



Executive Board

**Thursday, 7 June 2007 2.00 p.m.
Marketing Suite, Municipal Building**

A handwritten signature in black ink, appearing to read 'David W R'.

Chief Executive

**ITEMS TO BE DEALT WITH
IN THE PRESENCE OF THE PRESS AND PUBLIC**

PART 1

Item	Page No
1. MINUTES	
2. DECLARATIONS OF INTEREST	
Members are reminded of their responsibility to declare any personal or personal and prejudicial interest which they have in any item of business on the agenda no later than when that item is reached and (subject to certain exceptions in the Code of Conduct for Members) to leave the meeting prior to discussion and voting on the item.	
3. QUALITY AND PERFORMANCE	
(A) AUDIT COMMISSION AUDIT AND INSPECTION PLAN FOR HALTON BOROUGH COUNCIL 2007-08	1 - 23
To receive a presentation by Julian Farmer and Collette Williams of the Audit Commission.	

*Please contact Lynn Cairns on 0151 471 7529 or e-mail
lynn.cairns@halton.gov.uk for further information.
The next meeting of the Committee is on Thursday, 21 June 2007*

Item	Page No
(B) CPA 2007 TO CAA 2009	24 - 35
4. COMMUNITY PORTFOLIO	
(A) ALLEY GATES AND GATING ORDERS	36 - 38
(B) EXPANDING THE PROGRAMME OF REGENERATING HALTON'S EMPLOYMENT SITES	39 - 47
5. CORPORATE SERVICES PORTFOLIO	
(A) FUTURE OF HALTON LEA POST OFFICE	48 - 57
6. EUROPEAN AFFAIRS PORTFOLIO	
(A) PROPOSALS FOR FUTURE UNITARY STRUCTURES IN CHESHIRE	58 - 61
(B) APPLICATION FOR TWINNING GRANT	62 - 64
7. LEADER'S PORTFOLIO	
(A) LOCAL AREA AGREEMENTS	65 - 68
8. PLANNING, TRANSPORTATION, REGENERATION AND RENEWAL PORTFOLIO	
(A) APPOINTMENT OF CONSULTING ENGINEER FOR DESIGN OF HIGHWAY INFRASTRUCTURE PROJECTS	69 - 71

In accordance with the Health and Safety at Work Act the Council is required to notify those attending meetings of the fire evacuation procedures. A copy has previously been circulated to Members and instructions are located in all rooms within the Civic block.

Audit and Inspection Plan

May 2007

Audit and Inspection Plan

Halton Borough Council

Audit 2007/2008

External audit is an essential element in the process of accountability for public money and makes an important contribution to the stewardship of public resources and the corporate governance of public services.

Audit in the public sector is underpinned by three fundamental principles:

- auditors are appointed independently from the bodies being audited;
- the scope of auditors' work is extended to cover not only the audit of financial statements but also value for money and the conduct of public business; and
- auditors may report aspects of their work widely to the public and other key stakeholders.

The duties and powers of auditors appointed by the Audit Commission are set out in the Audit Commission Act 1998 and the Local Government Act 1999 and the Commission's statutory Code of Audit Practice. Under the Code of Audit Practice, appointed auditors are also required to comply with the current professional standards issued by the independent Auditing Practices Board.

Appointed auditors act quite separately from the Commission and in meeting their statutory responsibilities are required to exercise their professional judgement independently of both the Commission and the audited body.

Status of our reports to the Council

Our reports are prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission. Reports are prepared by appointed auditors and addressed to members or officers. They are prepared for the sole use of the audited body, and no responsibility is taken by auditors to any member or officer in their individual capacity, or to any third party.

Copies of this report

If you require further copies of this report, or a copy in large print, in Braille, on tape, or in a language other than English, please call 0845 056 0566.

© Audit Commission 2007

For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 020 7828 1212 Fax: 020 7976 6187 Textphone (minicom): 020 7630 0421

www.audit-commission.gov.uk

Contents

Introduction	4
Responsibilities	4
Inspection	5
Work under the Code of Audit Practice	7
Financial statements	7
Use of resources	7
Data quality	9
Best Value Performance Plan	9
Assessing risks	10
Work specified by the Audit Commission	11
Whole of government accounts (WGA)	11
National Fraud Initiative	11
Voluntary improvement work	12
Certification of grant claims and returns	13
The audit and inspection fee	14
Other information	15
The audit and inspection team	15
Independence and objectivity	15
Quality of service	16
Planned outputs	16
Appendix 1 – Initial risk assessment – use of resources	17
Appendix 2 – Audit and inspection fee	19
Specific audit risk factors	20
Assumptions	20
Specific actions Halton Borough Council could take to reduce its audit and inspection fees	21
Process for agreeing any changes in audit fees	21
Appendix 3 – Independence and objectivity	22

Introduction

- 1 This plan has been developed by the Relationship Manager and the appointed auditor. It sets out the audit and inspection work that we propose to undertake for the 2007/08 financial year. The plan is based on the Audit Commission's risk-based approach to audit planning and the requirements of Comprehensive Performance Assessment (CPA). It reflects:
 - audit and inspection work specified by the Audit Commission for 2007/08;
 - current national risks relevant to your local circumstances; and
 - your local risks and improvement priorities.
- 2 Your Relationship Manager will continue to help ensure further integration and co-ordination with the work of other inspectorates.
- 3 As we have not yet completed our audit for 2006/07, the audit planning process for 2007/08, including the risk assessment, will continue as the year progresses, and the information and fees in this plan will be kept under review and updated as necessary.

Responsibilities

- 4 We comply with the statutory requirements governing our audit and inspection work, in particular:
 - the Audit Commission Act 1998;
 - the Local Government Act 1999 (best value inspection and audit); and
 - the Code of Audit Practice.
- 5 The Code of Audit Practice (the Code) defines auditors' responsibilities in relation to:
 - the financial statements (including the statement on internal control (SIC)); and
 - the audited body's arrangements for securing economy, efficiency and effectiveness in its use of resources.
- 6 The Audit Commission's Statement of responsibilities of auditors and of audited bodies sets out the respective responsibilities of the auditor and the Council. The Audit Commission has issued a copy of the Statement to every audited body.
- 7 The Statement summarises where the different responsibilities of auditors and of the audited body begin and end, and our audit work is undertaken in the context of these responsibilities.

Inspection

- 8 The Audit Commission's CPA and inspection activity is underpinned by the principle of targeting our work where it will have the greatest effect, based upon assessments of risk and performance.
- 9 The Council's CPA category is therefore a key driver in the Commission's inspection planning process. For CPA 2006, the Council was categorised as 4 stars.
- 10 We have applied the principles set out in the CPA framework, *CPA – the Harder Test*, recognising the key strengths and areas for improvement in the Council's performance.
- 11 Strengths in the Council's performance include:
 - Making a significant contribution to wider community outcomes by improving access to its services particularly for hard to reach groups and by initiatives to improve access to employment.
 - Improving service performance in areas identified as priorities for example, increasing the number of older people able to live at home, and has maintained performance in services already described as excellent such as Housing Benefits.
 - Having good systems of financial control and maintaining expenditure within existing resources.
- 12 Action is needed:
 - to make a success of the Local Area Agreement particularly in connection with those elements designed to address health inequalities in Halton; and
 - to ensure that effective financial, performance and governance arrangements are in place for all the Council's joint working arrangements with partners.
- 13 On the basis of our planning process we have identified where our inspection activity will be focused for 2007/08 as follows.

Table 1 Summary of inspection activity

Inspection activity	Reason/impact
Relationship Manager (RM) role	To act as the Commission's primary point of contact with the Council and the interface at the local level between the Commission and the other inspectorates, government offices and other key stakeholders.

Inspection activity	Reason/impact
Direction of travel (DoT) assessment	An annual assessment, carried out by the RM, of how well the Council is securing continuous improvement. The DoT label will be reported in the CPA scorecard alongside the CPA category. The DoT assessment summary will be published on the Commission's website.
Corporate assessment	We will carry out a corporate assessment in line with the processes set out in <i>CPA - the Harder Test</i> . Our approach will be a combined corporate assessment and Joint Area Review which will include an inspection of services for children and young people.

Work under the Code of Audit Practice

Financial statements

- 14 We will carry out our audit of the financial statements in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board (APB).
- 15 We are required to issue an opinion on whether the financial statements present fairly, in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007, the financial position of the Council as at 31 March 2008 and its income and expenditure for the year.
- 16 We are also required to review whether the SIC has been presented in accordance with relevant requirements, and to report if it does not meet these requirements or if the SIC is misleading or inconsistent with our knowledge of the Council.

Use of resources

Value for money conclusion

- 17 The Code requires us to issue a conclusion on whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money conclusion. The Code also requires auditors to have regard to a standard set of relevant criteria, issued by the Audit Commission, in arriving at their conclusion.
- 18 In meeting this responsibility, we will review evidence that is relevant to the Council's corporate performance management and financial management arrangements. Where relevant work has been undertaken by other regulators we will normally place reliance on their reported results to inform our work.
- 19 We will also follow up our work from previous years to assess progress in implementing agreed recommendations.

Use of resources assessment

- 20 The Audit Commission has specified that auditors will complete a use of resources assessment for 2007/08. The assessment focuses on the importance of having sound and strategic financial management to ensure that resources are available to support the Council's priorities and improve services.
- 21 The work required to arrive at the use of resources assessment is fully aligned with that required to arrive at the auditor's value for money conclusion.
- 22 We will arrive at a score of 1 to 4, based on underlying key lines of enquiry, for each of the following themes:

Theme	Description
Financial reporting	<ul style="list-style-type: none"> • preparation of financial statements • external reporting
Financial management	<ul style="list-style-type: none"> • medium-term financial strategy • budget monitoring • asset management
Financial standing	<ul style="list-style-type: none"> • managing spending within available resources
Internal control	<ul style="list-style-type: none"> • risk management • system of internal control • probity and propriety
Value for money	<ul style="list-style-type: none"> • achieving value for money • managing and improving value for money

- 23** We will report details of the scores and judgements made to the Council. The scores will be accompanied, where appropriate, by recommendations of what the Council needs to do to improve its services.
- 24** The auditor's scores are reported to the Commission and are used as the basis for its overall use of resources judgement for the purposes of CPA.
- 25** To complement our work on the Use of Resources and to support of the Council's priorities for addressing Health Inequalities and Community Cohesion, we are proposing to conduct two pieces of work across all Local Authorities and National Health Trusts in Cheshire and Merseyside. Both are anticipated to span both 2007/08 and 2008/09 and will take approximately 12 days in 2007/08.
- For Health Inequalities; In order to address the challenges it is important that agencies work together to ensure that resources are targeted effectively. We will carry out a review of current arrangements and will build on work carried out in 2005/06. However, the main focus will be on how well agencies across the sub-region are working in collaboration. We will carry out the initial stage in 2007/08 with a view to further work in 2008/09.
 - For Community Cohesion; The Council has identified this as a developing issue and is seeking to provide relevant services for Travellers and migrant workers. Across Cheshire and Merseyside we will carry out a review of current arrangements and compile data from participating bodies in order to establish base- line assessment of our communities from which specific and co-ordinated actions can be derived.

Data quality

- 26 The Audit Commission has specified that auditors will be required to undertake audit work in relation to data quality. This is based on a three-stage approach covering:
- Stage 1 - management arrangements;
 - Stage 2 - completeness check; and
 - Stage 3 - risk-based data quality spot checks of a sample of performance indicators.
- 27 The work at stage 1 will link to our review of the Council's arrangements to secure data quality as required for our value for money conclusion and, together with the results of stage 2, will inform the risk assessment for the detailed spot check work to be undertaken at stage 3. The results of the work at stage 3 will inform the Commission's CPA assessment.
- 28 Our fee estimate reflects an assessment of risk in relation to the Council's performance indicators. This risk assessment may change depending on our assessment of your overall management arrangements at stage 1 and we will update our plan accordingly, including any impact on the fee.

Best Value Performance Plan

- 29 We are required to carry out an audit of your best value performance plan (BVPP) and report on whether it has been prepared and published in accordance with legislation and statutory guidance. We have assumed that there will be no significant changes to the procedures normally followed by the Council for preparing the BVPP, and in particular;
- that best value performance indicators will be collected using the existing system assessment sheets; and
 - that the improvements to governance arrangements for data quality agreed during 2006 will have become embedded across the Council.
- 30 When reviewing the BVPP we will take into account the fact that the performance indicators will reflect the effects of the first full year following the transfer of the housing stock to Halton Housing Trust.

