

HALTON BOROUGH COUNCIL



*Municipal Building,
Kingsway,
Widnes.
WA8 7QF*

29 November 2016

**TO: MEMBERS OF THE HALTON
BOROUGH COUNCIL**

You are hereby summoned to attend an Ordinary Meeting of the Halton Borough Council to be held in the Council Chamber, Runcorn Town Hall on Wednesday, 7 December 2016 commencing at 6.30 p.m. for the purpose of considering and passing such resolution(s) as may be deemed necessary or desirable in respect of the matters mentioned in the Agenda.

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

Chief Executive

-AGENDA-

Item No.		Page No.
1.	COUNCIL MINUTES	SEE MINUTE BOOK
2.	APOLOGIES FOR ABSENCE	
3.	THE MAYOR'S ANNOUNCEMENTS	
4.	DECLARATIONS OF INTEREST	
5.	LEADER'S REPORT	
6.	MINUTES OF THE EXECUTIVE BOARD	SEE MINUTE BOOK
	a) 20 October 2016	
	b) 17 November 2016	
7.	MINUTES OF THE HEALTH AND WELLBEING BOARD	SEE MINUTE BOOK
	a) 12 October 2016	
8.	QUESTIONS ASKED UNDER STANDING ORDER 8	
9.	MATTERS REQUIRING A DECISION OF THE COUNCIL	
	a) Determination of Council Tax Base 2017/18 -KEY DECISION (Minute EXB 62 refers)	1 - 4

Executive Board considered the attached report.

RECOMMENDED: That

- 1) Council set the 2017/18 Council Tax Base at 33,818 for the Borough, and that the Cheshire Fire Authority, the Cheshire Police & Crime Commissioner and the Environment Agency be so notified; and
- 2) Council set the Council Tax Base for each of the Parishes as follows:

Parish	Tax Base
Hale	662
Halebank	522
Daresbury	174
Moore	328
Preston Brook	332
Sandymoor	1,020

- b) 2016/17 Revised Capital Programme (Minute EXB 61 refers)

5 - 12

Executive Board considered the attached report.

RECOMMENDED: That Council approve the revisions to the Council's 2016/17 Capital Programme, as set out in paragraph 3.0 of the report.

- c) Initial Budget Proposals 2017/18 - KEY DECISION (Minute EXB 64 refers)

13 - 36

Executive Board considered the attached report.

RECOMMENDED: That Council approve the initial budget proposals for 2017/18, as set out in Appendix 1.

- d) Procurement Strategy - External Auditor (Minute BEB 18 refers)

37 - 42

Business Efficiency Board considered the attached report.

RECOMMENDED: That Council opt into the sector-led procurement of external auditors that will be undertaken by Public Sector Audit Appointments Limited (PSAA).

10. MINUTES OF THE POLICY AND PERFORMANCE BOARDS AND THE BUSINESS EFFICIENCY BOARD

SEE MINUTE BOOK

- a) Children, Young People and Families
- b) Employment, Learning, Skills and Community

- c) Health
- d) Safer
- e) Environment and Urban Renewal
- f) Corporate Services
- g) Business Efficiency Board

11. COMMITTEE MINUTES

- a) Development Control
- b) Regulatory

12. NOTICE OF MOTION

SEE MINUTE
BOOK

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REPORT TO: Executive Board

DATE: 17 November 2016

REPORTING OFFICER: Operational Director, Finance

PORTFOLIO: Resources

SUBJECT: Determination of Council Tax Base 2017/18

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

- 1.1 The Council is required to determine annually the Council Tax Base for its area and also the Council Tax Base for each of the Parishes.
- 1.2 The Council is required to notify the Council Tax Base figure to the Cheshire Fire Authority, the Cheshire Police & Crime Commissioner and the Environment Agency by 31st January 2017. The Council is also required to calculate and advise if requested, the Parish Councils of their relevant Council Tax Bases.

2.0 RECOMMENDED: That

- (1) **Council set the 2017/18 Council Tax Base at 33,818 for the Borough, and that the Cheshire Fire Authority, the Cheshire Police & Crime Commissioner, and the Environment Agency be so notified; and**
- (2) **Council set the Council Tax Base for each of the Parishes as follows:**

Parish	Tax Base
Hale	662
Halebank	522
Daresbury	174
Moore	328
Preston Brook	332
Sandymoor	1,020

3.0 SUPPORTING INFORMATION

- 3.1 The Council Tax Base is the measure used for calculating council tax and is used by both the billing authority (the Council) and the major precepting authorities (Cheshire Fire Authority and the Cheshire Police & Crime Commissioner), in the calculation of their council tax requirements.
- 3.2 The Council Tax Base figure is arrived at in accordance with a prescribed formula, and represents the estimated full year number of chargeable dwellings in the Borough, expressed in terms of the equivalent of Band 'D' dwellings.
- 3.3 The Council Tax Base is calculated using the number of dwellings included in the Valuation List, as provided by the Valuation Office Agency, as at 17th October 2016. Adjustments are then made to take into account the estimated number of discounts, voids, additions and demolitions during the period 17th October 2016 to 31st March 2017.
- 3.4 From 2013/14 onwards, the tax base calculation has included an element for the Council Tax Reduction Scheme (the replacement for Council Tax Benefit). The estimated amount of Council Tax Support payable for 2017/18 is converted into the equivalent number of whole properties which are deducted from the total. The reduced tax base will not result in an increase in Council Tax, as the Council's budget requirement will be reduced by payment of a grant in lieu of Council Tax Support.
- 3.5 An estimated percentage collection rate is then applied to the product of the above calculation, to arrive at the Council Tax Base for the year.
- 3.6 Taking account of all the relevant information and applying a 97.0% collection rate, the calculation for 2017/18 provides a tax base figure of **33,818** for the Borough as a whole.
- 3.7 Taking account of all the relevant information and applying a 97.0% collection rate, the appropriate Council Tax Base for each of the Parishes is as follows;

Parish	Tax Base
Hale	662
Halebank	522
Daresbury	174
Moore	328
Preston Brook	332
Sandymoor	1,020

4.0 POLICY IMPLICATIONS

4.1 None.

5.0 FINANCIAL IMPLICATIONS

5.1 The Council Tax Base will enable the Council to set the level of council tax to be charged for 2017/18.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

None.

6.2 Employment, Learning and Skills in Halton

None.

6.3 A Healthy Halton

None.

6.4 A Safer Halton

None.

