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Simon Young, Solicitor
Head of Legal and Democratic Services

AUDIT, CRIME & DISORDER AND SCRUTINY COMMITTEE

Thursday 9 February 2017 at 7.30 pm

Committee Room 1 - Epsom Town Hall

The members listed below are summoned to attend the Audit, Crime & Disorder and Scrutiny Committee meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Councillor David Reeve (Chairman)
Councillor Clive Smitheram (Vice-Chairman)
Councillor Tony Axelrod
Councillor Steve Bridger
Councillor Alex Clarke
Councillor Rob Geleit
Councillor Jan Mason
Councillor Peter O'Donovan
Councillor Humphrey Reynolds
Councillor David Wood

Yours sincerely

Head of Legal and Democratic Services

For further information, please contact Tim Richardson, 01372 732122 or trichardson@epsom-ewell.gov.uk

AGENDA

1. QUESTION TIME

To take any questions from members of the Public.
Please note: Members of the Public are requested to inform the Democratic Services Officer before the meeting begins if they wish to ask a verbal question to the Committee.

2. DECLARATIONS OF INTEREST

Members are asked to declare the existence and nature of any Disclosable Pecuniary Interests in respect of any item of business to be considered at the meeting.

3. MINUTES OF THE PREVIOUS MEETING (Pages 3 - 8)

The Committee is asked to confirm as a true record the Minutes of the Meeting of the Committee held 15 November (attached) and to authorise the Chairman to sign them.

4. INTERNAL AUDIT MONITORING REPORT (Pages 9 - 28)

This report summarises progress against the audit plan for 2016/17.

5. EXTERNAL AUDIT UPDATE, GRANT CERTIFICATION AND ANNUAL AUDIT LETTER (Pages 29 - 66)

This report covers three updates from Grant Thornton, who are the Council's external auditors.

These include an update on the Audit letter and an update Grant Certification letter for the year ended 31 March 2016. Both of these items have to be received by this Committee in accordance with the Audit regulations.

Finally there is general progress report on latest issues from Grant Thornton who will be attendance at the meeting to present this short item and the letters.

6. REVIEW OF CCTV PROVISION (Pages 67 - 72)

This report provides an update on the progress of the review of CCTV to date.

7. REGULATION OF INVESTIGATORY POWERS ACT 2000 - MONITORING REPORT (Pages 73 - 102)

This report summarises the current position in relation to the Regulation of Investigatory Powers Act 2000, and considers how the Act has been used in recent years by the Council.

8. CORPORATE PLAN: PERFORMANCE REPORT TWO 2016 TO 2017 (Pages 103 - 130)

This report provides an update against our Key Priority Performance Targets that are either on amber or red for 2016 to 2017, under our new Corporate Plan.

9. WORK PROGRAMME 2016/17 (Pages 131 - 134)

This report updates the Committee on its work programme 2016/17.

Minutes of the Meeting of the AUDIT, CRIME & DISORDER AND SCRUTINY COMMITTEE held on 15 November 2016

PRESENT -

Councillor David Reeve (Chairman);Councillor Clive Smitheram (Vice-Chairman); Councillors Tony Axelrod, Steve Bridger, Alex Clarke, Rob Geleit, Jan Mason, Humphrey Reynolds and Mike Teasdale (as nominated substitute for Councillor David Wood)

In Attendance: Karen Williams (Risk Advisory Director) (RSM Risk Assurance Services LLP) (Items 17 - 22 only)

Absent: Councillor Peter O'Donovan and Councillor David Wood

Officers present: Kathryn Beldon (Director of Finance and Resources), Margaret Jones (Scrutiny Officer), Gillian McTaggart (Corporate Risk & Governance Manager), Kelvin Shooter (Community Safety & Projects Officer) (Items 17 - 20 only) and Tim Richardson (Democratic Services Officer)

17 QUESTION TIME

No questions were asked or had been submitted by members of the Public.

18 DECLARATIONS OF INTEREST

No declarations of interest were made by Councillors in items on the agenda for this meeting.

19 MINUTES OF THE PREVIOUS MEETING

The Minutes of the meeting of the Audit, Crime & Disorder and Scrutiny Committee held on 11 October 2016 were agreed as a true record and signed by the Chairman.

20 EPSOM & EWELL COMMUNITY SAFETY PARTNERSHIP HALF YEAR REPORT 2016/17

The Committee received and noted a report on the work and likely future structure of the Epsom and Ewell Community Safety Partnership (CSP).

The following matters were considered:

a) Amalgamation with East Surrey Community Safety Partnership (ESCSP). A proposal to amalgamate the CSP with the ESCSP had been approved by the Environment Committee on 25 October 2016. The Audit, Crime & Disorder and Scrutiny Committee was informed that the Surrey Police and Crime Commissioner would now be requested to confirm the amalgamation. It was hoped that this would be completed before Christmas.

b) Joint Action Group (JAG) and Community Incident Action Group (CIAG) continuation. The Committee was informed that JAG and CIAG arrangements would remain as they currently were following the amalgamation with ESCSP detailed above.

c) Further information regarding the work of the JAG and CIAG. Following a request from a member of the Committee for further information on the work undertaken by the JAG and CIAG, the Committee was informed that due to the sensitive nature of information considered by those groups, this was not always possible.

It was noted that the Scrutiny Officer would work with the Community Safety & Projects Officer to ensure that the Committee was provided with sufficient and appropriate information on the work of the CSP, to enable it to undertake its crime and disorder scrutiny role whilst also ensuring that confidentially and data protection requirements were met.

21 INTERNAL AUDIT - MONITORING REPORT

The Committee received a report summarising progress against the audit plan for 2016/17.

The following matters were considered:

a) Audit Assignment: cash handling. The Committee was informed that the Auditor did not have any significant concerns regarding cash handling procedures at the Council, following the actions undertaken to rectify issues identified by a previous review.

b) Scheduling of audit assignments. The Internal Auditor informed the Committee that she was confident that all the scheduled reviews would be completed within the agreed timeframe. It was noted that it was common for the majority of financial audits to be scheduled for the second half of each year, to ensure that a sufficient number of transactions had been completed prior to inspection.

c) Updates on advisory reviews of Facilities Management and Workforce Planning. The Committee requested that an update on the implementation of recommendations from the advisory reviews on Facilities Management and Workforce Planning be presented to a future meeting. It was noted that this would be included within a future monitoring report.

d) Facilities Management – medium term maintenance Plan. The Committee was informed that the Council's Head of Property was considering the maintenance requirements of the Council's properties, and that a report providing a maintenance plan for 2017/18 would be presented to the Financial Policy Panel. The Director of Finance and Resources also informed the Committee that it was intended to produce a 5-10 year maintenance plan for the Council's properties.

22 PROGRESS ON THE IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS

The Committee received a report outlining progress made on implementing internal audit recommendations from the 2014/15 and 2015/16 audit programmes.

The following matters were considered:

a) Customer Relationship Management (CRM) system. The Committee was informed that it was intended to review the Council's approach to 'customer experience', and that a workshop would be held with Councillors later in November 2016 to assist in enabling this. The Committee was informed that alternatives to a CRM based system would also be considered.

b) Internal Auditor's comments. The internal Auditor informed the Committee that they did not have any concerns with regard to the contents of the report.

23 RISK MANAGEMENT FRAMEWORK ANNUAL REPORT

The Committee received a report providing an updated Risk Management Strategy 2017-2021.

The following matter was considered:

a) Business continuity plan - recent telephone service interruption. The Committee was informed that the Council maintained business continuity plans for use in the event of significant interruptions to its services. The Committee noted that during the recent interruption to the Council's telephone service, the continuity plan had been followed to route services via Elmbridge Borough Council. Following the incident, the Council's response to the problem had been reviewed by the Leadership Team.

Following consideration, the Committee:

(1) Agreed the updated Risk Management Strategy 2017-2021 attached at Annexe 1 to the report.

(2) Confirmed that it was satisfied with the arrangements in place.

(3) Reviewed the Leadership Risk Register and did not identify any matters which it wished to raise to the attention of the Council's Leadership Team.

24 ANNUAL GOVERNANCE STATEMENT AND EXTERNAL AUDITOR'S AUDIT FINDINGS 2015/16 - PROGRESS AGAINST ACTION PLANS

The Committee received and noted a report providing an update on progress in the implementation of action plans contained within the Annual Governance Statement and the Audit Findings within the External Auditor's report.

25 EXTERNAL AUDIT PROGRESS REPORT AUGUST 2016

The Committee received and noted the External Audit Progress Report.

26 AUDIT FINDINGS REPORT 2015/16

The Committee received a report setting out the findings of the External Auditor's audit of the Financial Statements for 2015/16. It was noted that these had been agreed by the Strategy and Resources Committee at its meeting on 27 September 2016.

The following matter was considered:

a) Amber assessment of Academy system listing of NDR prepayments. The Director of Finance and Resources informed the Committee that the issues identified by the auditor with regard to the Academy system (unable to provide a listing of all NDR prepayments) would be looked into by Officers.

27 CORPORATE PLAN: PERFORMANCE REPORT ONE 2016 TO 2017

The Committee received a report providing an update on progress against Key Performance Targets.

The following matters were considered:

a) Targets reliant on external agencies/influences. The Committee noted that it was intended not to set targets which were outside of the Council's control due to their reliance on external agencies or influences. If such a target was set and not achieved due to factors outside the Council's control, these would be detailed in the performance reporting, rather than the target being changed mid-year.

b) 'Not Achieved' status of Round the Borough Hike. The Committee noted that the target of 70 participants for the Round the Borough Hike had not been achieved, largely due to poor weather on the day of the event. However, a large number of residents had registered to take part (124). The Committee suggested that in future years, the target for such an event should be the number of registrations, not participants, to avoid

factors outside the Council's control (such as poor weather conditions) affecting its achievement.

c) Enforcement action against flytipping. It was noted that Croydon Council had recently taken enforcement action against vehicles which had been used for flytipping. The vehicles had been crushed. It was requested that the possibility of a similar scheme this being introduced in Epsom and Ewell be considered by Officers.

Following consideration, the Committee:

(1) Did not identify any areas of concern on the amber or red actions reported in Annexe 1 to the report.

(2) Noted the actions that had been proposed or taken as detailed in table 3.1 of the report.

(3) Noted the overview of Key Priority Performance Targets in Annexe 2 to the report.

28 WORK PROGRAMME 2016/17

The Committee received and noted a report updating it on its work programme for 2016/17 and a verbal update on the Community and Wellbeing Committee's consideration of the Scrutiny Review of venues.

The meeting began at 7.30 pm and ended at 8.39 pm

COUNCILLOR DAVID REEVE (CHAIRMAN)

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INTERNAL AUDIT MONITORING REPORT

Report of the:	Head of Corporate Governance
Contact:	Gillian McTaggart
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Annexes/Appendices (attached):	Annexe 1 – Internal Audit Monitoring Report
Other available papers (not attached):	Audit Strategy 2016/17

REPORT SUMMARY

This report summarises progress against the audit plan for 2016/17.

RECOMMENDATION (S)	*Notes*
(1) That the Committee receives the Internal Audit progress report for 2016/17.	

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

1.1 None for the purposes of this report.

2 Background

2.1 The Committee's terms of reference includes the requirement to monitor implementation of recommendations from external and internal auditors.

3 Proposals

3.1 The Internal Audit progress report covering the period to date for 2016/17 is attached as Annexe 1 to this report.

3.2 The report monitors the delivery of the audit programme and contains the key features that the Committee has requested. During the year, progress reports will reflect the internal auditor's opinions and build up a picture of their findings contained within the year end opinion. The report includes;

3.2.1 A summary of progress

3.2.2 Internal audit plan performance

3.2.3 Any alterations to the plan

3.2.4 Key findings of each review

3.3 Two reports have been finalised since the last monitoring report (Building and Planning Control, and Corporate Governance) and two reviews are in draft (risk management and a post implementation review of the installation of the barriers in two car parks).

