

Public Document Pack



Executive Board Sub Committee

Friday, 15 July 2011 12.00 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. DECLARATION 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, with personal and prejudicial interests (subject to certain exceptions in the Code of Conduct for Members), to leave the meeting prior to discussion and voting on the item.	
3. ENVIRONMENTAL SUSTAINABILITY	
(A) HALTON BC ENVIRONMENTAL HEALTH AIR QUALITY MONITORING CONTRACT WITH INEOS CHLOR LTD.	1 - 4

*Please contact Gill Ferguson on 0151 471 7395 or e-mail gill.ferguson@halton.gov.uk for further information.
The next meeting of the Committee is on Thursday, 8 September 2011*

Item	Page No
4. NEIGHBOURHOOD, LEISURE AND SPORT PORTFOLIO	
(A) ADDITIONAL WORK AT FORMER KINGSWAY HEALTH CENTRE (CRMZ)	5 - 7
(B) DEMOLITION OF THE QUEENS HALL WIDNES	8 - 10
5. CHILDREN YOUNG PEOPLE AND FAMILIES	
(A) TERM MAINTENANCE CONTRACTS	11 - 13
6. TRANSPORT PORTFOLIO	
(A) MARKETS - WAIVER OF STANDING ORDERS	14 - 17
(B) EXTENSION OF TERM CONTRACT FOR HIGHWAY IMPROVEMENT SCHEMES - SECOND YEAR	18 - 21
7. RESOURCES PORTFOLIO	
(A) 2010/11 FINANCIAL OUTTURN	22 - 28
8. HEALTH AND ADULTS PORTFOLIO	
(A) EXTENSION OF LOCAL INVOLVEMENT NETWORK (LINK) CONTRACT	29 - 33

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.

REPORT TO: Executive Board Sub Committee

DATE: 15 July 2011

REPORTING OFFICER: Strategic Director, Communities

SUBJECT: Halton BC Environmental Health Air Quality Monitoring Contract with INEOS Chlor Ltd.

WARD(S) Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 This report seeks to inform members of the proposal by INEOS Chlor Ltd to award their contract for the monitoring of air quality in Weston Point in relation to their development located in Weston Point, to Halton Borough Council's Environmental Health Department.

2.0 RECOMMENDATION

That Members of the Executive Board Sub Committee approve:

- i) the contract arrangement proposed by INEOS Chlor for Halton BC's Environmental Health to carry out air quality monitoring in Weston Point;**
- ii) the contractual arrangements which will be made with sub-contractors and Environmental Health.**

3.0 SUPPORTING INFORMATION

3.1 INEOS Chlor Ltd is currently constructing a plant that will use waste to generate steam and electricity. The development which is located within the INEOS site bordering Weston Point is due to start operating in 2012.

3.2 Environmental Health was approached by INEOS Chlor Ltd to undertake an air quality monitoring project within Weston Point. The aim of the project is to monitor dioxins, nitrogen dioxides and particulate matter, PM2.5 and PM10. Monitoring shall commence one year before the commissioning of the plant and two years after in order ascertain whether there is any significant impact on local air quality in Weston Point.

3.3 The requirement to monitor was imposed through a condition on the planning consent which was produced by the Secretary of State.

3.4 Enforcement of any air quality contraventions in relation to the permit granted to INEOS Chlor Ltd will be by the Environment Agency.

3.5 In order to fulfil the requirements of the contract, Environmental Health is planning to subcontract where it does not have the relevant technical expertise or specialised equipment. As part of the contract, Environmental Health will receive a fee from INEOS Chlor Ltd for the management of the project. Initial discussions have commenced with Legal Services and Procurement in order to prepare contracts and tenders. It is essential that monitoring begins a year before commissioning, as laid out in the planning conditions which will be regulated by Halton BC's Development Control Section. The intention is for monitoring to begin in September.

3.6 Environmental Health has already shared with the Environment Agency the details of the monitoring procedures and process planning and has received specialised technical advice and support. Environmental Health will continue to liaise with the Environment Agency in order to deliver a comprehensive monitoring programme for the area.

4.0 **POLICY IMPLICATIONS**

4.1 Both INEOS and the Environment Agency have recognised that local authorities are experts in the field of ambient air monitoring. INEOS have demonstrated their confidence in the Council's ability to plan and execute the project. The Environment Agency has confirmed that they are happy with our ability to appoint competent contractors and manage a project that has important public health implications for residents of Halton BC.

4.2 By undertaking this contract, the Council will be able to directly oversee the quality and progress of the monitoring process.

4.3 The Involvement of Environmental Health will mean that the project will benefit from the existing professional relationship between EH and the Environment Agency who have already committed time and energy to assisting us in preparing the best possible technical and scientific framework for the project.

5.0 **FINANCIAL IMPLICATIONS**

5.1 The contract with INEOS will be in the region of £130,000 (not yet finalised). Three sub-contracts will be awarded, none of which shall be in excess of £50,000 (still to be finalised) Environmental Health will receive approximately £2,500 per annum for the project management. The final figure will be dependent on the total cost of the 3 contracts.

6.0 **OTHER IMPLICATIONS**

6.1 Air pollution is a significant public health issue.

6.2 The public health implication of good atmospheric conditions is evident by the inclusion in the Department of Health's *Healthy Lives, Healthy People: Proposals for a Public Health Outcomes Framework* (Dec 2010) of the proposed indicator "Life Years lost from Air Pollution". This indicator is included in Domain 1 which is concerned with Health Protection and Resilience: Protect the population's health from major emergencies and remain resilient from harm.

6.3 A recent report by the Committee on the Medical Effects of Air Pollutants (*The Mortality Effects of Long Term Exposure to Particulate Air Pollution in the UK. 2011*) confirmed that reduction in air pollution impacts on the survival and death of populations by decreasing mortality risk. However, because air pollution acts in combination with many other causes to affect mortality, we cannot predict how changes in survival are distributed across individuals.