Assessing risks

- 31 The Audit Commission is committed to targeting its work where it will have the greatest effect, based upon assessments of risk and performance. This means planning our audit work to address areas of risk relevant to our audit responsibilities and reflecting this in the audit fees. It also means making sure that our work is co-ordinated with the work of other regulators, and that our work helps you to improve.
- 32 Our risk assessment process starts with the identification of the significant financial and operational risks applying at the Council with reference to:
- our cumulative knowledge of the Council;
 - planning guidance issued by the Audit Commission;
 - the specific results of previous and ongoing audit work;
 - interviews with Council officers;
 - liaison with internal audit; and
 - the results of other review agencies' work where relevant.
- 33 We have not included a risk assessment for our audit of the financial statements as many of the specific risks may not become apparent until after we have completed our 2006/07 audit. We will issue a separate opinion audit plan for our audit of the financial statements in October 2007. At this stage we are aware of the following risks that are likely to impact on our audit of the financial statements:
- the change in accounting policy required by the Code of Practice on Local Authority Accounting in the UK (Statement of Recommended Practice or SORP) for 2006 which comes into force from 1 April 2007 (ie replacement of the fixed asset restatement account and the capital financing account with a revaluation reserve and a capital adjustment account); and
 - the proposals for further changes to the SORP for 2007 to implement in full the requirements of financial reporting standards (FRS) 25, 26 and 29.
- 34 For each of the significant risks identified in relation to our use of resources work, we consider the arrangements put in place by the Council to mitigate the risk, and plan our work accordingly.
- 35 Our initial risk assessment for use of resources work is provided in Appendix 1. This will be updated through our continuous planning process as the year progresses.

Work specified by the Audit Commission

Whole of government accounts (WGA)

- 36 We will be required to review and report on your WGA consolidation pack in accordance with the approach agreed with HM Treasury and the National Audit Office which is proportionate to risk.

National Fraud Initiative

- 37 The Council participates in the National Fraud Initiative which is the Audit Commission's computerised data matching exercise designed to detect fraud perpetrated on public bodies. This work will be carried out by an individual appointed to assist in the audit of the Council's accounts (in accordance with section 3(9) of the Audit Commission Act 1998).

Voluntary improvement work

- 38** We are not proposing to do any voluntary improvement work at Halton Borough Council during 2007/08.

Certification of grant claims and returns

39 We will continue to certify the Council's claims and returns on the following basis:

- claims below £100,000 will not be subject to certification;
- claims between £100,000 and £500,000 will be subject to a reduced, light-touch certification; and
- claims over £500,000 will be subject to a certification approach relevant to the auditor's assessment of the control environment and management preparation of claims. A robust control environment would lead to a reduced certification approach for these claims.

The audit and inspection fee

- 40 The details of the structure of scale fees are set out in the Audit Commission's work programme and fee scales 2007/08. Scale fees are based on a number of variables, including the type, size and location of the audited body.
- 41 The total indicative fee for audit and inspection work included in this audit and inspection plan for 2007/08 is £325,186 which compares with the planned fee of £211,056 for 2006/07 and is distorted by the impact of the forthcoming Corporate Assessment.
- 42 Further details are provided in Appendix 2 which includes a breakdown of the fee; specific audit risk factors; the assumptions made when determining the audit fee, for example, the timeliness and quality of draft accounts presented for audit and the supporting working papers; specific actions the Council could take to reduce its audit and inspection fees; and the process for agreeing any changes to the fee. The fee includes all work identified in this plan unless specifically excluded.
- 43 In addition we estimate that we will charge approximately £90,000 for the certification of claims and returns.
- 44 As indicated in paragraph 2, the audit planning process will continue as the year progresses and it is likely that there will be some changes to our planned work and hence to the indicative fee quoted in paragraph 39 above. Any changes to the fee will be agreed with you.

Other information

The audit and inspection team

- 45 The key members of the audit and inspection team for the 2007/08 audit are shown in the table below.

Table 2

Name	Contact details	Responsibilities
Julian Farmer Relationship Manager and District Auditor	E-mail j-farmer@audit- commission.gov.uk Telephone 01928-523550	As Relationship Manager: The primary point of contact with the authority and the interface at the local level between the Commission and the other inspectorates, government offices and other key stakeholders. As District Auditor: Responsible for the overall delivery of the audit including the quality of outputs, signing the opinion and conclusion, and liaison with the Chief Executive and [audit] committee.
Colette Williams Audit Manager	E-mail c-williams@audit- commission.gov.uk Telephone 01928-523550	Manages and co-ordinates the different elements of the audit work. Key point of contact for the Director of Finance.
Gill Orme Area Performance Lead	E-mail g-orme@audit- commission.gov.uk Telephone 01928-523550	Responsible for the delivery of elements of the use of resources work including the value for money theme of the use of resources assessment.

Independence and objectivity

- 46 We are not aware of any relationships that may affect the independence and objectivity of the District Auditor and the audit staff, which we are required by auditing and ethical standards to communicate to you.

- 47 We comply with the ethical standards issued by the APB and with the Commission's requirements in respect of independence and objectivity as summarised at Appendix 3.

Quality of service

- 48 We are committed to providing you with a high quality service. If you are in any way dissatisfied, or would like to discuss how we can improve our service, please contact the Relationship Manager or District Auditor in the first instance. Alternatively you may wish to contact the North West Head of Operations, Frank Kerkham.
- 49 If we are unable to satisfy your concerns, you have the right to make a formal complaint to the Audit Commission. The complaints procedure is set out in the leaflet *Something to Complain About* which is available from the Commission's website or on request.

Planned outputs

- 50 Our reports will be discussed and agreed with the appropriate officers before being issued to the *Executive Board*.

Table 3

Planned output	Indicative date
Opinion audit plan	31 October 2007
Data quality report	TBC
Interim audit memorandum	30 June 2008
Annual governance report	September 2008
Opinion on the financial statements and value for money conclusion	September 2008 TBC
Final accounts memorandum (to the Director of Finance)	31 October 2008
Use of resources report	31 December 2008
Health Inequalities Work Shop	TBC
Community Cohesion baseline Assessment	TBC
Annual audit and inspection letter	TBC
BVPP report	31 December 2008

Appendix 1 – Initial risk assessment – use of resources

Significant risks identified	Mitigating action by audited body	Residual audit risk	Action in response to residual audit risk	Link to auditor's responsibilities
Failure to deliver a substantial element of the capital programme.	Budget Monitoring and reporting arrangements. A project team set up to manage the project and an Executive Board established to make strategic decisions and monitor progress.	Yes	We will rely on work undertaken as part of the Use of Resources element of the VFM conclusion and work on the accounts, fixed assets accounting and disclosures.	UoR KLOE 2.2 The Council manages performance against budgets.
Failure to replace those funding streams that are scheduled to reduce or are coming to an end.	Monitoring of income and expenditure against budgets linked to the Medium Term Financial Forecast. Included within the Strategic and Corporate Risk Register at March 2007.	Yes	We will rely on work undertaken as part of the Use of Resources element of the VFM conclusion and budgetary control work taken from our opinion audit.	KLOE 2.1 Medium term financial plans, budget and capital programme are soundly based.
Inadequately managed transition to the new waste disposal arrangements against the background of the reducing scope for the use of landfill.	Service planning from 2006-07 identified this risk and established appropriate objectives.	Yes	We will rely on work undertaken as part of the VFM conclusion.	KLOEs 5.1 The council currently achieves VFM & 5.2 The Council manages and improves VFM.
Inadequate Governance arrangements in place for the Pooled Budgets.	Strengthened Governance arrangements for partnership working including a governance checklist. Included in the Corporate and Strategic Risk Register at March 2007.	Yes	We will rely on work undertaken as part of the Use of Resources element of the VFM conclusion and on work from our opinion audit.	UoR KLOEs 2.2, The Council manages performance against budgets, 4.1 The Council manages its significant business risks & 4.2 The Council maintains a sound system of internal control.

18 Audit and Inspection Plan | Appendix 1 – Initial risk assessment – use of resources

Significant risks identified	Mitigating action by audited body	Residual audit risk	Action in response to residual audit risk	Link to auditor's responsibilities
Failure to ensure adequate control over changes and adaptations to major IT systems.	Restructuring of IT services to better reflect business needs. Positive response to YB@R survey.	Yes	We will rely on work undertaken as part of the Use of Resources element of the VFM conclusion.	UoR KLOE 4.2 The Council has in place arrangements to maintain systems of internal control.
Failure to identify or comply with new statutory obligations pending appointment of new Council Solicitor.	Allocation of key responsibilities to other members of the management team.	Yes	We will rely on work undertaken as part of the Use of Resources element of the VFM conclusion.	UoR KLOE 4.3 The Council has in place arrangements designed to promote and ensure probity and propriety in the conduct of its business.

Appendix 2 – Audit and inspection fee

- 1 Table 4 provides details of the planned audit and inspection fee for 2007/08 with a comparison to the planned fee for 2006/07.

Table 4

Audit area	Planned fee 2007/08 £	Planned fee 2006/07 £
Audit		
Financial statements	131,976	131,202
Use of resources (including BVPP)	40,571	34,226
Data quality	25,973	26,780
Whole of government accounts	2,692	2,627
National Fraud Initiative	1,050	-
Total audit fee	202,262	194,835
Inspection		
Relationship management	11,062	10,762
Direction of Travel	8,112	5,459
Corporate inspection	103,750	-
Total inspection fee	122,924	16,221
Total audit and inspection fee	325,186	211,056
Certification of claims and returns	90,000	85,000

- 2 The audit element of the proposed Audit Commission fee for 2007/08 is £202,262 which at 12 per cent below the mid-point of the Commission's scale fee is within the normal level of variation specified by the Commission.
- 3 The Audit Commission has the power to determine the fee above or below the scale fee where it considers that substantially more or less work is required than envisaged by the scale fee. The Audit Commission may, therefore, adjust the scale fee to reflect the actual work that needs to be carried out to meet the auditor's statutory responsibilities, on the basis of the auditor's assessment of risk and complexity at a particular body.

- 4 It is a matter for the auditor to determine the work necessary to complete the audit and, subject to approval by the Audit Commission, to seek to agree an appropriate variation to the scale fee with the Council. The Audit Commission expects normally to vary the scale fee by no more than 30 per cent (upwards or downwards). This fee then becomes payable.
- 5 The significant difference between the planned fee for 2007/08 and the fee planned for 2006/07 relates to the Comprehensive Performance Assessment, which will mean that we will not be undertaking any service inspections. There has also been a small shift away from Data Quality work reflecting the lower level of risk, and increase in the Use of Resources work to reflect the risks identified in appendix 1, and the proposed cross cutting work set out in paragraphs 25. In all other areas the fee for 2007/08 reflects changes to current fee rates.
- 6 The fee (plus VAT) will be charged in 12 equal instalments from April 2007 to March 2008.

Specific audit risk factors

- 7 In setting the audit fee we have taken into account the following specific risk factors:
 - The Council faces continued budget pressures; it has recently set the budget for 2007/08 in the light of a challenging Formula Grant allocation of £52.025 million, this compares to a settlement for 2006/07 of £54.671 million. The Council plans growth in service expenditure of £1.246 million which will be matched by savings of £3.67 million.
 - We expect that there will be marked progress on the new Mersey Gateway Bridge scheme. This progress will involve the Council in making decisions and taking actions in areas and activities not previously undertaken.
 - In our report to officers on the outcome 2005/06 Final accounts work, we commented on some significant inconsistencies in the classification of creditors and accruals. The Council took steps to address these inconsistencies but the success or otherwise of these measures will only be determined when the audit of the 2006/07 accounts is complete.

Assumptions

- 8 In setting the fee, we have assumed that:
 - the level of risk in relation to the audit of the financial statements is not significantly different from that identified for 2006/07, you will inform us of significant developments impacting on our audit;
 - internal audit meets the appropriate professional standards;
 - internal audit undertakes appropriate work on all systems that provide material figures in the financial statements in a such manner that we can place reliance it for the purposes of our audit;

- good quality working papers and records will be provided to support the financial statements by 16 June;
 - requested information will be provided within agreed timescales;
 - prompt responses will be provided to draft reports; and
 - additional work will not be required to address questions or objections raised by local government electors.
- 9 Where these assumptions are not met, we will be required to undertake additional work which is likely to result in an increased audit fee. The fee for the audit of the financial statements will be re-visited when we issue the opinion audit plan.
- 10 Changes to the plan will be agreed with you. These may be required if:
- new residual audit risks emerge;
 - additional work is required of us by the Audit Commission or other regulators; and
 - additional work is required as a result of changes in legislation, professional standards or as a result of changes in financial reporting.

