

Public Document Pack



Executive Board

Thursday, 7 April 2016 2.00 p.m.
The Boardroom, 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 Disclosable Pecuniary Interest or Other Disclosable Interest which they have in any item of business on the agenda, no later than when that item is reached or as soon as the interest becomes apparent and, with Disclosable Pecuniary interests, to leave the meeting during any discussion or voting on the item.	
3. HEALTH AND WELLBEING PORTFOLIO	
(A) HALTON URGENT CARE CENTRES	1 - 11
(B) DISCHARGE FROM HOSPITAL SCRUTINY REVIEW	12 - 34

*Please contact Angela Scott on 0151 511 8670 or
Angela.scott@halton.gov.uk for further information.
The next meeting of the Committee is on Tuesday, 17 May 2016*

Item	Page No
4. RESOURCES PORTFOLIO	
(A) TERM MAINTENANCE CONTRACTS	35 - 38
(B) COUNCIL TAX SECTION 13A DISCOUNT POLICY STATEMENT	39 - 45
5. TRANSPORTATION PORTFOLIO	
(A) HIGHWAYS ASSET MANAGEMENT PLAN	46 - 69
(B) MERSEY GATEWAY BRIDGE PROJECT - REVISED DEPARTMENT FOR TRANSPORT FUNDING LETTER	70 - 84
6. SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
PART II	
<p data-bbox="271 963 1212 1344">In this case the Board has a discretion to exclude the press and public and, in view of the nature of the business to be transacted, it is RECOMMENDED that under Section 100A(4) of the Local Government Act 1972, having been satisfied that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act.</p>	
7. RESOURCES PORTFOLIO	
(A) PROPOSED ACQUISITIONS	85 - 92

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
DATE:	7 April 2016
REPORTING OFFICER:	Strategic Director, People & Economy
PORTFOLIO:	Health and Wellbeing
SUBJECT:	Halton Urgent Care Centres (UCCs)
WARD(S)	Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 To present the Executive Board with an update in respect of the development of Halton's Urgent Care Centres (UCC) and outline the impact/outcomes that they are having on the people of Halton and the local health economy.

2.0 RECOMMENDATION: That the Board

- 1) Note the contents of the report and associated appendices; and
- 2) Continue to support Halton's investment into the provision of the UCCs as outlined in Halton's current and new Better Care Fund (BCF) Plan; and to request the new BCF Plan be presented to a future Executive Board.

3.0 SUPPORTING INFORMATION

3.1 Background

In 2012/13 NHS Halton Clinical Commissioning Group (CCG) supported by Halton Borough Council (HBC) undertook a review of Urgent Care Services within Halton. This review combined with a winter pressures Accident and Emergency Department (AED) audit helped inform an options appraisal as to how urgent care services within the Borough could potentially be reconfigured to ensure it met local demand and pressures.

3.2 A number of options were considered for the delivery of an urgent care model within Halton. The model chosen, following extensive consultation with both professionals/clinicians and members of the public, was to create two UCCs on the site of the then Minor Injuries Unit at Halton Hospital and at the Walk in Centre at Widnes.

3.3 UCCs are community-based primary care facilities providing access to urgent care to a local population.

The main aims of the Centres are to:

- Make care easier to access and closer to home;
- Avoid patients making unnecessary visits to AEDs;
- Avoid any unnecessary delays, transfers of care, and duplication in care;

- Support patients to effectively manage their own health and wellbeing;
- Extend and standardise primary care provision for Halton residents into the weekend and evening periods;
- Effect a cultural and behavioural change in the population of Halton enabling greater knowledge of, and confidence to utilise, local services; and
- Maximise the utilisation of all available resources.

3.4 Working collaboratively across all key partner organisations including Warrington and Halton Hospitals NHS Foundation Trust, St Helens and Knowsley Teaching Hospitals NHS Trust, Bridgewater Community Healthcare NHS Foundation Trust, North West Ambulance Trust (Nwas) and HBC. Halton now have two UCCs staffed by a team of on-site integrated healthcare professionals, diagnostics facilities and agreed pathways into other community, primary, social and secondary care services.

Operating from 7am – 10pm, 365 days a year, the Runcorn UCC became operational from February 2015 whilst the Widnes UCC went fully operational from October 2015. Both UCCs are able to accept patients from North West Ambulance Service between 8am – 8pm, 7 days a week.

3.5 Outcomes for Patient's Attending the UCCs

In respect of the ongoing performance monitoring into the effectiveness of the UCCs, as part of the UCC Performance Dashboard reported through on a monthly basis to the Halton System Resilience Group, we report on the outcome of the patient's experience whilst at the UCCs as part of the "Friends and Family" test; Patients are asked to complete a short proforma following their attendance/treatment at the UCCs and these are used to generate the "Friends and Family" score.

The Friends and Family scores for both UCCs have been consistently above 90% since becoming operational. For example the average "Friends and Family" score reported across both UCCs for December 2015 was 96.5%

3.6 Other performance information that will be of interest to Board members which demonstrate the intended aims of the Centres are being achieved include :-

- a very small percentage of people decide to leave the UCCs before treatment; an average of 3.2% across both UCCs during December 2015; and
- only a small percentage of Patient's have to be referred for further treatment to the Acute Trusts AED's; 3.8% during December 2015.

3.7 In December 2015, Healthwatch Halton were invited to undertake Patient Surveys within the UCCs and although we are awaiting for the formal report to come through from them, Healthwatch have shared some headline statistics; see **Appendix 1**.

3.8 Impact of Local Health Economy

One of the main aims of the UCCs is to avoid patients making unnecessary visits to AEDs.

Attached at **Appendix 2** are details of performance between April – September 2015 at Warrington and Halton Hospitals NHS Foundation Trusts compared with the same reporting period in 2014.

As the Board can see from the attached information, improvements have been seen in relation to a reduction in the numbers of Halton residents attending A&E and a reduction in non-elective admissions.

Although there are other schemes in play to facilitate this change, the UCCs have made a significant impact in supporting this shift.

Attached at **Appendix 3** is a one page overview which has been produced as an initial evaluation of the effectiveness of the UCCs

- 3.9 The same shift has not yet been seen at the Widnes UCC, this is due to the Widnes site not being fully operational until October 2015.

It is too early to tell the full impact of the opening of the Widnes UCC although it is anticipated that a similar pattern/shift in activity, as seen at Runcorn UCC and Warrington Hospital will be seen.

- 3.10 In conclusion the opening of the UCCs in Halton is having a positive impact on both the people of Halton and the local health economy by:-

- Providing a service that meets with patient needs, either through immediate treatment or by arranging future appointments with the appropriate service;
- Providing an urgent care service that is accessible for the local population;
- Providing a service that caters for both minor injury and illness;
- Supporting the improvement of performance by streaming patients into the appropriate service (e.g. reduction in A&E attendances);
- Ensuring that where people require urgent care that this is received in an effective and timely manner;
- Provision of a service that is safe and of high quality; and
- Provision of access for harder to reach groups of people.

4.0 **POLICY IMPLICATIONS**

- 4.1 None identified.

5.0 **OTHER/FINANCIAL IMPLICATIONS**

- 5.1 The Board should note that the financial investment made from the BCF to support the UCCs in Halton has been allocated as a result of NHS Halton CCG's contribution to the BCF.

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

6.1 **Children & Young People in Halton**

None identified.

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

None identified.

6.3 **A Healthy Halton**

All issues outlined in this report focus directly on this priority.

6.4 **A Safer Halton**

None identified.

6.5 **Halton's Urban Renewal**

None identified.

7.0 **RISK ANALYSIS**

7.1 The Board should note that if the continued commitment and associated funding was not given to support the UCCs, there may be a clear risk that the UCCs may close.

7.2 This would have an adverse effect on patient urgent care provision within Halton and the local health economy as a whole e.g. as patients would have no access to local urgent healthcare provision they would have no alternative but to attend the Acute Trust AEDs and this of course would then has the potential to impact on performance at the local Acute Trusts.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 None identified.

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

9.1 None identified.

**Healthwatch Halton – Patient Survey: Halton Urgent Care Centres
(December 2015)**

Widnes UCC visited on 3rd December 2015

46 people surveyed on the day. 30% of those had brought a family member (mostly a child) for treatment.

For 57% it was their first visit.

48% had sought help elsewhere first, 81% of these had tried their GP first (some had been referred from the GP, most had been unable to get an appointment at their GP on the day)

40% of people would have visited A&E instead if the UCC hadn't been an option.

Treatment

29% of people were treated and discharged within 1 hour.

47% of people were treated and discharged within 1-2 hours

22% of people were treated and discharged within 2-3 hours

2% of people were treated and discharged within 3-4 hours

Satisfaction

92% of people rated their experience as 4 or 5 stars (out of 5).

97% of people said they would be likely or highly likely to recommend the service to friends and family.

Runcorn UCC visited on 8th December 2015

49 people surveyed on the day. 20% of those had brought a family member (mostly a child) for treatment.

For 50% it was their first visit.

31% had sought help elsewhere first, 80% of these had tried their GP first (some had been referred from the GP, most had been unable to get an appointment at their GP on the day)

53% of people would have visited A&E instead if the UCC hadn't been an option.

Treatment

27% of people were treated and discharged within 1 hour.

46% of people were treated and discharged within 1-2 hours

20% of people were treated and discharged within 2-3 hours

5% of people were treated and discharged within 3-4 hours

2% of people were treated and discharged in more than 4 hours

Satisfaction

93% of people rated their experience as 4 or 5 stars (out of 5).

93% of people said they would be likely or highly likely to recommend the service to friends and family.

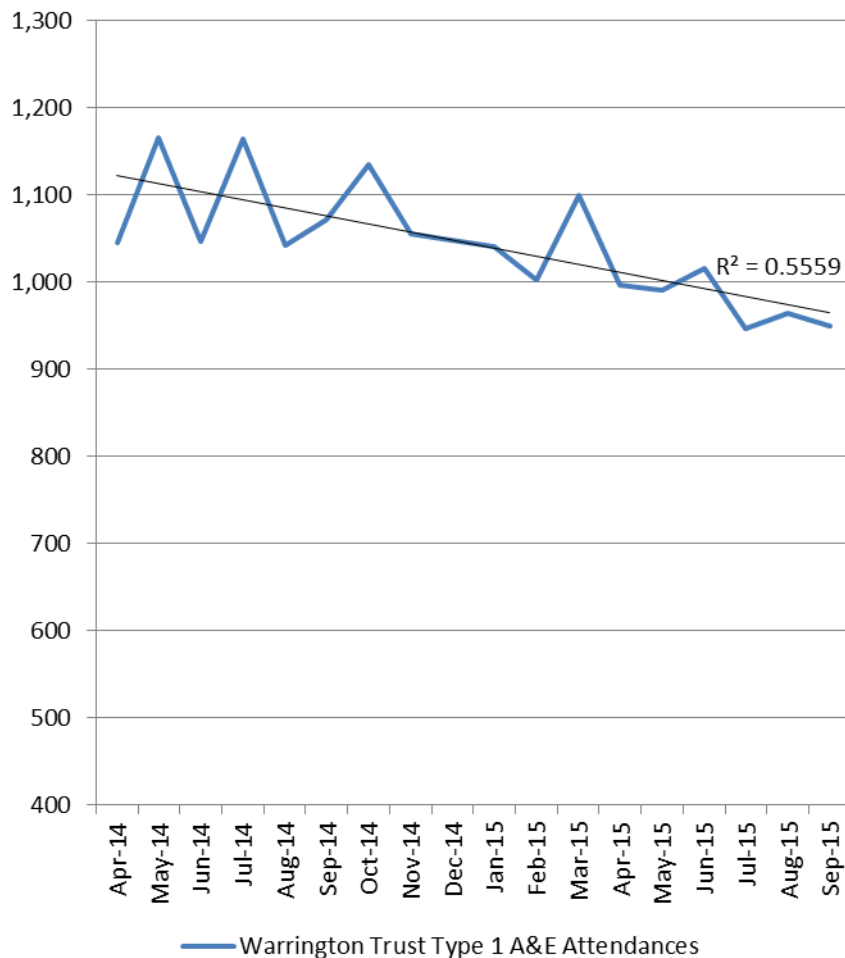
NHS Halton Clinical Commissioning Group: Activity at Warrington & Halton Hospitals NHS Trust

Non-Elective Activity

Type 1 A&E Attendances

- Type 1 A&E activity has fallen at Warrington hospital since April 2014, this is especially marked since April 2015.
- When comparing April 15 – September 15 to the same period last year there has been a reduction of 10% in the number of type 1 A&E attendances at Warrington & Halton Hospitals NHS Foundation Trust, this represents 672 fewer type 1 A&E attendances.

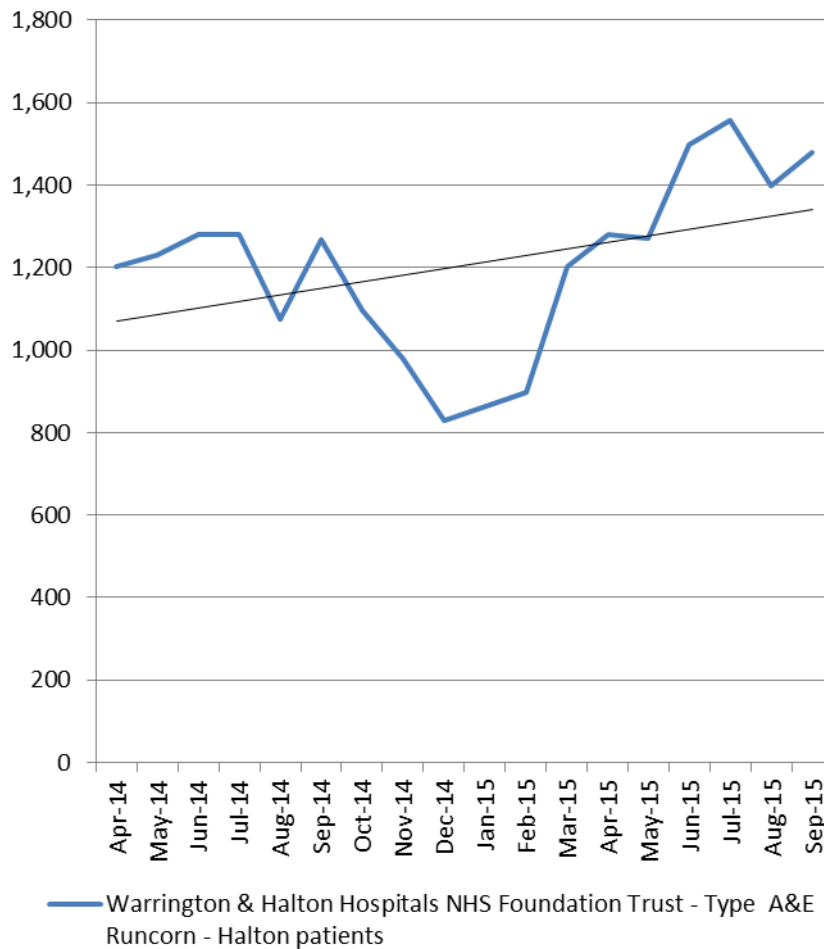
**Warrington & Halton Hospitals NHS
Foundation Trust Type 1 A&E Attendances -
Halton Patients**



Type 3 A&E Activity (Runcorn Site)

- There has been a significant increase in the number Halton patients attending the Runcorn Type 3 Urgent Care Centre. This increase is especially noticeable since March 2015.
- When comparing April 15 to September 15 to the same period in 2014, there has been an increase of 16% in the number of people attending, with 1150 more attendances during this period.
- Increasing numbers of Warrington registered patients are also attending the Runcorn site and are now the largest non-Halton CCG group of patients making up about 10% of total activity.