3.4 A summary of progress against the Internal Audit Plan for 2016/17 is shown below:

Assignment	**Reported**	**Opinion**			
			H	**M**	**L**
Facilities Management (c/f from 15/16)	15 Nov 16	Advisory		8	
Data Quality	15 Nov 16	Reasonable Assurance		1	2
Cash Handling	15 Nov 16	Reasonable Assurance		1	2
Workforce Planning	15 Nov 16	Advisory		3	
Rent Accounting & Reconciliation	15 Nov 16	Partial Assurance		3	3
Building and Planning Control	9 Feb 17	Reasonable Assurance		1	4
Corporate Governance	9 Feb 17	Substantial Assurance			0
Financial Management		Delayed			
Allocations & Voids		Being scoped			
Business Performance Review – Democratic Services	15 Nov 16	Reasonable Assurance		1	2
Risk Management	9 Feb 17	Reasonable Assurance		2	1
Car Parks		Draft			
Payroll		WIP			

Data Quality		Not started			
Rents and Income Collected					
Private Sector Leasing		Delayed			
Creditors	9 Feb 17	Substantial Assurance			1
Revenues		Not started			
Benefits		Delayed til May			
Business Performance Review – Homelessness		Not Started			
Agency Staff – Procurement		WIP			
Procurement		Not Started			
PCI Compliance		WIP			
Follow Up Review		On going			

3.5 There are no specific concerns to bring to the attention of Committee.

4 Financial and Manpower Implications

4.1 There are no specific financial or manpower implications for the purpose of this report.

4.2 ***Chief Finance Officer's comments:*** *none for the purposes of this report*

5 Legal Implications (including implications for matters relating to equality)

5.1 The initial contract with RSM will expire on 31 March 2017, however the Consortium has agreed to extend the contract for a further two years.

5.2 ***Monitoring Officer's comments:*** *There are no legal implications arising directly from this report. Internal Audit reports form a key part of the Council's governance arrangements.*

6 Sustainability Policy and Community Safety Implications

6.1 None.

7 Partnerships

7.1 The Council continues to be part of the East Surrey Internal Audit Consortium.

8 Risk Assessment

8.1 The internal audit service forms a statutory part of the Council's internal control arrangements.

9 Conclusion and Recommendations

9.1 There are no reports in this monitoring report with a negative assurance that would impact of the Head of Internal Audit's year end opinion.

WARD(S) AFFECTED: (All Wards);

AGENDA ITEM 4
ANNEXE 1

EPSOM AND EWELL BOROUGH COUNCIL

Internal Audit Progress Report

Audit, Crime & Disorder and Scrutiny Committee Meeting

9 February 2017

This report is solely for the use of the persons to whom it is addressed.
To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party

RSM

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The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made.

Recommendations for improvements should be assessed by you for their full impact before they are implemented. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

This report is supplied on the understanding that it is solely for the use of the persons to whom it is addressed and for the purposes set out herein. Our work has been undertaken solely to prepare this report and state those matters that we have agreed to state to them. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any party other than the Board which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

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We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.

1 INTRODUCTION

The Internal Audit Plan for 2016/17 was approved by the Audit, Crime & Disorder Scrutiny Committee in April 2016.

This report provides a summary update on progress against that plan and summarises the results of our work to date.

2 FINDINGS CONSIDERED AT THIS AUDIT COMMITTEE

This table informs of the audit assignments that have been finalised and the impacts of those findings since our last report to the Audit, Crime & Disorder and Scrutiny Committee.

The Executive Summary and Key Findings of the assignments below are attached to this progress report at Appendix B.

Assignment	Assurance	Management Actions agreed		
		High	Medium	Low
Building and Planning Control (7.16/17)	Reasonable	-	1	4
Corporate Governance (8.16/17)	Substantial	-	-	-
Risk Management (9.16/17)	Reasonable	-	1	2
Creditors And Ordering (10.16/17)	Substantial	-	-	1

3 LOOKING AHEAD

Assignment area	Timing per approved IA plan 2016/17	Status
Car Parking – On Street and Car Parks	July 2016	Deferred start date at management request to October 2016. Fieldwork complete and report to be issued.
Financial Management and Main Accounting	September 2016	Request by management to defer until after Christmas due to staff absences.
Allocations, Lettings and Voids	October 2016	Request to defer to post Christmas 2016
Payroll	November 2016	Issued in draft 11.16/17
PCI Code Of Conduct Compliance	November 2016	Now planned for February 2017
Data quality (16/17)	December 2016	Now planned for February 2017
Council Tax (Revenues)	January 2017	
Benefits	January 2017	
Rental Income	February 2017	
Implementation of Business Performance Review actions – Homelessness	February 2017	
Procurement Of Agency Staff	February 2017	
Private Sector Leasing Scheme	March 2017	Likely to be deferred to post March 2017 as little activity to audit
Procurement	March 2017	

4 OTHER MATTERS

4.1 Changes to the audit plan

Other than some timing changes, there are no changes to the plan proposed at this time.

4.2 Added value work

Our contract risk specialist undertook the review of the Facilities Management contract (1.16/17) which was at the request of management.

APPENDIX A: INTERNAL AUDIT ASSIGNMENTS COMPLETED TO DATE

Reports previously seen by the Audit Committee and included for information purposes only:

Assignment	Assurance	Management Actions agreed		
		High	Medium	Low
Facilities Management Contract Review (1.16/17)	Advisory review	Advisory findings only		
Cash Handling (2.16/17)	Reasonable assurance	-	1	2
Data Quality (15/16) (3.16/17)	Reasonable assurance	-	1	2
Housing Rent Accounting and Reconciliation (4.16/17)	Partial assurance	-	3	3
Workforce Planning (5.16/17)	Advisory review	Advisory findings only		
Implementation of Business Performance Review actions – Democratic Services (6.16/17)	Reasonable assurance	-	1	2
Grant audits	Complete – no report required			

APPENDIX B: EXECUTIVE SUMMARIES

Assignment: Building and Planning Control (7.16/17)	**Opinion:**	**Reasonable**

The key findings from this review are as follows:

Design of the Control Framework

a) The Head of Place Development and a Senior Accountant from the Council's Finance Team meet on a quarterly basis for informal discussions surrounding income at the Council. However no formal reconciliation is carried out between Uniform and the Council's finance system. There is a risk of error or omission of income due to the Council not be logged on the finance system.

b) We noted that Building Control performance indicators are not formally monitored by Senior Management. By not formally monitoring the performance of the department there is a risk that poor performance is not identified and addressed. The Council is subject to external competition for its building control services and an unidentified slip in performance if not addressed could impact on the competitiveness of the organisation leading to a loss of income for the Council.

Application of the Control Framework

c) When applications require further information to be validated it is the customer services responsibility to chase up customers for this information. Two individuals within the team are responsible for obtaining further information for incomplete applications in customer services (both planning and building control). Due to the large volume of invalid applications that require monitoring not all applications are being promptly followed up after the initial reminder letter was sent to the building control applicant. Consequently this could result in a delay or loss of income for the Council and reputational damage which could impact on repeat business for the Building Control Team.

d) Through discussion with the Customer Services Team we identified that when Planning Control passes on ”invalid” applications to Customer Services via the 'electronic e-tray' the reason for the application being invalid is sometimes not provided. As a result this prevents Customer Services Team from immediately chasing up the application. There is a risk that this delays applications being processed leading to delay in income for the Council and increased customer dissatisfaction.

e) Income is monitored quarterly by the Head of Place Development and the departments Senior Accountant. It was noted the Council do not pick up monthly monitoring until after Q1. In addition July's report has not been produced as a result of issues with sickness absence. There is a risk that income is not being consistently monitored that negative trends will not be noted and acted upon in an appropriate manner.

Well-designed controls being applied effectively

f) Fees and charges for building control are set by the Council. Any changes to fees that are greater than 20% must be authorised at committee level. Any fees less than 20% are agreed between the Building Control Manager, Head of Place Development and the Head of Finance. Fees are reviewed annually by the Building Control Team. Changes to fees are based on the level of surplus or deficit in income. The Council made a surplus of £77,000 in 2015/16. As a result the Council made the decision to keep the fees the same as the previous year. Fees have remained constant since September 2014. Planning fees are set at a national level independently of the Council.

g) Building control fees are available on the Council's website. These fees are accessible to all members of the public. The fees advertised reconcile to those originally agreed at the environment committee in September 2014.

h) Applications are costed by the Building Control Team. The fees charged for services are based on those agreed by the Council in September 2014. We found that all fees charged in our sample could be

reconciled back to the fees initially agreed upon in September 2014.

i) Planning applications are processed against a national charges framework. Applications have standard costings and these are processed by the planning team at the Council. We found that fees charged could be reconciled back to the national charges framework and were correctly processed.

j) Building Control applications are required to be paid for in advance if the value of the application falls below £1000. Any application worth higher than £1000 is invoiced. For a sample of 10 building applications with a fee value below £1000 we confirmed that payment had been received in all cases prior to the works starting.

k) For all planning applications payment is received for all applications at the time the application is made. For all sampled planning applications we found that payment was made in this manner.

l) On a monthly basis Planning produce a range of KPIs to monitor performance. Indicators include major applications determined within 13 weeks and minor applications determined within 8 weeks. These are RAG rated. Any under performance is flagged in these reports and action plans are put in place. As identified within our 2015/16 Performance Management audit, the Council is currently in the process of redeveloping their performance management framework. At the time of the audit the new framework had just been approved. As a result KPIs have not been reviewed since the end of the last financial year and will be reviewed retrospectively once the new performance management framework has been implemented.

	Agreed Management Action	Implementation Date	Manager Responsible
1	On a quarterly basis a formal reconciliation between Uniform and the Council's Finance system will be recorded. (Low)	1 March 2017	Mark Berry – Head of Place Development
2	Building and Planning Control will meet with Customer Services on a monthly basis to review the status of invalid applications. Officers will investigate the possibility of support systems providing a prompt to the Customer Services Team when an applicant has not responded to an initial letter requesting further information to complete their application. (Medium)	1 March 2017	Mark Berry – Head of Place Development
3	Officers in the Planning Team will ensure that in all cases they provide comments as to why planning applications are invalid when the application is originally relayed back to the Customer Services Team for progression. This will allow the Customer Services Team to chase up the application promptly. (Low)	1 March 2017	Mark Berry – Head of Place Development
4	The Head of Place Development and the Council's Senior Accountant will review Building and Planning control income and produce a formally agreed reconciliation of the two systems. (Low)	1 March 2017	Mark Berry – Head of Place Development
5	The Building Control Service is due for a fundamental business process review in early 2017 and subject to the outcome of this Building Control KPIs will be reported on at committee level from 2017/18. (Low)	1 April 2017	Mark Berry – Head of Place Development

Assignment: Corporate Governance (8.16/17)	Opinion:	Substantial

The key findings from this review are as follows:

a) The Council's Corporate Priorities are prescribed through its Strategic Corporate Plan and defined through key outcomes and success measures which are reported annually. Supporting these, key performance indicators have been identified which are aligned to the Corporate Plan and we confirmed that these are reported to the Policy Committees and through the quarterly cycle schedule. These performance reports are also monitored and challenged by the Leadership Team and an overview is reported to the Audit, Crime & Disorder and Scrutiny Committee.

b) The annual statement of Corporate Governance is approved and signed by the Chair of Strategy and Resources and the Chief Executive. In order to demonstrate adherence to the CIPFA / SOLACE guidance on delivering good governance, the Head of Corporate Governance completes a checklist of those areas that support the overall annual governance statement and these areas of assurance are listed in the statement itself. These reported areas of control assurance are commensurate with our own observation of governance systems within the organisation.

c) Overall the changes between the 2007 and 2016 CIPFA guidance are subtle but there is a slight change of increased emphasis on sustainability, transparency and demonstrating that effective decision making and intervention are adding value. In response to these changes a refreshed drafted code of corporate Governance has been prepared by EEBC officers. This new drafted code of corporate governance is clearly structured in such a way as to consider how as an organisation those governance processes and controls that currently exist address the requirements of the 7 principles of good governance as defined in the 2016 guidance. We have additionally identified some further minor areas of improvement that could be incorporated into the code before it is finalised and officers will consider these suggestions further.

d) Individual divisional service area governance statements are required from each Head of Service. These statements require the Head of service to sign a statement declaring that services have been delivered in accordance with legislation; local financial regulations, standing orders, contract procedure rules and that efficient and effective processes are in place. In particular control weakness and risks which impact on service delivery are listed in this statement together with actions intended to mitigate their outcome. We satisfactorily verified the signed and completed divisional statements of assurance for 2015/16 and these statements clearly set out responsibilities and accountability for service delivery and the reporting of control weaknesses and known risks from individual heads of service. In addition the 15/16 Annual Governance statement includes a gap analysis that highlights eleven areas for further control and governance improvement.

e) The Officer Corporate Governance Group reports quarterly to the Leadership Team on relevant governance matters and has prepared an action list based on control self-assessment that has informed the annual governance statement.

f) There was no formal consolidated service planning process although there are a number of associated processes that pick up on service planning issues (budget setting, risk management, performance target setting etc). Service Planning can provide the full context of how and why services are delivered and in particular those opportunities, risks and developments that may impact on operational delivery going forward. It can aid and provide focus for day to day management, inform the department and team of the rationale behind the service, and mitigate the risks associated with succession planning. Going forward officers have agreed to consider further the merits of formal service planning.