6.4 However, it is clear that controlling for example particulate matter PM2.5 (i.e. particulate matter of 1.5 microns in size and smaller in diameter) and PM10 (particulate matter of 10 microns or smaller in diameter) is important to increasing the life expectancy of populations.

6.5 Managing this project will allow the Council to monitor air pollution closely and be in a position to investigate any issues that may arise quickly.

7.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

7.1 **Children & Young People in Halton**

The exposure of children and young people to air pollution is of significance in the first instance because their exposure may accumulate over a life time and secondly because their developing biological systems may be affected at a crucial period of development. Children with asthma, for example can be adversely affected by poor atmospheric pollution.

7.2 **Employment, Learning & Skills in Halton**

None identified.

7.3 **A Healthy Halton**

Children and adults with compromised immune systems may be directly affected by poor atmospheric pollution. For long term effects see above.

7.4 **A Safer Halton**

None identified.

7.5 **Halton's Urban Renewal**

None identified.

8.0 **RISK ANALYSIS**

8.1 There is a risk that the contracts may not be finalised in time for work to commence in September, in accordance with the planning condition. This will also disadvantage INEOS who will need to seek an alternative organisation to carry out the work within the prescribed timescale. The risk is not so significant as to warrant a full risk assessment.

8.2 This is a valuable opportunity for Council to ensure the monitoring of air pollution in Halton is done efficiently and expertly in accordance with the best technical and scientific advice and guidance. Our involvement will ensure that any issues raised may be resolved expediently and with the primary interest of public health in Halton.

8.3 Halton BC acting as a contractor of INEOS Chlor Ltd places the Council in the position where it could attract liability for breach of contract and/or the negligence in relation to this work. The Council will be liable for the work and any failings there may be of its sub-contractors and will need to insure the risk or make other provision to provide for this risk accordingly.

8.4 There will need to be careful management, separation and independence for the two distinct roles of Environmental Health as contractor under the recommended arrangement and Environmental Health undertaking Planning Authority functions and monitor/regulator of compliance with the planning conditions for the site.

9.0 **EQUALITY AND DIVERSITY ISSUES**

9.1 The improvement of air pollution in Halton will benefit all residents.

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

None.

REPORT TO: Executive Board Sub Committee

DATE 15 July 2011

REPORTING OFFICER: Strategic Director: Children and Enterprise

SUBJECT: Additional works at the former Kingsway Health Centre (CRMZ)

WARDS: Borough-wide

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to inform members that the Operational Director Economy, Enterprise and Property has taken the opportunity while major building work was underway to approve additional works from existing approved budgets to improve and enhance the facility

2. RECOMMENDATION: That Members are to note that additional works to the former Kingsway Health Centre were undertaken during the main contract works and the funding for these additional works has been allocated from existing budgets and no further funding approval is required

3. SUPPORTING INFORMATION

- 3.1 The original contract works entailed the refurbishment of the former Kingsway Health Centre built in 1939 and now listed, and the construction of a new extension. The main contract works in the sum of £2,508,643 was approved by Executive Sub Board on 14 January 2010.
- 3.2 The project was funded from two sources, a grant from the BIG Lottery fund in the sum of £2,123,643 and the Department for Education Youth Capital fund in the sum of £385,000
- 3.3 Additional work was added to the project from three areas, planned maintenance in the sum of £130,000, DDA work from the rolling programme in the sum of £84,500 and additional equipment from Children and Enterprise revenue budget in the sum of £9,200. This made a grand total of £223,700

- 3.4 The main contract works included items of repair to the existing building, but it became clear during the start of the works that further remedial work was necessary and desirable to a building that had been neglected for some time. Both English Heritage and the Conservation officer in their capacity to approve works undertaken on listed buildings recommended further repair work to be undertaken to preserve the listing. A major example of which was the total rebuilding of the boundary wall which in itself cost around £70,000.
- 3.5 The further repair work undertaken amounted to £130,000 and was allocated from the planned maintenance programme approved by the Asset Management Working Group and spread over two financial years £90,000 in 2010/11 and £40,000 in 2011/12
- 3.6 The main contract also included items for the disabled but again an opportunity was taken from part of the DDA rolling programme budget to further enhance facilities for the disabled users of the building. This amounted to £84,500 in total spread over two financial years, £43,000 in 2009/10 and £41,500 in 2010/11. This included facilities for such items as electronic automatic door closers throughout the building which were also linked to centrally controlled key fob access system' and the provision of a changing spaces room to the ground floor
- 3.7 There was also a contribution to the works by Children and Enterprise for additional work requested during the contract in the sum of £9,200 which was for equipment such as the smart boards in the meeting rooms and this was met from their internal revenue budgets

4. POLICY IMPLICATIONS

- 4.1 The additional works carried out to the project were fully funded from existing planned budgets and no further funding is requested
- 4.3 The repair works carried out have improved and extended the life span of the existing building and the surrounding site

5. OTHER IMPLICATIONS

None

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

- 6.1 **Children and Young People in Halton**

n/a

6.2 **Employment, Learning and Skills in Halton**

n/a

6.3 **A Healthy Halton**

n/a

6.4 **A Safer Halton**

n/a

6.5 **Halton's Urban Renewal**

n/a

6.6 **Corporate Effectiveness and Business Efficiency**

n/a

7. **RISK ANALYSIS**

7.1 Not applicable

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

	Document	Place of Inspection	Contact Officer
8.1	Tender report	Property services	Martin McCrimmon

REPORT TO: Executive Board Sub Committee

DATE 15 July 2011

REPORTING OFFICER: Strategic Director: Children and Enterprise

SUBJECT: Demolition of the Queens Hall Widnes

WARDS: Borough-wide

1. PURPOSE OF REPORT

1.1 The purpose of this report is to inform members that the Operational Director Economy, Enterprise and Property has programmed the demolition of the Queens Hall Widnes in 2011/12

2. RECOMMENDATION: That Members note that the Queens Hall Widnes which has been closed and boarded up since 2004 is to be demolished and the site made safe

3. SUPPORTING INFORMATION

3.1 The building was closed in 2004 and since then has not been used. It was boarded up and made as safe as possible at the time, but has now become a liability and needs to be demolished

3.2 Since 2004 approximately £83,000 has been spent on the building in boarding up and making safe the water, power and gas. The building is now rapidly becoming a health and safety risk, and it is envisaged that unless we demolish the building we will be faced with a significant amount of expenditure dealing with these issues over the coming months as such it is in our financial interest to proceed with these works as soon as feasible.