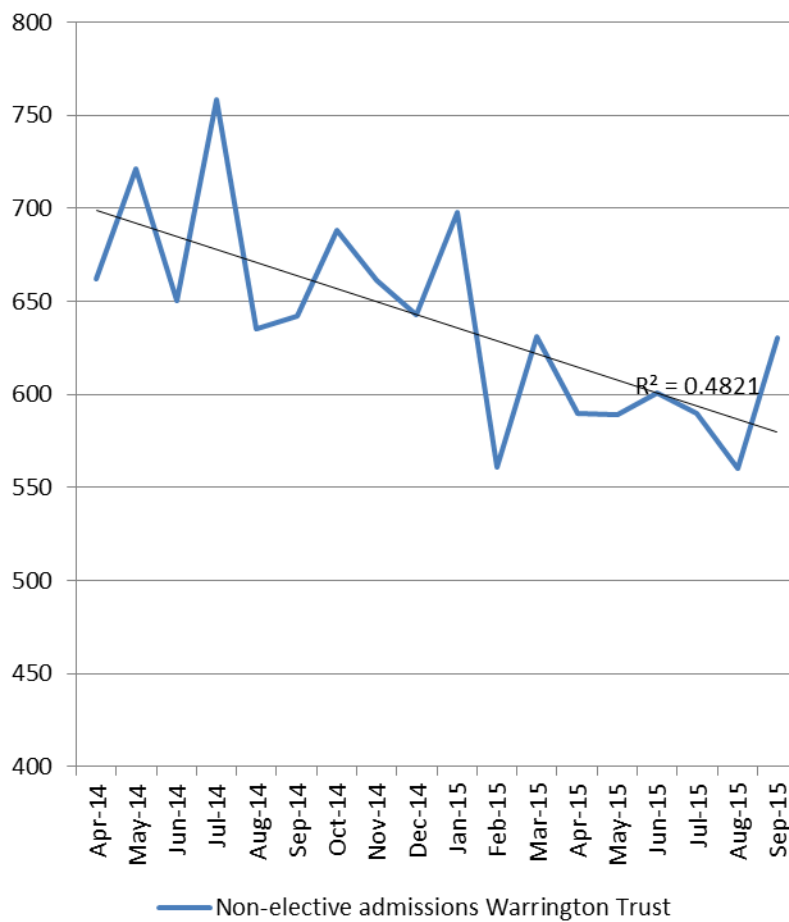
Warrington & Halton Hospitals NHS Foundation Trust - Type A&E Runcorn - Halton patients



Non-elective admissions

- Non elective activity by Halton registered patients has fallen steadily at Warrington Hospital since April 2014.
- When comparing April 15 - September 15 to the same period last year there has been a reduction of 12% in terms on non-elective admissions, this represents 508 fewer Halton registered patients being admitted as an emergency at Warrington Hospital

**Non-elective admissions - Halton Patients -
Warrington & Halton Hospitals NHS Foundation
Trust**



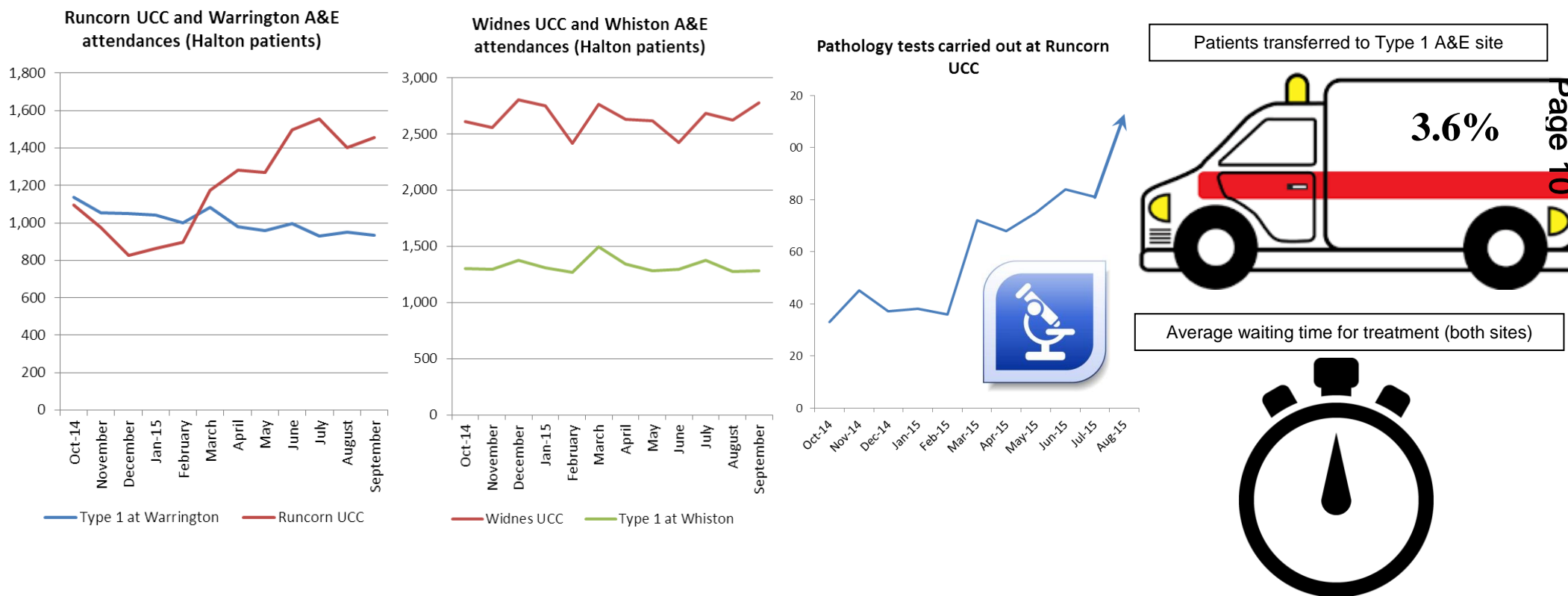
Urgent Care Centres in Halton – An initial evaluation of effectiveness

Measure 1 – Movement of “minor” A&E patients away from Type 1 A&E sites to Type 3 Urgent Care Centre attendances.

Outcome – At the Runcorn site there has been a significant increase in activity which coincides with a reduction in Halton patients attending Warrington.

The reduction in Type 1 A&E attendances at Warrington is in the region of 200 per month, (-18%) at Halton attendances are more seasonal reflecting the historical model of this being the minor injuries unit with increases in the summer months due to sporting injuries, however the increase seen in 2015 is larger than that witnessed in previous years and Runcorn UCC is experiencing its busiest period ever at the same time that the number of Halton patients attending Warrington is at its lowest point ever.

The same story has not happened at the Widnes UCC site, this is due to the Widnes site opening being delayed and this site was not fully operational until October 15. It is too early to tell the full impact of the opening of the Widnes UCC although it is anticipated that a similar pattern of activity will appear.



REPORT TO: Executive Board

DATE: 7 April 2016

REPORTING OFFICER: Director of Adult Social Services

PORTFOLIO: Health and Wellbeing

SUBJECT: Discharge from Hospital Scrutiny Review
2015/16

WARD(S) Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 To present the report and recommendations of the Discharge from Hospital Scrutiny Review 2015/16 to Members of the Executive Board.

2.0 RECOMMENDATION: That the Board note the contents of the report attached at Appendix 1.

3.0 SUPPORTING INFORMATION

3.1 The report outlines the key findings and makes a number of recommendations for consideration by the Health PPB

3.2 The group sought national and local evidence and undertook a range of site visits to understand best practice in and the systems and issues with ensuring timely, safe and effective discharge of people from hospital. Contributors included: Hospital Discharge Teams; the voluntary sector; Warrington and Halton Hospitals NHS FT; St Helens and Knowsley Teaching Hospitals NHST; Care Home support teams; NHS Halton CCG; 2 local GP's and their surgeries; North West Ambulance Service.

3.3 The recommendations from the group are:

3.4 The Voluntary Sector need to develop a plan with the Acute Hospitals to map out how they will work collaboratively in respect of supporting people through hospital discharge.

3.5 There are a range of voluntary sector services working in both acute hospitals and recently funding has been secured to assist with coordination of and recruitment of volunteers to support people in hospital. It was clear from the agencies that better coordination within hospitals is required and planning needs to be undertaken to ensure this occurs

3.6 A Community Care Matron with the capacity and skills to prescribe

and undertake medication reviews would enhance the Care Home Support Team.

3.7 The Care Home support teams provide a range of services for people in care homes and support the nursing and care staff to deliver quality care. This reduces the need for hospital admissions and supports a smoother discharge from hospital where the patient lives in a care home. Extending the scope of the team to include prescribing and medication review would enhance the clinical care delivered and reduce the need for GP visits.

3.8 **A review of patients repeatedly re-admitted for treatment of the same condition should consider coding such re-admissions in a different way such as open access. The use of the urgent care centres to deliver a broader range of treatments should be considered.**

3.9 Evidence from a visit to a GP surgery highlighted a small but significant number of people who have multiple admissions for urgent treatment of existing conditions. 1 person had over 100 admissions within one year and these were coded as 're-admissions'. Practices do routinely review people with frequent hospital attendances and where they do this, there is an opportunity to consider enhancing services delivered locally to support people in these circumstances.

3.10 **Acute Hospitals should continue to ensure the maximum use of their discharge lounges which support a more timely discharge process**

3.11 Both hospital trusts have developed 'discharge lounges' which provide accommodation, nutrition and hydration for people waiting for a range of things before discharge. It was evident that these units were well staffed and coordinated the elements required to achieve discharge (medication, transport). Hospital teams were working hard to ensure these lounges were used and had plans to continue this.

3.12 **Effective communication and timely access to clinical information is key to ensure safe and effective discharge and systems should continue to develop to improve this.**

All practitioners and the voluntary sector raised having timely access to information as key in the discharge process. When visiting the GP surgery's the group witnessed how care and treatment could be effectively continued when discharge information was received in a timely way and worked best when this was in electronic format.

4.0 **POLICY IMPLICATIONS**

4.1 None identified.

5.0 **OTHER/FINANCIAL IMPLICATIONS**

5.1 There are no final implications as result of this review.

6.0 **IMPLICATIONS FOR THE COUNCIL’S PRIORITIES**

6.1 **Children & Young People in Halton**

Effective discharge processes for children are essential in ensuring high quality treatment care and support. This review supports improvement in this area.

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

None identified.

6.3 **A Healthy Halton**

Effective discharge processes for adults and children are essential in ensuring high quality treatment care and support. This review supports improvement in this area.

6.4 **A Safer Halton**

None identified.

6.5 **Halton’s Urban Renewal**

None identified.

7.0 **RISK ANALYSIS**

7.1 None identified.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 None identified at this stage

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

Document	Place of Inspection	Contact Officer
Topic Brief	Runcorn Town Hall	Sue Wallace-Bonner
Visit to Warrington Hospital		
Visit to Whiston Hospital		
Leaving Hospital : Information for Patients, Relatives and Carers		
Planning Your Discharge from Hospital		
Patient Transport Services		
NWAS PTS Training Syllabus		

Visit to Castlefields Health Centre		
Visit to Beaconsfield Surgery		
Transition Document (NICE Guidelines)		



Health Policy & Performance Board

Scrutiny Review of Discharge from Hospital

**Report
March 2016**

CONTENTS	PAGE NUMBER
Purpose of the Report	3
Policy and Performance Board	3
Membership of the Topic Group	3
Methodology	3
Introduction	5
Evidence considered by the topic group	6
- Integrated Discharge Teams (Warrington and Whiston)	6
- Presentations from local agencies/voluntary organisations – Halton & St Helens Voluntary & Community Action, Age UK, Wellbeing Enterprises Red Cross.	9
- Care Homes Team - Bridgewater Community NHS Trust	10
- Later Life and Memory Service (5 Boroughs Partnership)	11
- Hospital Visits – Warrington	11
- Hospital Visits – Whiston	13
- NHS Halton Clinical Commissioning Group/GP - Commissioning Hospital Services	16
- North West Ambulance Service Patient Transport Service (NWAS)	18
Recommendations to Health Policy and Performance Board	20
APPENDICES	NUMBER
Hospital Discharge Topic Brief	1
Site Visits to Warrington and Whiston Hospitals	2 & 3
Warrington & Halton Hospitals NHS Foundation Trust – Hospital Discharge Patient Information Leaflet	4
Whiston Hospital – Hospital Discharge Patient Information Leaflet.	5
NWAS Patient Transport Service – Patient Information Leaflet	6
NWAS Patient Transport Service – Staff Training	7
Site Visits to GP Practices	8 & 9
NICE Guidance – Transition between inpatient hospital settings and community or care home settings for adults with social care needs. 1 st December 2015 nice.org.uk/guidance/ng27	10

1.0 PURPOSE OF THE REPORT

1.1 The purpose of the report is to present the findings of the scrutiny review, which:

Focused on the quality of the Discharge planning process and associated pathways to those Halton residents who have been admitted to the local Acute Trusts for both elective and emergency care. It examined the services that are already in place and evaluated their effectiveness in meeting the needs of the local population.

1.2 The full topic brief can be found at Appendix 1.

2.0 POLICY AND PERFORMANCE BOARD (PPB)

2.1 This review was commissioned by the Health PPB in June 2015. This report will be presented to Health PPB on 8th March 2016. The report will also be presented to Communities Directorate Senior Management Team, Executive Board and boards or committees of stakeholders, as appropriate.

3.0 MEMBERSHIP OF THE TOPIC GROUP

3.1

Councillor Joan Lowe (Chair)
Councillor Stan Hill (Vice Chair)
Councillor Pamela Wallace
Councillor Martha Lloyd-Jones
Councillor Charlotte Gerrard
Councillor Carol Plumpton-Walsh
Councillor Margaret Horabin
Tom Baker
Damian Nolan, Divisional Manager, Urgent Care
Debbie Downer, Policy Officer, Communities

Councillor Shaun Osborne declared an interest which prevented him from taking part in the Scrutiny Review.

3.0 METHODOLOGY

4.1 This scrutiny review was conducted through the following means:

- An information pack provided to Topic Group Members outlining national and local picture of discharge from hospital, summary of the key elements of services delivered in Halton, emerging issues facing hospital discharge and future delivery in Halton.
- Monthly meetings of the scrutiny review topic group;
- Presentations by various key members of staff involved in the Integrated Hospital Discharge teams based at Warrington and Whiston Hospitals;
- Site visits to Warrington and Whiston Hospitals;
- Site visits to Castlefields Health Centre and Beaconsfield Surgery;
- Presentations from local agencies/voluntary organisations;
- Presentation from Care Homes Team;

- Presentation from CCG/GP on commissioning hospital services;
- Presentation from North West Ambulance Service Patient Transport Service.

The final draft of this report was circulated to all participants/presenters to check for accuracy.

4.2 The above methods enabled Member's to:

- Gain an understanding of existing Discharge Planning processes and associated pathways in respect of Halton residents who are admitted to Warrington and Halton Hospitals NHS Foundation Trust and St Helens and Knowsley Teaching Hospitals NHS Trust.
- Understand the role that all agencies (both statutory and voluntary/community sector) play in the discharge planning process.
- Ensure services provided take into consideration national best and evidence based practice.
- Consider ways to continue to make improvements to Discharge Planning processes to ensure they continue to be effective in meeting the needs of the population of Halton.
- An understanding of the different elements of service monitoring that take place in respect of this area of provision.

4.3 Areas considered as part of this review:

- How are people discharged from hospital?
- Understanding of self-care after discharge.
- What information is given to people and when? Do they know who to contact if something goes wrong?
- Transfer of care into primary care (e-discharge).
- Arrangements for people with supported discharge needs, planning, treatment, care and support for discharge.

4.4 Which enabled Members to consider, in making recommendations;

- National best practice, along with evidence based practice, and how it can be applied in Halton.
- Ways to continue to make improvements to services to ensure they continue to be effective in meeting the needs of the population of Halton.

The Chair and Members of the Topic Group would like to extend their thanks for the cooperation and contributions made by all those who have taken part in the review.

5.0 INTRODUCTION

- 5.1 Discharge planning is a routine feature of the Health and Social Care system and consists of the development of an individualised discharge plan for the patient prior to leaving hospital, with the main aim of improving a patient's outcome.
- 5.2 Discharge planning should ensure that patients are discharged from hospital at an appropriate time in their care and that, with adequate notice, the provision of other services are organised.
- 5.3 There are some common key elements when planning for discharge, regardless of whether a patient is receiving emergency or elective care. These are:
- Specifying a date and / or time of discharge as early as possible
 - Identifying whether a patient has simple or complex discharge planning needs
 - Identifying what these needs are and how they will be met
 - Deciding the identifiable clinical criteria that the patient must meet for discharge
- 5.4 About 20 per cent of patients¹ have more complex needs and may need additional input from other professionals. The involvement of additional people makes effective co-ordination and planning even more critical.
- 5.5 As the older people age group (65+) within Halton are projected to grow by 33% from 17,300 in 2010 to 25,700 in 2025², it is anticipated that the percentage of those patients experiencing more complex needs and thus requiring more complex discharge planning processes will also increase.
- 5.6 Planning for discharge helps reduce hospital length of stay and unplanned/emergency readmissions to hospital, relieves pressure on hospital beds and improves the co-ordination of services following discharge from hospital.
- 5.7 Within Halton we experience a high number of emergency readmissions at both 30 and 90 days for people aged 65 and over and this has presented challenges to the Health and Social Care system. As outlined above, effective discharge planning can contribute to helping reduce the number of unplanned/emergency readmissions to hospital and as such there is a need to ensure that current discharge planning processes and associated pathways in place are having a positive impact on Halton's emergency readmission rates.

¹ NHS Institute for Innovation and Improvement

² ONS - Population Projections 2010

6.0 EVIDENCE CONSIDERED BY THE SCRUTINY TOPIC GROUP

6.1 The planning meeting, which took place on 10th June 2015, provided the members of the topic group with an opportunity to review the information pack and identify the key focus areas for the Scrutiny Review.

The areas are as follows:

- Discharge Lounges – in particular who is responsible for patients waiting for transport. What happens when patients are delayed because they are waiting for medication. What consideration is given to patient's needs regarding medical care, nutrition, hydration, privacy and dignity.
- Family Involvement in the discharge process – this was raised in relation to how conversations take place about a person's care after discharge and whether it would be beneficial to have the family present during these discussions.
- Discharges to Care Homes – what happens when a patient is unable to return to their 'home' due to changes in their condition.
- Mental Health Support with the discharge process and people living with dementia – what support is provided in hospital and on returning home.
- Financial information – the group wanted to know what information is provided about care charges within the discharge process.
- How many people in Halton are now going to elective centres further away (Centres of Excellence) and how this affects the information they are offered on discharge.
- The role which NHS Halton CCG/GP's have within hospital discharge.

6.2 **Integrated Discharge Teams (Warrington and Whiston) – Presentations from Eddie Moss and Francesca Smith.**

Staff from Halton Integrated Discharge team (based at Warrington and Halton Hospitals NHS Foundation Trust and St Helens and Knowsley Teaching Hospitals NHS Trust) provided the group with information about the Discharge processes at Warrington and Whiston Hospitals.

6.2.1 **Halton Integrated Discharge Team (HIDT) at Warrington Hospital**

The HIDT is a dedicated multi-disciplinary discharge team which incorporates assessment into Accident & Emergency, ensuring a focus on the proactive identification of people likely to require supported discharge.

The team delivers on all the discharge pathways out of Warrington and Halton Hospitals Foundation Trust (WHHFT) including Social Care, Continuing Health Care (CHC), Community Health Services and Intermediate Care. The team also manages discharges for Halton residents in out of area hospitals.

