

NOTE OF LOCAL AUTHORITY EURO PREPARATIONS MEETING
21 September 2006
12 - 2.30pm at HM Treasury

1. Introduction and welcome

██████████ (EPU) welcomed the attendees to the Treasury and explained that the meeting had been jointly organised with the CIPFA Euro Advisory Service (CEAS). He made the following points:

- Government policy on euro entry and euro preparations remains unchanged. EPU continues to operate within the “prepare and decide” framework. Budget 2006 stated that “The Government does not propose a euro assessment to be initiated at the time of this Budget. The Treasury will again review the situation at Budget time next year as required by the Chancellor’s June 2003 statement.”
- Central euro changeover planning documents are well developed and the focus of EPU is now on maintaining these and the network of expert stakeholders.
- Public sector organisations are responsible for ensuring that they could meet the published changeover timetable in the event of a decision for UK euro entry. The planning framework makes it clear that “costs would lie where they fall” and EPU encourages prudential preparations as part of normal risk management activities, especially consideration of euro compatibility.
- EPU encourages all organisations to progress euro preparations as part of normal business activities. EPU’s work with central government departments has shown that they have made progress in building in euro compatibility at little or no additional cost when upgrading or replacing new systems as part of normal business activities.
- There have been developments in other EU Member States. Over summer 2006 Slovenia was formally given permission to join euro on 1 January 2007. Other member states are targeting euro entry through 2008 - 2011. Malta, representatives who were present at this meeting, is targeting euro entry on 1 January 2008.

2. Local authority guidance

██████████ (EPU) introduced ideas for updating the local authority guidance. These took into account the very useful feedback that had been received from the last meeting.

Comments made during the discussions were:

- the need to consider who the target audience was – EPU explained that the guidance was aimed at the generality of local authorities and as well as CEAS members;
- a suggestion to create a web portal that brought together guidance from different sources on euro preparations. This may be separate from the LA guidance and could be a resource centre section on the Treasury's euro web site;
- there was a suggestion that EPU define the minimum criteria expected of Local Authorities at this stage of preparations, in a similar manner to that issued for central government departments in the Report on Euro Preparations of April 2004;
- it was suggested that EPU could bring together a supplier's forum to discuss euro compatibility issues; and
- to seek third party bodies endorsement of any revised guidance.

3. Update on CEAS

██████████ (CIPFA Euro Advisory Service) explained the work they had done to develop a model Local Authority Statement of Internal Control (SIC) that incorporated euro preparations. It is available at the CEAS web site and can be used by local authorities and the Audit Commission if they wished. LAs commented that a key issue was whether or not it would be part of the Audit Commission's Comprehensive Performance Assessment (CPA) rating system.

██████████ (CIPFA Euro Advisory Service) gave an update on the CEAS planning template, which is available to all CEAS members. He explained that this was now well-developed and no further significant changes were planned. On behalf of the meeting ██████████ thanked ██████████ for all his efforts in developing the planning template, which had been widely praised.

Going forward CEAS would comment and input to any new guidance prepared by EPU for local authorities, provide four briefings a year on euro entry and euro preparations issues for subscribers and maintain the CEAS web site as an information portal.

4. Talk by ██████████ on Maltese local authority preparations

██████████ of the Maltese Office of the Prime Minister gave a presentation covering the national structures being used to carry out the changeover in Malta, the role of local government in the changeover and the critical success factors.

In response to questioning, ██████ said that the three greatest challenges were:

- communications – particularly reaching the citizen;
- identifying and making changes to legal texts where Maltese lira appeared; and
- ensuring IT euro compatibility;

██████ thanked ██████, and his colleague ██████, for sharing their experiences to date. He explained that EPU would maintain Member States preparing to join the euro and look to feedback the learning points to stakeholders, including this group.

5. Date of next meeting

TBA – possibly with input from bodies involved in the forthcoming euro changeover in Slovenia.