Specific actions Halton Borough Council could take to reduce its audit and inspection fees

- 11 The Audit Commission requires its auditors to inform a council of specific actions it could take to reduce its audit and inspection fees. We have identified the following actions the Council could take:
- As has happened in previous years, providing a formal written and evidenced self assessment for the Use of Resources KLOE covering financial management, financial standing, internal control and financial reporting.
 - Internal Audit to continue to audit the key performance indicators (as specified annually by the Audit Commission).

Process for agreeing any changes in audit fees

If we need to make any significant amendments to the audit fee during the course of this plan, we will firstly discuss this with the Chief Executive. We will then prepare a report outlining the reasons why the fee needs to change for discussion with the Executive Board.

Appendix 3 – Independence and objectivity

- 1 Auditors appointed by the Audit Commission are required to comply with the Commission's Code of Audit Practice and Standing Guidance for Auditors, which defines the terms of my appointment. When auditing the financial statements auditors are also required to comply with auditing standards and ethical standards issued by the Auditing Practices Board (APB).
- 2 The main requirements of the Code of Audit Practice, Standing Guidance for Auditors and the standards are summarised below.
- 3 International Standard on Auditing (UK and Ireland) 260 (Communication of audit matters with those charged with governance) requires that the appointed auditor:
 - discloses in writing all relationships that may bear on the auditor's objectivity and independence, the related safeguards put in place to protect against these threats and the total amount of fee that the auditor has charged the client; and
 - confirms in writing that the APB's ethical standards are complied with and that, in the auditor's professional judgement, they are independent and their objectivity is not compromised.
- 4 The standard defines 'those charged with governance' as 'those persons entrusted with the supervision, control and direction of an entity'. In your case, the appropriate addressee of communications from the auditor to those charged with governance is the audit committee. The auditor reserves the right, however, to communicate directly with the authority on matters which are considered to be of sufficient importance.
- 5 The Commission's Code of Audit Practice has an overriding general requirement that appointed auditors carry out their work independently and objectively, and ensure that they do not act in any way that might give rise to, or could reasonably be perceived to give rise to, a conflict of interest. In particular, appointed auditors and their staff should avoid entering into any official, professional or personal relationships which may, or could reasonably be perceived to, cause them inappropriately or unjustifiably to limit the scope, extent or rigour of their work or impair the objectivity of their judgement.

- 6 The Standing Guidance for Auditors includes a number of specific rules. The key rules relevant to this audit appointment are as follows:
- appointed auditors should not perform additional work for an audited body (ie work over and above the minimum required to meet their statutory responsibilities) if it would compromise their independence or might give rise to a reasonable perception that their independence could be compromised. Where the audited body invites the auditor to carry out risk-based work in a particular area that cannot otherwise be justified as necessary to support the auditor's opinion and conclusions, it should be clearly differentiated within the audit plan as being 'additional work' and charged for separately from the normal audit fee;
 - auditors should not accept engagements that involve commenting on the performance of other auditors appointed by the Commission on Commission work without first consulting the Commission;
 - the District Auditor responsible for the audit should, in all but the most exceptional circumstances, be changed at least once every five years;
 - the District Auditor and senior members of the audit team are prevented from taking part in political activity on behalf of a political party, or special interest group, whose activities relate directly to the functions of local government or NHS bodies in general, or to a particular local government or NHS body; and
 - the District Auditor and members of the audit team must abide by the Commission's policy on gifts, hospitality and entertainment.

REPORT TO: Executive Board

DATE: 6 June 2007

REPORTING OFFICER: Strategic Director Corporate & Policy

SUBJECT: CPA 2007 to CAA 2009

1.0 PURPOSE OF THE REPORT:

To provide a summary of the Audit Commission's consultation on the move from the current Comprehensive Performance Assessment regime to the new Comprehensive Area Assessment (CAA) in 2009.

The consultation also details the draft service assessment framework for the Environment, Housing in the Community and Culture Service Blocks in CPA 2007. It is apparent that a number of the performance indicators that were proposed for introduction or amendment for CPA 2007 will now not be included or amended. Annex 4 of this report highlights performance indicators that are judged to be as high risk for Halton in 2007.

2.0 RECOMMENDATION:

That subject to any changes the Board wishes to make, the Council's response to the Audit Commission consultation be based on the suggestions in Annexes 1 to 3 of this report.

3.0 SUPPORTING INFORMATION:

The Audit Commission's consultation document was published on 4th April 2007. The consultation closes on 14th June 2007. The consultation questions are included in this report along with a summary of the key points.

The recent Local Government White Paper announced that from 1 April 2009 the current CPA would be replaced by a new performance framework, the Comprehensive Area Assessment (CAA).

The Audit Commission state that they believe CPA still has an important part to play in continuing to support improvement, and that the last set of CPA results will aid in making the first set of new CAA judgments is 2009/10.

This report is presented in the following parts;

- Annex 1: Summary of arrangements for the assessment of CPA 2007 and consultation questions.
- Annex 2: Summary of the approach to CPA assessment for the transitional year 2008/09 and consultation questions.
- Annex 3: Summary of principles for developing Comprehensive Area Assessment to commence April 2009 and consultation question.

Annex 4: CPA 2007 critical indicators update.

4.0 POLICY IMPLICATIONS

None identified at this stage

5.0 OTHER IMPLICATIONS

None identified at this stage

6.0 RISK ANALYSIS

1) Failure to prepare the council, individual services and key partners for the transition from CPA to CAA would result in a lack of awareness and possible non-compliance with the new regulatory framework when it is introduced in April 2009.

2) There is an overall risk that a reduction in the individual Level 2 service block scores will increase the possibility of Halton achieving a lower overall CPA score, and star rating, in the 2007 assessment.

7.0 EQUALITY AND DIVERSITY ISSUES

N/A

8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

N/A

**Annex 1:
Summary of arrangements for the assessment of CPA 2007**

The Audit Commission have indicated a desire to maintain a level of consistency and minimise disruption as work begins on formulating the 'new' performance framework.

The arrangements for CPA 2007 are proposed as;

- **CPA 2007 will be reported in February 2008:**
This is to allow more time to verify and communicate data used in the assessments.
- **Corporate Assessments:**
No change to the current approach.
- **Use of Resources Assessments:**
The Key Lines of Enquiry (KLOEs) have already been published for the 2006/07 assessments. There are no further changes planned.
- **Direction of Travel Assessments:**
The approach will remain broadly the same, but it is intended to increase the focus on customer and resident satisfaction and engagement within the Key Lines of Enquiry.
- **Service block assessments:**
Children's Services, Adult Social Services and Benefits; there are no substantial changes anticipated.

Environment, Housing in the Community and Culture blocks; there has been a significant rethink since the publication of proposals in August 2006. It was planned that the PI sets would be expanded, however the Commission have now issued draft service assessment frameworks that are largely similar to the ones used in 2006.

The Commission's overarching approach to service assessments is that in view of comments received during previous consultations, and the publication of the White Paper, it would not be appropriate to significantly add to the number of PI's currently being used.

The consultation questions are;

Q. Overall, do you support the proposal not to now introduce most of the performance indicators previously signalled for adding in 2007?

SUGGESTED RESPONSE: Yes

Q. Overall, do you support the much smaller number of proposed additions and deletions?

SUGGESTED RESPONSE: Support the smaller number of proposed additions and deletions. Do not support changes to thresholds for certain indicators however. When thresholds were introduced it was to bring certainty to the process, so that authorities could plan their improvement in advance.

Changing the thresholds now for performance in the 2006/07 year that has already ended takes us back to trying to hit a moving target.

NOTE: the main changes are: the measure of kerbside recycling changes from 1 recyclable collected to 2; the measure of progress with the development plan is updated; deletion of the indicator for speed of planning searches; addition of indicators for fly-posting and graffiti; updating of repeat homelessness indicator; deletion of private sector unfitness indicator; and deletion of library stock level and stock turn indicator.

Q. Overall, do you support the proposals for minimal change overall to the CPA framework for 2007 (to be reported in February 2008)?

SUGGESTED RESPONSE: Refer to previous answers.

Annex 2:

Summary of the approach to CPA assessment for the transitional year 2008/09

The Commission have stated that they will apply two principles to managing the transition from CPA to CAA;

- To keep changes to CPA to a minimum, reflecting only necessary updating and addressing any significant external factors.
- To concentrate more clearly on those aspects of CPA that will continue under CAA, for example by strengthening the focus on citizens and service users and value for money.

There is a desire to use the final year of CPA to highlight the aspects of CPA that will be central to CAA;

- Engagement with citizens and users
- Partnership working and cross sector collaboration
- Local performance management
- Improving value for money

The Commission indicate that effort should be directed into devising a robust and reliable framework for the new scheme, rather than attempting to continue to strengthen the current framework (BVPI's, etc). The importance of designing robust and reliable local performance indicators, with sound data to support baselines and targets is clearly paramount. Data Quality is an issue that should be pursued in parallel to the events and actions covered in this report.

The exact make up of a core dataset is as yet unknown, although we do know that it will consist of 200 national indicators across all services with up to 35 local improvement indicators agreed through new generation LAA's, and 18 statutory education / early years targets. The contents of the dataset will be linked to the outcomes of CSR 2007 this coming autumn

Key points from the consultation document relating to the approach to the separate components of CPA during 2008/09 are detailed below;

- **Corporate Assessments:**
Overall comparability will be maintained, however there will be an aim to ensure that future corporate assessments pay particular attention to those issues in the current methodology that are most relevant to CAA, such as partnership working and risk management.
- **JARs:**
The programme of Joint Area Reviews of Services for Children & Young People (JAR) will continue to be completed on the same timetable as the Corporate Assessments. Arrangements have been revised and from April 2007 JAR will focus on services for vulnerable people and those services where the Annual Performance Assessment (APA) identifies issues, with fieldwork proportionate to the APA score.

- **Use of Resources Assessments:**

Use of Resources (UoR) assessments will continue under CAA and will be specific to individual organisations. UoR assessments are carried out in PCT's, police forces and other health bodies and the Commission will work to align the assessments more closely across the sectors to enable a more consistent picture that will readily feed into area assessments under the new CAA regime. Although the consultation document does not indicate this, it may mean that the format of the assessment changing slightly to fit with that of other sectors.

Some revisions will be proposed to the Use of Resources Key Lines of Enquiry (KLOE) for 2007/08. A consultation document will be published late April 2007. Some of these revisions will be to emphasise aspect of the new performance framework. Examples given are sustainable commissioning and procurement, asset management and partnership working. The KLOE will also be more outcome-based with a reduction on those focusing on processes.

Within the Financial Reporting, Financial Management, Financial Standing and Internal Control themes, it will be proposed that all criteria at Level 2 and Level 3 should have 'must have' status, thereby requiring that all criteria must be met at the relevant level of performance in order to achieve it.

It will be proposed that some of the criteria currently at Level 4 will be moved to Level 3 due to the fact that as performance across councils has improved, some of the Level 4 measures no longer demonstrate innovation or best practice but have become accepted routine activity.

- **Direction of Travel assessments:**

These will continue under CAA, as mentioned in Part 1, but there will be an intention to increase the focus on customer and resident satisfaction and engagement within the KLOE.

- **Service block assessments:**

OFSTED and CSCI will continue to assess Children's Services and Adult Social Services until the end of 2008 to derive Level 1 service assessment scores.

From April 2008, the assessment of Housing Benefit performance will pass from the Benefit Fraud Inspectorate to the Audit Commission. Further details are subject to discussion and confirmation.

Paragraph 65 of the consultation document states that *"the Commission will consider carefully the position with the remaining service assessments that we carry out for housing, environment and culture"*

Four options are presented for these assessments;

1. Retain the current format with minimal changes. This is the most consistent and least disruptive approach, but lacks an opportunity to begin the transformation to a new framework and CAA

2. Continue the current format, but make it more responsive to local circumstances. This would require local judgement in the form of a narrative assessment to complement the Performance Indicator (PI) based element of the score (similar to the CSCI and OFSTED formats used in Annual Performance Assessments). This approach would be more costly and requires an increase in regulatory activity – a move that would be contrary to the current agenda.
3. Stop using the current format and replace with a greater focus on performance improvement in the Direction of Travel Assessment. The Commission indicate that this may remove comparability over time, and may also affect the ability of some government departments to monitor performance against Public Service Agreements and other objectives.
4. Move away from Level 2 service assessments and trial comparative reporting using those elements of a new national indicator set that relate to these service areas. Focus could be placed on those indicators for which targets have been set through the current Local Area Agreement (LAA). This would give a nationally consistent approach with a local focus.

With regard to option 3, it has not been indicated that any of the other statutory performance reporting requirements will be discontinued prior to the introduction of CAA, and as such all the data that we currently report as an authority should be available in the respective systems / domains. The way that the KLOE are set up for the Direction of Travel assessments could ensure comparability and consistency over time. Any PI's that are designated to continue into the new performance framework following the Comprehensive Spending Review in 2007 (CSR07) could continue to be monitored through CPA if desired. As such a variation of option 3 and 4 combined may be possible.