The staff group consists of Nurses, Social Workers, Community care Workers, District Nurses and Community Psychiatric Nurse.

The benefits of this approach to discharge include earlier engagement with patients and families to better manage need and expectations, therefore reducing delays in hospital beds and admissions to long term care.

HIDT undertake a proactive approach to identifying Halton residents within Warrington Hospital and do not necessarily wait for a formal referral to be made. On a daily basis a list of adults (50+) that have been admitted overnight is provided to the HIDT. Designated Care Managers then track and monitor the persons hospital journey during the duration of their stay.

Where referrals to the HIDT are made, these are done via a Section 2 referral notification generated by the Hospital ward; a Section 2 notification identifies the possible need for social work intervention on discharge from hospital.

6.2.2 Whiston Integrated Discharge Team at Whiston Hospital

In Whiston Hospital the Integrated Discharge Team (“IDT”) is a single point of referral for all St Helens, Knowsley, and Halton resident patients identified by the ward staff as requiring support on discharge. The team comprises of discharge workers, social workers, band 6 nurses, a physiotherapist and support staff, working under a team manager and three assistant managers. This staff group was drawn from both health and social care to create a multi-disciplinary team.

Staff are allocated to specific wards to enable them to build relationships and become involved in decision making at the earliest opportunity. The workers will deal with all Halton, St Helens and Knowsley patients on their allocated wards, regardless of their employing organisation. The Intermediate Care (IC) assessors within the team will respond to referrals for those identified for IC, either via the ward direct or the ward allocated worker.

There are a number of pathways through which people requiring support for and on hospital discharge can be directed. Achieving timely discharge for people who need support is dependent on a number of related factors including:

- Commencement of discharge planning on admission;
- the availability of information about the individuals self-care ability and health status prior to admission;
- frailty of the individual pre and post admission;
- the responsive of diagnostic departments and analysis of results;
- the trajectory of the presenting condition and response to treatment;
- recovery processes;
- involvement of the individuals significant others;

- knowledge of all staff in the relevant agencies of the type and availability of community services (health and social care);
- discharge process management;
- the complexity of different services and pathways criteria's and responsiveness;
- tracking.

Performance

As part of ongoing internal scrutiny performance reports are produced and presented to the appropriate representative boards. These include;

- Length of Stay
- Number of referrals
- Delayed Transfers of Care
- Number of Assessments completed via each discipline
- Assessment outcomes

The range of performance information from last year illustrated the monitoring of hospital processes and outcomes at discharge;

- Last year HIDT received 831 referrals which converted into 818 assessments.
- The average length of stay for all patients referred to the HIDT from admission to discharge is 19.5.
- HIDT tracked 1393 in total.
- The number of referrals received by Whiston last year was 6540, which converted into 4358 assessments.
- On average there are 7 delayed transfers of care (Delayed Transfers of Care (DTC) reportable delays) each day.

Conclusion

Following the presentation, the group discussed delays caused by transport and medication. Concerns were raised about who is responsible for the care of patients who are waiting to be discharged, in particular nutrition and hydration.

Discharge lounges were discussed and it was highlighted that adequate facilities were not always available for frail, older people.

The group expressed interest in the process for Discharges to Care Homes. For example, when a patient's condition resulted in them being unable to return to the care home they were admitted from.

That discharge lounges work well and the Trusts should ensure that the facility continues to be fully utilised. There are benefits to all patients, not just older people and evidence shows a reduction (20-40 minutes less) in NWAS transfer times.

There are also clear benefits to patients in how medication is provided on discharge.

6.3 Presentations from local agencies/voluntary organisations – Halton & St Helens Voluntary and Community Action (VCA), Age UK, Wellbeing Enterprises Red Cross.

The scrutiny topic group were keen to understand the role and contribution of local agencies in this area and the services they provide for people being discharged from hospital.

Halton & St Helens VCA/Wellbeing Enterprises

Sally Yeoman (Halton and St Helens VCA) and Mark Swift (Wellbeing Enterprises) briefed the group on a project to recruit and support Hospital Ward and Community Volunteers. Funding acquired for the project (9 months) will be used to evaluate whether the work will deliver cost savings and benefits.

Age UK

Age UK work in partnership with Warrington and Whiston Hospitals providing support to people being discharged. Volunteers provide help with supporting people during and after discharge home, this is particularly helpful where the person has been in hospital for some time. Signposting and advice is given relating attendance allowance and help with sourcing care and support. Age UK also provide signposting to the independent living team.

Karen Kenny explained that Age UK were keen to capture Halton residents who attend hospitals out of area. There can be patients from up to five different boroughs on the ward and at weekends there isn't anyone to signpost them.

Dawn Kenwright provided an overview of the survey being undertaken in partnership with Healthwatch to assess hospital discharge patient experience in Halton.

Wellbeing Enterprises

Mark Swift outlined the pilot project which aims to help people to leave hospital sooner and ensure they have support in place if needed (shopping, heating etc.). The target group are patients who are at risk of re-admittance as identified via the Multidisciplinary Team (MDT) process. Volunteers will work with vulnerable people and act as navigators.

Conclusion

Whilst it was acknowledged that the various voluntary organisations have different skills/specialisms and referrals are becoming more complicated - a plan is needed to clearly map out how all the voluntary organisations will move forward to provide a one stop shop and work collectively with the hospitals.

Referrals are not just home help and shopping, but include issues such as mental illness, hoarding, and alcohol abuse. Whilst Age UK work alongside Red Cross and other voluntary organisations in Halton, it is recognised that there is a gap. The evaluation being undertaken via Healthwatch is working towards mapping what services are out there.

6.4 Presentation from Care Homes Team - Gaynor Cunliffe (Bridgewater Community NHS Trust) Clive Allman – 5 Boroughs Partnership (5BP).

One of the areas of interest identified by the Scrutiny Group is Hospital Discharge to Care Homes including people with dementia.

Care Homes Team

Gaynor Cunliffe is a Nursing Sister and her role encompasses 17 care homes within the Halton area. GC works to ensure services are in place and identifies training needs for nurses in care homes.

In answer to an enquiry regarding an area which could be improved, GC suggested that a Community Matron just for care homes who would be able to carry out medication reviews and could attend instead of the GP. A recent home closure led to a resident being moved and medication needed changing at the same time, but GC was not able to prescribe. If there was a Care Homes Community Matron this could be picked up sooner.

GC gave an example of the challenges of getting information on a patient who is being discharged, particularly if residents needs have changed. In some cases, Nurses don't know patients well enough and there are no case notes. The process works better if the nurse knows the patient well.

When a resident is admitted to hospital, a yellow transfer form is completed which provides the hospital staff and ambulance crews with important information about the resident. The forms are shared with GC, however not all care homes complete them. The same applies for Medication Records, which should go with a resident when they admitted to hospital.

There followed a discussion about the differences in the discharge process for mental health as they had access to hospital systems and were notified in advance of pending discharges. GC confirmed this wasn't always the case and the team are not routinely made aware of hospital discharge.

Care home managers go into hospitals to speak to the ward prior to a resident being discharged, however if they are unable to speak to a Nurse who knows the resident well, readmission becomes more likely.

Later Life & Memory Services (LLAMs)

Clive Allman's role focusses on dementia and mental health in addition to providing care homes with awareness and training. He carries out drug regime reviews, offers general advice and being in the homes means he can be proactive and address issues early.

There are 2.5 people in the LLAMs team (including an Occupational Therapist) focussing on Halton who work closely with community mental health teams. Cover is provided on a 9-5 basis but can flex to meet the needs of families. There is no weekend cover and concern was expressed on arrangements for holidays/sickness and DN and CA confirmed that GP's often pick this up if no-one else is available.

CA confirmed he is unable to prescribe and this function needs to go via a GP. In care homes they don't have the same access as someone at home does, putting pressure on GPs and leading to delays in treatment. Each care home can have 6/7 different practices with GP's coming out to patients (or a locum if out of hours).

Conclusion

There was an identified need for a Community Matron assigned to Care Homes who has the capacity and skills to prescribe and monitor medication.

6.5 Hospital Visits – Warrington & Halton Hospitals NHS Foundation Trust

A number of the Scrutiny Topic Group made a planned visit to Warrington Hospital with a view to gaining an insight into hospital discharge and what processes are in place to support vulnerable people with complex care needs.

The visit was facilitated by the Divisional Manager, Urgent Care. The group had a tour of the Discharge Lounge and spoke with Dawn Forrest, Associate Divisional Director Unscheduled Care and a number of staff from the Discharge team. A full report of the visit is included in appendix 2.

Background

DF gave an overview of improved outcomes as a result of an increase in therapy on the ward which focussed on moving patients towards independence as part of the discharge process. Weekly Multidisciplinary Team meetings include medical staff, Occupational Therapists and Social Workers.

Discharge Process

The Discharge process starts from admission and has separate pathways by condition (Stroke, Heart Attacks, Frail/elderly) and includes preventative work to prevent readmission. Visiting times have been extended to make it easier for families to be present when discussions/assessments are taking place so they are involved in the decision making process. Care is taken to ensure patients are at the centre of the process, and not just a focus on medical needs. Patients are also signposted to voluntary agencies (such as Red Cross) who provide services to people once they are home from hospital. Red Cross are based in A&E at Warrington Hospital and are currently working to identify vulnerable people who have a high risk of re-admission.

A recent new initiative (Quality Ward Round) is a Nurse-led Ward Round where a Nurse accompanies the Doctor after prioritising the patients who are due to be discharged. Ongoing work to improve 21 day delayed discharge will be helped by the move to Lorenzo (electronic records) which will help to reduce duplicate paperwork.

A member of the HPPB highlighted an example of delays in hospital discharge due to medication and problems where the person's GP was not notified that they had been discharged.

Staff explained that Warrington hospital has recently moved to electronic discharge and if medication is required, this is now flagged up and Pharmacists (who have specialities such as respiratory) work alongside ward staff to focus on the medication requirements of discharge to ensure this doesn't cause delays. Pharmacists are also able to provide training to patients on how to use inhalers. In the pharmacy, a tracker system highlights patients who are being discharged and these prescriptions are given priority to ensure beds are freed up to prevent A&E delays. Patients are also given the choice to go home without medication if not essential and they are able to reach a pharmacy independently once home.

In the event of a delay, Discharge Lounge staff continue to care for the patient until a transfer was arranged, via private ambulance if necessary. The improvements in loading times (down to 30 minutes) through better accessibility (drop off zone) meant more ambulances were available thus reducing delays.

The new Discharge Lounge can accommodate patients with complex needs/Dementia, whereas in the past they would have been kept on the ward. A single room is reserved for patients who need additional support and there is also a room in A&E for Mental Health patients which is safe/secure with a psychiatric liaison team on call. This team's brief has now been extended to the Intensive Therapy Unit and to support Dementia patients.

A member of the HPPB queried Discharge to Care homes and staff confirmed that a new post has recently been put in place to work with the Halton Integrated Discharge team to identify and focus on this group of patients. There have been issues where Care Homes are reluctant to re-admit residents whose needs have changed whilst in hospital.

There have also been issues where residents have been admitted who are end of life, particularly where DNA CPR (Do Not Attempt Cardio-pulmonary Resuscitation) and Care Homes could do more to assess resident's health to avoid unnecessary distress in moving a resident at this stage. Patients who are end of life are sometimes discharged at night, with the family's support and agreement and the Discharge Team work closely with NWS/private ambulance to facilitate a fast track discharge.

Conclusion

The group were impressed with the discharge lounge facilities at Warrington Hospital and it was clear that there have been beneficial changes made to the discharge process which have contributed to improved outcomes.

After speaking to Managers and Nursing Staff, the group could see that there was a clear commitment to providing a quality patient-centred service and a continued focus on improvement moving forward.

Feedback from a patient who was in the Discharge Lounge was very positive.

The layout of the unit was patient centred with an emphasis on privacy and dignity.

A copy of information provided to patients is included in appendix 4.

6.6 Hospital Visits – Whiston

A number of the Scrutiny Topic Group, focusing on Discharge from Hospital, made a planned visit to Whiston Hospital with a view to gaining an insight into hospital discharge and what processes are in place to support vulnerable people with complex care needs.

The visit was facilitated by the Divisional Manager, Urgent Care. The group had discussions with Jenny Farley, Interim Deputy Director of Operations and Rob Cooper, Assistant Director of Operations followed by a tour of the Discharge Lounge and the Frailty Unit. The visit was 2 hours in duration. A full report of the visit is included in appendix 3.

Background

Jenny Farley welcomed the group and Councillor Joan Lowe provided an overview of the Scrutiny Review Topic Group. Jenny Farley commented on how impressed she was regarding the Integrated Discharge team at Whiston and how beneficial they were for complex discharges. JF described the two different types of discharge – complex and standard.

Discharge Processes

JF gave an overview of the kind of information people are given depending on whether their discharge is complex or standard. JF described how the conversations about discharge begin on admission and it is very quickly established if help will be needed at home. Where the Integrated Discharge Team was involved in the process it worked very well, and JF was working with Francesca Smith to raise staff awareness of the team to broaden their reach. There are dedicated discharge co-ordinators outside of Nursing resources.

Family are involved in the conversations and signposting to voluntary groups is provided. Rob Cooper stated that this worked very well at Wirral and could be improved at Whiston. (Age UK are a relatively recent presence at Whiston).

Nursing and support staff are responsible for patients whilst they are in the discharge lounge to administer meds and provide fluids/food. RC confirmed that specialist Mental Health Social Workers support people with mental health problems and there was a Liaison Psychiatrist based in A&E. Dedicated dementia staff were alerted on admission and focussed on whether the patient was newly diagnosed or if they already had a package of care either in the community or at home.

Assessments are prioritised for people being discharged to care homes as this group of patients often experience delays when finding a suitable bed and liaising with family on home of choice. The choice of care homes offered depends on the person's needs and condition – the Integrated Discharge Team tailor choices to the needs of the patient.

A member of the HPPB queried how soon are family informed about costs as this could potentially cause extra worry and stress. RC confirmed that information is provided as part of the discharge process by the Integrated Discharge Team. The financial assessment is done at home, to minimise the length of time in hospital.

RC confirmed that recent improvements to processes between Discharge teams and Pharmacy has resulted in a reduction in the time (to under an hour) between when drugs are dispensed and handed to the patient. Delays do sometimes happen, usually if discharge is later on in the day. Pharmacy

technicians are working with nurses on the ward (being piloted at the moment) to reduce delays.

JF confirmed that Respiratory Nurses were on hand to support and provide training.

A member of the HPPB outlined the case of a patient was discharged without anti-coagulant medication (Warfarin) who subsequently died and asked how Whiston informs GPs on discharge and medication. RC confirmed that Whiston has electronic discharge, however if the letter needs to be taken to the GP, it prints out in red.

Facilities

The group then moved onto the Discharge Lounge and the staff provided an overview of the processes used. Patients who still need a high level of nursing care stay on the ward as there are not suitable facilities to support them in the discharge lounge. Patients can also use the day rooms located near the wards. The lounge is also used by patients who are waiting for a bed, transport or medication. The unit is not open at weekends or Bank Holidays.

The visit continued into the Frailty Unit. Age UK (St Helens) are newly established in the unit and staff also refer to Sure Start to Later Life. The information board showed a range of areas where patients come from and those who had carers were identified to enable staff to provide extra support.

The ethos of the Frailty Unit was to ensure people were not on the ward for longer than 72 hours and to identify patients who can go home quickly. A medical assessment unit for the elderly includes medical/functional skills for those who have had a prolonged stay in hospital and have lost independence. The assessment aims to reduce levels of readmission. Visiting times are flexible to enable family to visit at times when the consultant is present and for them to be involved in assessments.

Patients are provided with a going home food parcel if needed.

Conclusion

JF explained how reductions in the number of beds had impacted the hospital and when there was a shortage of beds, people were sent out of the area.

RC outlined that the biggest challenge in delayed discharge was changing the perception of families who feel the safest place for their relative is in hospital. In reality they are more at risk of infection and a loss of independence.

There was an opportunity to further enhance the support provided by the voluntary agencies at Whiston, around signposting and information with charging. Information/signposting could be provided in the information leaflet given to patients on admission regarding discharge. This would help people move back to independence and improve patient experience. Age UK (St

Helens) are newly established in Whiston (Tuesdays) and could assist Age UK (Halton) to also make connections.

The group were impressed with the Frailty Ward at Whiston Hospital and after speaking to Managers and Nursing Staff, the group could see that there was a clear commitment to providing a quality patient-centred service and a continued focus on improvement moving forward. In particular, the group were very pleased to see that Carers were identified and supported. A home visit bag was also noted, which contained helpful items for staff when they were doing home visits.

A copy of information provided to patients is included in appendix 5.

6.8 Presentation from Halton NHS Clinical Commissioning Group (CCG) on commissioning hospital services – Dr Mick O'Connor (GP)

Dr O'Connor briefed the group regarding the scope of NHS Halton CCG and how the organisation commissions NHS services for Halton.

NHS Halton CCG monitors services such as discharges (weekends and emergency re-admissions), levels of delayed days and rate of re-admissions after 14/28 days. Dr O'Connor outlined the various reasons for delayed discharge, such as completion of assessment, Patient or Family choice, awaiting residential care/nursing home placement etc.

Halton is currently running at 15-17% re-admission within 30 days, which is quite high. CCG have commissioned a piece of work to scrutinise the reasons for re-admission, particularly at 7 days following discharge.

A discussion followed regarding the challenges in accurately pinpointing the reasons for re-admission. It can be challenging to identify a single reason for re-admission and the Contract Review Board and Quality Review Group regularly discuss and review data.

