

## **BUDGET CONSULTATION REPORT**

### **1. THE CONSULTATIONS**

The Cabinet undertook a range of consultation with various stakeholder groups, including council staff and the Trade Unions, Southampton residents and local businesses. Consultation, which began on publication of the Cabinet's draft budget on 14 October 2011, has continued throughout this period. Feedback from these consultations has been used to inform development of the budget.

### **2. STAFF AND TRADE UNIONS**

In order for the council to meet its obligations as a good employer and also in order to start the process of discharging its obligations under s.188 of the Trade Union and Labour Relations (Consolidation) Act 1992, a detailed consultation document was produced and released on 14 October 2011. This document included a range of information relating to the budget proposals with implications for employees. This document release represented the start of the consultation process.

The consultation document provided the following introduction and context for staff and Trade Unions:

*"Further information may be given and the information updated during the consultation process to recognise that all of the information may not be fully formed at this stage as one would expect during consultation on a proposal.*

*"We would hope that the proposal is set out in enough detail that it is meaningful and that consultation can be embarked upon. If in any respect further information is required and or you think some more information is required then we would ask you, as our consultation partners, to explain in what way any information is inadequate so that we can address and update any further information and proceed with our consultation.*

*"We hope to consult during the process with a view to reaching agreement. In particular we need to consult with you about ways of avoiding the dismissal, reducing the numbers of employees to be dismissed and mitigating the consequences of those dismissals.*

*"The reason that we have to make these proposals is as follows:*

*"In the context of the continuing challenging financial climate in which all Councils will receive much less funding from central Government in each of the next three years, Southampton City Council is forecasting that it will need to save nearly £15.24M from its revenue budgets in 2012/13 rising to a cumulative saving of £54.283M by 2014/15.*

*"We attach projected budget figures and savings that need to be actioned. We are keen that you understand in full the predicament that the Council faces and how to address savings. At an early stage we propose meeting with you and discussing any further information you might need for meaningful and effective consultation on the reasons for the proposal. To that end, we have already scheduled fortnightly consultation meetings with the recognised Trade Unions throughout the consultation period.*

*"Whilst the council is committed to driving out inefficiencies and exploring new ways of working to ensure it can continue to deliver front line services and minimise the impact of a reducing budget on its staff, it is still expected that it will need to dismiss as redundant up to 147 employees in 2012/13. This is the total number of employees who may be dismissed as a*

result of this proposal. In addition, it is proposed that up to 109.05 FTE vacant posts will be deleted

*“The purpose of this document is to inform and consult on the proposals to deliver £7.145M of budget savings through staffing reductions, with a view to reaching agreement on ways of avoiding redundancies and/or reducing the numbers to be dismissed. This document also outlines proposed changes to the council’s Discretionary severance policy to ensure that severance payments are affordable.”*

The document also included a detailed consultation timetable as follows:

<b>Week:</b>	<b>Indicative Date:</b>	<b>Activity:</b>	<b>Responsibility:</b>
0	14/10/2011	Collective consultation commences with trade unions	Corporate consultation team and trade unions
0	14/10/2011	Collective consultation commences with staff affected by proposals	Directors and Senior Managers
1	From 17/10/2011	Individual and service specific consultation meetings commence exploring: <ul style="list-style-type: none"> <li>▪ voluntary measures</li> <li>▪ restructure proposals</li> <li>▪ selection methods</li> <li>▪ selection criteria</li> </ul>	Directors and Senior Managers
2	From 24/10/2011	Staff within specific services or functions that are proposed for deletion identified as “at risk” and placed on redeployment register	Directors and Senior Managers
2	28/10/2011	Collective consultation meeting	Corporate consultation team and trade unions
4	11/11/2011	Collective consultation meeting	Corporate consultation team and trade unions
6	25/11/2011	Collective consultation meeting	Corporate consultation team and trade unions
8	09/12/2011	Collective consultation meeting	Corporate consultation team and trade unions
10	23/12/2011	Collective consultation meeting	Corporate consultation team and trade unions
12	06/01/2012	Collective consultation meeting	Corporate consultation team and trade unions
14	20/01/2012	Collective consultation meeting and End of Formal Consultation	Corporate consultation team and trade unions
15	27/01/2012	Executive Publish their Final Budget Proposals	Executive
17	06/02/2012	Cabinet Meeting to Recommend Final Budget Proposals	Executive
18	15/02/2012	Annual Budget Set at Full Council	Full Council
18	From 16/02/2012	Dismissal hearing invitations issued (10 working days notice) to staff where specific services or functions are being deleted	Directors and Senior Managers
18	From 16/02/2012	Selection process commences for staff where a reduction in posts arises from a restructure or reduction in a “pool” of similar posts.	Directors and Senior Managers

<b>Week:</b>	<b>Indicative Date:</b>	<b>Activity:</b>	<b>Responsibility:</b>
18	From 16/02/2012	Staff where a reduction in posts arises from a restructure or reduction in a "pool" of similar posts identified as "at risk" and placed on redeployment register (for a minimum 3 months).	Directors and Senior Managers
20	From 01/03/2012	Dismissal hearings. Employees given up to 3 months notice dependent on length of service as per contract of employment.	Directors and Senior Managers

The consultation was extended on 9 January 2012 to end on 6 February 2012. This extension was agreed by the Leader of the Council and the Chief Executive to allow employees the maximum time possible to give their views and ideas before the 2012/13 budget is agreed by Full Council on 15 February.

Consultation meetings with staff and Trade Unions commenced on 14 October 2011 and will continue up until 6 February 2012. Meetings have occurred at a council-wide level with Trade Unions, and at a directorate and service-level with affected staff and Trade Unions. The numbers of directorate and service meetings (up until 24 January 2012) are as follows:

- Children's Services and Learning – 20 meetings
- Health and Adult Social Care – 17 meetings
- Environment – 44 meetings
- Economic Development – 17 meetings
- Corporate Services – 28 meetings

In addition to these face-to-face meetings, each savings proposal that has a direct impact on staff has been detailed in a consultation document and made available to employees via the intranet (and in hard copy where required).

The budget consultation pages on the council's intranet have been regularly updated and include a frequently asked questions section. More than 50 enquiries from employees have been received and dealt with directly.

Two budget consultation meetings were also held between the Trade Unions and the Leader, Deputy Leader and Cabinet Member for Resources, Leisure & Culture to discuss the Executives draft budget proposals. The Trade Unions put forward a range of alternative savings proposals, each of which has been fully considered by the Executive in drawing up their final budget proposals. In addition, the Trade Unions also fed back an alternative proposal for changes to the Discretionary Severance Scheme and reference to this is contained in the budget report.

### **3. RESIDENTS**

The Cabinet's draft budget was publicised from its publication on 14 October 2011, via a range of council channels and also the news media. The proposals have been available since that time on the council's website. The website has a feedback mechanism that allows residents to share their views.

### **4. LOCAL BUSINESS**



A consultation meeting for local businesses was held on 26 January 2012. The meeting was facilitated by Business Solent, with other business representative bodies invited. A briefing was provided by the Leader of the Council, supported by the Chief Financial Officer.