6.5 Halton's Urban Renewal

None.

7.0 RISK ANALYSIS

7.1 There would be significant loss of income to the Council if the Council Tax Base were not agreed, as it would not be possible to set the level of council tax to be charged for 2017/18.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 None.

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

Document	Place of Inspection	Contact Officer
Working Papers	Kingsway House	

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REPORT TO: Council

DATE: 7 December 2016

REPORTING OFFICER: Operational Director – Finance

PORTFOLIO: Resources

SUBJECT: 2016/17 Revised Capital Programme

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To seek approval to a number of revisions to the Council's 2016/17 capital programme.

2.0 RECOMMENDED: That the revisions to the Council's 2016/17 Capital Programme set out in section 3 below, be approved.

3.0 SUPPORTING INFORMATION

3.1 On 17 November 2016 the Executive Board received a report of spending against the Council's revenue budget and capital programme as at 30 September 2016. A number of revisions to the 2016/17 capital programme were recommended for approval by Council as outlined below.

3.2 The Council's 2016/17 capital programme has been revised to reflect a number of changes in spending profiles and funding as schemes have developed. These are reflected in the revised capital programme presented in Appendix 1. The schemes which have been revised within the programme are as follows

1. Bridge & Highway Maintenance
2. Integrated Transport & Network Management
3. Crow Wood Park Play Area
4. The Glen Play Area
5. Mersey Gateway Construction Costs
6. Mersey Gateway Development Costs
7. Mersey Gateway Loan Interest During Construction
8. STEPS Programme
9. St Edwards Catholic Primary
10. School Modernisation Projects
11. Mersey Gateway Land Acquisition
12. Norton Priory
13. Bredon reconfiguration
14. Disabled Facilities Grant
15. Stairlifts (Adaptations Initiative)

16. RSL Adaptations (Joint Funding)

- 3.3 Subsequent to the Executive Board's consideration of the capital programme on 17 November 2016, an updated estimate of costs associated with infrastructure requirements for the 3MG project have been received. This indicates that costs will be up to £1.8m greater than originally estimated. Therefore, the capital programme shown in Appendix 1 has been revised to reflect these increased costs, which will be fully funded from capital receipts.

4.0 POLICY AND OTHER IMPLICATIONS

- 4.1 None.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

- 5.1 There are no direct implications; however, the capital programme supports the delivery and achievement of all the Council's priorities.

6.0 RISK ANALYSIS

- 6.1 There are a number of financial risks within the capital programme. However, the Council has internal controls and processes in place to ensure that spending remains in line with budget.
- 6.2 In preparing the 2016/17 budget and capital programme, a register of significant financial risks was prepared which has been updated as at 30 September 2016.

7.0 EQUALITY AND DIVERSITY ISSUES

- 7.1 None.

8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1072

- 8.1 There are no background papers under the meaning of the Act.

Capital Expenditure to 30 September 2016

Directorate/Department	Actual Expenditure to Date £'000	2016/17 Cumulative Capital Allocation			Capital Allocation 2017/18 £'000	Capital Allocation 2018/19 £'000
		Quarter 2 £'000	Quarter 3 £'000	Quarter 4 £'000		
Enterprise Community & Resources Directorate						
Community and Environment						
Stadium Minor Works	194	200	240	280	30	30
Leisure Centres Refurbishment	275	267	275	275	0	0
Widnes Recreation Site	51	60	156	156	0	0
Norton Priory	2,759	2,760	2,800	2,830	327	0
Norton Priory Biomass Boiler	0	0	0	107	0	0
Open Spaces Schemes	51	50	150	200	0	0
Children's Playground Equipment	1	0	30	65	91	65
Upton Improvements	0	0	0	13	0	0
The Glen Play Area	26	30	64	64	4	0
Runcorn Hill Park	118	120	200	210	150	75
Crow Wood Play Area	2	0	6	35	450	75
Runcorn Cemetery Extension	0	0	0	0	9	0
Peelhouse Lane Cemetery	1	0	100	105	1,000	293
Peelhouse Lane Cemetery – Enabling Works	35	35	43	46	0	0
Landfill Tax Credit Schemes	0	0	10	340	340	340
Litter Bins	11	10	20	20	20	20
ICT & Support Services						
ICT Rolling Programme	780	780	940	1,100	1,100	1,100

Directorate/Department	Actual Expenditure to Date £'000	2016/17 Cumulative Capital Allocation			Capital Allocation 2017/18 £'000	Capital Allocation 2018/19 £'000
		Quarter 2 £'000	Quarter 3 £'000	Quarter 4 £'000		
Economy, Enterprise & Property						
Castlefields Regeneration	14	14	60	179	0	0
3MG	249	249	1,370	4,609	0	0
Widnes Waterfront	0	0	0	0	1,000	0
Johnsons Lane Infrastructure	0	0	302	302	0	0
Decontamination of Land	0	0	0	6	0	0
SciTech Daresbury – Tech Space	7,845	8,000	8,000	10,953	0	0
Venture Fields	0	0	0	0	6,000	0
Former Crosville Site	808	1,000	1,800	2,618	0	0
Police Station Site	288	219	341	341	0	0
Travellers' Site Warrington Road	0	0	48	48	0	0
Signage at The Hive	0	0	95	100	0	0
Advertising Screen at The Hive	0	0	0	100	0	0
Widnes Town Centre Initiative	0	0	11	16	0	0
Widnes Market Refurbishment	30	0	918	1,052	370	10
Widnes Land Purchases	0	0	0	235	0	0
Equality Act Improvement Works	0	0	100	150	450	300
Mersey Gateway						
Land Acquisitions	919	919	9,256	9,319	2,241	3,863
Development Costs	980	980	1,647	2,650	2,649	0
Loan Interest During Construction	1,833	1,833	2,815	3,811	1,927	0
Construction Costs	0	0	35,000	70,000	32,500	0
Mersey Gateway Liquidity Fund	0	0	0	0	10,000	0

Directorate/Department	Actual Expenditure to Date £'000	2016/17 Cumulative Capital Allocation			Capital Allocation 2017/18 £'000	Capital Allocation 2018/19 £'000
		Quarter 2 £'000	Quarter 3 £'000	Quarter 4 £'000		
Other						
Risk Management	1	0	60	125	120	120
Fleet Replacements	370	350	2,010	2,959	624	556
Policy, Planning & Transportation						
Bridge & Highway Maintenance	465	470	2,200	3,433	3,231	1,546
Integrated Transport & Network Management	68	70	400	736	908	0
Street Lighting – Structural Maintenance & Upgrades	282	280	600	2,751	1,700	200
STEPS Programme	5	5	5	670	0	0
S106 Schemes	0	0	125	256	0	0
Peelhouse Lane Cemetery - Highways	0	0	0	101	0	0
Hale Road Bus Priority Route	0	0	75	150	0	0
Total Enterprise Community & Resources	18,461	18,701	72,272	123,516	67,241	8,593