3.3 In addition there are complaints from the adjoining site owners that damp is penetrating from the Queens Hall into their building along the link corridor. The building liability is therefore increasing and the timely demolition will help to alleviate any further problems with adjoining owners.

3.4 The demolition work which will involve the safe removal of asbestos containing materials is to be programmed within the 2011/12 financial year. Tenders are to be sought for the demolition work within the next

few months, with a view to the work commencing around September / October 2011.

3.5 Once the building has been demolished and the site cleared it will help open up the possibility of some form of redevelopment of the site which will contribute to the overall regeneration of the area. A report will be prepared with regards the future of the site for presentation to the Asset Management Working Group in due course.

3.6 The likely cost of the demolition work is envisaged to be in the region of £50,000, the intention is that this will be funded against the capital receipt for the sale of the land.

4. POLICY IMPLICATIONS

None

5. OTHER IMPLICATIONS

None

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

n/a

6.2 Employment, Learning and Skills in Halton

n/a

6.3 A Healthy Halton

n/a

6.4 A Safer Halton

n/a

6.5 Halton's Urban Renewal

n/a

6.6 Corporate Effectiveness and Business Efficiency

n/a

7. RISK ANALYSIS

7.1 Not applicable

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

	Document	Place of Inspection	Contact Officer
8.1	Tender report	Property services	Martin McCrimmon

REPORT TO: Executive Board Sub Committee
DATE: 15th July 2011
REPORTING OFFICER: Strategic Director Children & Enterprise
SUBJECT: Term Maintenance Contracts
WARDS: Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 The purpose of the report is to notify members that the Operational Director, Economy, Enterprise & Property has given approval to proceed with a procurement process with regards the provision of corporate term maintenance and minor works contracts for mechanical, electrical and building elements for use across the borough.

2.0 RECOMMENDATION: That Members note that a procurement process will be entered into with the purpose of securing maintenance and minor works contracts for mechanical, electrical and building elements for use across the borough.

3.0 SUPPORTING INFORMATION

3.1 The existing maintenance and minor work term contracts for mechanical, electrical and building elements across the borough will all have come to an end by December 2011. We are currently holding over on a number of these contracts with a view to bringing all the timescales in line when the new contract or contracts are let.

3.2 The existing arrangements allow for six separate contracts, one each for each discipline for both Widnes and Runcorn. It is proposed that the tender documents for the new arrangements are put together in such a way that companies can tender for any combination of the different elements as such this allows for the possibility of one company could take onboard all elements thus we would enter into one contract, alternatively we could have six individual companies taking on board the different elements therefore having six contracts.

3.3 It is proposed that the new arrangements are set up for a 3 year period with the potential for upto a 2 year extension subject to satisfactory performance. The anticipated tender date is circa September 1st with the anticipated commencement date being early in the new financial year.

3.4 The tender submissions will be evaluated on both price and quality, this being on a 60% price, 40% quality ratio. The quality element will take into consideration items such as an organisations experience, financial

stability, capacity and compliance with all relevant legislation and health and safety standards. Risk will also be a consideration in the evaluation process as the fewer organisations we contract with increases the risk factor as such this needs to be taken in to consideration. The above evaluation process will ensure that we enter into a contract or contracts which obtains the most economically advantageous terms for the authority.

- 3.5 Based on previous expenditure it is anticipated that the annual value of the contract or contracts in total is likely to be in the region of £1m thus making the value of a 3 year contract in the order £3m. This figure is above the OJEU threshold as such the contract is subject to European procurement rules and will be tendered accordingly.
- 3.6 The cost of the works will be met from existing budgets, this mainly being Property Services repairs and maintenance budget however other revenue budgets will be used as necessary.

4.0 POLICY IMPLICATIONS

- 4.1 The method of procurement fits with the Council's procurement policy, the tender process being carried out in conjunction with the Procurement Centre of Excellence, using 'The Chest' procurement portal.

5.0 OTHER IMPLICATIONS

- 5.1 The above contracts will ensure that we continue to deliver the maintenance and servicing of plant and equipment within the authorities' buildings in a cost effective manner which will enable us to provide fit for purpose accommodation for staff and public alike.
- 5.2 The above will also help with the delivery of the department's aims and objectives which amongst others are to 'manage the Council's land and property portfolio in a safe, cost effective and fit for purpose condition' and to contribute to increasing the number of Halton residents in employment.

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

The letting of these contracts will help contribute to the employment within the borough as we are building into the contract clauses to encourage the providers to employ Halton residents on the strength of the contracts.

6.3 A Healthy Halton

None

6.4 A Safer Halton

None

6.5 Halton's Urban Renewal

None

7.0 RISK ANALYSIS

8.0 EQUALITY AND DIVERSITY ISSUES

None

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

Document

Place of Inspection

Contact Officer

REPORT TO: Executive Board Sub Committee

DATE: 15th July 2011

REPORTING OFFICER: Strategic Director Children and Enterprise

SUBJECT: Waiver of Standing Orders (Procurement 4.1-4.3) for a Single Company Quote

WARDS: Appleton

1.0 PURPOSE OF THE REPORT

1.1 To seek agreement to allow the Operational Director, Economy, Enterprise and Property to enter into a contract with without conducting a tender exercise or seeking three written quotations in order to comply with procurement standing order 4.1 and 4.2, which places a requirement on the Council to invite quotations or tender for contracts with a value less than £50,000.