The Commission make the point that the adoption of option 3 or 4 would require a change to the way in which the overall star category is derived, as currently Level 2 service assessment scores are a contributing factor.

The consultation emphasises that the need for robust and reliable data will continue to be important in the new framework, and it will be even more vital for partners to be basing decisions on reliable evidence and timely information. The issue of data quality standards is the subject of a separate consultation and will continue to be given priority by the Commission in the run up to the new performance framework.

Paragraph 72 of the consultation indicates the possibility of taking a more proportionate performance related approach to service assessments. An example given is that if option 1 or 2 is preferred, then 4 star councils that are improving well or improving strongly could be exempted from Level 2 service assessments in 2008/09.

If Halton retains its current 4 star status and continues to improve well in the CPA 2007 assessment, this could be a concession that the council would benefit from, providing an opportunity to focus on building and strengthening a framework of local performance indicators to be taken forward into CAA, rather than concentrating on

the backward look at the existing statutory indicators used in the service assessment framework.

The consultation questions are;

Q. Which of the above options for Level 2 service assessments for single tier and county councils in CPA 2008/09 would you prefer?

SUGGESTED RESPONSE: Prefer Option 3(abandon assessments for housing environment and transport) - if necessary retain 2007 scores in the model for 2008. If not acceptable, second preference is for option 1 (stay as we are). Option 2 (introduce a narrative assessment) is a waste of time and effort, Option 4 may be impractical if national indicator set delayed due to deferral of CSR, and new LAAs not signed off until June 2008, but could continue to report on existing indicators carried through into the new framework as suggested above.

Q. Are there other options for the service assessments that we should consider for 2008/09?

SUGGESTED RESPONSE: No

Q. Should we cease making level 2 service assessments for those single tier and county councils that remain at 4 stars and are assessed as improving well or improving strongly in the February 2008 CPA reporting?

SUGGESTED RESPONSE: Yes this would be welcome, but better to drop for all councils to reduce the burden.

Annex 3:

Summary of principles for developing Comprehensive Area Assessment to commence April 2009

The consultation document sets out a vision for the CAA framework. Although not highly specific, it details the key principles of a framework designed to deliver more effective improvements in local public services for citizens.

These key principles are that CAA will be;

- **Relevant to the quality of life of local people** – focusing on what matters in the locality, and to whom. It will check that local priorities have been set on the basis of a genuine understanding of diverse local needs. It will also continue to provide local people with assurances that local services are well run. (Use of resources assessments)
- **Area and outcome focused** – looking more at outcomes in the area than processes employed to achieve them. It will look at what happens rather than how it happens.
- **Constructive and forward-looking** – there will be a forward-looking assessment of risk, not a sole reliance on past performance. The assessment will highlight risks that appear inherent given the course of action being taken by local service providers at the time of the assessment, and their potential impact. This is designed to drive improvement and support innovation.
- **Joint and Participative** – CAA will be jointly developed by all key regulators, government departments, and sectors. It will seek to develop a shared view of the challenges facing an area by drawing on the views of local people and the partner organisations that commission and provide local services. It is designed to foster shared ownership of the changes that will be required to secure improvement.

Q. Do you support this vision for the Comprehensive Area Assessment?

SUGGESTED RESPONSE: Yes, but only if the reporting makes it clear that this is an assessment of all public services in the area, and not an assessment of the Council.

Care should also be taken to ensure that there is a balanced approach to developing national outcomes, and that the resulting framework reflects national priorities for all communities. Disproportionate weighting towards the activity of a single government department would be unwelcome and impractical. (Refer to DCMS influence on 'CPA - The Harder Test' through the expansion of the Culture block)

The key elements of the new performance framework, to which CAA will contribute significantly, are;

- Strengthening accountability to citizens and communities – the Best Value duty will be expanded so that authorities must secure the participation of citizens in their activities where appropriate.

- Providing citizens and communities with regular, transparent and timely information and reporting
- Measuring and focusing upon citizen's perspectives, experiences and viewpoints
- Facilitating streamlined reporting to government.
- Promoting the use of real-time information in local performance management.

CAA will effectively replace CPA, Joint Area Reviews, Annual Performance Assessment's in Children's Services and Adult Social Services and social services star ratings. It will report performance against the national indicator set for each locality.

The CAA framework will retain the Use of Resources assessment and Direction of Travel assessment from CPA.

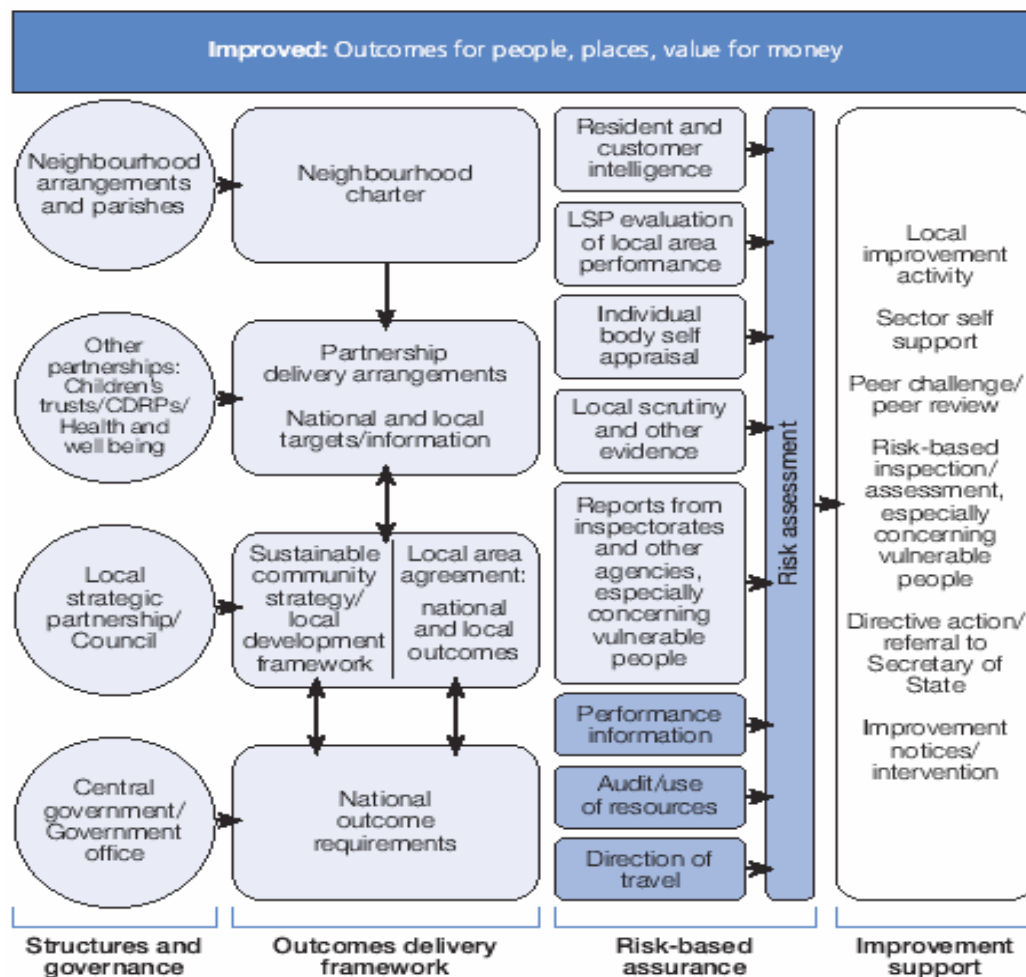
There will be increased emphasis on the Local Strategic Partnership (LSP) as the 'main' partnership in an area, supported by other relevant partnerships (Crime and Disorder Reduction Partnership, Children's Trusts, etc). Importantly, there will be an expectation on all partners to cooperate effectively with each other on the agreement and achievement of LAA targets. This will be backed by a statutory duty on some.

Each council, in consultation with the LSP, will be required to develop and publish a 'Sustainable Community Strategy' (SCS). The council will continue to negotiate a LAA with regional government office to reflect how the SCS will be delivered, with up to 35 targets representing national and local priorities from the set of 200 indicators yet to be developed. The LAA may include additional locally significant targets that are outside of the set of 200.

The requirement for the LSP and the council to report annual performance will remain.

The diagram on the page below is taken from the consultation document. The darker shaded boxes in the third column are the key elements of CAA.

The new performance framework



The consultation question is;

Q. Does the diagram capture all the key elements of the new performance framework and the key relationships within it?

SUGGESTED RESPONSE: The diagram is misleading because:

- 1. It implies that Neighbourhood Charters are mandatory and may lead to a one size fits all prescription*
- 2. It shows Children's trusts and CDRPs as "other partnerships" separate from the LSP. It is clear in the white paper that the LSP is seen as a partnership of partnerships, and that Children's Trusts and CDRPs sit within the LSP framework, not outside it.*

The proposal for a self appraisal feeding into the risk assessment would be burdensome if a full, annual self appraisal is required in addition to the annual LSP performance appraisal against the LAA, and self assessments for Direction of Travel and Use of Resources. Careful thought needs to be given to the relationship between self assessments both within and outside the CAA model.

**Annex 4:
CPA 2007 critical indicators update.**

The draft service assessment framework for CPA 2007 introduces some indicators not used in the assessment for 2006, which are particularly challenging for Halton. There are also a small number of indicators that have been included in the CPA assessment in previous years, for which Halton's performance has not kept pace with that of other authorities and as a result, Halton's performance is now nearer to the lower threshold level than it was previously.

Many indicators have some element of risk attached to them, however a number of indicators are judged to be high risk, these are: -

- **BVPI 84a – Kilograms of household Waste collected per head of population.**
- **BVPI 91b - Kerbside recycling of 2 or more commodities.**
- **BVPI 64 – Number of private sector vacant properties returned to occupation or demolished as a result of local authority action.**
- **BVPI 213 - Number of households considering themselves homeless who approached the LA for advice and for whom housing advice casework intervention resolved their situation.**
- **CPA reference C4 – Active library borrowers as a percentage of population**
- **CPA reference C2 – Public Library Service Standards on Access.**

As the performance information used will be for the year just ended (2006/07) there is nothing we can do now to change the outcome. Despite the fact that the draft service assessment framework for CPA 2007 contains fewer 'critical' indicators than the original proposed framework did (August 2006), the indicators designated 'high risk' present specific challenges to the authority.

It is almost certain there will be one or more performance indicators falling into the lower threshold category in both the Environment service block and in the Housing in the Community service block. In the overall CPA framework this may place greater pressure on the other elements of the CPA assessment in order to maintain a four star rating.

REPORT TO: Executive Board
DATE: 7 June 2007
REPORTING OFFICER: Strategic Director – Health & Community
SUBJECT: Alleygates
WARD(S) Borough-wide

1.0 PURPOSE OF REPORT

1.1 To finalise a procedure for managing all issues relating to alleygates.

2.0 RECOMMENDATION: That the operational procedures, as outlined in paragraph 4 below, be approved.

3.0 SUPPORTING INFORMATION

3.1 Executive Board received a paper regarding alleygates on 7 December 2006. At the meeting they requested that a small Member/Officer group be established to consider the working practices around alleygates, and, where possible to streamline the operation.

3.2 £34k was approved by Full Council in the budget 2007/08 as a growth item to recognise the fact that there has never been a budget to cope with the ongoing maintenance of alleygates.

3.3 The Working Group has met on four occasions to establish a draft operational procedure.

4.0 PROPOSED OPERATIONAL PROCEDURE

4.1 The Working Group felt that a simple approach should be adopted that is easily understandable by the public. Currently there is confusion about who to go to for what.

4.2 The following procedure is recommended. Halton Direct Link (HDL) will be the one-stop shop for alleygates.

All requests/issues should at first be made to HDL. A publicity campaign needs to be mounted to promote this idea.

On receipt of a call or visit regarding alleygates HDL will make an assessment of the action required using a standard checklist. As a result of this, HDL will route the customer to the most appropriate service to help. The areas to be covered are: -

a) Repair and Maintenance Issues

HDL will work through a checklist to determine the nature of the problem. They will then refer the matter to PROPERTY SERVICES.

The group considered the best options for a maintenance regime. It examined previous maintenance needs, and also consulted with contractors as to the best possible approach. It concluded that it was more cost-effective to repair gates 'as and when', rather than trying to take a preventative approach. However, painting the gates was an exception. The group concluded that this was required on a regular basis, and that this became a task for those serving community orders. This would reduce costs of maintenance. Property Services will take responsibility for the maintenance regime, and will appoint a single contractor for alleygates.

b) Lost Keys

HDL will ascertain location and gate type. They will then ask the user to visit HDL, who will issue them with new keys upon proof of ID and replacement cost.

c) New Gates

All requests for new gates should in the first instance be directed to HDL, who will identify precise locations, and pass the request to the Community Safety Team.