Directorate/Department	Actual Expenditure to Date £'000	2016/17 Cumulative Capital Allocation			Capital Allocation 2017/18 £'000	Capital Allocation 2018/19 £'000
		Quarter 2 £'000	Quarter 3 £'000	Quarter 4 £'000		
People Directorate						
Commissioning & Complex Care						
ALD Bungalows	0	0	200	299	100	0
Grangeway Court	193	200	343	343	0	0
Community Capacity Grant	0	0	0	57	0	0
Bredon reconfiguration	7	7	180	356	0	0
Complex Pool						
Disabled Facilities Grant	190	315	400	635	0	0
Stairlifts (Adaptations Initiative)	164	125	135	250	0	0
RSL Adaptations (Joint Funding)	96	100	150	200	0	0
Madeline McKenna Residential Home	0	0	450	450	0	0
Prevention & Assessment						
Community Meals Oven	0	0	0	10	0	0
Lifeline Telecare Upgrade	45	50	75	100	0	0
Public Health & Public Protection						
Halton Recovery & Wellbeing Hub	45	45	45	45	0	0

Directorate/Department	Actual Expenditure to Date £'000	2016/17 Cumulative Capital Allocation			Capital Allocation 2017/18 £'000	Capital Allocation 2018/19 £'000
		Quarter 2 £'000	Quarter 3 £'000	Quarter 4 £'000		
Schools Related						
Asset Management Data	1	1	3	7	0	0
Fire Compartmentation	25	25	37	37	2	0
Capital Repairs	432	432	600	735	0	0
Asbestos Management	4	4	10	20	0	0
Schools Access Initiative	40	40	70	80	0	0
Education Programme (General)	25	25	50	110	0	0
Basic Need Projects	0	0	0	848	71	0
School Modernisation Projects	59	59	400	490	16	0
Early Education for 2 Year Olds	30	30	45	52	0	0
Universal Infant School Meals	0	0	0	2	0	0
Halebank	20	20	20	20	0	0
St Edwards Catholic Primary	32	32	32	32	0	0
Hale Primary	97	97	108	118	0	0
Fairfield Primary School	740	740	900	1,194	841	0
Weston Point Primary	0	0	0	45	0	0
Total People Directorate	2,245	2,347	4,253	6,535	1,030	0
TOTAL CAPITAL PROGRAMME	20,706	21,048	76,525	130,051	68,271	8,593
Slippage (20%)				-12,010	-5,154	-1,719
					12,010	5,154
TOTAL	20,706	21,048	76,525	118,041	75,127	12,028

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REPORT TO: Executive Board

DATE: 17 November 2016

REPORTING OFFICER: Operational Director – Finance

PORTFOLIO: Resources

SUBJECT: Initial Budget Proposals 2017/18

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To recommend to Council initial revenue budget proposals for 2017/18.

2.0 RECOMMENDED: That Council approve the initial budget proposals for 2017/18 set out in Appendix 1.

3.0 SUPPORTING INFORMATION

3.1 The Medium Term Financial Strategy (MTFS) forecasts potential revenue budget funding gaps for the Council which total nearly £33m over the next three years, assuming no increase in council tax.

3.2 Budget saving proposals for 2017/18 are currently being developed by the Budget Working Group.

3.3 The first set of these proposals totalling £7.9m is listed in Appendix 1. It is proposed to implement these immediately in order to also achieve a part-year saving in 2016/17, which will assist in keeping the Council's overall spending in line with budget. In addition, a number of the proposals will take time to implement and therefore commencing the process as soon as possible will assist with ensuring they are fully implemented by 1st April 2017.

3.4 Appendix 1 includes an indication of whether each saving proposal is permanent, temporary (one-off), or semi-permanent (subject to future year's funding allocations). It also presents the impact in 2018/19 of certain of the savings proposals.

3.5 The Government will announce its Grant Settlement for Local Government in late December. However, in announcing the 2016/17 Grant Settlement the Government provided indicative figures for 2017/18 to 2019/20 upon which the MTFS has been based.

3.6 The Council has also accepted the Government's four-year grant settlement offer, which should ensure that the Council will receive no less than the indicative grant figures for each year. Therefore, it is not expected that the forecast budget gap of £33m will change significantly.

- 3.7 A second set of budget saving proposals is currently being developed by the Budget Working Group, which will be recommended to Council on 8 March 2017 to deliver a balanced budget for 2017/18.

4.0 POLICY AND OTHER IMPLICATIONS

- 4.1 The revenue budget supports the Council in achieving the aims and objectives set out in the Community Strategy for Halton and the Council's Corporate Plan.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

- 5.1 The revenue budget supports the delivery and achievement of all the Council's priorities. The budget proposals listed in Appendix 1 have been prepared in consideration of all the Council's priorities.

6.0 RISK ANALYSIS

- 6.1 Failure to set a balanced budget would put the Council in breach of statutory requirements. The budget is prepared in accordance with detailed guidance and a timetable, to ensure statutory requirements are met and a balanced budget is prepared which aligns resources with corporate objectives.

- 6.2 The Council has accepted the Government's four-year grant settlement offer, which should ensure that the Council will receive no less than the indicative grant figures for each year up to 2019/20.

7.0 EQUALITY AND DIVERSITY ISSUES

- 7.1 None.

8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1072

- 8.1 There are no background papers under the meaning of the Act.