	Agreed Management Actions	Implementation Date	Manager Responsible
1	Management will consider further the following updates to be included in the EEBC Code of Corporate Governance: • In response to the increased emphasis within the new code on Intervention there is merit in defining the qualities of good decision making within the code. • Further reference within the code should refer to the work of the Internal Audit function and its remit to review and report upon the adequacy of key controls within the organisation • Further reference within the code will define and explain those governance arrangements in respect of partnership, collaborations and project management. (Suggestion)	1 July 2017	Gillian McTaggart, Head of Corporate Governance
2	There is scope for service planning to be formally introduced and in this respect management and the leadership team will consider this further. (Suggestion)	1 July 2017	Gillian McTaggart, Head of Corporate Governance

Assignment: Risk Management (9.16/17)	**Opinion:**	**Reasonable**

The key findings from this review are as follows:

a) We satisfactorily confirmed that key risks are evidenced and routinely considered by senior officers within the Council and members are annually updated regarding the risk management strategy and any changes to the strategic risk profile.

b) Individual divisional service area governance statements are required from each Head of Service. These statements require the Head of service to sign a statement declaring that services have been delivered in accordance with legislation; local financial regulations, standing orders and that efficient and effective processes are in place. In particular control weakness and risks which impact on service delivery are listed in this statement together with actions intended to mitigate their outcome. We satisfactorily verified a sample of signed divisional statements of assurance for 2015/16. These statements clearly set out the responsibilities and accountability for service delivery and the reporting of control weaknesses and known risks from individual heads of service. This process integrates risk management with corporate governance and provides a clear method for embedding risk management within the organisation and capturing ‘service level’ risks.
These service risks are then monitored throughout the year. In 2016 a total of 53 service risks were identified of which 24 were ‘high’ risk.

c) The Corporate Governance Group has responsibility for identifying and escalating common risks to the Leadership Team. We confirmed that the Leadership Team review and challenge the top 10 risks within the Leadership Risk Register on a regular basis and also review the risks within the Service Risk Register.

d) We note that the Partnership Risk Register has not been recently refreshed. In this respect a management action has been agreed to examine and update the mitigating actions and controls to ensure that they accurately address the current risk status.

e) The Risk Management Strategy is reviewed and updated through the Audit, Crime & Disorder and Scrutiny Committee. The strategy sets out the processes, responsibilities and reporting structures for managing risk and provides a summary of the key leadership risks. We confirmed that the last review occurred on 15th November 2016.

f) There is currently no risk management guidance held on the intranet. There would be merit in highlighting to all staff that business risk should be discussed at a team level and where relevant within PDR's with staff every 6 months where risk related actions are scheduled.

g) There is not currently a Board Assurance Framework in place. One of the key considerations in the development of risk management and its value to the organisation is the assurance the Council can take that the controls defined in risk registers are adequate and effective. In this respect we would expect to see risks mapped to the outcome of systematic assurance reviews. Such assurances may come from internal challenge and reporting or External / Internal Audit or other third parties. Where assurance gaps are then highlighted within the register, work with assurance audit teams and other third parties can be more effectively directed at providing reviews that will provide comfort regarding the adequacy of controls that mitigate risks. The process of assurance mapping would in addition strengthen the visibility of governance arrangements. Officers have agreed to progress a management action to introduce a Board Assurance Framework.

h) We noted during our recent review of Governance arrangements that there is currently no formal consolidated service planning process. As part of that review we have suggested that Service Planning can provide the full context of how and why services are delivered and in particular those opportunities, risks and developments that may impact on operational delivery going forward. It can aid and provide focus for day to day management, inform the department and team of the rationale behind the service, and mitigate the risks associated with succession planning. Officer have agreed to look at this further going forward and this is recorded as a suggestion in our action plan below in the context of the added value to the risk management system.

	Agreed Management Action	Implementation Date	Manager Responsible
1	The guidance for identifying, assessing, documenting and reporting risk together with officer's responsibilities must be clearly stated and communicated to all staff. This will be provided via the Council's Intranet. (Low)	30 April 2017	Gillian McTaggart
2	A Board Assurance Framework will be developed. The strategy will set out clearly the delegation of responsibility for compiling and obtaining assurances to be mapped against the Authority's primary risks to the achievement of its strategic objectives. (Medium)	30 June 2017	Gillian McTaggart
3	The current Partnership Risk Register will be reviewed and updated and the mitigating actions and controls re-assessed to ensure that they accurately address the current risk status. (Low)	30 April 2017	Gillian McTaggart

4	There is potential at service level for risk management to be built into a formal annual service plan process. Service plan risks would be formally captured and then updated and refreshed (6 months later) through the 6 monthly divisional assurance statements.(Suggestion)	30 June 2017	Gillian McTaggart / Leadership Team

Assignment: Creditors (10.16/17)	**Opinion:**	**Substantial**

The key findings from this review are as follows:

a) We reviewed a sample of 10 invoices processed by the Council in 2016/17. In one case, we confirmed that the invoice authorisation limit was not met. Accordingly, there is a risk to the Council that payments are being made by individuals who do not have the requisite authority level to do so. This compromises the Council's financial rules of procedure and could potentially occur again in the future with payments of greater value.

Well-Designed Controls Being Applied Effectively

b) We reviewed the creditor procedure notes in use and confirmed they are complete and covered the full range of functions carried out by the Creditor's Team.

c) We confirmed for a sample of 10 new suppliers that appropriate backing documentation was in place before they were created as an account on the Civica system. New suppliers provide details on Supplier Application Forms or through the first invoice due to be paid by the Council. All details on the system corresponded to the backing documentation completed by the supplier.

d) We confirmed for a sample of amendments to supplier details that appropriate checks were carried out in each case. Seven of these cases related to a change of bank detail and correspondence between the Financial Admin Officer and the supplier on previously existing contact information was documented in each case. All amendments were subsequently authorised following review by the Exchequer Team Leader.

e) All Invoices are authorised for payment and evidenced with a certifying signature that is checked within the Exchequer Finance Team who maintain the list of authorised signatories and their designated limits. Those invoices not supported by an electronic purchase order are additionally certified for payment by the Exchequer Team Leader. We reviewed the full list of invoices processed at the Council in the 2016/17 financial year. For a sample we confirmed that one officer had requested the purchase order whilst a separate officer had authorised it. Payment was authorised following the receipt of the goods in each case.

f) We confirmed that 22.4% of the invoices paid to date had a supporting purchase order. Through discussion with the Exchequer Team Leader we confirmed that efforts have been made to increase the number of purchase orders processed at the Council. However, as a result of exemptions with specific suppliers and an inability to pay via purchase order (utility companies etc.). The Council is unable to increase its proportion of purchase orders compared with non-purchase orders any further. Accordingly, a management action has not been raised in this instance.

g) The names of officers authorised to sign off orders and payments are approved by the signature of the Director of Finance and Resources or the Chief Executive, within the authorised signatory list. Authority limits are stated within the authorised signatory list and are uploaded onto the Civica system to provide an electronic control over which officers can authorise payments.

h) Payment runs are processed on a weekly basis by the Financial Admin Officer. In each case, we confirmed that the total BACS transfer amount corresponded to the payment run report total ran from the Civica system. For those payments of £40,000 or more, a signature from a separate officer was present to evidence a secondary review.

i) The Exchequer Team Leader performs a biannual check on duplicate transactions through a review of payment runs. We reviewed the list of payments made by the Council between April 2016 and January 2017 in its entirety. We found one case of a duplicate payment being made in error to the wrong supplier. The outstanding £588 was recovered in full by the creditor's team following review by the Exchequer Team Leader.

j) We reviewed a sample of monthly reconciliations and in each case, confirmed that balance of the creditor module agreed to the general ledger and that the reconciliation was performed by the Exchequer Team Leader and reviewed by a different accountant on the Financial Services Team.

k) We reviewed the procedure surrounding the payment of creditors via cheque and confirmed that cheque payments were only been made on five occasions, and on each occasion relevant information has been recorded in each case to support the use of the cheque. Each payment was prepared by one individual and authorised by a separate Accountant.

l) We reviewed the creditor performance indicator data for the year to November and confirmed that the data set was complete for each month and a percentage figure for how many invoices were paid on time over total invoices was recorded. The Exchequer Team Leader sends the performance data on to the Head of Financial Services on a monthly basis, where any issues are raised.

	Agreed Management Action	Implementation Date	Manager Responsible
1	The Creditors Team will ensure that all payments authorised for payment are done so by appropriate members of staff with a sufficient authority limit. Future consideration should be given to use of an integrated ordering and payments system to negate the double authorisation of the order and resulting payment. (Low)	31 January 2017	Sue Overall – Exchequer Team Leader

FOR FURTHER INFORMATION CONTACT

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EXTERNAL AUDIT UPDATE, GRANT CERTIFICATION AND ANNUAL AUDIT LETTER

Report of the:	Director of Finance and Resources
Contact:	Kathryn Beldon
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Annexes/Appendices (attached):	Annexe 1 – Progress & Update Report Annexe 2 – Annual Audit Letter Annexe 3 – Grant certification letter
Other available papers (not attached):	None Stated

REPORT SUMMARY

This report covers three updates from Grant Thornton, who are the Council's external auditors.

These include an update on the Audit letter and an update Grant Certification letter for the year ended 31 March 2016. Both of these items have to be received by this Committee in accordance with the Audit regulations.

Finally there is general progress report on latest issues from Grant Thornton who will be attendance at the meeting to present this short item and the letters.

RECOMMENDATION (S)	*Notes*
(1) That the Committee receives the Progress and Update Report (Annexe 1) presented by Grant Thornton staff. **(2) That the Committee note the Annual Audit Letter for 2015/16 (Annexe 2).** **(3) That the Committee note the Grant Certification Letter (Annexe 3).**	

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

1.1 The annual audit is a key part of the arrangements for ensuring that the Council manages its resources appropriately, including that they are used in the most efficient and effective way.

1.2 A progress report is attached on latest audit issues at Annexe 1 and will be presented by Grant Thornton staff present at this meeting.

2 Background for audit issues for 2015/16

2.1 The final Annual Audit Letter has now been issued and this summarises the key findings from the audit work covering the Council's financial performance for 2015/16.

2.2 The Annual Audit Letter is attached as Annexe 2 to this report and confirms the following initial findings following the audit of the accounts;

2.2.1 An unqualified opinion on the accounts which give a true and fair view of the Council's financial opinion as at 31 March 2016 and its income and expenditure for the year;

2.2.2 An unqualified conclusion in respect of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources;

2.2.3 Certification of grant claims and the letter outlined in the Grant Certification report which is attached as Annexe 3.

3 Proposals

3.1 The Committee is asked to receive and note the letters and receive the progress update report from Grant Thornton staff.

4 Financial and Manpower Implications

4.1 The audit has been completed within the budget as previously reported.

4.2 The 2016/17 will also be carried out by Grant Thornton and the audit fee will be £44,708 which is within budget for this year.

