that the government had announced that the provision of free personal care was to be two thirds funded through a Government grant and the rest was to come from local government efficiencies. It was clear that some who would qualify for free personal care would already be receiving care through the local authority but there was a possibility that there would be others that were unknown to the Council at the present time. As much due diligence as possible had been done in relation to assessing the financial implications and this had formed the basis for the provision proposed to be included in the budget.

The Leader highlighted that the House of Lords were continuing to debating the Bill on free personal care but also acknowledged that the policy was supported as this would bring additional help to enable people to remain in their own homes. The Deputy Leader added that representations were still being made on behalf of Local Government for central Government to fund the entire costs of free personal care.

Alyson Bryan commented that because of the modernisation which had taken place in recent years, services were well placed to provide free personal care. She was pleased to note the additional investment in Telecare and felt that it was an example of good practice for other local authorities.

Howard Brown expressed concern about the proposed efficiency savings and the impact of these in the forthcoming years. He felt that if job cuts were a possibility in the future then work should begin now to minimise the impact. He also asked how closely the Sunderland Way of Working (SWOW) fitted in with future budget planning.

The Leader reported that, should reductions in staff become inevitable, the strategies were being put in place to seek to keep these to a minimum. The Director of Financial Resources stated that the targets for efficiency savings would be subject to review and that the SWOW was integral to the plan for the efficiency savings which were to be realised in order to seek to avoid any reduction in services.

The Director of Human Resources and Organisational Development reiterated that planning had already started and the Council was not simply waiting for things to happen. A recruitment freeze had already been implemented, along with the establishment of the internal jobs market. The Council was confident that the processes which were in place would deliver the required efficiency savings.

It was queried if there was a timetable for meetings with the Trade Unions on the SWOW and the Director of Human Resources and Organisational Development advised that the primary mechanism for consultation with the unions was the Organisational Development Joint Consultative Forum. However, given the importance of the SWOW, it was agreed that separate meetings would be arranged to deal with that issue. The Leader of the Council welcomed the engagement of the Trade Unions with these discussions but added that he hoped they felt they could

raise issues about how the SWOW was moving forward at any time and not have to wait for planned meetings.

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 during the current economic circumstances.