APPENDIX 1

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM SEMI-P TEMP (P/S/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2017/18 £'000	2018/19 £'000		
ENTERPRISE, COMMUNITY & RESOURCES DIRECTORATE – COMMUNITY & ENVIRONMENT DEPARTMENT							
INCOME GENERATION OPPORTUNITIES							
1	Waste Management Div	Achieve service efficiencies and increase income within Community Centres.	371	60	0	P	D
2	Open Spaces Div	Increase the recharge of Landscape Architecture time to the relevant capital projects, to ensure full cost recovery.	53	70	0	P	D
3	Open Spaces Div	Employ one additional Landscape Architect on a two year fixed term contract, to bid for additional external work as an invest-to-save measure. It is estimated that this will deliver £50,000 of additional income over and above the extra staffing costs.	142	50	0	P	D
4	Open Spaces Div	Increase the charge for Cremations by £50 (8%) from £650 to £700 to ensure full cost recovery.	374	30	0	P	D
5	Open Spaces Div	Increase the charge for burials by £50 (7%) from £700 to £750 to ensure full cost recovery.	356	16	0	P	D
6	Open Spaces Div	Increase allotment fees by 5% above inflation.	30	2	0	P	D

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM SEMI-P TEMP (P/S/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2017/18 £'000	2018/19 £'000		
7	Open Spaces Div	Increased income generation by Registration Services via various charges.	173	25	0	P	D
8	Open Spaces Div	Target to continue to increase income via various revenue streams and reduce costs via efficiencies at The Brindley.	1,249	150	0	P	D
9	Open Spaces Div	Additional income from reviewing charges for park kiosks and concessions.	66	30	0	P	D
10	Catering & Stadium Div/	Increase income generated by the School Meals Service via various means including; review procurement arrangements for high volume food lines; above inflation increase in charges for foods high in sugar/fat; review of charges for other catering services.	1,500	125	0	P	D
SHARED / COLLABORATIVE SERVICES							
11	Community Safety Div	Contributions from other councils towards Community Safety management costs for services provided.	N/A	25	0	P	D
EFFICIENCY OPPORTUNITIES							
12	Waste Management Div	Restructuring of the Environment Enforcement Team to enable a vacant post to be removed.	173	35	0	P	D
13	Waste Management Div	Review of the Community Development Team structure, subject to consultation with staff and Trades Unions.	163	30	0	P	D

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM SEMI-P TEMP (P/S/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2017/18 £'000	2018/19 £'000		
14	Waste Management Div	Roll out of the Food Waste Collection Service, which is being overseen by the Waste Topic Group.	N/A	10	TBC	P	D
15	Waste Management Div	Conduct a review of operational changes introduced within Waste Management during 2015/16, to establish whether further budget savings can be achieved.	N/A	10	0	P	D
16	Open Spaces Div	Review of the Arts Development structure with deletion of the remaining vacant post and retain scope to buy-in arts support as required in order to maintain the Arts Development Service.	33	20	0	P	D
17	Catering & Stadium Div	Review of Library Services in order to make further efficiency savings.	1,366	100	0	P	D
18	Catering & Stadium Div	Continued efficiency savings and income generation from Leisure Centres	1,019	350	0	P	D
TOTAL PERMANENT				1,138	0		
TOTAL SEMI PERMANENT				0	0		
TOTAL TEMPORARY (ONE-OFF)				0	0		
GRAND TOTAL				1,138	0		

	DIVISION /	DESCRIPTION OF PROPOSAL	TOTAL BUDGET	ESTIMATED BUDGET SAVING	PERM SEMI-P	MANDATORY OR DISCRETIONARY
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	SERVICE AREA		£'000	2017/18 £'000	2018/19 £'000	TEMP (P/S/T)	SERVICE AFFECTED (M / D)
ENTERPRISE, COMMUNITY & RESOURCES DIRECTORATE – FINANCE DEPARTMENT							
INCOME GENERATION OPPORTUNITIES							
19	Audit & Operational Finance Division	Additional income from increasing the charges to clients for the provision of the Appointeeship Scheme from £7 to £8 per week for 2017/18 and £9 per week for 2018/19. The new charges will still remain comparable with those of other North West councils.	93	13	13	P	D
20	Audit & Operational Finance Division	Increase in rebate income target from the Early Payment Scheme, whereby suppliers provide the Council with a discount for being paid within an agreed number of days.	35	5	5	P	D
21	Audit & Operational Finance Division	Increase in the income target for recovery of uncleared credit notes from the periodic review of suppliers' accounts.	10	5	5	P	D
22	Revenues & Benefits Div/ Business Rates	Income not currently budgeted for from existing charges for billing and collection of business rates on behalf of the Business Improvement Districts (BIDS).	0	10	0	P	D
23	Revenues & Benefits Div/ Council Tax	Cease to provide discretionary council tax discounts in the following circumstances;					
		(i) Unoccupied and unfurnished properties for up to 22 weeks.	215	215	0	P	D
		(ii) Properties undergoing or requiring major repair or structural alterations which render them uninhabitable for up to 12 months.	41	41	0	P	D
PROCUREMENT OPPORTUNITIES							

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM SEMI-P TEMP (P/S/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2017/18 £'000	2018/19 £'000		
24	Audit & Operational Finance Division	Reduction in insurance premiums from; (i) restructuring and re-procurement of property and motor vehicle insurance cover during 2016/17. (ii) increasing the level of deductible (excess) on employer's liability and public liability policies from £250,000 to £500,000 per claim.	300 252	150 35	0 0	P P	D M
EFFICIENCY OPPORTUNITIES							
25	Procurement Division	Deletion of two vacant HBC5 Procurement Contract Officer posts.	58	58	0	P	D
26	Financial Management Division	Permanent reduction in hours for two members of staff within the Financial Management Division, where it is considered this can be accommodated within workloads.	1,224	9	0	P	D
27	Financial Management Division	Reduction in two subscriptions for technical finance advice and support provided by Cipfa (Finance Advisory Network and Information Streaming Service).	18	8	0	P	D
28	Revenues & Benefits Div/ Housing Benefits	Deletion of two vacant HBC2/4 Housing Benefit Officer posts.	948	38	0	P	D
29	Revenues & Benefits Div/ Discretionary	Deletion of a vacant HBC4 post within the Discretionary Support Team.	302	23	0	P	D

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM SEMI-P TEMP (P/S/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2017/18 £'000	2018/19 £'000		
	Support Scheme						
OTHER BUDGET SAVINGS							
30	Audit & Operational Finance Division	Deletion of a general computer expenditure budget which is no longer required.	8	8	0	P	D
TOTAL PERMANENT				618	23		
TOTAL SEMI PERMANENT				0	0		
TOTAL TEMPORARY (ONE-OFF)				0	0		
GRAND TOTAL				618	23		