2.0 RECOMMENDATION: That

- 1) Operational Director (Economy, Enterprise and Property) be authorised to award a contract for the review of Halton Borough Council Market with NABMA (National Association of British Market Authorities) Consultancy Services.**
- 2) In light of the exceptional circumstances, namely that the council's requirements can only be delivered by NABMA Consultancy Services, and in accordance with Procurement SO 1.8.2 (e), Standing Orders 4.1 – 4.3 be waived on this occasion.**

3.0 SUPPORTING INFORMATION

- 3.1 Development and Investment Services is part of the Economy, Enterprise and Property department. The division is going through its efficiency review and has reached the stage of completing its 'as is' position. As part of the review process the division is keen to seek external challenge in the relative specialism of the business units. In terms of Major Projects, Business Support and External Funding & Regional Affairs, this is possible with the assistance from nearby local authorities.
- 3.2 The National Association of British Market Authorities (NABMA) is the recognized voice of local authority markets. It has promoted the interests of

its local members for over 80 years. Membership benefits (the council is a member) include professional advice, assistance with scrutiny reviews and a key role in shaping the future of markets. Membership is open to any local or public authority having control of retail, wholesale, livestock markets, public abattoirs and pleasure fairs. As such, NABMA is uniquely placed to undertake a review of the council market operation in that it can bring a wealth of best practice experience within the context of a local authority setting.

- 3.3 Initial discussions took place with NABMA consultancy Services (NCS) to consider the scope of the review and determine the work that NCS could do. A first draft of the brief was shared with the portfolio holder and the chair of the markets working party and comments taken on board as the brief was refined.
- 3.4 Additionally, the draft was shared with the Efficiency Team and Research & Intelligence Team to determine which elements could be done in house to save money. As such, work has already commenced in house regarding simplifying operating procedures and the greater deployment of IT.
- 3.5 A brief has now been finalised and a quotation received. In summary it is a two part piece of work. In part one NCS acts as a critical friend by offering advice and support as to how the council can improve how it operates the markets. In part two NCS considers and makes recommendations on how to improve the viability and vitality of the market including such items as commodity mix and increasing footfall numbers.

4.0 BUSINESS CASE

4.1 Value for Money and Competition

Given the background and membership, NABMA does have a unique ability to offer advice and support to the council as part of the efficiency review. Within the quote received the council receives half a day free of charge due to its membership of NABMA. The cost associated with implementing the brief was initially priced by NCS as £8,450 exclusive of expenses plus VAT. However, following negotiations this has been reduced to a final figure of £6,500, plus up to £150 of evidenced expenses, plus VAT.

4.2 Transparency

Transparency will be ensured by the recently introduced requirements for the Council to publish all of its individual expenditure over £500. The Freedom of Information Act also provides a mechanism for those who may have an interest to scrutinise the procurement methods used. This is in addition to the Council's own internal audit procedures.

4.3 Propriety and Security

The Council's usual integrity clauses will be built into the appointment document.

4.4 Accountability

Accountability would remain with the Operational Director (Economy, Enterprise and Property) who will be awarding the contract, and can be subject to scrutiny by internal/external audit and appropriate Policy and Performance Board.

4.5 Position of the Contract under the Public Contracts Regulations 2006

The contract is under the current EU procurement threshold.

5.0 POLICY IMPLICATIONS

5.1 The delivery of vibrant markets in Widnes and Runcorn (street market) is an important part of the overall drive to improve the quality and economic vitality of the town centres.

6.0 OTHER IMPLICATIONS

6.1 None identified

7.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

7.1 Children and Young People in Halton

An important part of the review is looking at the commodity and activity mix at the markets. One option that will be explored is the provision of free exhibition space for local schools to promote the work of young people.

7.2 Employment, Learning and Skills in Halton

One option that will be examined is the possibility of linking the council business start up service to stalls on the markets. There are also potential linkages with the local college to be explored.

7.3 A Healthy Halton

One possible option to be considered is the provision of space for partnership working and promotions that could include food and healthy eating demonstrations.

7.4 A Safer Halton

A vibrant town centre and a safer town centre go hand in hand. The operation of a vibrant market attracting in shoppers and visitors will help to support this.

7.5 Halton's Urban Renewal

Vibrant markets make an important contribution to the local economy. By seeking to improve them and especially by making them more attractive to

visitors, the markets will continue to provide local employment opportunities for local residents.

8.0 RISK ANALYSIS

8.1 The most significant risk is associated with letting the markets continue as they are without challenge. Across the country the footfall of many markets is falling as alternative ways of shopping expand and the learnt behaviour through the generations of shopping at the market declines. Bringing in expert support that will provide real challenge to how we operate our markets is an important step in ensuring Halton markets will not suffer the fate that others have.

9.0 EQUALITY AND DIVERSITY ISSUES

9.1 Ensuring the markets are welcoming and provide for diverse needs of the Halton communities is central to the review. NSC will particularly look at the investment needs associated with making the markets easier to visit and the consideration of commodity types will be undertaken within the context of making the markets more inclusive.

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

None

REPORT TO: Executive Board Sub Committee

DATE: 15 July 2011

REPORTING OFFICER: Strategic Director Policy and Resources

SUBJECT: Extension of Term Contract for Highway Improvement Schemes - Second Year

WARDS: Boroughwide

1.0 PURPOSE OF THE REPORT

1.1 To seek Members' approval for the extension of the Highway Improvement Term Contract with Lambros (Paving Contractors) Ltd. for a second period of 12 months as allowed for in the Terms and Conditions of Contract.

2.0 RECOMMENDATION: That

2.1 The Highway Improvement Term Contract with Lambros (Paving Contractors) Ltd. of Longmeadow Road, Knowsley, Prescot be extended for a period of 12 months to July 2012 to enable the delivery of approximately £680,000 worth of highway improvements; and

2.2 Discussions be held with Lambros (Paving Contractors) Ltd. with a view to extending the Contract term by a further period of 8 months, to 31st March 2013, subject to securing agreement of Contract price savings and advice being sought from Procurement and Legal Services Divisions on the feasibility of this extension. Such agreement would require a waiver of standing orders, which would be reported to Members for approval in due course.