Upon receipt of request Community Safety will visit location to assess viability of proposals. They will report their findings to the relevant Area Forum.

AREA FORUM will consider request in light of Community Safety advice. They will decide if funding is available and whether they wish to proceed. They will advise Community Safety of their decision.

Community Safety will liaise with residents regarding the decision, via the Police Community Support Officers (PCSO's).

If the decision is to install gates, Community Safety will commission Property Services to design scheme, obtain planning permission, commission contractor to supply and erect gates.

d) Neighbourhood Issue

In all instances any disputes/concerns etc will be directed to COMMUNITY SAFETY, who will arrange for a PCSO visit to ascertain problem and take appropriate action.

4.3 Halton Direct Link, with IT Services, will produce standard interrogation forms for each of the above areas.

5.0 FINANCIAL IMPLICATIONS

5.1 Budget provision rests with the growth maintenance budget or with Area Forums. Staff are already in place to operate the revised procedures, and HDL will levy no charge. New gates will be funded by Area Forums, as agreed by Executive Board on 7th December, unless alternative grant funding can be identified. From the research of the Working Group, the budget was deemed to be enough to match need and it was agreed to monitor this and report any significant changes through the Annual Budget management processes.

6.0 RISK ANALYSIS

6.1 The proposed procedures are designed to make the service understandable to the public, and to ensure there is adequate budget provision to continue to support a highly valued service.

7.0 EQUALITY AND DIVERSITY ISSUES

7.1 Local consultation is always carried out before gates are fitted and any issues would be identified as part of that consultation.

8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None.

REPORT TO: Executive Board

DATE: 7 June, 2007

REPORTING OFFICER: Strategic Director, Environment Services

SUBJECT: Expanding the Programme of Regenerating Halton's Employment Sites

WARDS: Borough-wide

1.0 PURPOSE OF THE REPORT

- 1.1 A Scrutiny Panel report, that explored the options for sustaining and expanding the current programme of regenerating Halton's employment sites, was considered by the Urban Renewal Policy and Performance Board on 21 March 2007. The Board resolved that the key recommendations of the Topic Team, be forwarded for consideration and decision by the Executive Board at the next available meeting.
- 1.2 To provide the necessary context, therefore, this report sets out the Scrutiny Panel report in full and seeks approval to implement the Key recommendations in the report.

2.0 RECOMMENDED: That

- (1) **The key recommendations of the Scrutiny Topic team, set out in paragraphs 7.4 to 7.7 and paragraph 8.4 of this report be approved.**

3.0 SUPPORTING INFORMATION

3.1 Context

The Business Parks Improvement Programme (BPIP) comprises a merger of the Business Improvement Area (BIA) Scheme and Greening Employment Areas (GEA) project, both of which have operated for the last three years.

- 3.2 The BIA Scheme provides grant assistance to all existing businesses located within the Widnes Waterfront and Gorse Lane, and to new businesses moving into the area. The BIA grant is part-ERDF funded and is an integral part of the Widnes Waterfront Programme. The purpose of the grant is to assist businesses in enhancing the external appearance of their sites in order to contribute to the overall regeneration of the Widnes Waterfront and the approaches to the area.
- 3.3 The BPIP works with businesses and property owners located on Astmoor, Halebank and Riverview Industrial Estates. The industrial

estates were selected to complement other regeneration projects that are taking place in the Borough:

- Astmoor due to its proximity to the Castlefields Project and the impact of the Mersey Gateway.
- Halebank due to proximity and impact generated from new housing developments and 3MG Mersey Multimodal Gateway.
- Riverview due to proximity to the Widnes Waterfront.

- 3.4 Business-led steering groups have been established in each of the target areas and are implementing jointly agreed action plans that are aimed at addressing the local needs and priorities of the resident businesses. The focus of attention covers a range of initiatives including: improvements to security and the physical environment; waste management and joint purchasing; inter-trading; local recruitment and training; improving access to jobs, improved environmental performance and links with community.
- 3.5 The Halton Economy sustains close to 53,000 jobs, with many of these jobs being located within Halton's 16 key employment sites. There is a danger that Halton's key employment sites could experience similar problems to those identified on Astmoor, Halebank and Riverview Industrial Estates, and which led to the establishment of the Greening Employment Areas project. It is considered prudent, therefore, to explore the options for extending the BPIP to other industrial estates in the Borough, as a preventative measure that will seek primarily to sustain businesses and jobs in these areas and counter economic and environmental decline, and secondly to attract new businesses and jobs into the Borough.
- 3.6 The BPIP is entirely funded by Neighbourhood Renewal Fund (NRF) and Halton Council's Capital Priorities Fund. The current funding for the BPIP expires on 31/03/07, although a provisional allocation of NRF has been indicated for 2007/08. If the benefits gained from regeneration work and business engagement, as part of the BPIP, are to continue beyond 31/03/08, it is clear that other funding sources / opportunities need to be identified.
- 3.7 The process of economic and environmental decline is not exclusive to Halton's employment sites, there are many examples of other industrial estates in the Region where similar regeneration programmes operate. This Scrutiny Topic was used as an opportunity to benchmark the BPIP against a number of best practice examples in the Region. Moreover, as other Local Authority areas are likely to be in a similar position in terms of the availability of external funding to deliver such programmes, funding has been included in the benchmarking exercise.

4.0 METHODOLOGY

4.1 The Scrutiny Topic Group utilised a range of techniques to undertake the research work, including:

- Desk research and analysis of relevant Web-based data
- Gathering of evidence to determine the level of need to provide support to other employment sites in the Borough
- Visits and/or research designed to see what can be learnt from other Local Authorities, and how they deliver their programmes of industrial estate regeneration.
- Working group discussions to determine the most effective and sustainable methods to regenerate industrial estates, based on the best practice identified from other Local Authorities.

5.0 ASSESSMENT OF THE BUSINESS PARKS IMPROVEMENT PROGRAMME

5.1 The engagement with businesses located within the BPIP target areas has proven to be a success and popular with businesses, which is demonstrated by:

- Consistently well-attended Business Steering Group meetings.
- Businesses stating that the meetings are a high priority (Astmoor 77%, Halebank 71% and Riverview 85%).
- Businesses stating that they find the meeting useful (Astmoor 68%, Halebank 71% and Riverview 62.5%).

5.2 The Business Steering Groups are truly business-led; each having an elected Chairperson from the resident businesses, with businesses deciding on the nature of the estate priorities and agreeing their own action plans for improvement.

5.3 The BPIP has demonstrated to businesses the ability to deliver the estate-wide improvements detailed in the agreed action plans, with improvements including:

- Estate-wide CCTV system on Halebank
- Improved landscaping and maintenance
- Installation of company sign boards and colour-coded maps
- Installation of industrial estate welcome signs
- Upgrade in the provision of advance directional signage to estates
- Installation of bollards to prevent vehicular access to footpaths / verges
- Installation of speed activated signs and rumble strips on Astmoor Road

- Creation of Astmoor Website detailing company directory to promote inter-trading and latest news to keep businesses up to date on key developments and improvements
- Upgraded double yellow lines provision to improve traffic flow around the estate

5.4 Businesses covered by the BPIP have benefited from the Business Parks Officer as a resource for accessing business support and the resolution of problems and issues in their locality (e.g. environmental business support, training, recruitment of staff, fly-tipping, unauthorised encampments etc).

5.5 The area-based email alert system, operated by the Crime Reduction Advisor, from Cheshire Constabulary is an excellent low-cost resource available to inform businesses of crime trends in their immediate area so that they can remain vigilant and protect their business.

5.6 The BIA Scheme has generated significant improvements, both to the appearance and security of business sites and the general environs within the Widnes Waterfront.

6.0 IDENTIFICATION OF BEST PRACTICE FROM OTHER LOCAL AUTHORITY AREAS

6.1 Background Information

The topic group explored best practice examples from two other Local Authority areas to identify mechanisms that are being used in these areas to implement sustainable industrial estate regeneration, given the current uncertainty about external funding beyond March 2008.

6.2 Visits to Winsford Industrial Estate and Bolton Industrial Estate Partnership, were undertaken to evaluate the role that Business Improvement District (BIDs) can play in implementing and sustaining estate-wide improvements.

6.3 What is a BID?

A BID is a partnership between a local authority and the local business community that develops and takes forward projects and services that benefit the trading environment and the public realm. BIDs are an investment in the local trading environment through the provision of added value services.

6.4 On industrial estates, BIDs provide a vehicle for drawing together partnerships to improve the local environment and to tackle problems like inadequate security, poor transport links, maintenance etc, all of which affect trade, staff retention and economic activity.

6.5 BIDs can be used to address a single issue (e.g. crime and security) or multiple issues (e.g. crime and security, image, estate management function and inter-trading). It can also be used to focus improvements on one or more industrial estates.

6.6 Who pays for a BID?

Non-domestic rate payers within a BID area pay for the BID through a supplement on their rates bill.

6.7 How does an area become a BID?

- Businesses will identify the area and the issues, and put together a proposal which should include delivery guarantees, performance indicators and a management structure.
- BID proposals are voted on by the non-domestic rate payers who will be responsible for paying the BID levy. Businesses must vote in favour of a BID in order for it to be established.
- They vote in a postal ballot conducted by the local authority.
- A successful vote for a BID must meet two tests. More than 50% of votes cast must be in favour of the BID and the positive vote must represent more than 50% of the rateable value of the votes cast.
- A BID's mandate is for a maximum of 5 years. A BID wishing to continue beyond 5 years must reaffirm their mandate through another ballot, based on a further proposal.

6.8 Similarities between BPIP and the Winsford and Bolton examples

Industrial estates covered by the BPIP and the Winsford and Bolton examples operate business-led steering groups:

- As the driving force for industrial estate improvements.
- As the forum for agreeing action plans for improving the industrial estates.
- To communicate to businesses, property owners and partners.
- To provide periodic updates on project achievements and new developments.
- As a forum to highlight any pertinent issues and to agree and provide solutions.

6.9 Like the BPIP, the Winsford and Bolton examples received external funding to fund a small team to facilitate business-led steering groups and deliver industrial estate improvements. The Winsford and Bolton examples were also faced with the prospect of a loss of external funding.

6.10 At the time of considering BIDs as a way forward, Bolton were in a similar position as Halebank is today - the Council funded the purchase and installation of an estate-wide CCTV for the benefit of all businesses on the estate, with businesses voluntarily contributing to the on-going revenue costs.

6.11 Winsford and Bolton used the cessation of external funding as an opportunity to enhance the existing service provision and consolidate funding to deliver a 5-year programme. Halton presently has the same opportunity on Astmoor and Halebank, and could consider other industrial estates in the future.

6.12 Lessons learnt from the Winsford and Bolton BID Development Process

It is vital that there has been a programme of engagement with businesses in operation, with improvements implemented as this generates trust and demonstrates the ability to deliver.

6.13 Ensure that the ratepayers are identified and engaged early in the BID development.

6.14 A budget in the region of £15,000 is required to develop a BID implementation plan. A significant budget is also necessary to cover administration costs associated with implementing a BID(s).

6.15 It is crucial to record accurate baseline data to demonstrate to businesses the achievement and benefits associated with the BID.

6.16 The Local Authority may need to benchmark the current service provision if the BID will result in an additional frequency/quality of a particular service provided by the Council – e.g. litter picking, grass cutting, street cleansing etc.

6.17 To establish the views of resident businesses on Astmoor, Halebank and Riverview Industrial Estates, a survey was commissioned to ascertain to what extent businesses would be willing to support and contribute to the development of a BID within their respective areas.

7.0 BIDS SURVEY CONDUCTED ON ASTMOOR, HALEBANK AND RIVERVIEW

7.1 Key Findings

The study achieved an excellent response rate, with responses received from 44% of businesses and property owners (77 responses).

7.2 Businesses on all three estates identified security / crime, general estate improvements and Business Steering Groups as their top three priorities.

7.3 The survey established the willingness of businesses to consider paying a 'BID Levy' to sustain/or implement a range of estate improvements, which are detailed in Table A.

Table A

Industrial Estate	Response rate (%)	Number of responses	Business willing to consider BIDs (%)
Riverview	38	8	37.5
Halebank	37	17	65
Astmoor	47	52	61

7.4 Key Recommendations – Business Improvement Districts

Begin the process of formulating an outline business plan for a BID on Astmoor and Halebank Industrial Estate as a succession strategy beyond the lifetime of the BPIP project.