	DIVISION /	DESCRIPTION OF PROPOSAL	TOTAL BUDGET	ESTIMATED BUDGET SAVING	PERM SEMI-P	MANDATORY OR DISCRETIONARY
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	SERVICE AREA		£'000	2017/18 £'000	2018/19 £'000	TEMP (P/S/T)	SERVICE AFFECTED (M / D)
ENTERPRISE, COMMUNITY & RESOURCES DIRECTORATE – ICT & SUPPORT SERVICES DEPARTMENT							
EFFICIENCY OPPORTUNITIES							
31	ICT Services	Review of the ICT Services staffing structure, subject to consultation with staff and Trades Unions.	2,282	128	75	P	D
32	Support Services Division	Review of the Support Services Division staffing structure, subject to consultation with staff and Trades Unions.	3,440	207	75	P	D
33	ICT Services	Reduction in the ICT Maintenance budget to realign budget with actual costs.	395	91	50	P	D
34	Support Services Division	Reduction in various supplies and services budgets.	706	60	50	P	D
TOTAL PERMANENT				486	250		
TOTAL SEMI-PERMANENT				0	0		
TOTAL TEMPORARY (ONE-OFF)				0	0		
GRAND TOTAL				486	250		

	DIVISION /	DESCRIPTION OF PROPOSAL	TOTAL BUDGET	ESTIMATED BUDGET SAVING	PERM SEMI-P	MANDATORY OR DISCRETIONARY
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	SERVICE AREA		£'000	2017/18 £'000	2018/19 £'000	TEMP (P/S/T)	SERVICE AFFECTED (M / D)
ENTERPRISE, COMMUNITY & RESOURCES DIRECTORATE – LEGAL & DEMOCRATIC SERVICES DEPARTMENT							
INCOME GENERATION OPPORTUNITIES							
35	Legal Services	Increase the income generated from School SLAs to reflect agreements already in place.	66	13	0	P	D
EFFICIENCY OPPORTUNITIES							
36	Marketing & Communication	Reduce newly consolidated council advertising budget by 15% on the basis of previous year underspend.	189	28	0	P	D
37	Legal & Democratic Dept	Reductions in supplies and services and various other budgets across the Department.	74	54	0	P	D
38	Customer Intelligence Unit	Undertake remaining website maintenance and analytics in-house.	14	10	0	P	D
TOTAL PERMANENT				105	0		
TOTAL SEMI PERMANENT				0	0		
TOTAL TEMPORARY (ONE-OFF)				0	0		
GRAND TOTAL				105	0		

	DIVISION /	DESCRIPTION OF PROPOSAL	TOTAL BUDGET	ESTIMATED BUDGET SAVING	PERM SEMI-P	MANDATORY OR DISCRETIONARY
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	SERVICE AREA		£'000	2017/18 £'000	2018/19 £'000	TEMP (P/S/T)	SERVICE AFFECTED (M / D)
ENTERPRISE, COMMUNITY & RESOURCES DIRECTORATE – POLICY, PLANNING & TRANSPORTATION DEPARTMENT							
INCOME GENERATION OPPORTUNITIES							
39	Traffic Div	Increase charge for pavement licences and skip permits above inflation.	3	3	0	P	D
40	Traffic Div	Additional income generated from issuing streetworks permit charges.	250	25	25	P	M
41	Planning & Development Div	Additional income generation from increase pre-application Planning fees.	26	10	0	P	D
42	Highways Div	Additional income generation from increases in S278 and S38 statutory Highways supervision fees charged to developers.	85	10	0	P	M
EFFICIENCY OPPORTUNITIES							
43	Planning and Development Div	Deletion of a vacant HBC7 Assistant Contaminated Land Officer post.	38	38	0	P	M
44	Highways Div	Decommissioning of Churngold Groundwater equipment at Marzahn Way	25	25	0	P	M
OTHER BUDGET SAVINGS							

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM SEMI-P TEMP (P/S/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2017/18 £'000	2018/19 £'000		
45	Traffic Div	Street lighting – reduction in maintenance and energy costs following the introduction of LED lanterns.	1,281	240	0	P	D
46	Risk Management	Reduction in various supplies and services budgets.	26	5	0	P	D
47	Traffic Div	Time expired one-off excess income for external street lighting works.	100	100	-100	T	D
48	PP&T Dept/ Traffic	Deletion of remaining budget for Silver Jubilee Bridge architectural floodlighting.	7	7	0	P	D
49	Transport Co-ordination	Deletion of a vacant HBC5 Assistant Transport Officer post.	28	28	0	P	D
50	Transport Co-ordination	Cease route planning software maintenance charges currently paid to external provider and undertake in-house.	5	5	0	P	D
51	Transport Co-ordination/ Bus Support	Reduction in bus subsidy, subject to consultation.	495	50	0	P	D
52	Fleet Management & Maintenance Div	Reduction in vehicle maintenance budget.	160	32	0	P	M
53	Fleet Management & Maintenance Div	Reduction of one Community Meals vehicle	25	5	0	P	D

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM SEMI-P TEMP (P/S/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2017/18 £'000	2018/19 £'000		
54	Lowerhouse Lane Depot	Reduction in Depot utility budget currently underspending.	89	18	0	P	M
55	Highways Div	Continued, permitted use of lapsed computer software licences. The licences will need to be renewed at some point in order to update software, hence temporary saving for two years.	31	31	-31	T	M
56	Highways Div	Appointment of an apprentice to be trained with the intention of filling a currently vacant permanent post after two years.	23	11	-5	T	M
57	Highways Div	Reduction in reactive and routine maintenance of the Highway network.	1,354	25	-25	T	M
TOTAL PERMANENT				501	25		
TOTAL SEMI PERMANENT				0	0		
TOTAL TEMPORARY (ONE-OFF)				167	-161		
GRAND TOTAL				668	-136		
	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM SEMI-P TEMP (P/S/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2017/18 £'000	2018/19 £'000		

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM SEMI-P TEMP (P/S/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2017/18 £'000	2018/19 £'000		
ENTERPRISE, COMMUNITY & RESOURCES DIRECTORATE – POLICY, PEOPLE, PERFORMANCE & EFFICIENCY DIVISION							
EFFICIENCY OPPORTUNITIES							
58	Policy, People, Performance & Efficiency Division	Review of the Human Resources service around new processes and service standards (recruitment, employment contract management, transactional pay), subject to consultation with staff and Trades Unions.	1,972	112	0	P	D
TOTAL PERMANENT				112	0		
TOTAL SEMI PERMANENT				0	0		
TOTAL TEMPORARY (ONE-OFF)				0	0		
GRAND TOTAL				112	0		