4.3 ***Chief Finance Officer's comments:*** The annual audit letter is part of the overall external audit process for the Council. The Council has received an unqualified opinion from the external auditor for 2015/16.

5 Legal Implications (including implications for matters relating to equality)

5.1 ***Monitoring Officer's comments:*** There are no legal implications arising directly from this report. External Audit reports and opinions, form a key part of the Council's governance arrangements.

6 Sustainability Policy and Community Safety Implications

6.1 There are no implications for the purpose of this report.

7 Partnerships

7.1 There are no partnerships for the purpose of this report.

8 Risk Assessment

8.1 The external audit contributes towards the effective corporate governance of the Council.

9 Conclusion and Recommendations

9.1 There are no concerns from the issue of the Annual Audit Letter for 2015/16.

WARD(S) AFFECTED: N/A

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Grant Thornton

Strategy and Resources Committee Progress and Update Report for Epsom and Ewell Borough Council

Year ended 31 March 2017

7 February 2017

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Introduction

This paper provides the Strategy and Resources Committee with a report on progress in delivering our responsibilities as your external auditors.

Members of the Strategy and Resources Committee can find further useful material on our website www.grant-thornton.co.uk, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications:

- Innovation in public financial management (December 2015); www.grantthornton.global/en/insights/articles/innovation-in-public-financial-management/
- Knowing the Ropes – Audit Committee; Effectiveness Review (October 2015); www.grantthornton.co.uk/en/insights/knowing-the-ropes--audit-committee-effectiveness-review-2015/
- Making devolution work: A practical guide for local leaders (October 2015) www.grantthornton.co.uk/en/insights/making-devolution-work/
- Reforging local government: Summary findings of financial health checks and governance reviews (December 2015) http://www.grantthornton.co.uk/en/insights/reforging-local-government/,

Members and officers may also be interested in out recent webinars:

Alternative delivery models: Interview with Helen Randall of Trowers and Hamlins, discussing LATCs and JVs in local government. http://www.grantthornton.co.uk/en/insights/qa-on-local-authority-alternative-delivery-models/

Cyber security in the public sector: Our short video outlines questions for public sector organisations to ask in defending against cyber crime http://www.grantthornton.co.uk/en/insights/cyber-security-in-the-public-sector/

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

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Progress at 7 February 2017

2015/16 work - conclusion	Completed	Comments
Annual Audit Letter We issued the 'Annual Audit Letter for 2015/16 in October 2016.	October 2016	The Letter summarises the key findings arising from the work that we have carried out at Epsom and Ewell Borough Council for the year ended 31 March 2016. The Letter was agreed with the Director of Finance and Resources and will made available to all members of the Council. A copy of the Letter is also be available on the Council's website.
Grant Certification We are required to certify certain claims and returns submitted by the Council. Certification arrangements are prescribed by PSAA Ltd.	November 2016	We completed the certification work on the Housing Benefit grant claim before the 30 November 2016 deadline. A copy of the claim report is included on today's agenda.

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Progress at 7 February 2017

2016/17 work	Planned Date	Complete?	Comments
Fee Letter We are required to issue a 'Planned fee letter for 2016/17 by the end of April 2016.	April 2016	Yes	The 2016/17 fee letter was issued in April 2016 and the fee set by PSAA is £44,708 (Fee: 2015/16 £44,708).
Accounts Audit Plan We are required to issue a detailed accounts Audit Plan to the Council setting out our proposed approach in order to give an opinion on the Council's 2016/17 financial statements.	April 2017	Not yet due	Our Audit Plan will be presented to the April 2017 committee. The Plan will be based on our regular liaison meetings with the finance team and from findings from our initial planning and risk assessment audit visits.
Interim accounts audit Our interim fieldwork visit plan included: • updated review of the Council's control environment • updated understanding of financial systems • review of Internal Audit reports on core financial systems • early work on emerging accounting issues • early substantive testing • Value for Money conclusion risk assessment.	Initial planning, risk assessment, early substantive testing Jan - Feb 2017	Not yet due	We have planned regular audit visits throughout the financial year to ensure that we carry out as much early testing as possible before the accounts audit visit in July 2017.
Final accounts audit Including: • audit of the 2016/17 financial statements • proposed opinion on the Council's accounts • proposed Value for Money conclusion • review of the Council's disclosures in the accounts against the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17	July – Aug 2017	Not yet due	The results of our audit work and the key messages arising will be reported in our Audit Findings Report.

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Progress at 7 February 2017

2016/17 work	Planned Date	Complete?	Comments
Value for Money (VfM) conclusion The scope of our work changed and was set out in the final guidance issued by the National Audit Office in November 2015. The Code requires auditors to satisfy themselves that; "the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources". The guidance confirmed the overall criterion as; "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people". The three sub criteria for assessment to be able to give a conclusion overall are: • Informed decision making • Sustainable resource deployment • Working with partners and other third parties	Initial planning and detailed assessment Feb – May 2017	Not yet due	We will set out the results of our risk assessment and the proposed focus of our work in the Audit Plan. The results of our VfM audit work and the key messages arising will be reported in our Audit Findings Report. We will include our conclusion as part of our report on your financial statements.
Other areas of work We have issued our LG financial health and governance review and Faster Close report.			Further information on the report is set out on page 17.

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Grant Thornton
Sector Issues

Emerging issues

Brexit: What happens next and what does it mean for you?

The people of the UK have made a decision to leave the EU. What happens next - and the implications for businesses and organisations in the UK - is less clear.

We have produced an analysis of what we know about the mechanics of leaving the EU, our assessment of some of the external factors that may affect organisations over the coming months and years, and a summary of the different models for trading relationships outside the EU. This can be found on our website and we have attached copies to this report.

In thinking about the impact organisations will want to consider not only legal and regulatory changes but also market reactions, consumer and business behaviours, and the wider political and economic environment. The Council will have a role in both shaping its own response and in helping organisations respond to a changing environment. We can expect three broad phases of reaction to Brexit:

- initial volatility
- medium term uncertainty and instability
- longer term transition

The impact of this will be different for every organisation. In looking at the threats and opportunities these phases create, and planning how the Council can create and protect value, you may wish to consider the short, medium and long term implications for issues like people and talent, strategic ambitions, financing, risk, operations and protecting investment.

We believe that in the coming weeks and months, dynamic organisations have a critical role to play in helping to shape the future of Britain. Grant Thornton is leading a campaign which explores how we can build a vibrant economy. You can find out more here: http://vibranteconomy.co.uk/

We would welcome views on what the priorities should be for government and the UK to create a new economy outside the EU.

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Financial sustainability of local authorities: capital expenditure and resourcing

National Audit Office

The full report is available at:

https://www.nao.org.uk/report/financial-sustainability-of-local-authorities-capital-expenditure-and-resourcing/

According to the NAO, local authorities in England have maintained their overall capital spending levels but face pressure to meet debt servicing costs and to maintain investment levels in their existing asset bases.

Since 2010-11, local authorities have faced less pressure on their resources to support capital expenditure as compared to revenue. Although local authorities' revenue spending power fell by over 25 per cent in real terms from 2010-11 to 2015-16, the NAO estimates that capital grants to authorities marginally increased from 2010-11 to 2014-15, (excluding education).

Capital spending by authorities increased by more than five per cent in real terms overall between 2010-11 and 2014-15, but this is uneven across local authorities and service areas. Almost half of authorities reduced their capital spending. Most service areas saw an increase in capital spend with the exception of culture and leisure: capital spending fell by 22 per cent overall in this area.

The NAO's report, published on 15 June, found that authorities face a growing challenge to continue long-term investment in their existing assets. Total spending has remained stable, but increasingly capital activities are focused on 'invest to save' and growth schemes that cover their costs or have potential to deliver a revenue return. Many areas of authorities' asset management programmes do not meet these criteria and are now seen as a lower priority.

The report also notes that local authorities' debt servicing costs have grown as a proportion of revenue spending as revenue resources have fallen. A quarter of single-tier and county councils now spend the equivalent of 10 per cent or more of their revenue expenditure on debt servicing, with metropolitan district councils being particularly exposed.

According to the NAO, DCLG has rightly focused on revenue issues in the 2015 Spending Review but in future reviews will need to focus more on capital. The Department is confident from its engagement with authorities that revenue pressures are their main concern, however the NAO's analysis demonstrates that capital costs exert significant and growing pressure on revenue resources.

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The changing face of Corporate Reporting

We have established a global network of public sector auditors and advisors to share good practice and to provide informed solutions to the corporate reporting challenges our clients face.

We were fortunate to have the CEO of the IIRC speak at our most recent meeting. Integrated Reporting, <IR>, is a new approach to corporate reporting and it is building a world-wide following in both the public and private sectors.

In the commercial sector, <IR> has led to improvements in business decision making, the understanding of risks and opportunities as well as better collaborative thinking by boards about goals and targets..

<IR> is based on integrated thinking that results in a report by an organisation about sustainable value creation. It requires a more cohesive and efficient approach to organisational reporting that draws on different reporting strands and communicates the full range of factors that materially affect the ability of an organisation to create value over time.

By moving the focus away from only short-term, backward looking, financial reporting, <IR> encourages organisations to report on a broader range of measures that link their strategic objectives to their performance. The result is an overview of an organisation's activities and performance in a much wider, more holistic, context.

- <IR> encourages organisations to consider whether there are any gaps in the information that is currently available to them, so that integrated thinking becomes embedded in mainstream practice.
- <IR> is underpinned by the International <IR> Framework published in December 2013. It is principles- based, allowing organisations to innovate and develop their reporting in the context of their own regulatory framework, strategy, key drivers, goals and objectives.
- <IR> is consistent with the Strategic Reports required from UK companies, the Performance Reports that government departments, agencies and NHS bodies produce and the developing Narrative Reporting in local government.

The IIRC has established a Public Sector Pioneer Network to consider why and how the public sector can adopt <IR>, with the end goal of improving transparency and building trust. There is already a core of UK organisations within this.

<Integrated Reporting>

Further information is available on the IIRC's website

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Grant Thornton
Technical update

Accounting and audit issues

Code of Practice on Local Authority Accounting in the United Kingdom 2016/17

CIPFA/LASAAC has issued the Local Authority Accounting Code for 2016/17. The main changes to the Code include:

- the new measurement requirements at depreciated replacement cost for the Highways Network Asset (HNA) and
- the requirement for local authorities to report in the Comprehensive Income and Expenditure Statement on the same basis as they are organised and report in the year (ie. no longer following SERCOP). This is accompanied by the introduction of a new Expenditure and Funding Analysis which provides a reconciliation between the way local authorities budget and report during the year and the Comprehensive Income and Expenditure Statement.

In respect of HNA, the Accounting Code requires local authorities to comply with the CIPFA Code of Practice on Transport Infrastructure Assets issued in 2013. The Transport Infrastructure Code has been recently reissued as the Highways Network Asset Code (HNA Code). Whilst no major changes have been identified in the new Code to the basis of the accounting set out in the previous Code of Practice on Transport Infrastructure Assets, a small number of changes have been set out to clarify accounting for particular items.

The key challenge for local authorities is around the accuracy and completeness of supporting records for HNA inventory and condition at 1 April 2016 and effective arrangements for recording expenditure and other movements on HNA from that date.

UPDATE: On 14 November CIPFA/LASAAC announced a deferral of the move to measuring the Highways Network Asset at Depreciated Replacement Cost in local authority financial statements for 2016/17. This is due to delays in obtaining updated central rates for GRC valuations. CIPFA/LASAAC will issue an Update to the 2016/17 Code of Practice on Local Authority Accounting in the United Kingdom to confirm this decision once it has completed the full due process. We will share updates with management as further details are issued by CIPFA.

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Accounting and audit issues

Flexible use of capital receipts

DCLG has issued a Direction and Statutory Guidance on the flexible use of capital receipts to fund the revenue costs of reform projects. The direction applies from 1 April 2016 to 31 March 2019.

The Direction sets out that expenditure which 'is incurred by the Authorities that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners' can be treated as capital expenditure.

Capital receipts can only be used from the disposals received in the years in which the flexibility is offered rather than those received in previous years.