- 7.5 Review the mechanisms available for delivering BIDs in Halton, either through the formation of a BID company, management by HBC or a 3rd party body.
- 7.6 Consideration be given to the development of a single issue or multiple issue BID.
- 7.7 The cost of taking forward both BIDs proposals can be funded from this years allocation of Neighbourhood Renewal Funding and Capital Priorities Funding. A provisional budget of £35,000 has been included in the Business Parks Improvement Programme Service Level Agreement to cover the cost of implementing BIDs as well as an increase in the marketing budget to £20,000 which will, in part, be used to assist in promoting BID's. It is expected that the BIDs programme will be progressed to the vote stage within this financial year.

8.0 ASSESSMENT OF NEED IN OTHER INDUSTRIAL AREAS

- 8.1 There are 16 major employments areas within Halton, of which the BPIP only covers three. From the analysis of need on other industrial estates in the Borough, the findings display the employment areas demonstrating the greatest need for intervention through the BPIP are:
- Widnes Waterfront (see below)
 - Waterloo Road (image and proximity to the Mersey Gateway)
 - Speke Approach (security and crime prevention)
 - Bold Industrial Estate (access control and fly-tipping)
 - Manor Park (security, unauthorised encampments and crime prevention)
 - Whitehouse Industrial Estate (fly-tipping and crime prevention)
- 8.2 The Widnes Waterfront displays the greatest need for intervention by the BPIP, in order to:

- Complement the regeneration activities already being implemented by Major Projects;
- Create a business-led steering group for the existing businesses, landowners and developers;
- Improve communication between businesses, landowners, developers and HBC;
- Devise an agreed action plan for enhancing this key employment site;
- Resolve pertinent issues identified within the project area (e.g. unauthorised encampments, access problems during construction phases etc);
- Assess the feasibility of establishing a BID; and
- Maintain the operation of the BIA Scheme to provide contributory funding towards site improvements.

8.3 It is crucial that the BIA Scheme remains in operation beyond the current end date of 31/03/07, should a business-led steering group be established. If the BIA Scheme was not available beyond this date, the steering group is likely to be considered a 'talking shop' by the local business community, rather than a functioning group that achieves tangible benefits for the area.

8.4 Key Recommendation – Expansion of the Business Parks Improvement Programme

The Business Park Improvement Programme be extended to include the Widnes Waterfront area and a business-led steering group be established to determine priority actions focused on addressing the needs of the resident businesses.

9.0 POLICY IMPLICATIONS

9.1 One of the key objectives of Urban Renewal Strategic Priority is “to create and sustain a twenty first century business environment with the required variety and quality of sites, premises and infrastructure that can support high levels of investment and economic growth and increase Halton’s competitiveness”. The implementation of BIDs on Halebank and Astmoor, coupled with the expansion of the BPIP to cover the Widnes waterfront, will contribute towards providing the required business environment that will sustain existing businesses, attract new businesses and the provision of jobs for local people.

9.2 The proposals will assist in addressing the economic prosperity and employment objectives set out in the Corporate Plan, Community Strategy and the Economic Development and Tourism Strategy.

9.3 A contribution will also be made to the Creating a Safer Halton Strategic Priority, most specifically “to investigate and tackle the underlying causes of crime and disorder and respond effectively to public concern

by reducing crime levels". This will be achieved by improving security and designing out crime on Astmoor, Halebank and Widnes Waterfront.

10.0 OTHER IMPLICATIONS

10.1 There are no other implications arising from this report.

11.0 RISK ANALYSIS

11.1 The risk of no action will result in a cessation of regeneration activities on estates covered by the BPIP, thus missing an opportunity to create a long-term delivery strategy for enhancing Astmoor and Halebank Industrial Estates and the Widnes Waterfront.

12.0 EQUALITY AND DIVERSITY ISSUES

12.1 The BPIP is guided by Halton Borough Council's Equality of Opportunity in Employment Policy. This ensures compliance with the following Acts: The Equal Pay Act 1970 (updated 1983); The Sex Discrimination Act 1975 (updated 1986); The Sex Discrimination Act (Gender Reassignment) Regulations 1999; The Disability Discrimination Act 1995. The services employed through BPIP activities are available, and will be marketed, to any business or employee located on the target industrial estates.

12.2 It is anticipated that the project activities will contribute towards the creation of jobs that are accessible by deprived communities.

13.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

13.1 None

REPORT TO: Executive Board

DATE: 7th June 2007

REPORTING OFFICER: Strategic Director – Corporate and Policy

SUBJECT: Future of Halton Lea Post Office

WARDS: Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 The purpose of this report is to draw Members' attention to the consultation exercise being undertaken by the Post Office regarding the future arrangements for the provision of Post Office services in Halton Lea Shopping Centre.

2.0 RECOMMENDED that the Council:

- (1) submits an interim objection to the new arrangements until the meeting of the Urban Renewal PPB takes place;**
- (2) requests to see the proposed layout of the new facilities; and**
- (3) authorises the Strategic Director – Corporate and Policy, in consultation with the Executive Board Member for Corporate Services, to make further comments after the meeting of the Urban Renewal PPB.**

3.0 SUPPORTING INFORMATION

- 3.1 The Executive Board, at its meeting on 29th March 2007, considered a report which provided details of a consultation paper issued by the Department for Trade and Industry on the future of the Post Office network. The Executive Board supported the actions taken by the Chief Executive in expressing concern about any proposals that reduce the Post Office network in Halton.
- 3.2 The Council has now been consulted by the Post Office regarding proposals to change the arrangements for providing Post Office services in Halton Lea, Runcorn. Their proposal is to transfer the existing Post Office services from their existing location at 88 Forest Walk to the Branch of W. H. Smith within Halton Lea.
- 3.3 Attached as Appendix 1 to this report is a copy of a letter received from the National Consultation Manager from Post Office Ltd. which provides more details of the proposals.
- 3.4 In order to understand better the proposals being put forward by the Post Office, the Urban Renewal Policy and Performance Board have

invited representatives from the Post Office to their next meeting on 20th June 2007 to provide more details on the proposed changes. Unfortunately, this will be after the date set by the Post Office for the receipt of comments, 14th June 2007. It is therefore suggested that in the interim period the Council should write to the Post Office objecting to the proposed new arrangements. The Council should also ask to see the proposed physical layout of the new facilities in W. H. Smith, given concerns that have been expressed about the capacity of the W. H. Smith premises to house such a facility. The current Post Office is often very busy.

3.5 An informal discussion has been held with Fordgate, the owners of Halton Lea. Their comments included:

- They are very disappointed with the move, but within the existing lease agreements they cannot do anything about it.
- The current post office is very busy and they have concerns about how W. H. Smith are going to cope with the management of the additional footfall.
- The moving of the post office will leave the existing adjacent shops there with much reduced passing footfall. The danger is that this will result in a very dead corner in Halton Lea.
- The post office has a residue of lease left on their current premises which Fordgate had not, at that time, been contacted about.

4.0 POLICY IMPLICATIONS

4.1 The Council needs to fully understand the impact such a change will have on the vitality and viability of the Town Centre. Post Offices play an important role in the community beyond the provision of services. The Council will want to be reassured that there will be no reduction in services.

5.0 RISK ANALYSIS

5.1 There are no direct risk implications for the Council.

6.0 EQUALITY AND DIVERSITY ISSUES

6.1 The Post Office provides an important service access point for many individuals. It is vital the service remains accessible to all who need to use it.

**7.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D
OF THE LOCAL GOVERNMENT ACT 1972**

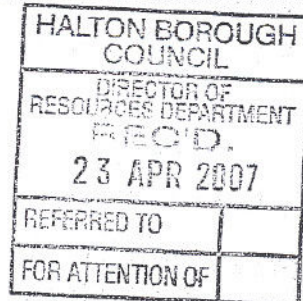
Document	Place of Inspection	Contact Officer
Consultation letter	I. Leivesley's Office, 6th Floor, Municipal Building, Widnes	I. Leivesley

6/07

POST
OFFICE

Branch change

David Parr - Chief Executive
Halton Borough Council
Chief Executive's Directorate
Municipal Building
Kingsway
WIDNES
WA8 7QF



18 April 2007

Dear Mr Parr

Post Office® Runcorn Shopping City branch
118 River Walk, Halton Lea, Runcorn, WA7 2BZ

I am very pleased to announce our intention to extend our existing partnership with WHSmith and transfer a number of Post Office branches across the UK to their stores, including Runcorn Shopping City Post Office branch currently located at the above address.

At a time when Post Office Ltd is losing £4m a week, partnerships such as these enable us to continue offering Post Office services in the heart of Runcorn. Without them, we simply cannot safeguard high street branches or the services they provide.

At present, Post Office Ltd own and manage the above Post Office branch. Our intention is for WHSmith to manage Runcorn Post Office branch on behalf of Post Office Ltd from their existing premises at 88 Forest Walk, Halton Lea, Runcorn, WA7 2GX, 120 yards away from the current site. In partnership with us, WHSmith will continue to provide the high standard of service and range of products currently available at Runcorn Shopping City Post Office branch. The new branch will be carefully integrated into their nearby store, and will remain fully accessible for customers, with open plan, level access into the branch.

The transfer of this branch follows the successful trial of six Post Office branches last year. I am pleased to say that feedback from customers has been good, with customers welcoming the pleasant environment, high standard of service and improved opening hours on offer at the new branches. WHSmith is one of the UK's leading retail groups, who currently operate more than 540 high street stores and around 130 travel stores at airport, station and motorway service locations nationwide, selling a wide range of newspapers, magazines, stationery, books and entertainment products. As one of the UK's leading retail groups, we are confident that WHSmith have the customer focus, appropriate knowledge and retail experience to enable them to continue to provide a high standard of service to our customers in Runcorn. This has been clearly demonstrated by the success of the trial branches and furthermore we are confident that the extensive range of stationery and associated goods that WHSmith offers complements the wide range of main Post Office services that will continue to be available following the transfer.

Enclosed with this letter is a summary of what the newly franchised Runcorn Post Office branch will offer and answers to frequently asked questions as to why Post Office Ltd franchise branches.

We have an agreed Code of Practice on how we deal with a range of branch network change with Postwatch, our independent consumer council. As part of that Code of Practice, Postwatch recognise that the decision to transfer a Post Office branch to a franchise partner is a commercial decision to be taken solely by Post Office Ltd and is, therefore, not subject to public debate or consent. However, it is important to us that our customers and local community representatives like yourself, understand the rationale behind our decision and that you also have the opportunity to comment on the facilities that will be available at the new branch.

In view of this, we are inviting feedback from yourself and from customers who regularly visit Runcorn Shopping City Post Office branch, on the following areas:

- (i) the proposed opening hours at the new branch;
- (ii) access arrangements into the new branch;
- (iii) the facilities that are planned for the new branch.

It is important to understand that we are not proposing the removal or downgrading of the Post Office service provided in Runcorn. On the contrary, our partnership with WHSmith will help us to continue to provide a main Post Office branch in the heart of the town. As you can see from the enclosed documents, customers will benefit from significant financial investment in the new Post Office.

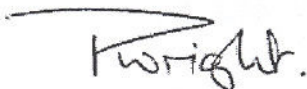
You may also wish to share this information with those you believe may have an interest in this matter.

Please note, exceptionally in this instance we have extended public consultation by two weeks to allow for the forthcoming local elections. If you wish to give us any feedback on the facilities at the new branch, please ensure that we receive this by close of business on 14 June 2007. I will write again, after this date, to update you on any comments we have received on our plans, and to confirm the arrangements we have made for Runcorn Post Office branch.

Among other local interest groups, we are also contacting the consumer council, Postwatch, and you may wish to consider copying your response to them at the following address: Postwatch, 22 Grosvenor Gardens, London, SW1W 0TT. You are under no obligation to do so and any correspondence sent to us will be treated in the strictest confidence.

Thank you for giving me the opportunity to explain our position.

Yours sincerely



Philippa Wright (Mrs)
National Consultation Manager
Post Office Ltd, c/o National Consultation Team
PO Box 2060, WATFORD, WD18 8ZW

Telephone: 08457 22 33 44 Email via our website: www.postoffice.co.uk

The Post Office[®] is able to supply customers with this information, free of charge, in an alternative format for people who are visually impaired. To obtain a copy, call the Post Office[®] helpline on 08457 22 33 44 or textphone 08457 22 33 55.

Current Runcorn Shopping City Post Office[®] branch located at;

118 River Walk
Halton Lea
Runcorn
WA7 2BZ

Franchise partner;

WHSmith

New Runcorn Post Office[®] branch, located at;

88 Forest Walk
Halton Lea
Runcorn
WA7 2GX

Distance from current site;

120 yards along level terrain

What will the new Runcorn Post Office[®] branch offer?