NHS Halton CCG manage contracts via CQUINs (Commissioning for Quality and Innovation) and set targets, one particular area being electronic discharge 4/5 years ago into both trusts. The introduction has improved the accuracy of information transmitted to primary care and 70/80% of patients (highest in the region) now receive an electronic discharge. The remaining 20/30% is due to reasons such as staffing issues and weekend discharges and is monitored on a monthly basis.

Patient records are still handwritten, and neither trust currently has electronic patient records. This would improve performance at weekends. With demand rising due to an increase in the elderly population and complicated drug regimens, manual records can run to 3 pages for a standard discharge with a junior doctor having to type out by hand.

There are some GPs not signed up to e-discharge and this raised concern for patients discharged at the weekend, particularly if the patient has been prescribed warfarin and needs either more medication or a blood test. Dr

O'Connor pointed out that all practices in Halton are signed up for electronic discharge and the letter given to some patients on discharge is actually a copy of a letter, which is sent electronically to their GP.

GP's use a system called DocMan within each practice and it manages all appointments, blood results, patient messages, and letters for patients from hospitals. A letter may indicate that medication/blood tests are required and the system records action taken. A&E admissions also generate letters, and patients are contacted according to risk.

The new CQUINs targets groups of people with chronic conditions (Chronic obstructive pulmonary disease (COPD), Diabetes, and Stroke) to ensure discharge includes additional information. GPs have more data, so they know what is 'normal' when they see a patient and can therefore detect any functional deterioration. Reviewing discharge procedures for people with these conditions will improve quality of care in hospital and the community as well as reducing the likelihood of readmission.

The level of intervention, which is appropriate for that person by condition, is also detailed. This information can potentially prevent re-admission with care provided in the community instead.

When asked what the frustrations were, Dr O'Connor gave the example of a patient treated for an apparent heart condition and whose discharge notes did not include adequate information. The eventual diagnosis was that it was probably a pulled muscle but the investigation led to a great deal of follow up correspondence with the consultant.

Another issue is patients discharged with outstanding tests, which should have been completed in hospital. This can cause problems, as it is not always clear why the test was ordered and patients may end up being referred back to the hospital for test results. This kind of work take patient contact away as doctors spend time doing paperwork. The problem was highlighted with the Clinical Quality Review Group and has resulted in an improvement.

There has been recent work on re-admissions in the frail and elderly and every GP practice runs Multidisciplinary Team meetings (including Community Matrons, District Nurses, GPs, and Occupational Therapists) and carries out risk stratification. This work proactively manages the risk of readmission via a register of patients who are more likely (according to condition/ circumstances) to have an unplanned hospital admission.

Both trusts are performing well on end of life discharges and patients are fast tracked with a phone call to notify District Nurses and Macmillan. Care at home is put in place with a GP visiting within a couple of hours of people arriving home/ or to a care home.

Dr O'Connor offered the Scrutiny Group a GP Practice tour during a protected learning time session (Thursday afternoon once a month). This enables people to understand what goes on behind the scenes and understand how a GP practice works.

Conclusion

The group subsequently visited Castlefields Health Centre and Beaconsfield Surgery – notes from the visits are included in Appendix 8.

6.9 Presentation from North West Ambulance Service Patient Transport Service (PTS) – Ian Stringer and Vicky Dodd.

Ian Stringer gave an overview of how the Patient Transport Service (PTS) is commissioned and how it links in with hospital discharge.

PTS are a commissioned service led by NHS Blackpool Clinical Commissioning Group (CCG) on behalf of all CCGs in the North West. PTS is a standard service across the area for patients registered within the commissioning area. Discharge activity forms part of the standard service. There is dedicated resource for Warrington and Whiston when required outside of contract arrangements.

The key performance indicators of the service include 80% of patients collected after treatment within 60 minutes of being notified as ready for collection. The services focus is on planned discharges but this sometimes means that targets for acute trusts are not met.

The same service provision applies regardless of where the patient is receiving treatment or where they live although who responds to the request for transport will differ according to area.

The main challenges facing PTS are that 10% of all activity is discharge activity with 80% planned which take place between 3-6pm. There can be issues with long stay patients with delays in medication or care package. Ward staff arrange for a take home parcel of food if needed and some patients are given a packed lunch.

Occasionally patients are transported individually particularly if the hospital needs to free up a bed. If a patient is not mobile (needs a stretcher) or has complex needs this can cause delays. However in cases like this, the patient needs are the priority, not the contract. PTS work with practitioners to make sure the discharge is safe rather than timely.

PTS receive a briefing beforehand to make them aware of patients' needs and to make sure any additional equipment is available. IS described the process PTS use in the event of safeguarding concerns/social care needs. NHS 111 will enhance this, so that NWAS know all the agencies involved.

Complaint numbers are low and nearly always related to timeliness – even if within contractual timescales. During periods of bad weather patients are prioritised (oncology and renal). PTS will contact families if needed and patients kept in overnight if required - safety is priority.

Discussion followed regarding vulnerable patients and IS stated that PTS work to reschedule activity until someone can take care of them. Adult Learning Disability (ALD) passports are utilised and there is a similar scheme for dementia. This helps staff awareness especially if it is the first time they have transported the patient. PTS ask for additional information during the booking process and this is part of the staff induction to raise awareness of the needs of vulnerable people.

The discharge lounge in Warrington Hospital has improved the process and led to quicker turnaround, particularly for stretcher patients. Where there are discharge lounges and they are operating efficiently, this does help.

IS confirmed that staff are trained in basic first aid, safe moving and handling, infection control, dementia, and dignity. There are challenges around systems and meeting contract standards when patient's needs are paramount. Sometimes hospitals in their haste to meet targets and free up beds, don't always do what is best for patients.

Patient information leaflets are handed out to people being transported and their carers. They are also distributed in GP surgeries and hospitals. A copy is included in appendix 6.

Conclusion

It was clear that the PTS is delivering a high quality service with an ongoing investment in staff to meet the needs of patients (a training calendar is attached in appendix 7).

7.0 RECOMMENDATIONS TO HEALTH PPB

Issues identified and recommendations made:

- There is a lack of co-ordination/collaboration between the Voluntary Sector in Halton around hospital discharge. There is an opportunity to further enhance the support provided by the voluntary agencies regarding signposting and information about charging. A plan is needed to clearly map out how all the voluntary organisations will move forward to provide a one stop shop and work collectively with the hospitals. This work can be done within existing resources.
- A Community Care Matron with the capacity and skills to prescribe and undertake medicine reviews dedicated to care homes and attend instead of a GP. This is within the budget allocation for this services
- A review of the process for patients who are repeatedly readmitted via the use of an alternative pathway. A possible solution may be that admission is coded as open access (outpatient), rather than categorised as a readmission. There may be an opportunity to utilise the urgent care centre to enable the patient to

self-manage their condition and for NHS Halton CCG and its partners to re-code readmissions for patients who require frequent hospital attendance for management of their condition.

- It is acknowledged by the Scrutiny Review Topic Group members that discharge lounges work well and Trusts should ensure that the facility continue to be fully utilised. There are benefits to all patients, not just older people and evidence shows a reduction (20-40 minutes less) in NWAS transfer times. There are also clear benefits to patients in how medication is provided on discharge.
- Across all of the presentations and visits undertaken by the topic group, communication - particularly relating to IT - and timely access to clinical information, was a common thread. The topic group recognises that effective communication is key to ensure safe and effective discharge and systems should continue to develop to improve this.

REPORT TO:	Executive Board
DATE:	7 April 2016
REPORTING OFFICER:	Strategic Director, People & Economy
PORTFOLIO:	Resources
SUBJECT:	Term Maintenance Contracts
WARDS:	Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 The purpose of the report is to seek approval from Members in respect of obtaining delegated authority for the Operational Director, Economy, Enterprise & Property in conjunction with the portfolio holder to award the 3 year term maintenance and minor works contracts for mechanical, electrical and building elements for use across the Borough once the evaluation process has been completed.

2.0 RECOMMENDATION: That Members approve that delegated authority be given to the Operational Director, Economy, Enterprise & Property in conjunction with the portfolio holder for Resources, to award the 3 year term maintenance and minor works contracts for mechanical, electrical and building elements for use across the Borough once the evaluation process has been completed.

3.0 SUPPORTING INFORMATION

3.1 Members were notified via a report dated 1st Oct 2015 minute EXB 50 that the Operational Director, Economy, Enterprise & Property had given approval to enter into a procurement process via The Chest in respect of the term maintenance and minor work contracts for mechanical, electrical and building elements across the Borough as the existing contracts were coming to an end as of 31st May 2016.

3.2 The new arrangements are being set up for a 3 year period with the potential for up to a 1 year extension subject to satisfactory performance, the anticipated commencement date being 1st June 2016.

3.3 Tenders have now been returned and are in the process of being evaluated, the evaluation criteria being on both price and quality with a ratio of 40% price, 60% quality. Following interviews a recommendation will be put forward in respect of awarding the respective contracts.

- 3.4 The overall cumulative value of the contracts over the 3 year period was estimated at £5.25m hence approval would normally be required via Executive Board to award the contracts following evaluation. Unfortunately the procurement process has taken slightly longer than anticipated and we will not be in a position to put a recommendation forward in respect of who the contracts should be awarded to until w/c 11th April 2016.
- 3.5 Due to the schedule of Executive Board meetings it will not be possible to bring a report to Board for approval and still meet the 1st June 2016 start date, given that a one month lead-in period will be required for the successful contractors, hence this report seeking delegated authority be given to the Operational Director in conjunction with the portfolio holder to award the contracts.
- 3.6 Subject to approval being given it is anticipated that tenderers will be notified of the intentions to award Contracts in late April. This will mean that we should be in a position to award Contracts from early May for a 1st June start date.
- 3.7 Due to the value of these Contracts an extension of longer than one month would exceed the EU Services Value Threshold so extending the current Contracts is not an option.
- 3.8 The cost of all works associated with these contracts will be met from existing budgets, this being a combination of the Property Services repairs and maintenance budget together with other revenue and capital budgets where appropriate.
- 3.9 Subject to approval a report will be brought back to Executive Board notifying Members of the outcome of the evaluation process and confirming who the Operational Director, Economy, Enterprise & Property has awarded the contracts to.

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 authority's 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

- 7.1. These contracts are being procured as the existing arrangements are coming to an end. Failure to ensure new contracts are in place by 1st June 2016 will leave us liable to higher costs due to not having gone through a competitive process in 4 years, and the submissions received seeming to offer better value.

There is also a risk of exceeding the EU Services Value Threshold if we extend current arrangements.

8.0 EQUALITY AND DIVERSITY ISSUES

None

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

None under the meaning of the Act.

REPORT TO: Executive Board

DATE: 7 April 2016

REPORTING OFFICER: Strategic Director – Community and Resources

PORTFOLIO: Resources

SUBJECT: Council Tax Section 13A Discount Policy Statement

WARD(S): Borough-wide

1. PURPOSE OF REPORT

1.1. To consider the adoption of a policy statement relating to discounts offered under Section 13A of the Local Government Finance Act 1992 (as amended).

2. RECOMMENDED: That the Council Tax Section 13A Discount Policy Statement presented in the Appendix, be approved.

3. SUPPORTING INFORMATION

3.1 Section 13A of the Local Government Finance Act 1992 (as amended) provides the Council with discretionary powers to reduce the amount of council tax liability, in exceptional circumstances where national discounts and exemptions cannot be applied. The Council is required to have a Section 13A Discount policy statement in place.

3.2 This would only be applied in extreme, exceptional and **unforeseen circumstances** and would then be considered on a case-by-case basis or for several taxpayers who may fall into a group due to similar circumstances e.g. those who have had to leave their home due to flooding or fire.

3.3 Council tax legislation provides a wide range of discounts, exemptions and reductions that have the effect of reducing the amount of council tax due. Applicants will therefore be expected to have exhausted all other options before making an application under the Section 13A Policy.

3.4 The Policy Statement presented in the Appendix outlines the process for making applications and also sets out the decision making process and arrangement for appeals.

4.0 POLICY IMPLICATIONS

4.1 The policy statement presented in the Appendix would meet the requirements of Section 13A of the Local Government Finance Act 1992 (as amended).

5.0 FINANCIAL IMPLICATIONS

5.1 There is no Government funding associated with discounts awarded under Section 13A. The cost of such discounts would therefore be met in full by the council tax payer. Any award must therefore meet the underlying principle of offering value for money to the council taxpayer.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 **Children and Young People in Halton**

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

6.3 **A Healthy Halton**

6.4 **A Safer Halton**

6.5 **Halton's Urban Renewal**

Depending upon the specific circumstances, the award of discounts under the Section 13A Policy may have the potential to affect all of the Council priorities.

7.0 RISK ANALYSIS

7.1 The number and cost of Section 13A awards will be monitored, to ensure the total cost does not become excessive.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 The eligibility criteria and application process relation to the Section 13A Policy will ensure that no particular groups of individuals are excluded.

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

Document	Place of Inspection	Contact Officer
Section 13A Local Government Finance Act 1992 (as amended)	Revenues & Benefits & Customer Services Division Kingsway House Widnes	Peter McCann

Council Tax
Section 13A Discount
Policy Statement

1.0 INTRODUCTION

- 1.1 Section 13A of the Local Government Finance Act 1992 (as amended) provides the Council with discretionary powers to reduce the amount of council tax liability, in exceptional circumstances where national discounts and exemptions cannot be applied.
- 1.2 The Council would only apply this discount in extreme, exceptional and **unforeseen circumstances** and it would be considered on a case-by-case basis or for several taxpayers who may fall into a group due to similar circumstances e.g. those who have had to leave their home due to flooding or fire.
- 1.3 Council tax legislation provides a wide range of discounts, exemptions and reductions that have the effect of reducing the level of council tax due. Applicants will therefore be expected to have exhausted all other options before making an application under the Section 13A policy.

2.0 STATEMENT OF OBJECTIVES

- 2.1 The Council recognises the need to be flexible and respond to the needs of taxpayers within the Borough, in order to support a strong and sustainable local community. To this end a range of discounts, exemptions and reductions are provided to support taxpayers in difficult circumstances.
- 2.2 Section 13A discount awards will therefore only be made in extreme, exceptional and **unforeseen circumstances**, which threaten their ability to pay council tax. They are most likely to be as a result of a natural disaster or exceptional event, for example where taxpayers are forced to leave their home for a period due to flooding or fire. Section 13A discount awards are unlikely to be made as a result of financial hardship, except where it results directly from a natural disaster or exceptional event.
- 2.3 Given that the cost of any such award has to be met by the Borough's council taxpayers, any applications must meet the underlying principle of offering value for money to council tax payers. This will be achieved by asking for a range of information to support each application.
- 2.4 From time to time Government may introduce a specific scheme in response to an event such as a large scale natural disaster (e.g. flooding). Where such schemes are introduced, funding is normally fully met by Government without impact upon the local council taxpayer.
- 2.5 Any such schemes that are introduced, in so far as they fall to be administered under Section 13A of The Local Government Finance Act 1992 (as amended), will be administered in accordance with instructions and guidance set out by Government.

2.6 The Council will consider awarding a Section 13A discount to applicants who meet the qualifying criteria set out below.

3.0 APPLICATION PROCESS

3.1 The features of the Council's Section 13A Discount Policy are that:

- It is discretionary.
- An applicant does not have the statutory right to a payment.
- The operation of the scheme is for the Council to determine.
- Other than the normal appeal against the application of discretionary function by Judicial Review, there is no right to a statutory appeal of any application decision. In the interest of fairness the Council will operate an internal review procedure for appeals in a non-discriminatory way.

3.2 All applications shall be made in writing, written or by email, by the council taxpayer or by somebody authorised to act on their behalf. It should be submitted to the Council Tax Team under the title of Section 13A Discount Application. Applications may only relate to the current council tax year, and should include the following information:

- The reason for the request including the nature of the extreme, exceptional, and unforeseen event(s) which has caused the taxpayer hardship;
- The estimated period for which the discount is required;
- The alternative steps which have already been taken to meet or mitigate the council tax liability;
- The cost of such a Section 13A discount to the Council.

4.0 ELIGIBILITY CRITERIA

4.1 There are no pre-set criteria for the award of a Section 13A council tax discount. Each application will therefore be considered on its individual merits on a case-by-case basis or for several taxpayers who may fall into a group due to similar circumstances.

4.2 The Council will only consider the award of a Section 13A discount once all other available discounts, exemptions and reductions have been explored by the taxpayer.

4.3 The award of a Section 13A discount will only be made in extreme, exceptional and **unforeseen circumstances**, which threaten the taxpayer's ability to pay their council tax. They are most likely to be as a result of a natural disaster or exceptional event, for example where taxpayers are forced to leave their home for a period due to flooding or fire. Section 13A discount awards are unlikely to

be made as a result financial hardship, except where it results directly from a natural disaster or exceptional event.

- 4.4 In deciding whether to award a Section 13A discount, the Applicant's particular circumstances will be considered. The Applicant will therefore be asked to provide supporting evidence to substantiate the answers that they give to the questions above. This may include, but is not limited to:
- Income and expenditure statements;
 - Any sources of credit such as debit cards, credit cards, store cards, overdraft facilities and loan arrangements;
 - Any financial assistance which is likely to be available to the Applicant from other sources.
- 4.5 Decisions on eligibility for an award will be made by the Operational Director, Finance. All awards will be made by crediting the discount value to the council tax account to which it applies.
- 4.6 The Council will notify the Applicant of the outcome, in writing, within 20 working days of the date the decision is made. Where the request for an award under Section 13A is unsuccessful or is not met in full, the Council will explain the reasons why the decision was made.
- 4.7 In all cases the discount will end;
- (a) at the end of the financial year, or;
 - (b) on the same day as the closing of the Applicant's council tax account, or;
 - (c) where information indicates the Applicant's circumstances or that of another household member, have changed.