Authorities must have regard to the Statutory Guidance when applying the Direction.

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Grant Thornton Publications and events

Website Relaunch

We have recently launched our new-look website. Our new homepage has been optimised for viewing across mobile devices, reflecting the increasing trend for how people choose to access information online. We wanted to make it easier to learn about us and the services we offer.

You can access the page using the link below – http://www.grantthornton.co.uk/industries/public-sector/

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Grant Thornton reports

Better Together: Building a successful joint venture company

Local government is evolving as it looks for ways to protect front-line services. These changes are picking up pace as more councils introduce alternative delivery models to generate additional income and savings.

'Better together' is the next report in our series looking at alternative delivery models and focuses on the key areas to consider when deciding to set up a joint venture (JV), setting it up and making it successful.

JVs have been in use for many years in local government and remain a common means of delivering services differently. This report draws on our research across a range of JVs to provide inspiring ideas from those that have been a success and the lessons learnt from those that have encountered challenges.

Key findings from the report:

- JVs continue to be a viable option – Where they have been successful they have supported councils to improve service delivery, reduce costs, bring investment and expertise and generate income
- There is reason to be cautious – Our research found a number of JVs between public and private bodies had mixed success in achieving outcomes for councils
- There is a new breed of JVs between public sector bodies – These JVs can be more successful at working and staying together. There are an increasing number being set up between councils and wholly-owned commercial subsidiaries that can provide both the commercialism required and the understanding of the public sector culture.

Our report, Better Together: Building a successful joint venture company, can be downloaded from our website: **http://www.grantthornton.co.uk/en/insights/building-a-successful-joint-venture-company/**

AGENDA ITEM 5
ANNEXE 1

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Advancing closure: the benefits to local authorities

Grant Thornton reports

With new regulation bringing forward the required publishing date for accounts local authorities must consider the areas needed to accelerate financial reporting.

In February 2015, regulations were laid before parliament confirming proposals to bring forward the date by which local authority accounts must be published in England. From 2017-18, authorities will need to publish their audited financial statements by 31 July, with Wales seeking to follow a similar approach over the next few years.

Many local government bodies are already experiencing the benefits of advancing their financial reporting processes and preparing their accounts early, including:

- raising the profile of the finance function within the organisation and transforming its role from a back office function to a key enabler of change and improvement across the organisation;
- high quality financial statements as a result of improved quality assurance arrangements;
- greater certainty over in-year monitoring arrangements and financial outturn position for the year, supporting members to make more informed financial decisions for the future;
- improved financial controls and accounting systems, resulting from more efficient and refined financial processes; and
- allowing finance officers more time to focus on forward looking medium term financial planning and transformational projects, to address future financial challenges.
- While there is no standard set of actions to achieve faster close there are a number of consistent key factors across the organisations successfully delivering accelerated closedown of their accounts, which our report explores in further details:
- Enabling sustainable change requires committed leadership underpinned by a culture for success
- Efficient and effective systems and processes are essential
- Auditors and other external parties need to be on board and kept informed throughout

http://www.grantthornton.co.uk/en/insights/advancing-closure-the-benefits-to-local-authorities/

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GRT102468

The Annual Audit Letter
Epsom and Ewell Borough Council

Year ended 31 March 2016

October 2016

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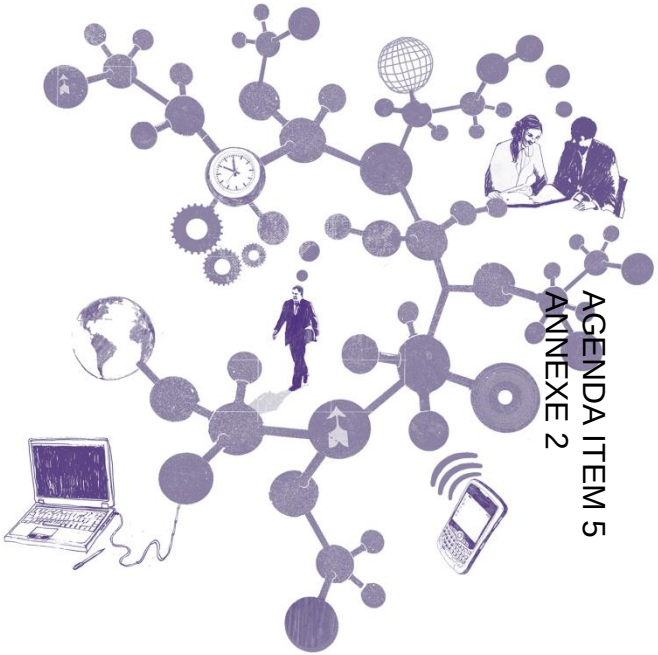

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Executive summary

Purpose of this letter

Our Annual Audit Letter (Letter) summarises the key findings arising from the work that we have carried out at Epsom and Ewell Borough Council (the Council) for the year ended 31 March 2016.

This Letter is intended to provide a commentary on the results of our work to the Council and its external stakeholders, and to highlight issues that we wish to draw to the attention of the public. In preparing this letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice (the Code) and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'.

We reported the detailed findings from our audit work to the Council's Strategy and Resources Committee as those charged with governance in our Audit Findings Report on 27 September 2016.

Our responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give an opinion on the Council's financial statements (section two)
- assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the Council's financial statements, we comply with International Standards on Auditing (UK and Ireland) (ISAs) and other guidance issued by the NAO.

Our work

Financial statements opinion

We gave an unqualified opinions on the Council's financial statements on 28 September 2016.

Value for money conclusion

We were satisfied that the Council put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources during the year ended 31 March 2016. We reflected this in our audit opinion on 28 September 2016.

Certificate

We certified that we had completed the audit of the accounts of the Council in accordance with the requirements of the Code on 28 September 2016.

.

Certification of grants

We also carry out work to certify the Council's Housing Benefit subsidy claim on behalf of the Department for Work and Pensions. Our work on this claim is not yet complete and will be finalised by 30 November 2016. We will report the results of this work to the Strategy and Resources Committee in our Annual Certification Letter.

Working with the Council

We would like to record our appreciation for the assistance and co-operation provided to us during our audit by the Council's staff.

Grant Thornton UK LLP
October 2016

Audit of the accounts

Our audit approach

Materiality

In our audit of the Council's accounts, we used the concept of materiality to determine the nature, timing and extent of our work, and in evaluating the results of our work. We defined materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for our audit of the Council's accounts to be £911k (being 2% of gross revenue expenditure). We used this benchmark, as in our view, users of the Council's accounts are most interested in how it has spent the income it has raised from taxation and grants during the year.

We also set a lower level of specific materiality for cash and cash equivalents.

We set a lower threshold of £44k, above which we reported errors to the Strategy and Resources Committee in our Audit Findings Report.

The scope of our audit

Our audit involved obtaining enough evidence about the amounts and disclosures in the financial statements to give reasonable assurance that they were free from material misstatement, whether caused by fraud or error.

This included assessing whether:

- the Council's accounting policies were appropriate, had been consistently applied and adequately disclosed;
- significant accounting estimates made by management were reasonable; and
- the overall presentation of the financial statements gave a true and fair view.

We also read the narrative report and annual governance statement to check they were consistent with our understanding of the Council and with the accounts on which we gave our opinion.

We carried out our audit in line with ISAs (UK and Ireland) and the NAO Code of Audit Practice. We believe the audit evidence we obtained was sufficient and appropriate to provide a basis for our opinion.

Our audit approach was based on a thorough understanding of the Council's business and is risk based.

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

Audit of the accounts

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Table 1: Audit risks

Risks identified in our Audit Plan	How we responded to the risk
The revenue cycle includes fraudulent transactions Under ISA (UK&I) 240 there is a presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.	Having considered the risk factors set out in ISA240 and the nature of the revenue streams at Epsom and Ewell Borough Council, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because: • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited; and • the culture and ethical frameworks of local authorities, including Epsom and Ewell Borough Council, mean that all forms of fraud are seen as unacceptable. **We did not identify any material issues to report.**
Management over-ride of controls Under ISA (UK&I) 240 it is presumed that the risk of management over-ride of controls is present in all entities.	We have undertaken the following work in relation to this risk: • review of entity controls • testing of journal entries • review of accounting estimates, judgements and decisions made by management • review of unusual significant transactions. **We did not identify any material issues to report.**

Audit of the accounts - continued

Risks identified in our Audit Plan	How we responded to the risk
Operating expenses Creditors understated or not recorded in the correct period	We have undertaken the following work in relation to this risk: • documented our understanding of processes and key controls over the transaction cycle; • undertook walkthrough of the key controls to assess whether the controls were in line with our documented understanding; • sample tested operating expenditure during the year • tested year end payables and manual accruals • tested for unrecorded liabilities. **We did not identify any material issues to report.**
Employee remuneration Employee remuneration accruals understated	We have undertaken the following work in relation to this risk: • documented our understanding of processes and key controls over the transaction cycle • undertook walkthrough of the key controls to assess the whether those controls were in line with our documented understanding • reviewed reconciliations of the payroll to the ledger; • analytical review using trend analysis; • tested payroll transactions to payslips and HR contract of employment. **We did not identify any material issues to report.**

Audit of the accounts - continued

Risks identified in our Audit Plan	How we responded to the risk
Valuation of property, plant and equipment (PPE) including investment properties Assets are regularly revalued to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Investment properties are re-valued annually.	We have undertaken the following work in relation to this risk: • documented our understanding of processes and key controls over the transaction cycle • reviewed management's processes and assumptions for the calculation of the estimate • reviewed competence, expertise and objectivity of any management experts used • reviewed instructions issued to valuation experts and the scope of their work • discussed with valuer the basis on which the valuation was carried out and challenged key assumptions • reviewed and challenged information used by the valuer to ensure it was robust and consistent with our understanding • tested revaluations made during the year to ensure they were input correctly into your asset register • evaluated the assumptions made by management for those assets not revalued during the year and how management satisfied themselves that these were not materially different to current value **We did not identify any material issues to report.**
Valuation of pension fund net liability The Council's pension fund asset and liability as reflected in the balance sheet represent significant estimates in the financial statements.	We have undertaken the following work in relation to this risk: • documented our understanding of processes and key controls over the transaction cycle • undertook walkthrough of the key controls to assess the whether the controls were in line with our documented understanding • reviewed the competence, expertise and objectivity of the actuary who carried out your pension fund valuation. We gained an understanding of the basis on which the valuation was carried out • undertook procedures to confirm the reasonableness of the actuarial assumptions made • reviewed the consistency of the pension fund asset and liability and disclosures in notes to the financial statements with the actuarial report from your actuary. **We did not identify any material issues to report.**

Audit of the accounts

Audit opinion

We gave an unqualified opinion on the Council's accounts on 28 September 2016, in advance of the 30 September 2016 national deadline.

We received draft financial statements on 4 July 2016.

Key messages arising from the audit of the accounts

We reported the key issues from our audit of the accounts of the Council to the Strategy and Resources Committee on 27 September 2016.

In addition to the key audit risks reported above, we reported to the Committee:

- the draft accounts submitted for audit were of a good quality
- working papers were provided in a timely manner and supported the disclosures in the accounts. However, working papers for debtors, creditors and prepayments in the rates system need to be improved to provide a detailed breakdown of the balance at an individual level
- officers were supportive to our audit requests and provided additional information throughout the audit
- made a recommendation to the Finance team to explore possible methods to generate a detailed listing report from the rates system.

Annual Governance Statement and Narrative Report

We are also required to review the Council's Annual Governance Statement and Narrative Report. It published them on its website with the draft accounts in line with the national deadlines.

Both documents were prepared in line with the relevant guidance and were consistent with the supporting evidence provided by the Council and with our knowledge of the Council.

Other statutory duties

We also have additional powers and duties under the Act, including powers to issue a public interest report, make written recommendations, apply to the Court for a declaration that an item of account is contrary to law, and to give electors the opportunity to raise questions about the Council's accounts and to raise objections received in relation to the accounts.

We had no matters to report.

Value for Money conclusion

Background

We carried out our review in accordance with the NAO Code of Audit Practice (the Code), following the guidance issued by the NAO in November 2015 which specified the criterion for auditors to evaluate:

In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the key risks where we concentrated our work.