	DIVISION /	DESCRIPTION OF PROPOSAL	TOTAL BUDGET	ESTIMATED BUDGET SAVING	PERM SEMI-P	MANDATORY OR DISCRETIONARY
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	SERVICE AREA		£'000	2017/18 £'000	2018/19 £'000	TEMP (P/S/T)	SERVICE AFFECTED (M / D)
ENTERPRISE, COMMUNITY & RESOURCES DIRECTORATE – ECONOMY, ENTERPRISE & PROPERTY DEPARTMENT							
INCOME GENERATION OPPORTUNITIES							
59	Economy Enterprise & Property	Increased rental income for investment properties.	110	6	0	P	D
60	Economy Enterprise & Property	Increased rental income for out-door market.	578	10	0	P	D
61	Economy Enterprise & Property	Increased service charge income from Department of Health for Rutland House.	40	5	0	P	D
62	Economy Enterprise & Property	Increased rental income for Municipal Building from increasing charges for rooftop phone masts.	30	5	0	P	D
63	Economy Enterprise & Property	Increased rental income for Rutland House due to new tenants.	73	75	0	P	D
64	Economy Enterprise & Property	Contribution towards Employment Learning & Skills overheads by charging a fee against the European Funding "Ways to Work" Programme (for 17/18 & 18/19).	0	40	-40	T	D

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM SEMI-P TEMP (P/S/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2017/18 £'000	2018/19 £'000		
EFFICIENCY OPPORTUNITIES							
65	Economy Enterprise & Property	Remove core funding that is currently being used as match funding for the LCR Integrated Business Support Programme and utilise European Programme reserve instead.	65	65	0	P	D
66	Economy Enterprise & Property	Reduce the External Funding Team's contracted services budget.	10	5	0	P	D
67	Economy Enterprise & Property	Reduce the Asset Management Team's contracted services budget which is used to commission specific pieces of work.	55	20	0	P	D
68	Economy Enterprise & Property	Reduce the budget for Christmas lights in line with actual costs.	46	6	0	P	D
69	Economy Enterprise & Property	Reduce the budget for the P2 Property computer software licence to reflect actual cost.	29	2	0	p	D
70	Economy Enterprise & Property	Reduce the premises utility budgets for Kingsway House and Runcorn Town Hall to reflect actual costs.	520	12	0	P	D

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM SEMI-P TEMP (P/S/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2017/18 £'000	2018/19 £'000		
71	Economy Enterprise & Property	Reduce the budget required for security, through having centralised Councilwide budgets enabling them to be managed more effectively.	517	30	0	p	D
72	Economy Enterprise & Property	Reduce the property repairs and maintenance budget, to reflect the rationalisation of the Council's property portfolio and prioritisation of works.	2,181	100	0	P	D
TOTAL PERMANENT				341	0		
TOTAL SEMI PERMANENT				0	0		
TOTAL TEMPORARY (ONE-OFF)				40	-40		
GRAND TOTAL				381	-40		

	DIVISION /	DESCRIPTION OF PROPOSAL	TOTAL BUDGET	ESTIMATED BUDGET SAVING	PERM SEMI-P	MANDATORY OR DISCRETIONARY
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	SERVICE AREA		£'000	2017/18 £'000	2018/19 £'000	TEMP (P/S/T)	SERVICE AFFECTED (M / D)
PEOPLE DIRECTORATE – ADULT SOCIAL CARE							
SHARED / COLLABORATIVE SERVICES							
73	Adult Social Care (Commissioning and Complex)	Contribution from Sefton Borough Council towards the cost of the shared post (2 days per week) of Divisional Manager, Mental Health, for which the arrangement is renegotiated annually.	84	35	0	S	D
EFFICIENCY OPPORTUNITIES							
74	Adult Social Care	Mental Health team – increased focus upon avoiding the use of agency staff and thereby the deletion of the agency staffing budget.	34	34	0	P	M
75	Adult Social Care	Efficiency savings target to be set for the Complex Care Pooled Budget, with a total target of £1.6m of which 50% will relate to Halton CCG. The potential to continue to deliver these efficiencies in future years will be dependent upon annual Better Care Fund allocations.	18,692	800	-800	T	M/D
76	Adult Social Care	Redesign the Supported Housing Service in order to achieve efficiencies.	3,148	300	0	P	D
77	Adult Social Care	Introduce mobile working within the Care Management Division in order to improve efficiencies.	20	20	0	P	M

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM SEMI-P TEMP (P/S/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2017/18 £'000	2018/19 £'000		
78	Adult Social Care	Improve efficiency of the Night Service within Halton Supported Housing Network by use of telecare.	1,744	50	0	P	M
79	Adult Social Care	Review of the Hospital Discharge service staffing structure with the deletion of a vacant Principal Manager Post, subject to consultation with staff and Trades Unions.	300	57	0	P	M
80	Adult Social Care	Review of the Sure Start to Later Life service staffing structure with the deletion of a vacant Principal Manager Post, subject to consultation with staff and Trades Unions.	145	57	0	P	D
OTHER BUDGET SAVINGS							
81	Adult Social Care	Utilise one-off funding to protect Adult Social Care eligibility at "moderate" needs level. This may be possible to continue over the next couple of years.	2,980	1,000	0	S	M
82	Adult Social Care	One-off use of the accumulated Supporting People underspend.	300	300	-300	T	D
83	Adult Social Care	One-off use of unspent Care Act contingency funding.	481	481	-481	T	M
84	Adult Social Care	Secondment of the Divisional Manager, Commissioning to a role covering the Liverpool City Region and funded by the LCR ADASS.	76	76	0	S	M/D

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM SEMI-P TEMP (P/S/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2017/18 £'000	2018/19 £'000		
TOTAL PERMANENT				518	0		
TOTAL SEMI-PERMANENT				1,111	0		
TOTAL TEMPORARY (ONE-OFF)				1,581	-1,581		
GRAND TOTAL				3,210	-1,581		