5.0 THE RIGHT TO APPEAL

- 5.1 Section 13A awards are administered under the Local Government Finance Act 1992 (as amended) and are not subject to a statutory appeals process. Appeals will therefore be decided internally by the Council, regarding either the decision not to make an award or the amount of an award.
- 5.2 An applicant who requires further explanation of a Section 13A discount decision, must request this in writing within 20 days of notification of the decision.
- 5.3 An applicant who disagrees with a decision may appeal within 20 days of the original decision. Appeals will be considered by the Strategic Director Community & Resources. The outcome of the appeal will be provided to the Applicant within 20 working days of the appeal being considered.

- 5.4 Where the Applicant remains aggrieved, they may make a further appeal to the Valuation Tribunal. This is an independent Government organisation which considers disputes relating to council tax and business rates. This further appeal must be made within two months of the Council's decision not to grant any reduction. Full details can be obtained from the Valuation Tribunal www.valuationtribunal.gov.uk/home.aspx

6.0 OVERPAYMENTS

- 6.1 If the Council becomes aware that the information contained in an application for a Section 13A discount award was incorrect or that relevant information was not declared, either intentionally or otherwise, the Council may seek to recover the value of any award made as a result of that application.
- 6.2 The award will be removed from the relevant council tax account and any resulting balance will be subject to the normal methods of collection and recovery applicable to such accounts.

7.0 FRAUD

- 7.1 The Council is committed to prevent fraud. Any applicant who tries to fraudulently claim a Section 13A discount might have committed an offence under the Fraud Act 2006. If the Council suspects that fraud may have occurred, the matter will be investigated as appropriate and this could lead to criminal proceedings.

REPORT TO:	Executive Board
DATE:	7 April 2016
REPORTING OFFICER:	Strategic Director, Community & Resources
PORTFOLIO:	Transportation
SUBJECT:	Highways Asset Management Plan
WARD(S)	Borough-wide

1.0 PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to seek approval for the Policy, Strategy and Objectives of the Chapters 1 to 4 (attached) of the Draft Highway Asset Management Plan (HAMP). This will enable further development of the remaining Chapters which will cover the Operational Plan and Procedure.
- 1.2 The report was considered by the Environment and Urban Renewal Policy and Performance Board (E&UR PPB) on 13th January 2016, who supported the recommendation to endorse Chapters 1 to 4 of the HAMP and submit the report to the Executive Board for its consideration.

2.0 RECOMMENDATION: That

- 1) the Board approve Chapters 1 to 4 inclusive of the Draft Highway Asset Management Plan (attached as Appendix 1); and
- 2) the remaining chapters of the HAMP be brought to this Board for its consideration at the appropriate time.

3.0 SUPPORTING INFORMATION

3.1 What is and why do we need Highway Asset Management?

1. Highway asset management is a way of running the 'business' of operating a highway network. The 780 km highway network (593 km of roads plus 187km of independent footpaths) in Halton, comprises a number of diverse assets and all of these need managing (see Chapter 2, page 9, for more details on Halton's assets). An asset management approach will help the Council, as local highway authority, to understand the value of the highway asset and the costs linked with maintaining that asset to avoid further deterioration and, therefore, further building up of maintenance backlogs.
2. Highways are by far the most valuable asset the Council has (the WGA Gross Replacement Cost of this asset was estimated as £1.484 billion in 2014-15), and as such, managing the maintenance of this

asset is crucial. The highway network is used by, or on behalf of, every single member of the Community, often many times a day. One of the keys to improving value for money in highways maintenance is knowing and understanding when and how to intervene. By applying asset management principles and considering an asset over a whole life cycle, it is possible to select the best time to intervene. This will maintain condition and preserve the asset in an economically viable way.

3. Good asset management is about making best use of available funds. It also provides a clear evidence base to justify the need for investment in highway maintenance. Applying the principles of asset management will help the Council achieve a more structured long term approach to maintaining the network and to resist expensive, short-term actions.
4. Some of the potential benefits of adopting asset management practices are that it:
 - Formalises and documents standards and processes.
 - Helps us provide an informed response to budget pressures.
 - Records what assets we have and what condition they are in.
 - Allows us to understand how much infrastructure is aged and the risk associated with it.
 - Leads to consistency of practices.
 - Provides an audit trail.
 - Assists with managing public expectations.
 - Acknowledges that future spending requirements are not always the same as historical ones.

3.2 What is a Highway Asset Management Plan (HAMP)?

A Highway Asset Management Plan identifies the current assets and develops a **framework for asset management** to enhance existing good practices and improve the management of the network. A HAMP is a guidance document used by the Council's Highways service in managing the highway network as an asset and addressing maintenance challenges moving forward. In addition, the HAMP provides information regarding the highway asset base, its implications and identifies the need for funding that could be utilised in addressing maintenance issues. The HAMP also demonstrates to stakeholders how the Council manages highway assets and proposes to face the challenges of managing these assets in the future.

3.3 Why do we need a Highway Asset Management Plan?

1. The Highway Asset Management Plan supports an evidence based approach to maintaining the highway network and sets out how it can be maintained strategically and efficiently in order to protect the assets and provide the best possible service with the resources available. Its purpose is to identify and set out the maintenance requirements for the highway network within Halton, in a clear and consistent nationally recognised framework.
2. The All Party Parliamentary Report into Highways published in October 2013, recommended that it should be mandatory for each Local Highway Authority to produce a Highway Asset Management Plan in order to receive funding from Central Government. The Department for Transport (DfT) subsequently held roadshows in 2014 outlining how Central Government's **Highway Maintenance Funding** (through the DfT and the DCLG) is likely to be distributed in the future. It has now become clear that unless each LHA is actively committed to Asset Management and other Highways Maintenance Efficiency Programme (HMEP) principles then they could expect a cut in future funding of up to 15.5% by 2020/21, through what is known as the 'incentive element funding formula' (see 5.3 below for more information). This demonstrates more clearly than anything how important it is for the Council to develop and sustain its highway asset management capability.

3.4 Where we are and where we want to be

1. The Council published its first 'Transport Asset Management Plan' (TAMP) in 2007 at the Central Government's initiative and funding. This **TAMP** provided an overview of the authority's highway asset inventories, a gap analysis detailing what further data was required and an action plan for moving the authority towards a more asset management based approach to the delivery of highway services. This is now outdated. The decision to review, revise and publish a more up to date **HAMP** reflects the Council's recognition of the importance of a more robust asset management approach and processes that need to be adopted, as well as the need to integrate various significant improvements made over the last eight years.
2. This revised document has been condensed to include highway assets only (carriageways, footways, structures, street lighting, drainage etc.). The **Transportation** functions such as bus stop infrastructure, bus stations etc. are excluded at this stage whilst discussions continue as to whether these will be carried out under a joint arrangement within the recently formed Combined Authority (CA) which incorporates all six of the Merseyside Authorities (Liverpool City Region CA). If necessary, the transportation assets can be added to the Plan at a later date. This new HAMP document has been constructed around current Highway Maintenance Efficiency Programme (HMEP) guidance on asset management. It has evolved from our previous TAMP which was, in turn, based on the County

Surveyors Society's (now renamed The Association of Directors of Environment, Economy, Planning & Transport or ADEPT) original framework document for Highway Asset Management. This sets out what should be included in a highways asset management plan. It follows recommendations set out in the Audit Commission report (*Going the distance, Achieving better value for money in road maintenance*, May 2011). It also reflects the most current standards set out in the highway codes of practice, as well as taking into account local needs.

3. We are seeking approval for Chapters 1-4 as these set out the governance for the remainder of the document. Chapter 5 onwards will contain the Operational Plan whose aim will be to implement the Strategy and Policy as laid out in Chapters 1-4. Without the approval of Chapters 1-4, it would be uncertain what the Operational Plan was trying to achieve. Consequently, it was felt that we needed a two phase approval to ensure that the HAMP was produced as efficiently as possible and to avoid unnecessary re-writes of the Operational Plan.

4.0 **POLICY IMPLICATIONS**

- 4.1 The approval of Chapters 1-4 will set the structural basis of the HAMP which will become a Halton Borough Council Policy document once fully completed and subsequently approved and adopted in its entirety.

5.0 **FINANCIAL IMPLICATIONS**

- 5.1 Halton Borough Council will understand the value and costs of its highway assets and the financial resources required to appropriately sustain these (short and long term). It will seek to make its decisions based on Total Whole Life Cycle costs and appropriate funding strategies that match its business needs and targeted levels of service. Halton Borough Council will link the condition index to customers' expectations, its financial capacity and its levels of service goals; (for example service levels for the high footfall pedestrianized town centres will have a higher rating than little used rural footpaths)
- 5.2 New Minister, Andrew Jones MP, Parliamentary Under Secretary of State for Transport has shown a strong interest in better local roads. This has also been reflected in his recent 'Better local roads' speech given 11 June 2015. The funding environment for councils will be changing and the use of a self assessment toolkit will become part of ongoing Capital funding.
- 5.3 Central Capital allocations for Highway funding will be divided between Needs, Incentive & Challenge Funds which, in the opinion of DfT, improve the funding mechanism. Incentive Funding will be based around a self-assessment analysis (22 questions signed off by the Section 151 Officer) which will categorise each Authority into 1 of 3 Bands. The table below shows how the Incentive element of the total funding available nationally for

Highway Maintenance will increase from £0m this year to £151m by 2018/19 where it is then projected to remain at the same level. If Halton remained in Band 1, where it currently is, over that 5 year period it would stand to lose £1.058m that it could have acquired if it had attained Band 3. Similarly, it could lose up to £0.579m if it only achieves Band 2. The importance of achieving Band 3 is, therefore, clear.

	2015/16		2016/17		2017/18		2018/19		2019/20		2020/21		Totals
Needs Based formula	£901M	£2.228M	£826M	£2.043M	£801M	£1.981M	£725M	£1.793M	£725M	£1.793M	£725M	£1.793M	£11.631M
Incentive Formula	£0M	£0.000M	£50M	£0.124M	£75M	£0.185M	£151M	£0.373M	£151M	£0.373M	£151M	£0.373M	£1.429M
Band 1	100%	£0.000M	90%	£0.111M	60%	£0.111M	30%	£0.112M	10%	£0.037M	0%	£0.000M	£1.058M
Band 2	100%	£0.000M	100%	£0.124M	90%	£0.167M	70%	£0.261M	50%	£0.187M	30%	£0.112M	£0.579M
Band 3	100%	£0.000M	100%	£0.124M	100%	£0.185M	100%	£0.373M	100%	£0.373M	100%	£0.373M	£0.000M

5.4 DfT state that this self-assessment questionnaire should be shared with the Executive of the Council and made public. If the questionnaire is not completed then DfT will not release any Capital Funds.

Some of the key questions are as follows:-

Q1. Does (Halton) have an Asset Management Policy and Strategy?

Q2. Has (Halton) communicated its approach to Highway Infrastructure Asset Management (HIAM)?

Q5. Is (Halton) undertaking lifecycle planning as part of its HIAM?

Q6. Is (Halton) able to demonstrate leadership and commitment from senior decision makers in taking forward its HIAM approach?

5.5 Based on a draft questionnaire that is currently available and against which officers have scored Halton, it would find itself in Band 1 and so would receive 90% of the Incentive Fund allocation next Financial Year 2016/17. In order to ensure we maximise our potential funding, we need to work together to ensure we successfully progress from Band 1 to Band 2 next year and Band 3 as soon as possible or otherwise we will be subjected to significant cuts.

5.6 Aligned with this process, is a desire from the DfT and Treasury for Local Authorities to create and agree a forward looking 3 year programme of highway maintenance works with committed funding resource. This extends to also having a further longer term programme of future highway works. This will also covered in the final questionnaire which is due to be published in January 2016.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children & Young People in Halton

The Highway network is utilised and relied upon by Children and Young people in similar ways to any other demographic of the population.

6.2 Employment, Learning & Skills in Halton

It is recognised that a good transport network is essential for a successful economy and for the efficient and effective movement of people and goods in and through Halton.

6.3 A Healthy Halton

Provision of safe, reliable and accessible routes to all destinations by walking and cycling is vital to the future of Halton’s residents and the quality of its environment.

6.4 A Safer Halton

Our highways provide safe and reliable access to jobs, services, schools, get goods to the shops and allow us to make the most of our free time.

6.5 Halton’s Urban Renewal

Highway asset management will help meet the Council’s aims and objectives for positively shaping Halton’s future.

7.0 RISK ANALYSIS

7.1 As the status of the HAMP is one of the main questions which determine our Banding, without an agreed and published HAMP, we will not receive our full allocation of Capital Funding.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 There are not any equality and diversity issues in relation to this report.

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

Document	Place of Inspection	Contact Officer
All Party Parliamentary Group on Highway Maintenance – Managing a valuable asset: improving local road condition	Municipal Buildings	Ian Jones
Transport Asset Management Plan - 2007	Municipal Buildings	Ian Jones
Draft Self Assessment Questionnaire - DfT	Municipal Buildings	Ian Jones
“Better Local Roads” speech, Andrew Jones MP	Municipal Buildings	Ian Jones
“Going the distance, Achieving better value for money in road maintenance,” Audit Commission, May 2011	Municipal Buildings	Ian Jones
Highway Asset Management Plan – Report to E&UR PPB 13 th January 2016	Municipal Buildings	Ian Jones

Highways Asset Management Plan

Contents Page

Introduction

Strategy, Policy and Objectives

Chapter 1 Organisational Strategy

Chapter 2 Highway Asset Management Policy

Chapter 3 Highway Asset Management Strategy

Chapter 4 Highway Asset Management Objectives

Operational Plan and Procedures

Chapter 5 Inventory & Condition

Chapter 6 Valuation & Whole of Government Accounts

Chapter 7 Levels of Service

Chapter 8 Future Network Changes

Chapter 9 Maintenance Processes

Chapter 10 Risk Management

Chapter 11 Life Cycle Planning

Chapter 12 Works Programming

Chapter 13 Funding

Chapter 14 Performance Monitoring

Appendices:-

Introduction

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Introduction

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The Highway Asset Management Framework

The Highway Asset Management Framework is based on BSI PAS 55: 2008 (BSI Publicly Available Specification) and organised in the following way:



Chapter 1 Organisational Strategy

Organisational Strategy

Vision, mission and values, stakeholder requirements and risk management

Halton is a place of ambition and enterprise. Together with our partners, we are successfully restructuring the local economy around a diverse range of sectors including science and research, transport and logistics, creative, media and advanced manufacturing. We see our strong economy and economic prosperity as our key focus, with the local population accessing and retaining employment to provide a clear route out of both poverty and poverty related poor health. Economic success gives our local people improved choice and control in the way they live their lives.

Our Vision:

Halton will be a thriving and vibrant Borough where people can learn and develop their skills; enjoy a good quality of life with good health; a high quality, modern urban environment; the opportunity for all to fulfil their potential; greater wealth and equality, sustained by a thriving business community; and safer, stronger and more attractive neighbourhoods.

Our mission and our guiding principles:

Halton Borough Council maintains the present high standards in the way it conducts its business. In implementing actions that flow from this plan, the Council will follow a set of guiding principles. In all that we do we aim to be:

- Community focused - ensuring that residents' concerns are of prime importance in defining how we deliver effective services. We must maintain our open and democratic processes that encourage local people to become involved in decisions that directly affect them and future generations, working within the emerging policy context such as the localism agenda in developing new models of customer engagement,
- Sustainable - improving the quality of life for today's Halton residents without jeopardising that of future generations whilst also enhancing the biodiversity of the area,
- Leaders - the Council's role is to give clear strategic leadership to the Borough and to agree roles, responsibilities and relationships that are fit for purpose and enable people to contribute and to make a difference,
- Fair and inclusive - promoting equal access to opportunities and facilities, and helping to ensure that everyone in the community can access the opportunities and progress being made in Halton,
- Good value – enabling and coordinating the delivery of services and ensuring that the community receives value for money services of high quality that are accessible, affordable and focused on local needs. It makes sense to invest in preventative activity that stops problems occurring rather than paying to fix things that go wrong,
- Collaborative - taking full advantage of the benefits for Halton from the

Chapter 1 Organisational Strategy

community, organisations and groups working constructively in partnership and sharing responsibility whilst also recognising the changing roles of some of our key partners and working with emerging new structures,

- Evidence-based – In making decisions and policy we will ensure that we learn from best practice elsewhere and making good use of research about what works in addressing the Borough's priorities. Halton's Corporate Plan is about focusing on the issues that matter the most and investing in priorities and approaches that are based on evidence.

Our Priorities and Our Goals:

Our Corporate Plan sets out what, within available resources, we plan to achieve over the next five years to improve lives within all the communities of Halton. It will guide the development of more detailed strategy and actions to be undertaken by the Council. Within this plan we explain the steps that need to be taken to deliver on the strategic priorities and key themes that are set out here and within Halton's fifteen year Sustainable Community Strategy 2011 – 2026. These are:

- A Healthy Halton
- Employment, Learning and Skills in Halton
- A Safer Halton
- Halton's Children and Young People
- Environment and Regeneration in Halton
- Corporate Effectiveness & Business Efficiency ⁽¹⁾

Chapter 2 Highway Asset Management Policy

Highway Asset Management Policy

Vision, mission and values, stakeholder requirements and risk management

Halton has a substantial highway and transport network that is constantly undergoing improvement. During the period of LTP1 and 2 (2001/02 to 2010/11) we made substantial progress in delivering integrated and sustainable transport for Halton. This included obtaining legal powers and initial funding for the prestigious Mersey Gateway Project that gained Ministerial approval in December 2010 following the public inquiry in 2009. There was also an announcement in June 2010 that the Government would provide £18.6 million of funding for the Silver Jubilee Bridge Major Maintenance Scheme. This has enabled much needed major maintenance work on the bridge and its complex of structures to be undertaken.