3.0 SUPPORTING INFORMATION

3.1 The Highway Improvement Term Contract with Lambros (Paving Contractors) Ltd. was formed on 9th July 2007. The Contract was for an initial period of three years with an option to extend the term, by mutual agreement, for further periods of 12 months, up to a maximum contract period of 5 years.

3.2 Based upon the Contractors good performance, the Board has already approved an initial 12 month extension to July 2011 (Minute ES23 22nd July 2010 refers). If approved, this further extension will take the total contract term to the maximum period allowed for in the Conditions of Contract.

3.3 At the time of the last report to the Board, the level of LTP funding beyond March 2011 was uncertain, however, the Board resolved that,

dependent upon future funding availability and continuing good performance by the Contractor, the Contract would be extended for a further 12 month period if necessary, and this would be reported to the Board at the appropriate time.

- 3.4 As Members will be aware, Integrated Transport Block funding was severely cut in the Government's Comprehensive Spending Review, with the result that the total allocation for 2011/12 is £680,000, approximately 60% down on earlier LTP settlements. The Council's approved Integrated Transport Capital Programme is therefore much reduced, but continues to be targeted primarily at measures designed to assist walking, cycling, bus transport and road safety schemes.
- 3.5 Over the course of the past 12 months Lambros Paving Contractors have continued to successfully deliver LTP schemes including improvements at Widnes railway station, Coronation Drive and Murdishaw Roundabout. Also, work has recently commenced on junction improvements at Milton Road / Kingsway, Widnes. Construction works have been consistently undertaken to the specified standards and quality and delivered in accordance with the agreed scheme programmes. No reportable injury accidents have been recorded during the period of contract extension to July 2011. Lambros have confirmed in writing, their desire to extend the Contract.
- 3.6 It is proposed that the term contract be extended for a further period of 12 months to enable the delivery of the schemes outlined in the LTP implementation programme for 2011/12. The option to extend is included as a Contract Condition and therefore this report does not request a waiver of standing orders.
- 3.7 Following discussions with the Procurement Division, the potential for negotiating Contract price savings with Lambros Ltd. has been considered. Furthermore, there may be significant efficiency benefits to the Council, through the grouping of highway works contracts in the future, as existing contract periods expire. This could bring financial savings through the 'bundling' of various types of works into a single contract as well as delivering savings in tender and contract administration. With the potential for aligning contract expiry dates in mind, it is proposed that Lambros Ltd. be approached to secure contract price savings over an extended contract period, from now until to 31st March 2013. A contract extension beyond the current 5 year maximum would require a waiver of standing orders and therefore, any proposals would be brought to the Executive Board Sub Committee for approval.

4.0 POLICY IMPLICATIONS

- 4.1 The current contract was awarded for an initial period of three years with a view to extend for further periods as necessary, if programmes and budgets required it, and depending upon performance. There are no policy implications in relation to the recommended extension.

5.0 OTHER IMPLICATIONS

5.1 Resource Implications

The extension of the term contract would provide the Council with the most effective method of delivering the 2011/12 Integrated Transport Programme and saves manpower and financial resources that would otherwise be required to prepare and procure an alternative form of contract for the delivery of the Programme.

The Contract contains a mechanism for dealing with variations of price, with the schedule of rates adjusted in line with the BERR construction price indices. This mechanism would continue to apply to the period of contract extension which provides both the Council and the Contractor assurance that costs are controlled within the effects of inflation.

5.2 Value for Money

The Highway Improvement Term Contract was awarded to Lambros Paving Contractors Ltd. in 2007 on the basis of them submitting the lowest tender value and the highest overall score for their quality submission. No significant contractual claims or variations to the contract have occurred during the four years of operation and the variation of price adjustment has resulted in the contract costs keeping pace with construction inflation. When compared with rates and prices for works secured under current market conditions, the schedule of rates still offers good value for money. It is considered therefore that the contract would continue to offer value for money in the delivery of highway improvement schemes and minor works.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

There are no direct implications arising from the recommendation.

6.2 Employment, Learning and Skills in Halton

There are no direct implications arising from the recommendation.

6.3 A Healthy Halton

There are no direct implications arising from the recommendation.

6.4 A Safer Halton

Lambros have an excellent safety record with few blemishes. The issues that have arisen over the course of the Contract have been actively pursued to eliminate potential for further incidents.

6.5 Halton's Urban Renewal

The standard of highway improvement works undertaken by Lambros is very good and this contributes positively to the overall condition and appearance of the highway infrastructure and public realm throughout the Borough.

7.0 RISK ANALYSIS

7.1 Escalating Contract costs.

As stated in paragraph 5.1 the mechanism for adjusting rates and prices is regulated using the Government's construction price indices and the schedule of rates is updated monthly to take account of inflation. Highway improvement minor works are ordered under the contract throughout the course of the year and the volume and value of work ordered is constantly monitored against available capital budget.

The contract is based upon one of the modern forms of New Engineering Contracts (NEC) with a 'partnering' approach to delivering highway maintenance services. Lambros have carried out works under the current contract for four years and during that time there have been no significant or serious contractual claims or other issues which have required resolution through the contract dispute mechanisms.

Extending the current contract for a further 12 month period presents a low risk of contract costs increasing beyond the available capital budget.

7.2 Reducing Quality

Lambros have consistently delivered work to an excellent standard and there is no reason to believe that the quality of workmanship would change. The completion of works on time to programme has not been an issue during the three years of the Contract.

7.3 Contractor Stability

An up-to-date financial assessment has been provided by the Procurement Division as part of the process of contract review. This has identified a company financial rating score of 'C+ Good' in relation to Lambros (Paving Contractors) Ltd. The financial exposure of the Council is limited by the nature of the Contract Conditions and payment process.

8.0 EQUALITY AND DIVERSITY ISSUES

There are no Equality and Diversity issues in relation to the recommendation.