- Extended opening hours as follows;

Mon – Sat 09.00 – 17.30

- The same wide range of main Post Office services currently available at Runcorn Shopping City Post Office branch including; personal banking; financial services; car tax renewal; Post Office card account; passport application checking and foreign currency services, but with the exception of stamp vending machines.
- Ten serving positions, comprising of eight open plan and two traditional style positions designated primarily to Bureau de Change/Giro business banking that has the flexibility to be utilised for all other Post Office transactions, during busy periods.
- WHSmith is keen to ensure there is continued good access to Post Office services. There will be open plan, level access into the branch. The Post Office counter area will be carefully integrated into the current store, providing adequate room for Post Office and retail customers alike.
- Low level writing desk and serving counter, plus an induction hearing loop for those customers with hearing difficulties.
- Car parking facilities will remain the same.
- Public transport services are available to and from the surrounding residential areas.
- The new branch will be integrated into the existing WHSmith store, providing customers the opportunity to purchase an extensive range of newspapers, magazines, stationery, books and entertainment products under one roof.

Planned month of transfer: August 2007

Franchising

A Partnership approach to providing main Post Office® services

**POST
OFFICE**

If you have difficulty reading this leaflet please call

08457 22 33 44

Frequently Asked Questions

Why franchise Post Office® branches?

There are currently over 14,000 Post Office® branches in the UK. The vast majority of these - some 96% - are not directly operated by Post Office Ltd but are run by agents on our behalf.

The larger Post Office® branches in high street locations have however often been run by staff employed by Post Office Ltd. The cost of running these branches is very high, and we don't make enough money in the branches to cover their costs. We have experienced a steady decline in customers, due largely to the loss of some of our most traditional areas of business, for example pension and benefit payments. We are working hard to replace this lost business with income from new products and services such as the new Post Office® credit card, Car and Home Insurance and our very successful Post Office® HomePhone service.

Post Office Ltd is therefore actively looking at ways of maintaining services in the most cost effective way possible. One option is to transfer the management of more of our larger Post Office® branches to franchisees. This has many advantages for the business, while at the same time preserving a main Post Office® presence in the locality.

Franchise partners usually look to operate a Post Office® alongside their own retail offer. This improves the viability of Post Office® branches, as both the Post Office® and retail business can be operated from the same location. Equally, both the Post Office® and retail business can benefit from the regular customer footfall visiting the store; all of which helps to secure a viable and sustainable Post Office® and retail store for our customers in the longer term. Coupled with this, franchisees put significant investment into their branches, which Post Office Ltd simply cannot afford to do.

The savings we make from transferring a branch to a franchise partner are invested in such areas as the development of new products and services, which help to sustain our wider Post Office® network and therefore benefit all of our customers in the longer term. We, therefore, see franchising as a very positive step in modernising our network and maintaining our ability to continue to provide customers access to reliable and high quality services and products.



How will you ensure service standards are maintained at the franchised branch?

Post Office Ltd will train all customer advisors at the new branch to the same standards as our own employees. They will also be supported within the first few weeks of the branch transferring to our franchise partner. Inevitably, there will be a settling in period as the franchise staff adjust to their new roles. Experience shows, however, that following this initial period, our franchise branches achieve good standards of customer satisfaction, as measured independently by an external company, whilst at the same time offering a sustainable service to customers into the long term future. Additionally, as with any other Post Office® branch, a local Post Office Ltd Manager monitors service standards on an ongoing basis.

How are franchised branches staffed?

All customer advisors working at franchised branches are directly employed by our franchisee. A dedicated branch manager would also be appointed by the franchisee to run the branch on a day to day basis, similar to in branches directly managed by Post Office Ltd.

Naturally, concerns are sometimes expressed by customers about the future of the staff working at the current Post Office® branch. The decision to franchise a branch is not made lightly, and Post Office Ltd values the hard work, commitment and loyalty provided by our staff at directly managed Post Office® branches. We do however have to take difficult commercial decisions that, regretfully, will have implications for individuals. All staff will be given the opportunity to state their personal preferences for future employment within the organisation and whenever possible, we will try to ensure these preferences are met.

How are franchise partners selected?

All of our partners, whether they are independent business people or companies, are carefully selected. We only enter into agreements when we are entirely satisfied with their suitability to operate a Post Office®.

When considering the suitability of a future partner our criteria include, financial status; commercial and retail awareness; previous good employment record; motivation and excellent customer focus.

How long are franchise contracts for?

WHSmith are contracted to provide Post Office® services for seven years, with an option to continue at the end of that period. If the agent decides to relocate to alternative premises within this time, this must be agreed beforehand with Post Office Ltd. Any subsequent change of management would be with the agreement of Post Office Ltd and the appointment criteria applied would be the same as for any other franchisee at that time.

Registered in England number 2154540

Registered office: 80 85 Old Street, London EC1V 9NN

The Post Office® and the Post Office symbol are registered trademarks of Post Office Ltd in the UK and other countries.

REPORT TO: Executive Board

DATE: 7th June 2007

REPORTING OFFICER: Strategic Director – Corporate and Policy

SUBJECT: Proposals for Future Unitary Structures in Cheshire

WARDS: Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 To bring to Executive Board members' attention the current consultation exercise being undertaken by the Department for Communities and Local Government in relation to proposals for new Unitary structures in England. In particular to seek the Board's views on the Department's proposals for Cheshire.

2.0 RECOMMENDED that:

- (1) the Council supports the move to Unitary status in Cheshire on the basis of the clear benefits it has brought to Halton since 1998; and**
- (2) the Council supports the two Unitary option, given that it will enhance sub-regional working arrangements in the Liverpool City Region and the North West.**

3.0 SUPPORTING INFORMATION

3.1 In January 2007 the Government received 26 proposals from Councils wishing to move to a single tier of local government. All proposals were assessed against a number of criteria that Government set out when it invited Local Authorities to submit proposals. These criteria were:

- (a) the change to the future unitary local government structures must be:
 - (i) affordable, i.e. that the change itself both represents value for money and can be met from councils' existing resource envelope; and
 - (ii) supported by a broad cross section of partners and stakeholders; and
- (b) the future unitary local government structures must:

- (i) provide strong, effective and accountable strategic leadership;
- (ii) deliver genuine opportunities for neighbourhood flexibility and empowerment; and
- (iii) deliver value for money and equity on public services.

3.2 As a result of considering those proposals, the Secretary of State decided that 16 of them should proceed to consultation. Two of those proposals affect neighbouring Cheshire. The Secretary of State is consulting stakeholders on the following two unitary structures for Cheshire:

- a single Unitary Council based on the boundary of the existing County Council;
- two Unitary Authorities made up from the existing district boundaries, as follows:
 - Chester, Ellesmere Port & Neston and Vale Royal
 - Macclesfield, Congleton and Crewe

3.3 The single unitary option is supported by the County Council. Chester, Ellesmere Port & Neston, Vale Royal and Macclesfield are supporting the two Unitary option. Crewe & Nantwich and Congleton Councils are supporting neither Unitary proposal, wishing instead to see improvements in the existing two-tier arrangements.

3.4 The issue for Halton is how it should respond to the stakeholder consultation initiated by the Government, and whether it should express a preference as to the options on offer.

3.5 The first point to cover is the fact that the granting of Unitary status for Halton in 1996 has had a major positive impact on the Borough. Evidence includes:

- A four star, improving Council;
- A significant player in the North West;
- Successful lobbying activity, e.g. Daresbury Science Park, Mersey Crossing;
- Improving customer satisfaction ratings;
- Greater focus and prioritisation on Halton's needs;

- Greater clarity over who does what;
- Clear community leadership provided by one local Council;
- Simplified partnership arrangements.

- 3.6 It is felt that the first comment that the Council should make is one supporting the move to Unitary local government in Cheshire for the reasons outlined above.
- 3.7 The second issue is then about which of the options put forward the Council wishes to support, and how it might determine which is the option which would have the most beneficial impact for Halton.
- 3.8 The answer must lie with the impact either of the proposed changes have on the sub-regional and regional structures in the North West. The growing importance of the role of City Regions would suggest that the two Unitary option would be preferable. The Liverpool City Region business case recognises the role played in that City Region by Chester and Ellesmere Port and, whilst not formal signatories to that document, the submission recognises that those areas could become involved at a future date. The two Unitary option would provide for the new City of Chester & West Cheshire Council to work with and within the Liverpool City Region, with the Cheshire East Council looking towards the Manchester City Region. A single Unitary Cheshire County would not provide that focus.
- 3.9 The move to two Unitary Councils would provide for a clear fresh start to local government in Cheshire, with two new Authorities. Halton would look forward to working with those new Councils and would be prepared to examine the shared service opportunities the formation of two new Authorities would bring.
- 3.10 The proposals would create two large Authorities of significant capacity and influence, but with the capability of relating to local needs.

4.0 POLICY IMPLICATIONS

- 4.1 There are clear policy implications in relation to the development of the City Regional agenda which are described in the report.

5.0 RISK ANALYSIS

- 5.1 There are no direct risks to Halton Borough Council.

6.0 EQUALITY AND DIVERSITY ISSUES

- 6.1 There are no equality and diversity implications associated with this report.

**7.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D
OF THE LOCAL GOVERNMENT ACT 1972**

Document	Place of Inspection	Contact Officer
Proposals for Future Unitary Structures: Stakeholders Consultation	I. Leivesley's Office, 6th Floor, Municipal Building, Widnes	I. Leivesley

REPORT TO: Executive Board

DATE: 7 June 2007

REPORTING OFFICER: Strategic Director Corporate & Policy

SUBJECT: Application for Twinning Grant

WARD(S): Boroughwide

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to give details of 1 application being made to the Twinning Grant Fund.

2.0 RECOMMENDATION: That the following grant be awarded to:

(a) £3,000 to the Fairfield High School

3.0 SUPPORTING INFORMATION

- 3.1 In April 1996, Halton Borough Council set up a Grant Fund to assist in enabling all members of the community to access and gain benefit from the Council's International Links.
- 3.2 Since 1996, a number of groups have accessed the fund to undertake exchange visits to Marzahn-Hellersdorf in Germany; Leiria in Portugal; Usti-nad-Labem in the Czech Republic; and Tongling City in China, including the Halton Swimming Team; Halton Youth Service; PHAB; St. Chad's School, and Fairfield High School who have hosted teachers and pupils from Tongling previously. These links have resulted in a number of reciprocal visits from each town.
- 3.3 Participants in previous exchanges have found that the benefits of learning about another culture and language are immense. A wide range of activity in the Borough has been facilitated by the provision of grant aid and has given an opportunity to those who would not otherwise be able to participate.
- 3.4 The application received from the Fairfield High School, requests support for a visit of 10 GCES art students and 2 adults to visit No. 1 High School in Tongling.
- 3.5 The student's coursework has been inspired by work donated to the school by Tongling pupils during their visit to Fairfield High School in May 2006.
- 3.6 During the visit by the Tongling pupils they visited local art galleries and enjoyed the British art. In Tongling the Fairfield pupils will showcase

their artwork and see the artwork produced by the Chinese pupils since the visit in May 2006. The pupils will enjoy a full experience of Chinese culture.

3.6 The school have very strong links with the No. 1 school with the pupils from the school having pen pals in No 1 High School. It is hoped that this will become an annual event.

3.7 The applicant has identified total costs of £15,210. This is broken down into travel costs of £9,600; accommodation costs of £5,500; insurance £60 and other costs such as art materials etc £50.

3.7 The school has been fundraising for the visit and raised £2000 so far. They have received £500 in donations from local companies and a grant from the British Council of £5,000.

4.0 POLICY IMPLICATIONS

4.1 The application is in line with the borough's European Strategy, in particular the promotion of international links, which seeks to offer the opportunity to participate to the whole population of Halton.

4.2 The application will also make a major contribution to the Local Strategic Partnership Key Priorities Children and Young People and Healthy Halton.

5.0 OTHER IMPLICATIONS

5.1 In reaching a decision concerning the level of grant to be awarded, Members are requested to note that the twinning grant budget is frequently oversubscribed. Also, in preparation for a reduction in European funding after 2006, the Council is also placing emphasis on developing economic (transnational), as well as cultural and social twinning links, and as a result, there will be added pressure on the budget in this financial year.

5.2 Members are also advised that the guidance given to applicants is that any grant awarded will not usually exceed £3,000. Grants normally support up to a maximum 75% of the total costs of the project.

5.3 In regard to Fairfield School, the applicant has applied for twinning grant 3 times; £3,000 in June 1997 for a visit from a choir from Usti nad Labem; £3,000 in October 2004 for a visit to Tongling No 1 High School; £1,310.96 in May 2006 for a visit from Tongling No 1 High School.