A large measure of our success was due to the support of our many stakeholders and partners. Our collective ability to deliver improvements was acknowledged by the Government through the Department for Transport (DfT), which recognised Halton as 'excellent' in the quality of delivery of transport as well as in our forward planning. We are now seeking to deliver LTP3 to the same high standard. ⁽²⁾

Halton Borough Council has joined with neighbouring Merseyside authorities including Merseytravel, to form a **Combined Authority (CA)**. In doing so, Halton transferred all its local transport authority powers to the CA. This merger of ideas and values was brought about on 1 April 2014. From now on this combine of **Transport Functions** shall be carried out under the name of the new authority; named in the Order presented to Parliament as the "Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral Combined Authority". Earlier on 21 February 2014, it was decided that the authority will use the public name of Liverpool City Region Combined Authority.

The six authorities have combined to deal with strategic policy areas such as economic growth, transport, tourism, culture, housing, and physical infrastructure. The authority creates a **legal entity** officially taking over the role of **Merseytravel** and expanding its area of formal jurisdiction, as well as formalizing the existing informal arrangements between the city region's constituent councils. The region's economic development is supported by the Liverpool City Region Local Enterprise Partnership (LEP), established in 2010 as the private sector led board comprising political and business leaders from around the city region. ⁽³⁾

The remit of the CA does not, at this stage, include responsibility for the highway network or highway maintenance, although consideration is being given to the adoption of a Strategic Highway Network and the carrying out of certain functions on that network. The CA's Transport Protocol also requires that a review of the way both Integrated Transport and Highway Maintenance Block allocations should be distributed in future years, the main emphasis being on deciding whether money should continue to be allocated according to the current formulae basis or whether it should be on prioritised need as determined by the CA. As of June 2015, these reviews are ongoing.

The Liverpool City Region currently has two Local Transport Plans for its area. The 'Merseyside Local Transport Plan 3' and its associated documents came into force on 1 April 2011 and form the transport policy framework for Merseyside. 'Halton' has its own Local Transport Plan 3 which is closely aligned to that of Merseyside.

Chapter 2 Highway Asset Management Policy

Halton's LTP3, which runs from 2011, presents itself in two parts. The first sets out a strategy for Halton until 2026. The second part lies beneath the long term strategy and it is an Implementation Plan, which set out in detail how the strategy was to be delivered in the first four years (2011-2015).

Both LTPs came to the end of these implementation plans in March 2015. However, on 1st April 2015, the Transport Plan for Growth (TPfG) was produced. This sets out a Joint Strategic Transport Framework for the LCR CA, together with a 6 year Investment Plan. This doesn't replace the existing LTPs, which will continue through to 2024 (Merseyside) and 2026 (Halton), but it updates what has happened since the LTPs original preparation in 2010. The TPfG emphasises how important transport is as an enabler of growth and the role it can play in achieving economic growth across the LCR. ⁽⁴⁾

Transport planning cannot be considered in isolation as its purpose is to serve society. LTP3 and the TPfG therefore, have been built upon wider policy documents such as the Sustainable Community Strategy.

We know, despite our extensive successes, there is much more to be done. The circumstances in which we find ourselves are very different to those of even a relatively short while ago. There will be much less public finance available, but we must ensure that Halton and the Liverpool City Region's aspirations for regeneration and growth continue to be supported by a high quality, low carbon and efficient transport network.

In January 2011, the Government's Transport White Paper 'Creating Growth, Cutting Carbon – Making Sustainable Local Transport Happen' was published. The White Paper States:

'The Government will be targeting investment in new projects that can help build the dynamic low carbon economy that is essential for our economic prosperity. The White Paper is about providing the early reduction in carbon emissions that local action is best placed to deliver, whilst facilitating the access to local jobs that will boost economic growth.'

Halton recognises the Government's main transport objectives of creating economic growth and reducing carbon emissions. In addition to these, Halton set out its own transport goals in LTP3. These were:

- Ensure transport network resilience with particular regard to enhancing cross Mersey linkages, by the implementation of the Mersey Gateway project and the Mersey Gateway Sustainable Transport Strategy,
- Ensure the transport system supports the priorities of the Halton's Local Strategic Partnership (LSP), the Local Enterprise Partnership (LEP) and Liverpool City Region (LCR),
- Provide and promote a clean and low carbon transport system,
- Ensure the transport system promotes and enables improved health and wellbeing,
- Ensure the transport system allows people to connect easily with employment, services and social activities,
- Ensure the transport network supports the economic success of Halton and the LCR by the efficient movement of people and goods.
- Maintain our transport and highway assets to a high standard. ⁽²⁾

Chapter 2 Highway Asset Management Policy

Policy: Highway Asset Management

1. Purpose: Why do we have a highway asset management policy?

A highway asset management policy guides how the Council:-

- develops and maintains its highway infrastructure
- selects maintenance options to achieve the most efficient and cost effective treatments in relation to whole life costing
- uses existing available resources in an efficient, cost effective way
- selects partnering options to support the delivery of the maintenance service
- seeks to minimise the impact on the environment of maintenance activities.

In managing our assets well, we provide accountability to the Elected Members for the use of both departmental capital and revenue funding.

2. Scope

This policy applies to all highway inventory assets purchased, constructed/installed and maintained on the adopted highway network within the authority's boundaries.

(As at June 2015)

Carriageways:	593 Km
Footways, Footpaths, Cycleways & Rear Alleys:	784 Km
Structures:	339
Street Lighting:	20,060
Illuminated Road Signs & Lit Bollards:	1,850
Traffic Signals:	
• 59 traffic signal controlled junctions	
• 20 Puffin Pedestrian Crossings	
• 5 Toucan (Pedestrian and Cycle) Crossings	
• 18 Zebra crossings	
Variable Message Signs	13
Automatic Number Plate Recognition	6
CCTV	9
Speed Activated Signs	47

Chapter 2 Highway Asset Management Policy

3. Policy statement: Our commitment

Halton Borough Council – Policy for Highway Asset Management

Halton Borough Council considers effective asset management to be one of the key factors to enable the delivery of the corporate priorities namely:

- **A Healthy Halton**
- **Employment, Learning and Skills in Halton**
- **A Safer Halton**
- **Halton’s Children and Young People**
- **Environment and Regeneration in Halton**
- **Corporate Effectiveness & Business Efficiency**

It is recognised that a good transport network is essential for a successful economy and for the efficient and effective movement of people and goods in and through Halton. Our roads provide safe and reliable access to jobs, services, schools, get goods to the shops and allow us to make the most of our free time. **The highway network is the Council’s biggest single asset by far and is used by or on behalf of every single member of the community, often many times a day.**

Provision of safe, reliable and accessible routes to all destinations by walking, cycling, road vehicles and public transport is vital to the future of Halton’s economy and the quality of its environment. Highway asset management will help meet the Council’s aims and objectives for shaping Halton’s future.

Our aim is to retain and develop a safe, reliable, attractive, well-managed and maintained transportation network that is easy to use by all users and which:

- 1. is maintained in the most efficient and effective manner,**
- 2. reaches a steady state of maintenance in terms of overall condition that meets the expectations and aspirations of the users,**
- 3. has residents and users satisfied,**
- 4. Is achievable with available resources.**

Our priorities will be to:

Provide a safe, well managed, maintained and more resilient highway network for all that use it. We will make every effort to understand current and future requirements for the highway infrastructure. In order to deliver this we will continue to understand our stakeholders’ needs, promote their desirable levels of service that can be expected and the maintenance priorities for our highways.

Fully recognise the vital role that transport has to play in Halton’s economic vitality and we will endeavour to maintain access to education, employment and services, as well as widen travel choice through public and community transport, supported by reliable and safe journeys on our highway network.

Chapter 2 Highway Asset Management Policy

How do we aim to achieve this?

Our adoption of an asset management strategy will take a long term view in making informed maintenance and investment decisions.

Halton Borough Council will manage Halton's highway network stock in accordance with the 'Highway Asset Management Framework' set out in the Introduction, which includes a 'Highway Asset Management Plan'. This strategic plan has been developed to provide the framework to ensure that Council's Highway assets are operated, maintained, renewed, upgraded, acquired and disposed of to ensure that the Levels of Service are achieved in the most cost effective and sustainable way. The Highway Asset Management Plan details some specific corporate objectives relating to the highway, a number of the key objectives are listed below:-

1. demonstrate responsible and sustainable stewardship of the Council's Highway asset.
2. define how the Council's Highways assets are and will be managed to achieve the defined Levels of Service.
3. assist the management of the environmental, financial and public risks related to the highway assets.
4. provide the basis for forward works programmes.
5. provide the basis for optimising whole-of-life costs.
6. support long term financial planning based on whole life costing.
7. ensure that all highway management practices comply with current applicable legislation.

Halton Borough Council is committed to the responsible management of its highway network asset and to being accountable for;

- The standards of maintenance of that asset.
- The way that maintenance works are identified and prioritised.
 - Using an asset management/ whole life costing approach to all highway maintenance activities.
- The commissioning of maintenance works by internal or external agencies.
- Identifying and using sustainable solutions to minimise waste and landfill wherever possible, for highway maintenance works.
- Maintaining the highway network to standards which will significantly reduce the number and costs of third party accident claims.
 - Implementing highway inspection regimes to support the Council's position.

4. Procedures

This policy will be reviewed in conjunction with the review of the Highway Asset Management Strategy and Highway Asset Management Plan.

- **Highway Asset Register:** Halton Borough Council will know the asset it owns or that it has legal responsibility for and will maintain an accurate computerised register developed around an asset hierarchy that supports advanced asset management functions,

Chapter 2 Highway Asset Management Policy

- **Condition Assessment:** Halton Borough Council will gather, record, store and analyse condition data using user friendly computerised systems, and design these systems to support high confidence level asset related decision making and to create a comprehensive condition index,
- **Highway Maintenance:** Halton Borough Council will retain a detailed highway maintenance strategy, and operate a user friendly, accurate and comprehensive enterprise asset management system (that includes a Computerised Maintenance Management System) to ensure that the assets, facilities, and systems perform to their design criteria and meet their design lives,
- **Information Technologies and Analysis and Evaluation:** Halton Borough Council will store and analyse its data and knowledge in integrated or interconnected, user friendly, efficient, and effective computerised business information systems that support total organization and asset management responsibilities, vision, and goals,
- **Levels of Service (LoS):** Halton Borough Council will thoroughly understand and record its current levels of service, including customer service demands and will report its performance in meeting these in its asset management plans. These plans will include service level options and costs and likely future LoS requirements necessary for sustained performance,
- **Highway Asset Risk Management:** Halton Borough Council will monitor, understand and manage the risks involved in its business activities and ensure that its policies, processes and practices reflect these commitments;
- **Financial Planning:** Halton Borough Council will understand the value and costs of its highway assets and the financial resources required to appropriately sustain these (short and long term). It will seek to make its decisions based on Total Whole Life Cycle costs and appropriate funding strategies that match its business needs and targeted levels of service. Halton Borough Council will link the condition index to customers' expectations, its financial capacity and its levels of service goals; (for example service levels for the high footfall pedestrianized town centres will have a higher rating than little used rural footpaths)

Preparation of budget estimates

- Highway Asset details will be used to prepare budget estimates for cyclic maintenance activities (gully cleaning, grass cutting, watercourse maintenance etc.)
- Condition data will be used to prepare priority lists and budget estimates in terms of
 - Carriageway/footway patching
 - Kerb repairs
 - Scheme works
 - Structural Maintenance
 - Street Lighting, Traffic Management and other Highway Electrical Assets

Chapter 2 Highway Asset Management Policy

- Capital Improvement Plan and Budget Funding Processes and Procedures:** Halton Borough Council will have uniform processes for the evaluation of investments in highway capital projects, maintenance and operations. These processes will include all costs and benefits, impacts on levels of service, and asset management decision making quality confidence levels. Halton Borough Council will make its decisions about individual projects when the impact of all proposed capital projects on levels of service, assets and service sustainability are known. Halton Borough Council will link its organisational goals to its investments and ultimate action plans;
- Capital Improvement Planning:** Halton Borough Council Highways will approve capital investment for new assets or services with an understanding and commitment to the recurrent Operations and Maintenance funding necessary to sustain those. Halton Borough Council will plan its infrastructure and investments to meet current and forecast demands within the expected life of the assets subject to funding availability;
- Highway Asset Management Reporting:** Halton Borough Council Highways will report its overall performance in financial, social, environmental and technical terms in reports to relevant Government bodies (DEFRA, DfT, EA) and via internal asset management reports;
- Highway Asset Management Programme Management:** Halton Borough Council agrees that to undertake life cycle asset management efficiently and effectively, it needs to apply Best Appropriate Life Cycle Processes and Practices to its valuable community assets, acquire and maintain the necessary data and knowledge needed for these processes, store this data and knowledge in the most appropriate Highway Asset Management Information System and prepare Highway Asset Management Plans that are consistent with asset management strategies that meet stakeholders requirements;
- Highway Asset Management Appropriate Practices and continual improvement:** Halton Borough Council believe that only when it can confidently claim that all the above facets of asset management are in use, will Best Appropriate Practices in asset management have been achieved for the benefit of its customers and stakeholders,
- Communication of the Highway Asset Management Policy:** The Policy is part of the Highway Asset Management Framework which is embedded within the Council's practices. The Highways Asset Management Plan is a key corporate strategy and will be regularly reviewed and reported to the Council's Executive. ⁽⁵⁾

Chapter 3 Highway Asset Management Strategy

Highway Asset Management Strategy

Long term optimised and sustainable direction for the management of the highway assets, to assist in the organisational strategic plan and apply the highway asset management policy

Definition:

Strategy is a plan of action designed to achieve a particular long term aim. In terms of highways, the highway asset management plan provides detailed strategies to be used to achieve our aims outlined in the Policy, set out in Chapter 2 i.e. ***to retain and develop our safe, reliable, attractive, well-managed and maintained transportation network that is safe and easy to use by all.***

To achieve this, the highway network must be maintained and managed through a 'whole life cost' approach in terms of condition rating, treatment options (to address condition rating), treatment selection and timing of the works involved. This in turn supports the corporate aims and objectives outlined in Chapter 1.

When considering Highway Asset Management; the maintenance strategies detailed in the highway asset management plan use the pyramid shown below as the basic platform to achieve well managed overall lifecycle costs for the Council's highway assets.



Fig.1. Maintenance pyramid (*)

Chapter 3 Highway Asset Management Strategy

Outline of strategies contained within the highway asset management plan:

Highway condition – to plan and undertake regular highway inspections and condition surveys and upload the data.

Treatment options – these are assessed through linking known existing construction data to condition assessment/rating, traffic loading and age of asset.

Treatment selection – this is assessed through condition rating, age of asset, traffic loading, type and age of last treatment to achieve the asset lifecycle.

Treatment timing – looked at to achieve the overall benefit to the asset lifecycle approach to minimise long term costs.

Highway construction – gather, record and update existing construction data along with traffic loading/count data. This information is required for designing and selecting treatment options, which are in turn linked to deterioration modelling.

Highway maintenance – establish links between types of maintenance i.e. reactive, routine (including cyclic activities e.g. gully cleaning) and programmed.

All highway assets when constructed/installed have a design life. To achieve this design life and the level of service allowed for at the time of construction, various maintenance activities will need to be undertaken during the design life.

Maintenance is defined as ‘all actions necessary for retaining an asset as near as practicable to its original condition, but excluding renewal.’

The right maintenance options carried out at the right time in the asset’s lifecycle will slow down the deterioration and delays when renewal becomes necessary, thus achieving optimum whole lifecycle costs. The above strategies contained in the highway asset management plan support this.

There are a number of strategies contained within the highway asset management plan. To enable these strategies to be implemented, managed and linked it is essential to have in place a software programme which would enable various data streams to be obtained, held, updated and linked. This data is then processed in differing formats to enable condition ratings, treatment options, treatment estimates, timing of treatments, budget forecasts etc. to be obtained and used. This approach will enable the highway network to be managed/maintained with an asset lifecycle approach, which has the objective of achieving the lowest long-term cost (as opposed to short term saving) when making treatment choices and timings. The same system will be used to generate all the regulatory standard reports required by government bodies including the whole of government account. ⁽⁵⁾

Chapter 4 Highway Asset Management Objectives

Highway Asset Management Objectives

Specific and measurable outcomes required of highway assets, highway asset systems and the highway asset management system

In terms of highway asset management, the objective is to achieve a highway network that is fit for purpose, safe for all users and maintained using an asset management whole life cost approach.

To achieve this, there are number of functions that must be carried out. An example would be to undertake highway safety inspections, which has the aim of maintaining the highway network in a safe condition for users and to reduce the risk of accidents occurring.

The full range of functions is as follows;

1. Gather, record and update all highway inventories – **objective** - to know and be able to value the Council's highway asset. This objective is the essential foundation element i.e. you need to know what you have. This objective is also fundamental in the preparation of budget estimates for a number of routine (cyclic) maintenance activities e.g. gully cleaning, verge grass cutting etc.
2. Gather, record and update existing carriageway construction information – **objective** - to enable maintenance options to be analysed/designed, considered and selected
3. Gather, record and update traffic count data – **objective** – to support the design of treatment options for programmed maintenance schemes
4. Inspect the highway – **objective** - to identify defects that need to be repaired within defined timescales to keep the network safe for users and give outline support for 'condition surveys'
5. Undertake separate condition surveys of identified network lengths – **objective** – to identify road lengths that are requiring some form of maintenance treatment, enabling the type and timing of treatment options to be identified, designed, selected and programmed to support the whole life costing approach to highway maintenance

Chapter 4 Highway Asset Management Objectives

The 5 functions or objectives listed above contribute and support the preparation of cost estimates for reactive, routine and programmed maintenance, for all highway assets. This is essential when preparing annual budget estimate requirements.