The key risk we identified and the work we performed is set out in table 2 overleaf. We made one recommendation which is also set out in the table.

Overall VfM conclusion

We were satisfied that in all significant respects the Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2016.

Value for Money

Table 2: Value for money risks

Risk identified	Work carried out	Findings and conclusions
Financial Health The Council was on course to achieve a planned budget for 2015/16 though you have had to take some difficult measures such as having a moratorium on spend. Going forward to 2016/17, the Local Government Finance Settlement reduced your funding assessment by 25% in 2016/17 and further savings of £1.6 million are required over the period 2017/18 to 2019/20.	We carried out the following work: • reviewed your outturn position for 2015/16, including the delivery of savings targets • reviewed your plans to achieve the 2016/17 revenue budget • assessed your progress on the residual risk reported in our previous audit reports • met with key officers to discuss and review your arrangements to ensure medium term financial stability.	The 2015/16 outturn was an improved position to that forecast during the year as the Council needed to £167k rather than planned £229k from the general fund working capital balance at year to deliver the balanced position. Although a deficit position occurred this was forecast consistently during the year so was not a surprise to officers or members. The Council maintained spending in line with plans and achieved a slightly better position than forecast. The Council had set a balanced budget for 2016/17 although there continues to be budget pressures with revenue support grant disappearing by 2017/18. The Council's medium term financial strategy was approved by the Council in February 2016 bringing together a number of the Council's strategies including procurement, ICT and workforce. The assumptions used in the plan are reasonable and with further government funding being eroded, the Council has identified an efficiency savings requirement of £3m to £3.5m over the next four years. Schemes have been identified for £2.3m and the Council recognises that a further savings of around £900k will need to be found between 2017 and 2020. The Council continues to be debt free and has aspirations for the situation to remain unchanged over the next 4 years. However, with the steady erosion of the capital reserves, it recognises the need to consider all options for funding capital expenditure including financing via borrowing. The Leadership Team has undergone a restructuring in the past few months and the new arrangements will need time to fully embed. However, with a relatively small Leadership Team which is in common with many districts, any unplanned long term absence at this level as that experienced over the summer months increases the pressure on a small number of individuals. The Leadership team and the committee members need to continue to ensure delegated arrangements can continue to operate with limited impact on the delivering of core services. We have not identified any issues with the governance arrangements or financial monitoring during the year but there is a risk arising for the 2016/17 year as a key member of the finance team who has been covering the senior finance role during the year is leaving the Council in October. **On that basis we concluded that the risk was sufficiently mitigated and the Council had proper arrangements. However we have made a recommendation for on-going monitoring of the financial position with the capacity of the senior finance officers being stretched during the early part of 2016/17.**

Working with the Council

Our work with you in 2015/16

We are really pleased to have worked with you over the past year. We have established a positive and constructive relationship. Together we have delivered some great outcomes.

Sharing our insight – we provided regular updates to the Council covering best practice. Areas we covered included our reports on Innovation in public financial management, Making devolution work, Reforging local government. We will continue to provide you with our insights.

Providing information – we provided you with access to CFO insights by introducing a member of the CFOi team and giving you information about the capabilities of the analysis tool.

Early closedown - we will also continue to work with you and support you over the next financial year to embed your production of your year-end accounts**.** From 2017/18 all councils in England will be required to publish their audited financial statements by 31st July (currently 30th September).

Regular liaison - we will continue to liaise closely with the senior finance team during 2016/17 on this important accounting development, with timely feedback on any emerging issues to improve the audit process. The audit risks associated with this new development and the work we plan to carry out to address them will be reflected in our 2016/17 Audit Plan.

Appendix A: Reports issued and fees

We confirm below our final fees charged for the audit and fees for the provision of non audit services.

Fees

	Per Audit plan £	Actual fees £
Council audit	44,708	44,708
Grant certification on behalf of Public Sector Audit Appointments Limited (estimated) *	*8,976	TBC
Total audit fees	**53,684**	**TBC**

The proposed fees for the Council's audit were in line with the scale fee set by Public Sector Audit Appointments Limited (PSAA).

* Work still in progress – completion due in November 2016. Fee variations are subject to approval by PSAA.

Reports issued

Report	Date issued
Audit Plan	April 2016
Audit Findings Report	September 2016
Auditor's opinion on accounts	September 2016
Auditor's value for money conclusion	September 2016
Annual Audit Letter	October 2016

Fees for other services

Service	Fees £
None	nil
Total	**Nil**

Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards.

Grant Thornton

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29 November 2016

Dear Kathryn

Certification work for Epsom and Ewell Borough Council for year ended 31 March 2016

As you are aware, we are required to certify certain claims and returns submitted by the Council. Certification arrangements are prescribed by the Audit Commission, which agrees the scope of the work with each relevant government department or agency, and issues auditors with a Certification Instruction (CI) for each specific claim or return. The Audit Commission arrangements require us to report the outcome of certification work.

We certified one claim for the financial year 2015/16 relating to expenditure of £20.6 million on 29 November 2016 before the deadline.

We found the Council had put in place adequate arrangements to compile and complete, accurate and timely claims for audit certification. There are no amendments arising from our certification work which we wish to highlight for your attention.

However, one case was found where the annual maternity rate increase for 2015/16 had not been applied. We discussed our findings with the benefits team. Their investigation into the 16 cases who were also in receipt of maternity allowance showed that they had been correctly uprated and therefore none resulted in subsidy being under or overstated. We reviewed a sample of their findings and agreed with management that no amendment was required to the claim.

The indicative scale fee set by the Audit Commission for the Council for 2015/16 is £8,976. We are not proposing to make any changes to the indicative scale fee (see appendix).

Yours sincerely

For Grant Thornton UK LLP

Appendix A - Details of claims and returns certified for 2015/16

Claim or return	Value	Amended?	Amendment (£)	Qualified?	Comments
Housing benefits subsidy claim	£20,558,577	No	n/a	No	None

REVIEW OF CCTV PROVISION

Report of the:	Chief Executive
Contact:	Kelvin Shooter
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Annexes/Appendices (attached):	None
Other available papers (not attached):	Review of CCTV provision: Report and Minutes, Crime & Disorder and Scrutiny Committee – 28 June 2016 Streetscene CCTV Report, Strategy and Resources Committee 7 February 2017

REPORT SUMMARY

This report provides an update on the progress of the review of CCTV to date.

RECOMMENDATION (S)	*Notes*
(1) That the Committee notes that the streetscene CCTV service is proposed to be continued at the current levels of service, subject to agreement being reached on a range of issues. **(2) That a further report be brought to the Committee on 8 February 2018 reviewing compliance with the Surveillance Camera Code of Practice**	

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

1.1 There are no specific corporate plan actions in respect of CCTV in 2016/2017. The provision of Town Centre (Streetscene) CCTV falls within the 2016/20 Key Priority of 'Supporting Businesses and our Local Economy', it also contributes to the Key Priority of 'Supporting our Community'. A review of CCTV provision could contribute to the Key Priority 'Managing our Resources'.

2 Background

2.1 In June 2016 this Committee received a report on a review of the CCTV capabilities of the Council. The Committee agreed to receive a full review of CCTV (undertaken by an officer working group) in order that it could make recommendations to the relevant service committees. It was intended that by means of the review the Council would demonstrate and document compliance with the Surveillance Camera Code of Practice and determine the appropriateness and value for money of each of the different systems.

2.2 The review would cover:

2.2.1 Town Centres' (Streetscene) CCTV

2.2.2 Public Car Parks CCTV

2.2.3 Council Venues/Other facilities CCTV

2.2.4 Council vehicles' CCTV.

2.3 A report on the review was included in the current work programme of the Committee in part to reflect that the Streetscene CCTV contract is due to end on 31 March 2017.

3 General Update on CCTV Review Progress To Date

3.1 Following work undertaken by officers on the CCTV working group all areas of service within the Council that operate CCTV are now aware of the obligations in terms of compliance and review and have taken steps to ensure those obligations are met.

3.2 As stated to previous meetings, the use and operation of CCTV is covered by a range of legislation, including particular the Data Protection Act 1998 and the Protection of Freedoms Act 2012. Under the 2012 Act, a Surveillance Camera Commissioner has been established whose principal role is to encourage compliance with the Surveillance Camera Code of Practice.

3.3 Officers have been working on documenting compliance with the Code, and will in due course complete a self-assessment and submit this to the Commissioner.

4 Update on Town Centres' (Streetscene) CCTV

4.1 The Council currently operates 20 streetscene CCTV cameras; 16 in Epsom Town Centre, 2 in Ewell High Street and 2 in Stoneleigh Broadway. Monitoring of the cameras is carried out at Runnymede Borough Council; maintenance of the cameras is via an external contractor.

4.2 The monitoring undertaken by Runnymede Borough Council is by means of a joint contract with Elmbridge Borough Council, Surrey Police and Epsom & Ewell Borough Council. The camera maintenance with Quadrant Services is by means of a joint contract with Elmbridge Borough Council, which administers the contract on behalf of this Council. Surrey Police currently contribute to the Council's costs under the various agreements.

4.3 Both monitoring and maintenance contracts (commenced in 2012) end on the 31 March 2017. Elmbridge Borough Council has notified this Council that it will not be entering into any new joint arrangement following the end of the current contract. Surrey Police have stated that they will not contribute financially to the monitoring contract between Epsom & Ewell Borough Council and Runnymede Borough Council.

4.4 With the loss of the Surrey Police monitoring contract contribution it has not been possible to come up with an alternative contract specification with the existing monitoring agency that is within the finances available and maintains an acceptable level of service. Surrey Police have indicated that they are not prepared to contribute towards the costs of monitoring or maintenance of the system. However, they have suggested an alternative arrangement in respect of monitoring.

4.5 Discussions with the Eastern Division of Surrey Police (within which Epsom & Ewell now falls), on the requirement of the local Police Neighbourhood Team to have access to CCTV live monitoring and recording has established that the Police would benefit from having the monitoring at their central monitoring suite at Reigate Police Station. Surrey Police already monitor other CCTV within the Eastern Policing Division and are fully operational and CCTV code compliant.

4.6 A report is being taken to the Strategy & Resources Committee on 7 February 2017 seeking authorisation for the Chief Executive to agree new arrangements for the monitoring and maintenance of the street scene CCTV system.

4.7 Surrey Police has commissioned a review of CCTV across the 11 Surrey Districts and Boroughs. It is anticipated that any outcomes of this Surrey wide review will not be available until at the earliest 2017/18.

4.8 It has also been noted that the feeds from the town centre cameras are also used by Surrey County Council Highways team. Currently SCC does not contribute to the cost of maintenance of the cameras, and officers are discussing this with County Officers, with a view to ensuring that a fair contribution is made to this Council's operating and maintenance costs.

5 Proposals

5.1 An agreement is to be formalised on the monitoring of the 20 Epsom & Ewell cameras by the Surrey Police.

5.2 Procurement of the required services and equipment take place to facilitate the continuation of the service.

5.3 Following the county wide review of CCTV by the Surrey Police, Epsom & Ewell then review the CCTV service within the borough.

5.4 We will continue to ensure that all service areas within the Council that utilise CCTV remain compliant with the relevant legislation, and will seek to ensure that there is documented compliance with the Code of Practice.

6 Financial and Manpower Implications

6.1 The current budget for Epsom & Ewell Borough Council associated with Street Scene CCTV is £75,500 and can be broken down approximately as follows:

Category	**Approximate Cost 2016/2017**
Monitoring	£46,000
Utilities (electricity)	£4,500
Data (BT)	£15,000
Maintenance	£10,000
Total	**£75,500**

6.2 Under the proposals being taken to Strategy & Resources Committee, it is hoped that savings can be made in respect of all of the above categories of spend. It would require a further decision of that Committee if it transpires that the overall budgetary provision should increase.

7 Legal Implications (including implications for matters relating to equality)

7.1 The council is not legally required to provide a CCTV monitoring and recording service but where it does it is required to comply with the relevant data protection and CCTV codes of compliance. The alternative monitoring regime of the streetscene CCTV will meet all legal requirements of providing such a service.