	DIVISION /	DESCRIPTION OF PROPOSAL	TOTAL BUDGET	ESTIMATED BUDGET SAVING	PERM SEMI-P	MANDATORY OR DISCRETIONARY
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	SERVICE AREA		£'000	2017/18 £'000	2018/19 £'000	TEMP (P/S/T)	SERVICE AFFECTED (M / D)
PEOPLE DIRECTORATE – EDUCATION INCLUSION & PROVISION DEPARTMENT							
EFFICIENCY OPPORTUNITIES							
85	Policy, Provision & Performance	Deletion of a vacant HBC9 Principal Policy Officer post.	273	48	0	P	D
86	Policy, Provision & Performance	Reduction in the budget for commissioning Engagement Workers, Coaches and Careers Advisors working with young people who are NEET or at risk of becoming NEET.	213	68	0	P	M/D
87	Policy, Provision & Performance	Deletion of a vacant 0.4fte Early Years Officer post.	245	15	0	P	D
88	Education	Reduction in the Early Years Consultant Teacher posts from 4 to 3, subject to consultation with staff and Trades Unions.	293	55	0	P	D
89	Education	Review of the School Improvement staffing structure, subject to consultation with staff and the Trades Unions.	93	77	0	P	D
90	Education	Reduce the resources available to train Newly Qualified Teachers.	50	25	0	P	D
91	Inclusion	Deletion of the vacant Portage Manager Post and reorganise Portage provision (educational home-visiting service for pre-school children with additional needs) including reduction in equipment budget.	122	46	0	P	D
92	Education	Remove the budget for commissioning additional SEN support for children with high needs, which schools will	35	35	0	P	D

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM SEMI-P TEMP (P/S/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2017/18 £'000	2018/19 £'000		
		manage from within their existing high needs funding.					
93	Education	Deletion of a vacant 0.5fte Education Welfare Officer post.	593	18	0	P	M/D
94	Education	Deletion of a vacant 0.6fte Behaviour and Attendance Officer post.	283	18	0	P	D
95	IYSS & Commissioning	Reduction in the commissioning budgets for Speech and Language (£60,000), CAB (£6,000) and Adult Learning (£18,000).	765	84	0	P	D
96	IYSS & Commissioning	Review of the Youth Offending staffing structure, subject to negotiations with staff and Trade Unions.	263	41	0	P	D
97	YSS & Commissioning	Reduction in the Contract Officer support provided as part of the shared Commissioning arrangements with Cheshire West and Chester Council.	195	16	0	P	D
98	Education, Inclusion & Provision	Reduction in the cost of on-going pre-1998 pension gratuity payments for school related staff.	528	4	4	P	D
TOTAL PERMANENT				551	0		
TOTAL SEMI PERMANENT				0	0		
TOTAL TEMPORARY (ONE-OFF)				0	0		
GRAND TOTAL				551	0		
	DIVISION /	DESCRIPTION OF PROPOSAL	TOTAL BUDGET	ESTIMATED BUDGET SAVING		PERM SEMI-P	MANDATORY OR DISCRETIONARY

	SERVICE AREA		£'000	2017/18 £'000	2018/19 £'000	TEMP (P/S/T)	SERVICE AFFECTED (M / D)
PEOPLE DIRECTORATE – PUBLIC PROTECTION DEPARTMENT							
EFFICIENCY OPPORTUNITIES							
99	Environmental Health Division	Restructuring of management arrangements and reductions in various operational budgets for the Environmental Health Division, without any impact upon service delivery, subject to consultation with staff and Trades Unions.	860	106	0	P	M/D
OTHER BUDGET SAVINGS							
100	Public Health	One-off contribution from the accumulated Public Health reserve.	800	522	-522	T	M/D
TOTAL PERMANENT				106	0		
TOTAL SEMI PERMANENT				0	0		
TOTAL TEMPORARY (ONE-OFF)				522	-522		
GRAND TOTAL				628	-522		

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REPORT TO: Business Efficiency Board

DATE: 23 November 2016

REPORTING OFFICER: Operational Director – Finance

SUBJECT: Procurement Strategy – External Auditor

PORTFOLIO: Resources

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

- 1.1. This report summarises the changes to the arrangements for appointing external auditors following the closure of the Audit Commission and the end of the transitional arrangements at the conclusion of the 2017/18 audits.
- 1.2. The Council will need to consider the options available and put in place an appropriate procurement strategy in time to make an appointment by 31 December 2017.

2.0 RECOMMENDATION: That Council be recommended to opt into the sector-led procurement of external auditors that will be undertaken by Public Sector Audit Appointments Limited (PSAA).

3.0 BACKGROUND

- 3.1 The Local Audit and Accountability Act 2014 abolished the Audit Commission and established transitional arrangements for the appointment of external auditors and the setting of audit fees for all local government and NHS bodies in England.
- 3.2 The Council's current external auditor is Grant Thornton, this appointment having been made under a contract let by the Audit Commission. Following closure of the Audit Commission the contract is managed by PSAA. The PSAA is an independent, not-for-profit company limited by guarantee, established by the Local Government Association.
- 3.3 The transitional arrangements for the Council's external audit will expire at the end of the 2017/18 accounts. The Council will then assume responsibility for the local appointment of its auditor. Alternatively, the Council can opt into arrangements to have the external auditor appointed on its behalf.
- 3.4 The scope of the audit will still be specified nationally. The National Audit Office (NAO) is responsible for writing the Code of Audit Practice, which all firms appointed to carry out the Council's audit must follow. Not all accounting firms will be eligible to compete for the work, as they will need to demonstrate that they have the required skills and experience and be registered with a Registered Supervising Body approved by the Financial Reporting Council.

4.0 OPTIONS FOR THE LOCAL APPOINTMENT OF EXTERNAL AUDITORS

4.1 There are three broad options open to the Council under the Local Audit and Accountability Act 2014:

Option 1 - To make a stand-alone appointment

4.2. In order to make a stand-alone appointment the Council would need to set up an Auditor Panel. The members of the panel must be wholly or a majority independent members as defined by the Act. Independent members for this purpose are independent appointees excluding current and former elected members (or officers) and their close families and friends. The panel must also be chaired by an independent member. This means that elected members would have limited input to assessing bids and selecting the auditor.

Advantage/benefit

- Setting up an Auditor Panel allows elected members to have some input to the appointment decision.

Disadvantages/risks

- Recruitment and servicing of the Auditor Panel, running the bidding exercise and negotiating the contract is estimated by the LGA to cost in the order of £15,000 plus ongoing expenses and allowances
- The Council would not be able to take advantage of the economies of scale available through joint or national procurement contracts, which would be likely to result in lower fees.
- The assessment of bids and the decision on awarding contracts will be taken by independent appointees and not solely by elected members.

Option 2 - Set up a Joint Auditor Panel/local joint procurement arrangements

4.3. The Act also enables the Council to join with other authorities to establish a joint Auditor Panel. Again this would need to be constituted of wholly or a majority of independent appointees. The Council would also need to liaise with other local authorities to assess the appetite for such an arrangement.