It should be noted that the budget costs are the minimum funding required for statutory provision of these activities. ⁽⁵⁾

The next chapter on 'Highway Asset Maintenance Processes' deals with how the annual budget estimates are prepared (routine, reactive and programmed) for all highway assets for each of the objectives listed above. It includes sections on the following:

1. Carriageway maintenance
2. Footway and footpath maintenance
3. Highway drainage systems maintenance
4. Highway grass verge areas, planted areas, trees/hedges and side slopes maintenance
5. Highway non-illuminated traffic signs maintenance
6. Highway road markings maintenance
7. Public rights of way (PRoW) maintenance
8. Highway carriageway surface skid resistance maintenance
9. Highway safety barriers maintenance
10. Highway structures and bridges maintenance
11. Street lighting and illuminated traffic signs maintenance
12. Traffic signal maintenance
13. UTMC systems maintenance (including ANPR & VMS)
14. Controlled pedestrian crossing maintenance
15. CCTV maintenance

⁽¹⁾ *Extracts & Reference: Halton Borough Council Corporate Plan 2011-2016*

⁽²⁾ *Extracts & Reference: Halton Borough Council LTP3 2011/12-2025/26*

⁽³⁾ *Wikipedia*

⁽⁴⁾ *Extracts & Reference: LCR Response to Transport Resilience Review*

⁽⁵⁾ *Extracts & Reference: Blackpool Council Highway Asset Management Framework 2013*

REPORT TO: Executive Board

DATE: 7 April 2016

REPORTING OFFICER: Strategic Director – Community and Resources

PORTFOLIO: Transportation

SUBJECT: Mersey Gateway Bridge Project – Revised Department for Transport Funding Letter

WARD(S): Borough-wide

1. PURPOSE OF REPORT

- 1.1. To seek approval for the Department for Transport's (DfT) Revised Funding Letter in respect of the Mersey Gateway Bridge Project, which now incorporates the improved Local User Discount Scheme.

2. RECOMMENDED: That;

- (i) **The Department for Transport's Revised Funding Letter in respect of the Mersey Gateway Bridge Project, be approved.**
- (ii) **The Operational Director, Finance be authorised to certify the Department for Transport's Revised Funding Letter on behalf of the Council, as the Section 151 Officer.**

3. SUPPORTING INFORMATION

- 3.1 On 23 January 2014 the Mersey Gateway Executive Board approved a number of documents and the process which took the Mersey Gateway Bridge Project through to Financial Close.
- 3.2 These included providing a delegation to the Operational Director, Finance as the Council's Section 151 Officer, to authorise such written confirmations as required by the Department for Transport's Funding Letter.
- 3.3 On 25th July 2014 the Chancellor announced that the Government would provide additional funding to improve the Local User Discount Scheme. This would enable Halton residents to undertake unlimited journeys at no cost (apart from an annual registration fee) across the Mersey Gateway Bridge.
- 3.4 On behalf of the Council, the Mersey Gateway Crossings Board Limited has undertaken negotiations with the Department for Transport, regarding the revised terms and conditions of the Government's additional funding offer following the Chancellor's announcement.
- 3.5 As a result of these negotiations, the Department for Transport have provided a Revised Funding Letter which is presented in the Appendix.

- 3.6 Prior to the Chancellor's announcement, the Local User Discount Scheme would have provided Halton residents with up to 300 journeys per year per vehicle across the Mersey Gateway Bridge, at no cost apart from an annual registration fee. The cost of these journeys will be funded from resources which will be available to the Council.
- 3.7 The improved Local User Discount Scheme will now provide Halton residents with unlimited journeys across the Mersey Gateway Bridge, at no cost apart from an annual registration fee.
- 3.8 The cost of these journeys will be part-funded by the Council, up to the estimated cost of 300 journeys per vehicle per year. The additional cost of the actual number of journeys made compared with the estimated cost had they been limited to 300 per year, will be funded by a new Extended Discount Scheme Grant.
- 3.9 The Department for Transport require the Operational Director, Finance as the Section 151 Officer, to certify the Revised Funding Letter, as confirmation that the Council accepts the revised terms and conditions contained within the Letter.

4.0 POLICY IMPLICATIONS

- 4.1 The Mersey Gateway Bridge project is a key priority for the Council, which will deliver benefits locally and across the wider region.

5.0 FINANCIAL IMPLICATIONS

- 5.1 The financial implications of the Department for Transport's Revised Funding Letter are as set out in the Appendix.

6. IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

Mersey Gateway provides an opportunity to improve accessibility to services, education and employment for all.

6.2 Employment, Learning and Skills in Halton

Over 500 construction jobs will be required for Mersey Gateway and arrangements have been put in place to ensure the local community has access to these job opportunities. In the longer term, several thousand jobs are forecast to be created in the sub-region due to the wider economic impact of the project.

6.3 A Healthy Halton

Mersey Gateway provides an opportunity to improve accessibility to services, education and employment for all, including improved cycling and walking facilities.

6.4 A Safer Halton

The project will produce road safety benefits for road users including improved cycling and walking facilities.

6.5 Halton's Urban Renewal

The Mersey Gateway Bridge project is a priority project within the Urban Renewal Programme.

7. RISK ANALYSIS

7.1 A full risk register is maintained and monitored by the Mersey Gateway Crossings Board Limited as part of the ongoing project management system.

8. EQUALITY AND DIVERSITY ISSUES

8.1 The Mersey Gateway Bridge Project provides an opportunity to improve accessibility to services, education and employment for all.

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

Document	Place of Inspection	Contact Officer
Mersey Gateway Bridge Project DfT Funding Letter and Annexes	Municipal Building Kingsway Widnes	Ed Dawson

Tony Boucher
Deputy Director: Local Transport Funding
Growth and Delivery
Department for Transport
Zone 2/14
Great Minster House
33 Horseferry Road
London SW1P 4DR
Direct Line: 0207 944 6541

David Parr
Chief Executive
Halton Borough Council
Municipal Building
Kingsway
Widnes
Cheshire WA8 7QF

24 February 2016

Dear David,

MERSEY GATEWAY BRIDGE PROJECT - FULL APPROVAL

- (i) Further to Stephen Fidler's letter of 25 March 2014 which informed you that Ministers had approved the funding package for the Mersey Gateway Bridge Project and following the Chancellor of the Exchequer's announcement on 25 July 2014¹, this letter sets out the revised conditions which must be satisfied and the wider funding conditions for the Project. This letter supersedes the Full approval letter of 25 March 2014.
- (ii) Please provide written confirmation that Halton Borough Council ("HBC") agrees to these revised terms and conditions including certification from your section 151 officer that HBC accepts the requirements set out in this document.
- (iii) This Funding Offer, subject to the conditions set out below, comprises:
 1. **Development Cost Grant** of up to £86m (including preparatory, land and remediation costs) of which up to £8m may be paid as resource funding;
 2. **Availability Support Grant** of a graduated payment as set out at Annex A following receipt of a Minimum Revenue Collection Certificate, Compliant Revenue Collection Certificate or Full Revenue Collection Certificate (as the case may be) under the proposed DBFO agreement;
 3. **Extended Discount Scheme Grant** of a graduated payment as set out at **Annex A** which will be paid in conjunction with the Availability Support Grant;
 4. **Additional Liquidity Maintenance Reserve Grant** of £9m to be paid at the same time as the initial Availability Support Grant payment following full service commencement under the proposed DBFO agreement; and
 5. **Additional Availability Support Grant** of variable amounts to provide additional revenue support in exceptional circumstances.
- (iv) This Funding Offer is made on the conditions below and is based on the Full Business Case ("FBC") submitted to the Department for Transport (the "Department" or "DfT") on 16 September 2013 as subsequently updated and agreed with HM Treasury together with subsequent information provided by you. Payment of grant pursuant to this Funding Offer is made under section 31 of the Local Government Act 2003.
- (v) The Funding Offer is conditional on:

¹ See Annex C for further details.

1. receipt of signed certification from HBC's s.151 officer accepting the requirements set out in this revised document;
2. the Project not having been abandoned by HBC or the Mersey Gateway Crossings Board (the "Crossings Board");
3. no substantive alterations being made to the Project as described in the FBC without prior consent of the Department, with the exception of the Chancellor's announcements described in Annex C and the alterations resulting from this Funding Offer;
4. the duly incorporated Crossings Board remaining sufficiently staffed; and
5. HBC agreeing to review the financial robustness and value for money of the Project, taking full account of updated forecasts (including traffic levels, toll charges, discount arrangements and anticipated revenue and costs) 12 months prior to opening of the Project, full details of this review will be agreed prior to it being initiated.

(vi) In relation to the **Development Cost Grant**:

1. Development Cost Grant will be paid in accordance with this Funding Offer and normal DfT grant rules and, always subject to a cap of £86m, will be limited to net costs necessarily incurred directly by HBC in connection with the development of the Project.
2. To the extent that actual eligible costs incurred, net of any actual or potential cost recovery, are less than £86m in total then the total Development Cost Grant payable will be the lower amount.
3. HBC is responsible for seeking to minimise development costs incurred and any development costs above the maximum Development Cost Grant are at HBCs' own risk or borne by the Project to the extent they are unavoidable and are deemed efficient expenditure.

(vii) In relation to the **Availability Support Grant**:

1. The Department, HM Treasury and HBC acknowledge that the Project is not a PFI, but recognise that the principles set out in the Department for Communities and Local Government Local Government PFI Project Support Guide 2009 - 10, 1st Revision (September 2009), available on DCLG's website will apply to the Project unless otherwise agreed.
2. A copy of the final FBC should be published on HBC's website (with any sensitive information redacted) as soon as possible after submission to the Department.
3. The maximum annual Availability Support Grant payable is set out in Appendix A.
4. Should the Project undergo refinancing, any gains for HBC will be shared on a 50/50 basis with the Department, in a manner to be agreed at the time.
5. Amongst other issues, HBC will establish, prior to the introduction of tolls/road user charges on either the Mersey Gateway or the Silver Jubilee bridges, a Liquidity Maintenance Reserve. The Liquidity Maintenance Reserve will comprise of cash or cash equivalent assets. Its initial minimum value on the service commencement date under the DBFO Agreement will be at least 20% of the net toll/road user charge revenues forecast for the period of 12 months beginning on this service commencement date. On each anniversary of the service commencement date under the DBFO Agreement the minimum value of the Liquidity Maintenance Reserve will be adjusted so that it represents at least 20% of the forecast net toll/charge value for the following period of 12 months.

6. Upon creation, the Liquidity Maintenance Reserve is to be held in a separate bank account, made available to the Crossings Board in accordance with the terms of the Governance Agreement and used solely (if necessary) to fund any shortfall between (a) actual toll revenues and Availability Support Grant and (b) HBC's and the Crossings Board's financial obligations for the Project. The Department will need to be satisfied that these arrangements are robust, ensure that the Crossings Board can access the Liquidity Maintenance Reserve as required (in accordance with the Governance Agreement) and are in place before any tolls/user charges are introduced.

(viii) In relation to the **Extended Discount Scheme Grant**:

1. As at 25 July 2014, HBC was proposing a Local User Discount Scheme with the following vehicle eligibility requirements:
 - a. class two vehicles;
 - b. no more than one vehicle per person older than 17 living within the HBC area; and
 - c. vehicles of a person resident in a property within Council Tax Bands G and H were excluded unless the person concerned was eligible for the scheme on economic hardship grounds or other special circumstances.
2. This Local User Discount Scheme entitled registered users to up to 300 free journeys per year with any excess journeys paid at the rate available for tag-registered accounts.
3. HBC intends to fund the annual cost of this Local User Discount Scheme from (1) 10% of the revenues that would have been earned in the absence of any Discounts; and (2) HBC's share of the procurement savings calculated at Financial Close.
4. On 25 July 2014 the Chancellor of the Exchequer announced that those vehicles previously included in HBC's proposed Local User Discount Scheme (as defined at sub-paragraph 1 above) would benefit from 100% toll discounts, rather than 300 free journeys per year.
5. HBC undertakes to extend the Local User Discount Scheme to give effect to the Chancellor's announcement of 25 July 2014. Any subsequent change to the scheme that would impact upon this announcement will require the written consent of the Department, who will consult HM Treasury as appropriate. The Department has agreed to fund the cost of this extension in accordance with the terms of this letter.
6. The Extended Discount Scheme Grant is payable in addition to Availability Support Grant to fund the difference between the actual toll/road user charge revenue receipts and the estimated receipts had free trips for eligible vehicles (as defined at sub-paragraphs 1 and 2 above) been limited to the first 300 trips per year per vehicle. The amount of the Extended Discount Scheme Grant that shall be payable shall be as set out in Annex A, subject to any adjustment under the review procedures at the First Review Point or any subsequent Review Point as set out in this letter. For the avoidance of doubt the First review will not determine the nature of the Local User Discount Scheme or HBC's contribution to it. Also the Extended Discount Scheme Grant is not payable for the extension of the scheme to other vehicles or to meet the costs of administering the scheme.

(ix) In relation to the **Additional Liquidity Maintenance Reserve Grant**:

1. The additional grant funding of £9m will be paid in conjunction with the initial Availability Support Grant payment following full service commencement under the DBFO agreement.

2. For the avoidance of doubt, the Additional Liquidity Maintenance Reserve Grant is additional to the sum referred to at paragraph (vii)(5) above but will form part of the overall Liquidity Maintenance Reserve available.

(x) In relation to the **Additional Availability Support Grant**:

1. In exceptional circumstances the Department agrees to pay HBC or the Crossings Board additional financial support ("Additional Availability Support Grant") (subject to the following sentence) up to the amount of the base case toll/road user charge revenue forecasted in the FBC. Additional Availability Support Grant will be payable to fund the difference between the actual toll/road user charge revenue receipts and the base case toll/road user charge revenue forecasted in the FBC if, as a result, HBC is unable to fully meet its obligations under the DBFO Agreement, DMP Agreements (including in respect of any termination compensation obligations following early termination of the DBFO Agreement or DMP Agreement provided any such termination payments are payable in instalments over the life of the relevant agreement prior to termination), prudential borrowing interest cost or other direct Project costs from the combination of the Availability Support Grant and the toll/road user charge revenue.
2. In order for HBC, the Crossings Board and the Department to assess the need for Additional Availability Support Grant HBC and the Crossings Board undertake to provide an annual rolling five-year look forward projection of Availability Support Grant, Extended Discount Scheme Grant and the toll/road user charge revenue and costs under the DBFO Agreement and DMP Agreement.
3. The Department will provide Additional Availability Support Grant, either in the form of a grant or loan, at the sole discretion of the Department, to HBC or the Crossings Board to enable HBC and the Crossings Board to meet their obligations under the DBFO Agreement, DMP Agreement, prudential borrowing interest cost or other direct Project costs in a timely manner². The Department hereby agrees to provide as a grant any Additional Availability Support Grant required as a result of extending the local discount arrangements for the vehicles specified at (viii)(1) above beyond 300 trips per year per vehicle.
4. After identifying a shortfall between estimated and actual toll/user charge revenue potentially requiring Additional Availability Support Grant, HBC and the Crossings Board will demonstrate to the reasonable satisfaction of the Department that they are undertaking the following measures (to the extent required), in this paragraph and paragraph (x)(5) below, to remove or reduce that shortfall: (a) utilisation of the Liquidity Maintenance Reserve; (b) increasing the toll/road user charge rates above the toll/charging levels set out in the FBC (if and to the extent legally possible) by up to 20%; (c) subject to securing any necessary agreements as set out in paragraph (viii) 5 above, reducing/removing toll/road user charge discounts to local residents³; (d) providing additional funding from HBC towards the costs of toll/road user charge discounts to local residents not covered by Extended Discount Scheme Grant; (e)

² HBC/MGCB Additional Availability Support Grant request and subsequent DfT payment timetable to be agreed to ensure financial obligations can be met.

³ The Department recognises that Local Discounts may include those: (a) provided for within the 10% revenue cap set out at (xvii); (b) discounts that HBC has chosen to fund through its share of procurement savings; (c) discounts funded by the Extended Discount Scheme Grant; and (d) in the absence of this grant, the minimum amount needed to extend the Local User Discount Scheme in accordance with (viii)((1) to (5)) above. In considering whether actions taken by HBC are to its reasonable satisfaction, the Department does not anticipate requiring HBC to forego or defer a share of its procurement savings that is disproportionate to any share of the procurement savings foregone or deferred (or effectively foregone or deferred - including through provision or anticipated provision of Additional Availability Support Grant) by DfT.