7.2 **Monitoring Officer's comments:** Under section 17 of the Crime & Disorder Act 1998, the Council has a duty to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent:

(a) crime and disorder in the Borough (including anti-social and other behaviour adversely affecting the local environment); and

(b) the misuse of drugs, alcohol and other substances in the Borough ; and

(c) re-offending in the Borough.

7.3 It will be important to have regard to the crime & disorder implications of any proposed change to CCTV arrangements, which adds weight to the proposal to wait until Surrey Police complete their county-wide review, before making any changes to the CCTV service.

8 Sustainability Policy and Community Safety Implications

8.1 The streetscene CCTV service, having been established since the 1990s, is valued by the Surrey Police in stopping and detecting Anti-Social Behaviour and crime. They have stated they wish the service to remain at its current level.

9 Partnerships

9.1 The provision of streetscene CCTV has been a partnership between the Borough Council and Surrey Police. The proposed changes to the source of monitoring to maintain the service at its current level will continue that partnership.

10 Risk Assessment

10.1 Should the Surrey Police decide to end their monitoring arrangement following its implementation post March 2017 it would not be possible to maintain the service within the resources currently available.

10.2 There are potential risks in relation to crime and disorder if the system is not maintained, though the data previously obtained indicates that the direct impact would be minimal. There is also a risk to the reputation of the Council and potential for harm to our relationship with both Surrey Police and Surrey County Council if the matter is not concluded by mutual agreement

11 Conclusion and Recommendations

11.1 The ending of the existing streetscene CCTV contracts in March 2017 and the removal of Police funding necessitates some change being made. Either the budgeted expenditure would need to be increased, or changes to arrangements would have been required – for example, a change to the level of service under a contract with the existing monitoring contractor.

11.2 The arrangements proposed in terms of the monitoring streetscene CCTV at Reigate Police Station will hopefully allow the service to be continued at its current levels within financial resources allocated to the provision of CCTV.

11.3 Following the results of the county wide review of CCTV by Surrey Police the Council may need to re-evaluate the provision of CCTV within this Borough.

11.4 On balance, it is considered that this matter should be approached with a view to making the savings indicated above at the earliest opportunity.

11.5 A further report will be brought to this committee to review compliance with the Code of Practice in February 2018.

WARD(S) AFFECTED: (All Wards);

REGULATION OF INVESTIGATORY POWERS ACT 2000 - MONITORING REPORT

Report of the:	Head of Legal and Democratic Services
Contact:	Simon Young
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Annexes/Appendices (attached):	Annexe 1 – RIPA Policy & Guidance
Other available papers (not attached):	

REPORT SUMMARY

This report summarises the current position in relation to the Regulation of Investigatory Powers Act 2000, and considers how the Act has been used in recent years by the Council.

RECOMMENDATION (S)	*Notes*
(1) It is recommended that the Committee notes the report and considers whether any action is required.	

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

1.1 The proper and proportionate implementation and use of the Regulation of Investigatory Powers Act 2000 can assist the Council to further its key priorities

2 Background

2.1 The Regulation of Investigatory Powers Act 2000 (RIPA) arose following the implementation of the Human Rights Act 1998. It was recognised that there is a potential for conflict between an individual's human rights, set against the rights of the State to investigate matters in relation to crime, national security, public safety, public health and the economic well-being of the country.

2.2 RIPA seeks to provide a mechanism for authorising certain methods of investigation in a manner which seeks to ensure that the evidence gained during properly authorised activities will not be inadmissible on grounds relating to the interference with the human rights of the person subject to the investigation.

2.3 RIPA, as its name suggests, is concerned with the "regulation" of investigatory powers, it does not itself give authorities powers to investigate matters. Such powers are either expressly given in other legislation or are necessary and ancillary to the exercise of other powers or compliance with some other statutory duty.

2.4 A number of activities are covered by RIPA, including the use of surveillance, the use of "covert human intelligence sources" and the interception of communications.

2.5 The Council takes its responsibilities under RIPA seriously and seeks at all times to act in accordance with the law. RIPA is particularly relevant to the Council's role in connection with the detection of crime, including benefit fraud and breaches of environmental and licensing laws.

2.6 A few years ago, there was a significant amount of publicity given to councils' use of RIPA, and the reputation of all authorities suffered a little due to in appropriate use of RIPA by some authorities, for minor matters.

2.7 The above issues led, to a reform of the legislation implemented by the Protection of Freedoms Act 2012. This fundamentally altered the way in which local authorities authorised investigatory activities under RIPA. Following the reforms, the Council is now required to seek the approval of a Justice of the Peace before any authorisation can take effect.

2.8 Oversight for covert surveillance and property interference lies with the Office of Surveillance Commissioners; there is also an Interception of Communications Commissioner. The Council is required to provide returns to both, and is periodically inspected by the OSC; the most recent inspection took place in July 2014, by His Honour Judge Hodson.

2.9 The Council has an approved RIPA Policy and Guidance, which has been updated as necessary. Further updates will be made as necessary to keep it up to date, to implement the recommendations of any inspection, and also to help make the policy easier to use.

2.10 Several codes of practice have been issued by the Government, and procedures and guidance have been issued by the Chief Surveillance Commissioner.

2.11 Between July 2008 and the end of November 2010 there were 16 authorisations: two by the Licensing team and fourteen by Benefit fraud investigators. The most recent authorisation was on 25 November 2010. After that date, most benefit fraud cases which involved regulated investigatory techniques were conducted in partnership with the Department for Work & Pensions and/or the police; all necessary authorisations were therefore processed by those other organisations. Members may be aware that the benefit fraud team transferred to the DWP as part of the changes made to the benefits system. Most investigations conducted by the Council are "overt", and do not require RIPA authorisation.

2.12 It is good practice for members to monitor the operation of RIPA within the Council. On 31 January 2012 the Scrutiny Committee received a report on the Regulation of Investigatory Powers Act 2000. The Committee agreed that a standing item be included on future agendas in relation to monitoring use of RIPA (reports were to be received whenever authorisations had been made in the intervening months between meetings). As there have been no authorisations, no reports have been brought. Given the length of time since previous reports to members, it is, however, considered appropriate for members to consider RIPA.

2.13 In the absence of authorisations, the concern could be that the Council is engaging in regulated activities but not seeking the correct authorisations. It is not believed that this is the case, and the legal team would take action if there was any evidence of this occurring, particularly in any cases brought forward for prosecution.

2.14 Whilst we are not actively using the provisions, systems are kept up to date, and relevant officers are offered information and training as appropriate.

3 Proposals

3.1 It is proposed that the committee considers the report and makes any recommendations which are considered appropriate.

4 Financial and Manpower Implications

4.1 There are no financial implications arising from this report.

4.2 ***Chief Finance Officer's comments:*** Any costs for developing policies of this type or for training officers are contained within existing Council budgets.

4.3 Legal Implications (including implications for matters relating to equality)

4.4 ***Monitoring Officer's comments:*** There are no legal implications arising directly from this report. The body of the report contains all relevant information about RIPA.

5 Sustainability Policy and Community Safety Implications

5.1 There are no direct implications arising from this report. Proper use of RIPA is important when investigating offences. Failure to comply with RIPA could put at risk the prospects of successfully mounting a prosecution.

6 Partnerships

6.1 There are no implications arising from this report.

7 Risk Assessment

7.1 The main risks are to the reputation of the Council if it could be said either to be over-zealous in use of RIPA (which is clearly not the case), or that it was undertaking investigations without complying with the legislation (there is no evidence that this is the case).

8 Conclusion and Recommendations

8.1 It is not considered that there are any issues in respect of the Council's use of RIPA, and our non-use of the legislation in recent years is not uncommon amongst similar borough and district Councils. It is appropriate for members to consider what we are doing, to ask any questions, and/or request any further action.

WARD(S) AFFECTED: (All Wards);

POLICY AND GUIDANCE

LAWFUL SURVEILLANCE

REGULATION OF INVESTIGATORY POWERS ACT 2000

Epsom & Ewell Borough Council

Town Hall

The Parade

Epsom

Surrey

KT18 5BY

Version: 1.7

Date: 26 October 2016

Responsible Officer: Head of Legal & Democratic Services

Review Period: Annual

Review and Amendment

Date	Review or Amendment?	Review Comments/ Summary of Amendment	Review/Amendment Made by
27March 2012	Amendment	Test purchasing advice added para 30A	SY
23 October 2012	Amendment	Incorporation of new authorisation procedures/Crime threshold	SY
13 February 2014	Amendment	Suspension of Director of Operations as Authorised Officer	SY
2 July 2014	Amendment	Web links para 3; wording para 8; wording para 59	SY
1 April 2015	Amendment	Deletion of Director of Operations (add SY as deputy for FR for purposes of RIPA)	SY
4 March 2016	Amendment	Update of folder location para 4, and link to forms website added	SY
26 October 2016	Amendment/ Review	Training & Development – separate subsection created (paras 60-64). Wording changed paras 9, 21 & 30. Para 50 moved to new training & development subsection. Policy reviewed – legislation/ codes/ forms checked. Report to Committee early 2017 for full review.	SY

A. INTRODUCTION AND SUMMARY

1. In September 2000 the Regulation of Investigatory Powers Act 2000 ("RIPA") came into force in England and Wales. The Act sets out in detail the type of surveillance work, and certain other investigatory work, the Council may lawfully undertake and the circumstances in which it may be undertaken. The Act provides a regulatory framework with which the Council must comply. In simple terms the Act requires the Council to have procedures in place which ensure that surveillance and/or other regulated activities are: necessary, on specified grounds; proportionate to what is sought to be achieved; and are properly authorised.

2. The Council takes its statutory responsibilities seriously and will, at all times, act in accordance with the law and take necessary and proportionate action in these matters. The Council has various powers and duties in connection with the detection of crime, including environmental enforcement work, licensing and other regulatory work, and the detection of benefit fraud.

3. The Head of Legal and Democratic Services is duly authorised by the Council to keep this policy up to date and accurate and maintain a central record of authorisations for the purpose of RIPA. This policy should be read in conjunction with the codes of practice, hard copies of which are held in the Legal Department and which can be viewed at https://www.gov.uk/government/collections/ripa-codes

4. This version replaces the Policy and Guidance documents approved in 2010. The current version of the policy and forms are those saved in O:\Common\SharedData\RIPA. If a hard copy has been printed, reference should first be made to the electronic copy of the policy, to check for any revisions. Forms should not be saved locally; the relevant form on the Home Office website should be used on each occasion. The forms are available at: https://www.gov.uk/government/collections/ripa-forms--2

   If the forms or website are unavailable for any reason, the forms in the above folder may be

used instead.

5. **If you are in any doubt about RIPA or any related legislative provisions, please consult the Head of Legal and Democratic Services at the earliest possible opportunity.**

B. BACKGROUND

6. Article 8 of the European Convention on Human Right is enshrined in UK law by the Human Rights Act 1998. Article 8 requires the Council and any organisations working on its behalf to respect the private and family life of citizens. The European Convention made this a qualified right and not an absolute right and as such the Council may interfere in a citizens rights mentioned above if the interference is, a) in accordance with the law, b) necessary, and c) proportionate. RIPA was passed to ensure that law enforcement and other operations are consistent with the duties imposed upon public authorities by the Human Rights Act.

7. RIPA sets out a statutory mechanism for authorising certain regulated activities. It seeks to ensure that any interference with an individual's Article 8 rights is necessary and proportionate and there is a balance between the public interest and the human rights of individuals. Covert surveillance, and other regulated activities will only be undertaken where there is no reasonable and effective alternative means of achieving the desired objective. No activity shall be undertaken by the Council or its officers within the definition of *intrusive surveillance*.

8. Significant changes came into force pursuant to the Protection of Freedoms Act 2012, and amendments to the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010.

9. Investigatory activities are controlled by a system of authorisation which requires a senior officer to consider the purpose for which action is to be undertaken and the arrangements for ensuring that it is undertaken in accordance with the requirements of Guidance issued by the Office of the Surveillance Commissioners. Authorisations can only be given effect once an order approving the authorisation or notice has been granted by a Justice of the Peace.