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

Document	Place of Inspection	Contact Officer
Letter from Lambros Paving Contractors Ltd. requesting consideration of Contract term extension.	Rutland House Halton Lea, Runcorn. Highways Transportation and Logistics Department.	D. Cunliffe

REPORT TO: Executive Board Sub Committee
DATE: 15th July 2011
REPORTING OFFICER: Operational Director – Finance
SUBJECT: 2010/11 Financial Outturn

1.0 PURPOSE OF REPORT

1.1 To report the final revenue and capital spending position for 2010/11.

2.0 RECOMMENDED: That the report be noted.

3.0 SUPPORTING INFORMATION

Revenue Spending

- 3.1 The final accounts for 2010/11 are now complete and the revenue spending position for each Department, subject to external audit, is shown in Appendix 1.
- 3.2 The Council has closely monitored and controlled its spending throughout the year. Given the uncertainty of future funding and potential cost pressures arising in areas such as Community Care, which have been highlighted in the Medium Term Financial Strategy, an ultra cautious approach has been adopted to budget management this year across the Council.
- 3.3 Staffing expenditure was significantly below budget across all Council Directorates, as posts were held vacant in order to assist in meeting the underspend targets set for each Directorate. In the main these posts have now either had to be filled or have been used as savings for the 2011/12 budget, therefore the position is not likely to be repeated. The economic downturn continued to have an impact upon the Council's finances, with shortfalls in income in a number of areas as highlighted below. These have been taken into account when setting the 2011/12 budget.
- 3.4 Within the overall net underspend of £120,000 for the year, the key budget variances were as follows;
- (i) Childrens Organisation & Provision (£399,000 underspend):- this was due to underspends on staffing costs from holding posts vacant during the year, savings in school transport through retendering contracts and reviewing services offered, and underspends relating to the Think Family grant.

- (ii) Learning & Achievement (£486,000 underspend):- this was primarily due to expenditure on staffing being significantly below budget due to a number of posts held vacant across the Department, particularly within the Advisory Service. Additional income has also been received from the Learn Together Partnership.
- (iii) Children & Families (£593,000 underspend):- in addition to staffing expenditure being significantly below budget due to posts being held vacant during the year, there were also significant underspends resulting from reductions in the number of out-of-Borough placements due to improved placement strategy and in-house foster care placements.
- (iv) Environment and Regulatory (£123,000 underspend):- as reported during the year there have been shortfalls in income from planning fees (£96,000) and building control fees (£69,000), open spaces external works (£180,000), parks and sports grounds (£104,000), trade waste (£63,000), bulky waste (£35,000), and street cleansing (£139,000). However, these were more than offset by a one-off underspend of £750,000 relating to transport costs for the new waste recycling contract, but this will not be repeated in 2011/12.
- (v) Employment, Economic Regeneration & Business Development (£336,000 underspend):- there was an overspend on repairs and maintenance relating to accommodation rationalisation, but this was offset by underspends in business rates for vacant industrial estate units and savings in water charges. There was a shortfall in recharges to capital projects as less schemes are being undertaken, however, this was more than offset by additional reimbursements and grant income relating to the future jobs fund.
- (vi) Legal & Democratic Services (£88,000 overspend):- as a result of low staff turnover within the Department the staff turnover saving target within the budget has not been achieved. In addition, the cost of essential legal publications has exceeded budget, however, lower cost online facilities have been contracted for 2011/12. Land search fee income continues to be below target due to the current slowdown in the construction industry.
- (vii) Policy & Performance (£31,000 overspend):- this is due to income from internal printing charges being below budget. As budgets come under increasing pressure so Directorates are reducing their printing requirements. This has had the effect of reducing the volume of work undertaken by the Print Unit with a consequential loss of income.

- (viii) Human Resources (£179,000 underspend):- this was due to a significant increase in income achieved from services delivered to schools and underspends in respect of training provision as training resources have been brought together under the new structural arrangements.
- (ix) Finance (£433,000 underspend):- this was primarily due to staffing vacancies across the Department, in particular within the Revenues and Benefits and Audit and Operational Finance Divisions.
- (x) Financial Arrangements (£3,010,000 overspend):- expenditure on capital financing and borrowing costs was below budget and investment income was higher than anticipated having secured advantageous fixed rates during 2009/10 but these are coming to an end and therefore income will be in line with budget for 2011/12. The transfers to reserves detailed in paragraphs 3.7 to 3.9 below have then been made from Financial Arrangements.
- (xi) Prevention & Commissioning Department (£115,000 underspend):- there have been shortfalls in income from client charges, however, these have been more than offset by underspends on staffing across the Department during the year.
- (xii) Enablement Department (£292,000 underspend):- staffing expenditure was significantly below budget due to difficulties in recruiting to social worker posts and additional PCT funding was received to meet costs at Oakmeadow.
- (xiii) Community Department (£165,000 underspend):- this primarily relates to additional income received in respect of a new contract with the Ormiston Bolingbroke Academy for their use of Brookvale Recreation Centre.

Reserves and Balances

- 3.5 The Council's Reserves and Balances have been reviewed in accordance with the Reserves and Balances Strategy.
- 3.6 Total revenue spending for the year was £120,000 below budget (compared to £489,000 in the previous year). However, during the year unexpected Area Based Grant income of £72,000 was received and therefore as a result the Council's General Balances now stand at £7,367,000 an increase of £192,000 from the previous year.
- 3.7 During the year a target was set for each Directorate to underspend its budget by £0.5m in order to create a Transformation Fund of £2m. This has been achieved and the Fund is intended to meet those costs associated with the structural changes which the Council needs to make in order to balance its budget and shape the way it delivers

services. The Transformation Fund has been established at 31st March 2011 and redundancy costs totalling £738,000 have been met from the Fund in 2010/11, leaving a balance of £1,262,000 in the Fund.

- 3.8 The Council has received over 800 equal pay claims for which settlement offers have been made to a number of claimants. The future liability for the remaining claims is difficult to estimate however, the equal pay reserve now stands at £6m which is considered sufficient to meet the claims.
- 3.9 The Capital Reserve helps to fund the capital programme, particularly the development costs for the Mersey Gateway, and now stands at £1.7m. The Insurance Reserve has been increased by £0.5m to £3.9m primarily to cover the increased number of personal injury claims.