- taking steps to reduce the Crossings Board's costs; and (f) re-scoping the service provision to the extent permitted under the contracts.
5. In addition to the mitigation measures set out in paragraph (x)(4) above, HBC and Crossings Board shall use reasonable endeavours to agree a revenue rectification plan with the Department setting out such additional measures required to remedy any shortfall in toll/road user charge revenues outlined above. Such measures could include further increasing the toll rates (to the maximum level permitted in the Orders); assessing the possibility of using other sources of income available to HBC and the Crossings Board, and ensuring HBC and the Crossings Board both have a continuing commercial incentive to maximise the financial performance of the crossings. For the avoidance of doubt, the measures in paragraphs (x)(4) and (5) are not required to be implemented to:
 - (a) cover funding shortfalls in payment of those procurement savings not already taken out of the Project; or
 - (b) reduce or remove funding shortfalls that HBC or the Crossings Board is able to demonstrate to the Department is due to the additional cost of Local Discounts arising from extending the local discount arrangements for the vehicles specified at (viii)(1) above beyond 300 trips per year per vehicle; or
 - (c) reduce or remove funding shortfalls which occur as a result of a delay or failure by the DfT (in consultation with HM Treasury) to consent to a change to the local discount arrangements pursuant to (viii)(5) above.
 6. HBC and the Crossings Board undertake that where any Additional Availability Support Grant is advanced as a loan then interest will accrue at the prevailing Public Works Loan Board rate matched to the expected repayment profile of the Additional Availability Support Grant, from time to time, and this together with the principal will be repaid by HBC or the Crossings Board in the manner set out in the loan agreement or, if no repayment provisions are included, as soon as possible.
 7. If any Additional Availability Support Grant is paid, HBC and the Crossings Board further undertake to maintain the measures required under paragraphs (x)(4) and (x)(5) until the earlier of such time as (i) the amount of Additional Availability Support Grant, if lent as a loan, is repaid to the Department in full or (ii) in the sole discretion of the Department, the Department agrees that the measures can cease.
 8. Should HBC or the Crossings Board fail to meet their obligations to the Department in respect of the Additional Availability Support Grant (including, for the avoidance of doubt, their obligations in paragraphs (x)(4) and (5) above) and as a result cause the Department or HM Treasury to either incur expenditure it/they would not have otherwise incurred or fail to collect revenue it/they would otherwise have collected the Department reserves the right to:
 - (a) require HBC to, and/or require HBC to instruct the Crossings Board to, undertake the measures set out in paragraphs (x)(4) and (x)(5); and/or
 - (b) step in to the role of HBC under the Governance Agreement in order to direct the Crossings Board to undertake the measures set out in paragraphs (x)(4) and (x)(5); and/or
 - (c) reduce the Department's contribution to HBC's future funding for transport projects or HBC's share of funding to the Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral combined authority.

- (xi) There will be specified Review Points prior to and following full service commencement of the Project where the Crossings Board and Department will consider the financial performance of the crossings and the Board since the last Review Point (or in the case of the first Review Point, a range of forecasts from commencement of full service) and agree forecasts for the revenues and costs of the Project together with the operating costs of the Crossing Board for the period to the next Review Point (or in the case of the last Review Point, for the period to the end of the concession period). The first Review Point will be 12 months prior to full service commencement. The full details of this review will be agreed prior to it being initiated, but it will make use of the existing model which is to be updated as appropriate and agreed to allow a robust estimate of the impact of the Local User Discount Scheme to be obtained and will cover financial robustness and value for money of the project.
- (xii) A second Review Point will be held five years after full service commencement and subsequent Review Points every three years thereafter until the end of the period during which Availability Support Grant is payable or procurement savings or Additional Availability Support Grant is receivable. The full details of this review will be agreed prior to it being initiated, but it will make use of the existing model which is to be updated as appropriate and agreed to allow a robust estimate of the impact of the Local User Discount Scheme to be obtained and will cover financial robustness. Any model update/analysis should take account of actual information generated by the toll collection system. At each Review Point due consideration should be given to the value for money of the Project, ensuring the forecasts of Project benefits continue to follow a trajectory that will deliver at least high value for money as defined by the Department at the time of any review, subject to affordability and the impact on the value for money of the Project of extension of the Local User Discount Scheme following the Chancellor's announcement of 25 July 2014 and the potential extension of local discount arrangements to users who reside outside of Halton or business users. This should include considerations of the demand, tolling structure and discounts.
- (xiii) Subject to paragraph (xv), at the second and each subsequent Review Point the Extended Discount Scheme Grant receivable over the following Review Period will be calculated through the use of a model that has been appropriately updated and agreed by the Department, that allows a robust estimate of the impact of the Local User Discount Scheme. This model can also be used to estimate the toll income that would have been received in the absence of discount arrangements, in accordance with paragraph (xxi) below. Any model update/analysis should take account of actual information generated by the toll collection system.
- (xiv) Any Review Point will involve the review of performance for the next period, including a consideration of revenue levels achieved in the preceding years, future economic and transport forecasts and other issues that will impact on revenues as agreed between the parties. In the event that revenues for the next period cannot be agreed, then the average of the annual revenues since the last Review Point, adjusted for expected future changes in RPI, will be used as the forecast revenues for each year during the next period.
- (xv) At the second and each subsequent Review Point the Department will consider, whether the Government's commitment to a 100% discount scheme and the associated Extended Discount Scheme Grant should continue. This is in accordance with the Chancellor statement of 25 July 2014 that "The government's funding commitments to the scheme are due for review five years after full service commencement.
- (xvi) At the Review Point immediately preceding the end of the Availability Support Grant payments and each Review Point thereafter, HBC in conjunction with Crossings Board will reconcile actual costs of the Project to the estimated costs as documented at Financial Close in calculating the amount of procurement savings. The Department's share of any change in the amount of procurement savings will be added or deducted from the amounts outstanding to the Department which it is forecasted to receive, as set out in Annex A

following the last payment of the Availability Support Grant, as calculated using the same methodology as set out in Annex B of the Full Approval letter dated 25 March 2014.

- (xvii) At the second Review Point, the Department will seek to recover any Additional Liquidity Maintenance Grant paid, taking into account the ongoing financial obligations of the Project and forecast revenues. To the extent there are sufficient funds over and above the sum referred to in paragraph (vii)(5) above in the Liquidity Maintenance Reserve these funds shall be repaid to the Department. Should there not be sufficient funds then HBC/the Crossings Board shall pay the amounts over time from surplus cash available at the end of each year.

Excess Revenue Sharing Procedures

- (xviii) At the second Review Point and every subsequent Review Point during the life of the DBFO agreement, the Crossings Board shall calculate whether there is an Actual Excess by updating Table 2 of Annex B.
- (xix) At the end of the DBFO agreement a final Review Point shall take place. Any surplus cash after repayment of the Liquidity Maintenance Reserve funded under paragraph (xvii) and extinguishing all liabilities, excluding Prudential Borrowing drawn for the purposes of the project, shall be treated as an Actual Excess. If such liabilities cannot be extinguished by the final Review Date then there will be no Actual Excess and the project will continue to be operated by HBC and the Crossings Board without any sharing with the Department unless and until all HBC and Crossings Board liabilities are repaid in full and the project is reviewed by HBC and DfT pursuant to paragraphs (xxv), (xxvi) and (xxvii).
- (xx) 85% of any Actual Excess shall be payable by HBC or the Crossings Board to the Department within 30 days of the end of the Review Point out of available cash balances subject to ensuring the financial robustness of the Project at all times by HBC and the Department, and the Council shall be entitled to the balance of any Actual Excess.

Discounts

- (xxi) For the avoidance of doubt, the terms:

“Local Discount” or “Local Discounts” when used in this letter refer to all discounts given to local Halton residents pursuant to the Local User Discount Scheme as amended or supplemented from time to time; and

“Discount” or “Discounts” shall refer to any form of toll/charge discount offered to users of the Crossings in all vehicle types, including Local Discounts, economic discounts or discount schemes made available to users who are residents of other local authorities.

Total Local Discounts not funded separately by HBC (including through HBC’s share of the procurement savings) or by the Extended Discount Scheme Grant shall be limited to the higher of: (a) 10% of the revenue that would have been earned in the absence of any Discount regime subject to paragraphs (x)(4) and (x)(5); or (b) if the Project is not in receipt of Extended Discount Scheme Grant, the minimum necessary to extend the Local User Discount Scheme in accordance with (viii)(1 to 5) above.

The annual projection provided for at paragraph (x)(2) shall include:

1. the estimated toll income for the preceding year had Local Discounts not been in place;
2. the estimated toll income for the preceding year had the Local Discount arrangements for the vehicles specified at (viii)(1) above been limited to 300 trips per year per vehicle with detailed supporting data of actual usage agreed by the Department;

3. the cost of Local Discounts in the preceding year;
4. the estimated additional cost of Local Discounts in the preceding year arising from extending the local discount arrangements for the vehicles specified at (viii)(1) above beyond 300 trips per year per vehicle;
5. an explanation of the reasons for any discrepancy between the actual cost of Local Discounts and any previous estimate of the cost of Local Discounts in the year concerned;
6. an explanation of the reasons for any discrepancy between the estimated and actual additional cost of Local Discounts arising from extending the Local Discount arrangements for the vehicles specified at (viii)(1) above beyond 300 trips per year per vehicle in the year concerned;
7. details of any funding HBC has provided to support Local Discounts in the preceding year including through retaining some or all of its share of procurement savings within the project;
8. details of the Extended Discount Scheme Grant received and due to be received;
9. the forecast cost of Local Discounts for each of the five years covered by the annual projection;
10. details of any funding HBC is committing to provide to support Local Discounts in any (or each) given year including through retaining some or all of its share of procurement savings within the project; and
11. the forecast requirement for Extended Discount Scheme Grant for each of the five years covered by the annual projection.

Without the written consent of the Department, the annual projection shall not, for any given year, forecast Local Discounts greater than the higher of: (a) the aggregate of 10% of the revenue that would have been earned in the absence of any Discounts plus Extended Discount Scheme Grant due to be received in the year in question plus any funding identified under sub paragraph (10) above; or (b) if the project is not in receipt of Extended Discount Scheme Grant, the minimum necessary to extend the Local User Discount Scheme in accordance with (viii)(1 to 5) above.

(xxii) The Department shall consult with HBC and the Crossings Board in relation to any discount arrangements for the Crossings to be offered to users who are residents of other local authorities or business users in order to implement the Chancellor's announcement of 23 April 2015 and any subsequent announcements made by HM Treasury or the Department. The Department, HBC and the Crossings Board shall agree the funding arrangements that are necessary to fund such discount arrangements to ensure that HBC is able to fully meet its obligations under the DBFO Agreement, DMP Agreements, prudential borrowing interest cost and other direct Project costs. Such funding arrangements shall include (without limitation) contributions from any local authorities (or other third parties) that participate in such discount arrangements and additional grants from the Department. The Department hereby agrees to extend the availability of Additional Availability Support Grant to cover funding shortfalls resulting from these discount arrangements and that in this case HBC or the Crossings Board would not be required to implement the measures set out in paragraphs (x)(4) and (5). The Department agrees that such Additional Availability Support Grant shall be provided as a grant (and not a loan). The Department also agrees to pay any costs incurred by HBC or MGCB as a result of the introduction or subsequent amendment of such discount arrangements, including any compensation due under the Project documentation.

- (xxiii) The procurement savings were calculated at Financial Close and the agreed procurement savings are set out in Table 3 of Annex B. The procurement savings will be updated as set out in paragraph (xvi) above.
- (xxiv) Payment shall be made to the Department of its share of outstanding procurement savings within 30 days of the end of each accounting period, subject to available cash surplus and ensuring the financial robustness of the Project at all times.
- (xxv) To the extent not retained in the Project to support Local Discounts, HBC shall be entitled to its share of outstanding procurement savings at the end of each accounting period subject to:
 - 1. available cash surplus;
 - 2. ensuring the financial robustness of the Project at all times with reference to the steps outlined in sub paragraph (x)(2) of this letter; and
 - 3. all Additional Availability Support Grant having been repaid in full.

Crossings Board Make Whole

- (xxvi) If at any time a shortfall between actual toll/road user charge revenue receipts and the base case toll/road user charge revenue forecasted in the FBC exists and HBC does not
 - 1. undertake the mitigation measures required under paragraph (x)(4) to the reasonable satisfaction of the Department;
 - 2. use its reasonable endeavours to agree a rectification plan with the Department in accordance with (x)(5); and/or
 - 3. undertake some or all of the actions set out in the rectification plan agreed with the Department, to the reasonable satisfaction of the Department;

HBC is required to deposit in to the Toll Collection Account an amount equal to the toll/charge revenue that would have otherwise been received by the Crossings Board.

Future Tolls and Charges

- (xxvii) At any date prior to the date being the later of:
 - 1. the end of the Availability Support Grant payment period; or
 - 2. repayment of procurement savings in full; or
 - 3. repayment in full of any HBC or Crossings Board prudential borrowing, borrowed for the purposes of this Project; or
 - 4. end of the DBFO Agreement.no commitments shall be made by HBC or the Crossings Board as to whether tolls/charges will or will not continue after these dates and/or at what level.
- (xxviii) At a point 3 years before the later of sub paragraphs (xxvii)(1), (2), (3) or (4) above the Crossings Board, HBC and the Department will jointly assess the benefits of continuing with tolling/charges in the light of the economic and transport network needs of the region, the overall context relating to road charging, and also considering any legal constraints and the prevailing legal position at that time.
- (xxix) If after the end of the DBFO Agreement tolls/charges continue to be in place on one of both of the bridges then the Department will be entitled to share in the net financial benefits either directly in terms of direct payments to the Department or through reduced contributions to other local or regional transport schemes and initiatives as agreed with the Secretary of State. The sharing will be 70/30 in favour of Department unless otherwise agreed at the time.

Mersey Gateway Crossings Board

- (xxx) The governance arrangements of the Crossings Board have been agreed with the Secretary of State and cannot be amended without the specific written agreement of the Secretary of State. The agreed governance arrangements are attached as Annex D to this letter.
- (xxxii) HBC and the Crossings Board shall inform the Department of any proposed changes to the Project documents that impact the obligations set out in this letter.
- (xxxiii) The Secretary of State reserves the right to withdraw funding if amendments to Governance arrangements are made without his written consent.
- (xxxiiii) The Crossings Board shall have an independent capability to carry out its main tasks and should not solely rely upon HBC and / or its officers.
- (xxxv) As a minimum the Crossings Board will be required to:
 1. increase average weighted tolls/charges annually by RPI;
 2. have the ability to decide independently to increase average weighted tolls/charges by as much as 20% (in real terms) above the toll/charging levels set out in the FBC during the life of the concession (subject to the limits set out in the Scheme Orders) to take into account revenue shortfalls and overall finances of the Crossings Board;
 3. act in a transparent and open book manner; and
 4. operate to ensure the financial stability of the Crossings Board.

Sub paragraph (xxxii)(1) is required to ensure the ongoing financial robustness of the Project, unless agreed otherwise between HBC and the Department at the time subject to both parties acting reasonably.

- (xxxvi) It will be for HBC and/or the Crossings Board to establish and implement their actual discounts policy in accordance with the Crossings Board governance arrangements, subject to paragraph (viii) above.

Other Requirements

- (xxxvii) HBC may not voluntarily terminate any agreements relating to the Project without prior consultation with and the written consent of the Department.
- (xxxviii) HBC, as a corporate body, shall exercise its reasonable endeavours - including through the terms of the DBFO and DMPA agreements - to ensure revenue collection under the relevant charging and discount schemes in place at any given time is maximised, to the extent that is consistent with the Project's objectives, unless otherwise agreed with the Secretary of State
- (xxxix) As set out in paragraphs (xi), (xii) and (xiii) above, at each Review Point due consideration needs be given to the value for money of the project, ensuring the forecasts of project benefits continue to follow a trajectory that will deliver at least high value for money, subject to affordability and the impact on the value for money of the Project of extending the Local User Discount Scheme following the Chancellor's announcement of 25 July 2014 and the potential extension of local discount arrangements to users who reside outside of Halton or business users. This will need to consider demand, tolling structure and discounts, and to enable this to be carried out we expect the model to be appropriately updated and agreed by the Department. This capability is likely to also be necessary in relation to paragraph (xxi) above. We would be happy to work with you nearer the time to help to specify this work and suggest you begin engagement with us at least 24 months prior to full service commencement. This work should be overseen and explicitly agreed by the Finance Director of the Crossings Board until such time as the first

permanent Chief Executive of the Crossings Board is appointed, neither of which shall be employed by HBC.

- (xxxix) The Department will continue to be invited to attend, at its discretion, the Crossings Board meetings to support the successful delivery of the Project and to monitor its progress.
- (xi) HBC will keep the Department closely informed on the progress of this Project, complete the Department's three monthly monitoring forms by the due date and provide such information as the Department may reasonably require in relation to this Funding Offer.
- (xli) HBC will provide all necessary support and information for post award evaluation.
- (xlii) HBC will notify the Department immediately in the event of any significant changes to the Project.
- (xliii) The Department's Transport and Works Act (TWA) Orders Unit has confirmed that it would deal with any further application(s) as expeditiously as appropriate, in accordance with the relevant statutory requirements, taking into account the circumstances that may arise in going through the statutory process.
- (xliv) The Department is committed to supporting this Project. Its policy is therefore to make Availability Support Grant and (if necessary) Additional Availability Support Grant available, consistent with the long term nature of the Project, subject to the usual public law constraints around the exercise of discretionary powers particularly the fettering of discretion.
- (xlv) HBC will keep the Department in touch about the progress of the Project. In particular, you must inform us immediately if you wish to change aspects of the Project in any material way from the case agreed. That particularly includes the scope, need for Availability Support Grant or Additional Availability Support Grant, or the timetable. If changes are required to any of these aspects of the Project you will need to obtain the Department's written agreement. Failure to obtain this agreement could potentially mean withdrawal of support for the Project, and would invalidate any arrangement by the Department to support it.
- (xlvi) The main Departmental contact point for this Project will be Charlie Sunderland (0207 944 8810 – Charlie.sunderland@dft.gsi.gov.uk).

We look forward to continuing to work with you on this Project.

Yours sincerely



Anthony Boucher

Annexes to be attached to final letter

Annex A and Annex B – Funding Profiles (separate Annexes)

Annex C - Chancellor's statement of 25 July 2014 (not attached)

Annex D – Governance Agreement (not attached)

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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