Advantages/benefits

- The costs of setting up the Auditor Panel, running the bidding exercise and negotiating the contract could be shared across a number of authorities.
- There is greater opportunity for achieving lower fees by being able to offer a larger combined contract value.

Disadvantages/risks

- The decision making body will be further removed with less potential for input from elected members.

- There may also be increased risk of independence issues arising where an auditor has recently, or is currently, carrying out work for one of the participating organisations. This would prevent the audit firm from being eligible to act as auditor for that organisation and would necessitate that organisation having to make a separate appointment.

Option 3 – Opt into a sector-led procurement arrangement

- 4.4. Public Sector Audit Appointments Limited (PSAA) has been specified as an appointing person under the provisions of the Local Audit and Accountability Act 2014 (the 2014 Act) and the Local Audit (Appointing Person) Regulations 2015. This means that PSAA will make auditor appointments to relevant principal local government bodies that choose to opt into the national appointment arrangements being developed. Opted-in arrangements will be for a compulsory specified period, currently indicated to be for three or five years.

Advantages/benefits

- The costs of setting up the appointment arrangements and negotiating fees would be shared across all opt-in authorities.
- A sector-led approach allows for the negotiation of contracts with the audit firms on a national basis thereby providing the most economic and efficient approach to procurement. By offering large contract values the firms are likely to be able to offer lower fees.
- Any conflicts at individual authorities would be managed by the PSAA who would have a number of contracted firms to call upon.
- The PSAA would act in the collective interests of all the 'opt-in' authorities.

Disadvantages/risks

- Elected members will have less opportunity for direct involvement in the appointment process other than through the PSAA and/or stakeholder representative groups. However, the PSAA will consult an individual authority about any proposed auditor appointment.
- The success of a sector-led approach would be dependent on the level of uptake. It is however understood that around 270 councils and local bodies have expressed an interest in joining the national scheme which the PSAA is developing.

5.0 THE WAY FORWARD

- 5.1 The Council has until December 2017 to make an appointment. In practical terms this means one of the options outlined in this report will need to be in place by spring 2017 in order that the contract negotiation process can be carried out during 2017.
- 5.2 The date by which principal local government bodies will need to opt into the appointing person arrangement is not yet finalised. The PSAA aims to award contracts to audit firms by June 2017, giving six months to consult on appointments

with authorities before the 31 December 2017 deadline. PSAA anticipate that invitations to opt in will be issued before December 2016.

- 5.3 The PSAA option offers economic benefits from a far larger procurement exercise and reduced procurement and management overheads. It is expected that these advantages would outweigh any potential benefits arising from increased engagement in the process by establishing an Auditor Panel.

6.0 FINANCIAL IMPLICATIONS

- 6.1 Current external audit fee levels are likely to increase when the current contracts end in 2018. The Council's external audit fee for the audit of the 2015/16 financial statements was £112,752.
- 6.2 Establishing a local or joint Auditor Panel outlined in options 1 and 2 would incur additional costs. These costs would include the cost of recruiting independent appointees, servicing the panel, running a bidding and tender evaluation process, letting the contract, and paying members' fees and allowances.
- 6.3 Opting into the PSAA sector led approach provides maximum opportunity to limit the extent of any increases by entering into a large scale collective procurement arrangement. It would also remove the costs associated with establishing and maintaining an Auditor Panel.

7.0 LEGAL IMPLICATIONS

- 7.1 Section 7 of the Local Audit and Accountability Act 2014 (the Act) requires a relevant authority to appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding year. Section 8 governs the procedure for appointment, including that the authority must consult and take account of the advice of its Auditor Panel on the selection and appointment of a local auditor. Section 8 provides that where a relevant authority is a local authority operating executive arrangements, the function of appointing a local auditor to audit its accounts is not the responsibility of an executive of the authority under those arrangements.
- 7.2 The Local Audit (Appointing Person) Regulations 2015 require that a principal authority may only make the decision to opt into the appointing person arrangement by the members of the authority meeting as a whole.
- 7.3 If the Board determines to recommend that the Council opts into the PSAA sector-led arrangement formal approval must be sought from full Council.

8.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

8.1 Children and Young People in Halton

There are no specific implications for any of the Council's priorities.

8.2 Employment, Learning and Skills in Halton

See 8.1

8.3 A Healthy Halton

See 8.1

8.4 A Safer Halton

See 8.1

8.5 Halton's Urban Renewal

See 8.1

9.0 RISK ANALYSIS

9.1 The appointment of a robust external auditor is an important decision as high quality, independent audit is one of the cornerstones of public accountability, providing assurance that taxpayers' money has been well managed and properly expended. It also inspires trust and confidence in the organisations and people responsible for managing public money

9.2 Early consideration by the Council of its preferred approach will enable detailed planning to take place so as to achieve successful transition to the new arrangement in a timely and efficient manner.

9.3 The recommended option is that the Council opts into the sector led procurement to be undertaken by PSAA. Risk in regard to the appointment of the auditor is to be managed by PSAA only contracting with firms that have a proven track record in undertaking public audit work.

10.0 EQUALITY AND DIVERSITY ISSUES

None

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

None

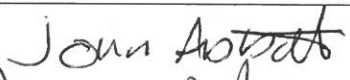
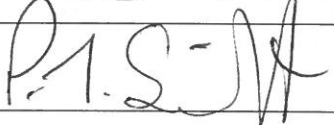
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NOTICE OF MOTION

To be submitted to the meeting of Full Council to be held on:

7th December 2016

in accordance with Standing Order Number 6.

	Name (in capitals)	Signature
Proposer:	Cllr John Abbott	
Seconder:	Cllr Pauline Sinnott	

Title: SUPPORT FOR WOMEN AGAINST STATE PENSION INEQUALITY

Motion

Council supports the campaign known as Women Against State Pension Inequality (WASPI). It is the view of Council that changes to the state pension age will place many women in Halton at a disadvantage, forcing them to work in some cases many years later than had been expected with little prior notice.

Council resolves that it:

1. Supports equalisation of the pension age but the short notice of change and speed of the implementation is likely to have very serious consequences for women in Halton, who had previously planned for an earlier retirement date.
2. Supports the aim of WASPI that there should be a fair transition towards equal pension ages, with arrangements being put in place by the government to help those affected by this change, including suitable changes to compensate women.
3. Writes to the Secretary of State at the Department of Work and Pensions to express its concern at the unfair implementation of this change in pension rights.

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