School Balances

- 3.10 School balances have increased by £0.4m to £8.0m in total. This is made up from balances on Individual School Budgets (£3.2m) and Standards Fund grant (£4.8m). There is also £2.2m of unspent schools related funding held centrally which will carry forward to 2011/12. In addition, there is £0.8m of unspent Standards Fund grant held centrally, which along with the unspent Schools Standards Fund grant (£4.8m) must all be spent by 31st August 2011.

Capital Spending

- 3.11 Appendix 2 presents a summary of spending against the 2010/11 Capital Programme. Capital spending totalled £43.0m, which is £7.7m below the revised capital programme of £50.6m.
- 3.12 This represents 85% delivery of the revised capital programme for which 20% slippage had been anticipated throughout the year. The main areas of significant slippage were in respect of Landfill Tax Credits, Castlefields Regeneration, and Widnes Waterfront.
- 3.13 The capital programme has been reviewed in line with the resolution regarding the proposed development of the former Runcorn market. Despite the fact that capital receipts are not being generated as quickly as expected, funding up to £750,000 can be made available. However, further capital projects will need to have their own funding in place to be able to be incorporated in the capital programme.

4.0 POLICY AND OTHER IMPLICATIONS

- 4.1 There are none.

5.0 RISK ANALYSIS

- 5.1 There are no risks associated with this report.

6.0 EQUALITY AND DIVERSITY ISSUES

6.1 There are none.

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

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

APPENDIX 1

2010-11 Revenue Expenditure

	Budget	Actual Expenditure	Variance (overspend)
	£'000	£'000	£'000
Childrens Organisation & Provision	6,323	5,924	399
Learning & Achievement	11,185	10,699	486
Children and Families	13,847	13,254	593
Schools	81,045	81,045	0
Direct Schools Grant	-81,045	-81,045	0
Children and Young People Directorate	31,355	29,877	1,478
Environment & Regulatory	15,469	15,346	123
Employment, Economic Regeneration & Business Development	4,692	4,356	336
Highways, Transportation and Logistics	18,728	18,670	58
Environment Directorate	38,889	38,372	517
Legal & Democratic Services	3,387	3,475	(88)
Policy & Performance	1,477	1,508	(31)
Human Resources	44	-135	179
Finance	5,278	4,845	433
ICT Services	84	22	62
Resources Directorate	10,270	9,715	555
Prevention & Commissioning	23,403	23,288	115
Complex	8,190	8,187	3
Enablement	5,346	5,054	292
Community	12,823	12,658	165
Stadium & Catering Services	2,049	2,044	5
Adults and Community Directorate	51,811	51,231	580
Financial Arrangements	-5,025	-2,015	(3,010)
	127,300	127,180	120

APPENDIX 2

2010-11 Capital Expenditure

	Revised Allocation	Actual Expenditure	Variance (overspend)
	£'000	£'000	£'000
Children & Young People Directorate			
Childrens Organisation & Provision	8,850	7,936	914
Sub Total	8,850	7,936	914
Environment Directorate			
Highways, Transportation & Logistics	21,475	20,557	918
Environmental & Regulatory	1,780	1,082	698
Employment, Economic Regeneration & Business Development	12,917	9,493	3,424
Sub Total	36,172	31,132	5,040
Adults & Community Directorate			
Prevention & Commissioning	3,514	2,516	998
Community	80	76	4
Enablement	684	42	642
Sub Total	4,278	2,634	1,644
Resources Directorate			
ICT Services	1,324	1,261	63
Sub Total	1,324	1,261	63
	50,624	42,963	7,661

REPORT TO: Executive Board Sub Committee

DATE: 15th July 2011

REPORTING OFFICER: Strategic Director, Communities

SUBJECT: Extension of Local Involvement Network (LINK) Contract

WARDS: All Wards

1.0 PURPOSE OF THE REPORT

- 1.1 Present the case for extending the Link Host contract for October 2011-March 2012 to cover the remaining transitional period of LINK to Local HealthWatch.

2.0 RECOMMENDATION: That

- (1) It is recommended that the Halton Local Involvement Network (LINK) Host contract is extended with the contractor, St Helens and Halton Community and Voluntary Action (St Helens and Halton CVA) for the period 1st October 2011- 31st March 2012 for the sum of £43,727; and
- (2) In light of the exceptional circumstances, namely guidance from the Department of Health to extend existing provision for the duration of the transitional period, and in accordance with Procurement SO1.8.2 Standing Order 4.1 to be waived on this occasion in view of compliance with Standing Orders would be inconsistent with shared service arrangements with St Helens Borough Council and in order to ensure continuation of a statutory health and social care service to local residents during a period of transition.

3.0 SUPPORTING INFORMATION

- 3.1 Proposals laid out in the 'Liberating the NHS' White Paper (2010) and subsequent Health and Social Care Bill (2011), lay out provision for LINK to be superseded by Local HealthWatch organisations from April 2012.
- 3.2 A letter from the Department of Health (issued 27.10.10) states that 'the responsibility of local authorities to commission support to LINKs during 2011/12 (the transitional year), as set out in the 2007 Act, remains.'
- 3.3 The letter goes further by stating 'In order to ensure that the vision for a Stronger voice for consumers set out in the White Paper is met the Department of Health's view is that, prior to any changes made through legislation, local authorities **should** consider extending existing LINKs host contracts for a year – where existing contracts allow for this – to run

to March 2012, unless there are strong operational reasons not to do so.' Alternative arrangements must be made in order to continue to provide a LINK service in the event that existing arrangements are not continued during the transitional period.