5.5 Within this framework, Members may feel that a contribution of £3000 would be a reasonable contribution from the twinning grant fund towards the total costs of the visit,

6.0 RISK ANALYSIS

6.1 Measures are in place to minimise risks to the delivery of the project. For example, the as part of the terms and conditions of grant applicants are required to complete a risk assessment proforma.

7.0 EQUALITY & DIVERSITY ISSUES

7.1 The project focuses on promoting social inclusion for young people in the Kingsway, Riverside, Halton View and wards in Halton; encouraging co-operation between young people in Halton and Tongling and addressing prejudice and promoting understanding.

8.0 REASONS FOR DECISION

8.1 The applicant has strong links with No 1 Middle school in Tongling, which have resulted in one visit from Tongling and hopefully many reciprocal visits in the future.

9.0 ALTERNATIVE OPTIONS CONSIDERED

9.1 The option to reduce the grant was considered. However, the applicant is offering reasonable value for money and has identified match funding to support the application.

10.0 IMPLEMENTATION DATE

10.1 September 2007.

11.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

11.1 There are no background documents under the meaning of this Act.

REPORT TO: Executive Board

DATE: 7 June 2007

REPORTING OFFICER: Strategic Director – Corporate and Policy

SUBJECT: Local Area Agreements

WARDS: Boroughwide

1. PURPOSE OF REPORT

A Local Area Agreement (LAA) is a 3-year protocol that sets out the priorities for a local area. This must be agreed between central government and the area itself, as represented by the lead local authority and other key partners through Local Strategic Partnership. The purpose of this report is to seek formal Executive Board approval to the final LAA document signed by Ministers, and alert members to some of the considerations of how Government intend to develop LAAs as a policy tool.

2. RECOMMENDATION:

It is recommended that the Board:

1. Adopt the final agreement agreed with Government;
2. Note the emerging requirements for “new-model” LAAs contained in the Local Government Bill.

3. SUPPORTING INFORMATION

At its meeting in December Executive Board endorsed the final draft Local Area Agreement for Halton and its formal submission to Government. Following its submission a number of comments were received from officials at GONW. The LAA was considered largely fit for purpose, and apart from minor proofreading amendments the substantive comments were as follows:

- a) In some instances there appeared to be a disconnect between the presentation (by year) of LPSA2 targets in the Outcomes Framework, and in the LPSA2 Agreement document itself.
- b) The Performance Management Framework appears to be quite generic and lacking in “Halton flavour”.
- c) The changing demographics of the borough perhaps dictated that there should be stronger reference to the needs of older people.
- d) Whilst the health trajectories are correct, Department of Health insist that data periods for the health inequality targets (for mortality, cancer

and circulatory diseases) should mirror the data periods of the lifetime of the LAA.

- e) Officials at DWP want to amend the baseline data set for the mandatory worklessness indicator nationally. They insist we use a May 2005 baseline (as opposed to the September 2006 figure) and calculate the mandatory 1.6% reduction from that.

The Halton LAA was signed off by Ministers last month including the minor changes outlined, and is now operational. A copy of the LAA in its final form is available from the Contact Officer or on www.haltonpartnership.net. The formal Grant Determination letter has been received setting out the special funding from Government in support of the LAA for 2007/08. This is in line with the expectations set out in the financial table of the LAA. The accounting arrangements and Action Plans to deliver the LAA were approved by the Executive Board at its meeting in February.

4. LAA DEVELOPMENT

In the Local Government White Paper *Strong and Prosperous Communities* published in October, proposals were set out to make Local Area Agreements central to the whole top-down performance regime for local government. These proposals have been formulated into legislation in the Local Government and Public Involvement in Health Bill currently being debated in Parliament.

A key element of the white paper proposals was that all top down performance indicators would be rationalised into one set of 200 indicators based on the priorities that will be in the Comprehensive Spending Review 2007. These indicators will be reported as part of the new Comprehensive Area Assessment (CAA), which will replace the current Comprehensive Performance Assessment (CPA) from 2009. LAAs will be made up of 18 education and early years targets, plus up to 35 targets taken from the set of 200 indicators, plus any local indicators agreed by local authorities and their partners. All areas will be expected to agree a new LAA with the Government for implementation from 2008/09.

In normal circumstances having just agreed an LAA the next key milestones for Halton would be the six monthly monitoring report to GONW and the annual "review and refresh" process to ensure the agreement remained fit for purpose. However, as set out above the Local Government Bill demands that all areas develop new-model LAAs for implementation from 2008. The Bill started its Parliamentary passage in December 2006 and is expected to be law before the autumn. There will then be a need for regulations and statutory guidance in a number of areas, and different provisions within the Act will have varying commencement dates.

The actual provisions formalising Local Area Agreements (LAAs) passed through its Committee stage in Parliament with limited amendment. However, the government has made a commitment that acute hospital trusts will be

added to the group of statutory LAA partners by an amendment at a later stage. A number of issues have been highlighted at Committee stage, with Government ministers and official's replies and statements providing an indication of how government is thinking. The following highlights some of the issues the Government appear to be highlighting:

- High performing areas may have fewer than 35 targets and therefore more room for local indicators. Negotiations will concentrate on central versus local assessments of local priorities.
- Where local areas are identified as having more than 35 areas in need of improvement, negotiations will focus on prioritisation, rather than agreeing more than 35.
- The duty to have regard to targets which applies to named local partners (now being developed in the legislation) will equally cover local and national targets.
- The signing off of LAAs will be done as follows: Government Office Regional Director will recommend (or not) targets, Secretary of State for Communities and Local Government will consult with Cabinet and then sign off is approved.
- The current six monthly performance reviews of LAAs will be replaced by an annual review informed by the CAA.
- Local Authorities will be able to change targets by submitting them to the Secretary of State. The interval for this is likely to be between November and January to take effect from April.
- The 'Economic Development' theme will be changed to become 'Economic development and environment' and will also include culture.

Thinking around funding has significantly changed. The expectation will be that funding for local improvement should be provided through mainstream funding such as the Revenue Support Grant. An area-based LAA grant will only be provided as an exception, primarily where it supports specific partnership outcomes. Halton this year will receive £8M of LAA grant, so this change could be significant. A small number of funding streams will remain ring-fenced and outside the LAA, but there will be no performance reporting for such funding outside the national performance framework (the set of 200 indicators).

Government has issued detailed indicative timetable for 2007/08. The following are key longer-term dates:

- Draft guidance - after Royal Assent of Local Government and Public Involvement in Health Bill (probably July 2007)
- Final guidance - by April 2008
- First new style LAAs - start April 2008
- All LAAs to have 35+18 targets based on the indicators that are ready from the set of 200 plus local indicators - by April 2008
- Comprehensive Area Assessment – 2009

Given that the Comprehensive Spending review has been put back from the summer until October, this outline timetable is affected. Government has informed us that new-model LAAs will need to be ready by June 2008.

5. POLICY IMPLICATIONS

A Local Area Agreement (LAA) is a 3 year agreement that sets out the priorities for a local area, agreed between central government and a local area, represented by the lead local authority and other key partners through Local Strategic Partnerships. Halton's Agreement has been endorsed and signed by Government Ministers, and is now operational. The LAA provides a service improvement tool for helping to implement Halton's adopted Community Strategy.

6. FINANCIAL IMPLICATIONS

A number of existing grant regimes have been automatically pooled by Government into a single LAA grant. The Council, acting as accountable body for the LSP, has received its formal grant offer letter in the spring. It is important to note that the Council is taking full financial and legal responsibility for receipt and use of the grant. The Council's Financial Services Department has already put in robust arrangements for accounting, monitoring and evaluating for this expenditure. This is in line with best practice used for other programmes of external funding.

7. RISK ANALYSIS

The final LAA includes proposals for a robust risk management process. This will focus attention and resources on critical areas, provide more robust action plans and better-informed decision-making.

8. EQUALITY AND DIVERSITY ISSUES

The LAA will be based on the same values that underpin the Community Strategy, of which a commitment to equality and diversity is paramount. The LAA reinforces this value-driven system of partnership working.

9. LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Halton Local Area Agreement – 2007-2010 – available from Ian Grady, Second Floor of the Municipal Building, contact number (0151) 471 7528 or ext 1106.

REPORT TO: Executive Board

DATE: 7 June 2007

REPORTING OFFICER: Strategic Director Environment

SUBJECT: Appointment of Consulting Engineer for
Design of Highway Infrastructure Projects

WARDS: All Wards

1.0 PURPOSE OF THE REPORT

1.1 To seek the Board's approval for the waiver of procurement standing orders for the award of highway infrastructure design work and to appoint consulting engineers by the single tender contract procedure.

2.0 RECOMMENDATION: That

- (1) Procurement standing orders 3.1 to 3.6 be waived, and**
- (2) Atkins Highways and Transportation be invited to submit a price under the single tender contract procedure in accordance with procurement standing order 1.5**

3.0 SUPPORTING INFORMATION

- 3.1 Design work for new highway access to the Mersey Multi-Modal Gateway freight park has now progressed to the detail design stage. The proposed highway infrastructure comprises two new roads: one connecting the park to the A5300 / A562 junction incorporating an overbridge crossing of the Liverpool Branch of the West Coast Mainline railway and another linking the eastern and western parts of the 3MG site.
- 3.2 In order to meet the tight timescales required for delivery of the 3MG project and to keep to the programmed Network Rail railway possessions currently planned for the construction of the replacement Hale Road bridge, it is necessary to proceed with detail design work without delay. The implications of missing the critical railway possession date is that additional cost will be incurred in arranging for an additional possession and the provision of highway access to the site would be delayed.
- 3.3 The estimated value of the detail design work exceeds £50,000 and is therefore subject to the Council's procurement standing orders (part 3) but is below the relevant European Union directive threshold value and consequently does not require advertising as a contract under the European Commission public procurement rules.

- 3.4 Atkins Highways and Transportation have been involved in the 3MG since its inception producing the following reports and outputs relating to the project and are therefore considered to offer the most efficient and cost effective means of delivering this next stage of design work:
- Development and production of DSRFP Draft Masterplan;
 - Delivery of proof of evidence in relation to transportation and highway issues at public inquiry;
 - Preliminary highway alignments for the highway infrastructure
 - Surveys and ground investigation works.
- 3.5 Undertaking a competitive tendering process would now delay the start of the detail design. The preparation of a design brief, the invitation of tenders and the tender process and assessment periods themselves would add around two months to the programme. The potential for involvement of another consulting engineering firm at this stage would entail a further significant lead-in period to allow them to familiarise themselves with the project overall and the several and particular elements of the highway infrastructure work itself such as transportation planning issues, investigations and preliminary layout designs.
- 3.6 The use of Atkins has an added advantage for the management of the project in that their rail infrastructure division are lead consultant for Network Rail in the replacement of the Hale Road bridge.
- 3.7 It is considered therefore that the appointment of Atkins for this work would provide the Council with a clear financial and commercial benefit in bringing the 3MG site to the market on programme. It is suggested that Atkins Highways and Transportation be invited to submit prices for the design of 3MG highway infrastructure projects as a 'single tender contract' in accordance with Procurement Standing Order 1.5. Value for money, transparency, proprietary and accountability issues would be managed through the following measures:
- Submission of fee proposal based upon written design brief / task order providing a definitive scope of work and setting out agreed standards and programme;
 - Costs will be compared to existing engineering consultants currently involved in infrastructure design projects for the Highways Transportation and Logistics department and challenged where necessary to ensure that rates remain competitive and provide value for money;
 - Preparation of a formal agreement between HBC and the consultant;
 - Meetings will be convened at regular intervals to receive a written report from Atkins on progress and costs.
 - Submission of monthly detailed invoices for work completed based on staff timesheet information, scrutinised and evaluated against progress and programme.

4.0 POLICY IMPLICATIONS

There are no policy implications

5.0 OTHER IMPLICATIONS

There are no other implications

6.0 RISK ANALYSIS

6.1 The key risk associated with the proposed action is that the detail design work for 3MG highway infrastructure will cost more due to the lack of a competitive tendering exercise. The control measures outlined in 3.7 above will serve to manage this risk to the Council.

6.2 This course of action will reduce the risk of time overrun on the project by allowing an immediate start to be made on detail design and by utilising the invested knowledge that Atkins have in the 3MG project.

6.3 Atkins' history of involvement in the project, and detailed knowledge of the problems and challenges associated with the site, provides the opportunity to deliver efficient and effective solutions to the delivery of highway access to the 3MG site. It is considered that their appointment will provide the best value approach to the Council.

7.0 EQUALITY AND DIVERSITY ISSUES

7.1 Atkins Highways and Transportation are a large multi-national organisation and operate equality and diversity employment policies.

8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

8.1 There are no background papers in connection with this item