- 3.4 Due to a 6 month delay in the start of the original LINK Host contract with St Helens and Halton CVA in 2008, funding was carried forward to enable the contract to run for the agreed 3 year period up to September 2011 (first 6 months of transitional year) without any additional financial implications.
- 3.5 Approval is therefore sought for a waiver to extend the existing contractual arrangements for a period of six months from October 2011 – 31st March 2012.
- 3.7 The Host contract with St Helens and Halton CVA is joint with St Helens Borough Council. St Helens Council have confirmed their approval for the 6 month extension with the LINK Host. The current joint contracting arrangement for the provision of a shared LINK Host service with St Helens Council has been successful in terms of quality and efficiency. The current LINK Hosts have met the terms of the service specification and St Helens Council is keen to continue the relationship with Halton Borough Council for the transitional period to ensure continuity of service to the public.
- 3.8 Suspension of standing orders is requested on the following basis:
 - Compliance with standing orders would result in clear financial detriment to the Council in that a procurement exercise would be prohibitive in terms of cost and time and due to the specialist nature of the service, would be limited to organisations currently providing LINK Host services.
 - Compliance with standing orders is not practicable to ensure continuity of a frontline service to the public. The transformation of local LINKs into local HealthWatch services is a statutory requirement; extending existing local arrangements will significantly reduce the impact of this change on local people.
 - Efficiencies were achieved by delivering the management of LINK Host as a shared service across Halton and St Helens. An extension to the LINK Host contract would achieve a further 12.5% efficiencies against the current contract value.

4.0 BUSINESS CASE FOR WAIVING STANDING ORDERS

4.1 Value for money and competition

The extension to the LINK Host contract will be subject to quarterly monitoring by both Halton and St Helens Councils, as it is a joint contract between the two Authorities. Quarterly monitoring of the Host contract is already well established. In the letter from the Department of Health

(dated 27.10.10) it is stated that
'...local authorities **should** consider extending existing LINKs host contracts for a year – where existing contracts allow for this – to run to March 2012, unless there are strong operational reasons not to do so.'

To date there have been no performance issues in relation to the LINK Host organisation's progress towards and achievement of outcomes specified in the original contract specification.

St Helens and Halton CVA have agreed a 12.5% reduction in the half yearly budget (October 2011-March 2012) in light of the current financial situation that faced both Halton and St Helens Council's. This will enable the Host organisation to continue to deliver a LINK service to the public, ensuring that the level of quality is not compromised during the transitional period.

It may prove financially detrimental to test a limited market for a 6 month contract. There is also a risk that in pursuing alternative arrangements that continuity of service to the public may be compromised. Extending existing arrangements will minimise the impact on residents and other stakeholders during what is already a potentially confusing period to transform local statutory LINKs into local statutory HealthWatch services.

4.2 **Transparency**

Any Request for Information (RFI) under the Freedom of Information Act (FOIA) will be entered into the corporate FOI Tracking System to ensure that it is dealt with and responded to within the statutory 20-day period.

Contracts are recorded in the Council's contract register accessible via the internet and will be updated to reflect the extension awarded. This ensures that external agencies do have some opportunity to examine contractual outcomes.

4.3 **Propriety and security**

Integrity clauses will be built into the contract document ensuring that only staff with a need to know will have information about the contract. The organisation shall ensure that it complies with all relevant legislation, including the Data Protection Act 1988 and the Freedom of Information Act 2000.

Compliance with anti corruption practices will be adhered to and the contract within the subject of this report will be terminated if there is any occurrence of corruption by the organisation or its staff.

4.4 **Accountability**

Accountability would remain with the Operational Director for Commissioning and Complex Needs and would be subject to scrutiny from internal and external audit processes and Policy and Performance Boards.

4.5 Position of the contract under the Public Contracts Regulations 2006

These are Part B exempt services under the Contracts Regulations 2006 and the value of this contract is below the financial threshold of £156,442,00.

5.0 POLICY IMPLICATIONS

5.1 Alternative arrangements to provide a service during the period October 2011- March 2012 will need to be established should the existing contract not be extended.

5.2 Subject to approval by this Board, terms of the original agreement of October 2008 will continue to apply during the extension period. Taking into account further instructions and guidance from the Department of Health, outcomes will be re drafted to allow greater flexibility in operating the contract during the transitional period. The formal agreement will be signed by authorised signatories of the Council and the Host organisation.

5.3 The Department of Health are currently consulting on the future of LINKs and a future report will be presented to the Board in 2012 which outlines the future arrangements.

6.0 FINANCIAL AND RESOURCE IMPLICATIONS

6.1 The value of the contract extension for the period (October 2011- March 2012) is £43, 727 representing a reduction of 12.5% on the 6 month running costs of the LINK Host.

6.2 St Helens and Halton CVA has agreed to deliver services during the 6 month extension at the reduced contract price.

6.3 Providing alternative arrangements for a 6 month period may affect continuity of service to the public and incur additional financial and resource costs that are disproportionate to the benefit of doing so.

6.4 The required budget is available within the Council's formula grant.

7.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

7.1 Children and Young People in Halton

No Implications. The remit of LINK does not cover Children and Young People's Services

7.2 Employment, Learning and Skills in Halton

No Implications

7.3 A Healthy Halton

LINKs provide the following functions that support improved commissioning and quality of local health and social care services:

- Promoting and supporting the involvement of people in the commissioning, provision and scrutiny of health and social care services
- Obtaining the views of people about their needs for and experiences of local services.
- Conveying those views to organisations responsible for commissioning, providing, managing and scrutinising health and social care services and recommending how services can be improved.

7.4 A Safer Halton

No implications

7.5 Halton's Urban Renewal

The views of local people on issues which may include access to centres that provide health and social care services may be sought by the LINK.

8.0 RISK ANALYSIS

- 8.1 If the LINK Host contract is not extended for the 6 month period (October 2011 –March 2012) Halton Borough Council will need to make alternative arrangements to provide an alternative service during the transitional period. This may incur additional cost and resources and impact on the level of service available as any new provider would need a lead in period of several months to establish local networks and stakeholder involvement. .

9.0 EQUALITY AND DIVERSITY ISSUES

- 9.1 The LINK seeks views on health and social care provision from all groups within the community in relation to health and social care services available to Halton residents.
- 9.2 Any contract extension will make provision for the Host organisation to maintain and observe a written Equalities Policy.

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

None under the meaning of the Act.