10. Any evidence gathered by activities subject to RIPA but not properly authorised may be ruled inadmissible in court, jeopardising the case and potentially rendering the Council liable to pay court costs. Such activities being undertaken without proper authorisation could also lead to a challenge and/or claim for compensation under the Human Rights Act.

11. The Council is committed to using the RIPA framework in accordance with the Guidance issued by the Office of the Surveillance Commissioners and the Codes of Practice issued by the Home Office.

Necessity

12. The Council must consider whether the information which it is thought necessary to obtain by the authorised conduct could reasonably be obtained by other overt means and why it is necessary to use covert methods in the investigation.

Proportionality

13. The following should be borne in mind when assessing proportionality:
    - The means should not be excessive compared to the gravity of the alleged offence
    - The least intrusive covert methods should be chosen
    - Collateral intrusion should be minimised

- Whether all other reasonable methods have been considered and discounted

C. SURVEILLANCE

14. Surveillance includes:

- Monitoring, observing, listening to persons, watching or following their movements, listening to their conversations and other such activities or communications.
- Recording any of the above in the course of authorised surveillance.
- Surveillance by or with the assistance of appropriate surveillance devices.

15. Surveillance can be overt or covert. Most surveillance carried out by the Council will be overt (open) and not hidden or secretive. Any surveillance which is undertaken where the subject is aware of it, for example, where a noisy resident has been warned that they are going to be recorded for noise, comes under the definition of overt surveillance. In many cases, officers will be behaving in the same way as a normal member of the public (e.g. in the case of most test purchases), and/or will be going about Council business openly.

16. Overt Surveillance does not require RIPA authorisation.

17. Covert surveillance enables public bodies to detect and prevent crime and obtain information about an individual's or organisation's activities.

18. The Home Office Code of Practice on Covert Surveillance and Property Interference states that surveillance will be covert where it is carried out in a manner calculated to ensure that the subject is unaware that it is or may be taking place.

19. RIPA regulates surveillance which is 'directed surveillance', and/or 'intrusive surveillance'.

20. Surveillance is **"Directed surveillance"** if the following are all true:

- It is covert but not intrusive.
- It is carried out for the purposes of a specific investigation or operation
- It is likely to result in the obtaining of private information about a person (information relating to his/her private and family life, home and correspondence and aspects of business and professional life)
- It is not conducted by way of an immediate response to events or circumstances where it would not be reasonably practicable to seek authorisation.

21. Examples of "directed surveillance" have in the past included, for example, the surveillance of individuals in respect of possible fly-tipping, benefit fraud, anti-social behaviour, or planning contraventions. Since 1 November 2012, it has only been possible for directed surveillance to the authorised where the authority is investigating particular types of criminal offences. These are criminal offences which attract a maximum custodial sentence of six months or more, or criminal offences relating to the underage sale of alcohol or tobacco.

22. The key element of "directed surveillance" is the targeting of an individual with the likelihood of gaining private information.

23. **"Intrusive surveillance"** is defined as:

Covert surveillance that:

- is carried out in relation to anything taking place on any residential premises or in any private vehicle and
- involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device.

24. Intrusive surveillance can only be carried out by the police and other law enforcement agencies. Council Officers must **not** carry out intrusive surveillance. If the surveillance

may become, or if there is a risk of it becoming, intrusive the surveillance should stop and the officer should seek advice from the Head of Legal and Democratic Services. Officers need to give careful consideration to their chosen methods of surveillance and/or devices to be used to ensure that there is no unwitting intrusive surveillance.

25. **CCTV -** The provisions of RIPA or the Code of Practice do not cover the overt use of CCTV surveillance systems. Members of the public are aware that such systems are in use for their protection and to prevent crime. However, if CCTV is targeted at an individual, a RIPA situation could arise.

26. **Collateral Intrusion** – Authorising officers should take into account the risk of intrusion into the privacy of persons other than those who are directly the subjects of the investigation. Measures should be taken to avoid or minimise unnecessary intrusion into the lives of those not directly connected with the investigation or operation.

D. CONDUCT AND USE OF A COVERT HUMAN INTELLIGENCE SOURCE

27. A Covert Human Intelligence Source (CHIS) is a person who establishes or maintains a personal or other relationship with another person for the covert purpose of:
    - using such relationship to obtain information or to provide access to any information to another person, or
    - covertly disclosing information obtained by the use of such a relationship or as a result of the existence of such a relationship,
    - where the relationship is conducted in a manner that is calculated to ensure that one of the parties to the relationship is unaware of its purpose or (in the case of disclosure of information) it is disclosed in a manner that is calculated to ensure that one of the parties to the relationship is unaware of the disclosure in question.

28. A CHIS may be an undercover officer or controlled informant.

29. **Other types of informants** – RIPA does not apply to members of the public who volunteer information as part of their civic duties, or members of staff who report information in accordance with their contract of employment, or under the Council's Whistleblowing Policy.

30. The Council is involved in many of the everyday functions of law enforcement. For example, Enforcement Officers might use an informer (CHIS) as part of their enforcement function. The Council's Internal Auditors might use an informer to see if there is an abuse of someone's official position, (e.g. stealing money).

31. The Council can only use a CHIS if RIPA procedures are followed. The conduct or use of a CHIS requires **prior authorisation.** All authorised officers should consult the Head of Legal and Democratic Services for further information regarding procedure prior to authorising a CHIS.

32. "Test Purchasing" usually involves a council officer or other volunteer, who attempts to buy a product or use a service, where the seller/provider is not authorised in the circumstances to sell the product or provide the service. Most usually this is organised/undertaken by licensing officers. This will not normally require authorisation, as no relationship is established between the test purchaser and the "target" of the operation. However, this will be fact sensitive. It is recommended that a summary of the proposed operation is written down and a judgment taken and recorded as to whether authorisation is required. This should be sent to the Head of Legal & Democratic Services.

33. The Regulation of Investigatory Powers (Source Records) Regulations 2000 contain mandatory arrangements for using a CHIS. Adequate arrangements must be in place to

ensure that records are kept which relate to the source and that these records contain particulars of certain matters. The particulars are listed below:

- The identity of the source
- The identity, where known, used by the source
- Any relevant investigating authority other than the authority maintaining the records
- The means by which the source is referred to within each relevant investigating authority
- Any other significant information connected with the security and welfare of the source
- Any confirmation made by a person granting or renewing an authorisation that the information above has been considered and that any identified risks have been explained to and understood by the source
- The date when, and the circumstances in which, the source was recruited
- The identities of the persons who, in relation to the source, are discharging or have discharged the functions
- The periods during which those persons have discharged those responsibilities
- The tasks given to the source and the demands made of him in relation to his activities as a source
- All contacts or communications between the source and a person acting on behalf of any relevant investigating authority
- The information obtained by each relevant investigating authority by the conduct or use of the source
- Any dissemination by that authority of information obtained in that way, and
- In the case of a source who is not an undercover operative, every payment, benefit or reward and every offer of a payment, benefit or reward that is made or provided by or on behalf of any relevant investigating authority in respect of the source's activities for the benefit of that or any other relevant investigating authority.

E CONFIDENTIAL INFORMATION, VULNERABLE PERSONS AND JUVENILES

34. There are special safeguards which apply when either:

    a. Knowledge of confidential information is likely to be acquired;

    b. When a vulnerable individual is used as a source;

    c. When a juvenile, being a person under the age of 18, is used as a source.

35. In all three instances at a), b) and c) above only the Chief Executive or in her absence the person acting as Chief Executive can grant authorisation, save that in no circumstances can a juvenile under the age of 16 be authorised to give information that can be used against his or her parents.

36. Confidential information consists of matters subject to legal privilege, confidential personal information, communications between a Member of Parliament and another person or confidential journalistic material. This is further particularised in the revised Code of Practice.

37. A vulnerable person is a person in need of community care services because of illness, age, mental or other disability, or is unable to take care of himself or herself, or is unable to protect himself or herself against significant exploitation or harm.

F. EXAMPLES OF DIFFERENT TYPES OF SURVEILLANCE

Type of surveillance	Examples
Overt Not requiring prior authorisation	• Police Officer or Wardens on patrol; • Signposted Town Centre CCTV cameras (in normal use); • Recording noise from outside the premises after the occupier has been warned that this will occur if the noise persists (in most cases).
Covert But not requiring prior authorisation	• CCTV cameras providing general traffic, crime or public safety information.
Directed **Must be RIPA authorised**	• Officers follow an individual or individuals over a period, to establish whether s/he is working when claiming benefit or on long term sick leave. • Test purchasers where the officer has a hidden camera or other recording device to record information which might include information about the private life of a shop-owner, e.g. where s/he is suspected of running a business in an unlawful manner. • Can only be used for offences which meet the crime threshold.
Intrusive Council Officers cannot do this	• Planting a listening or other device (bug) in a person's home or in their private vehicle.

G. ANTI-SOCIAL BEHAVIOUR (ASB) ACTIVITIES (e.g. noise, violence, etc.)

38. Persons who complain about ASB and are asked to keep a diary will not normally be Covert Human Intelligence Source and therefore do not require authorisation as they are not required to establish or maintain a relationship for a covert purpose. Recording the level of noise (e.g. decibel) will not normally capture private information and does not require

authorisation. However, careful consideration should be given to how this is to be done in practice, as it is possible that conduct requiring authorisation might be undertaken.

39. Recording sound (with a DAT recorder) on private premises could constitute intrusive surveillance, unless it is done overtly. For example, it may be possible to record if the noisemaker is warned that this will occur if the level of noise continues. However this will depend on how this is to be done, including the technical capabilities of the equipment used. Placing a stationary or mobile video camera outside a building to record ASB on residential estates will require prior authorisation.

H. INTERCEPTION OF COMMUNICATIONS

40. Local authorities cannot generally intercept communications. Under Part I of RIPA, employers can intercept e-mails with employees consent. However, consent is not needed where the purpose is to detect and prevent crime OR unauthorised use of the e-mail or internet system. The employer must make “all reasonable efforts” to inform the employee that their e-mails may be intercepted. The Council cannot otherwise seek to intercept communications.

I. ACQUISITION OF COMMUNICATIONS DATA

41. Under Part I, Chapter II of RIPA, local authorities have powers in respect of the acquisition of communications data from telecommunications and postal companies. Communications data means any traffic or any information that is sent by telecommunications system or postal system, together with information about the use of the system by any person. For example, this could include the dates and times messages are sent or calls made, but not the content of the messages.

42. An authorised person can authorise another officer within the public authority to collect the data. The local authority is allowed to collect data communications itself, i.e. if a private telecommunications company is technically unable to collect the data, the local authority would be able to collect the communications data itself.

43. In order to compel a Communications Company to obtain and/or disclose communications data in their possession, a Notice must be issued (Appendix 2). The *only* grounds a local authority can compel this is for the purposes of "preventing or detecting crime or of preventing disorder".

44. In issuing a Notice, the authorising officer can authorise another person to liaise with the Communications Company covered by the Notice.

45. Whilst RIPA allows local authorities in appropriate circumstances to acquire communications data, this is not something Epsom & Ewell Borough Council can directly do at present, as we have no appropriately trained and accredited officers.

J. PROCEDURES

46. The overall rules and procedures that need to be followed are set out below.

Authorisation

47. An authorisation under Part II of the Act will provide lawful authority for a public authority to carry out surveillance. Public authorities are strongly recommended to seek an authorisation where the surveillance is likely to interfere with a person's Article 8 right to privacy by obtaining private information about that person. There is a great likelihood of risk if you are carrying out observations around a person's home. The Head of Legal and Democratic Services who is the Monitoring Officer for RIPA is authorised by the Council to oversee all RIPA use/processes within the Council and maintain the Central Record of Authorisations for the purpose of RIPA. He will receive and retain originals of all RIPA applications, authorisations, renewals, reviews and cancellations, and to maintain these in a central file. The list of authorised officers is attached as Appendix 1. If a Director or Head of Service wishes to add, delete or substitute a post s/he must make a formal request to the Head of Legal and Democratic Services for consideration. The Monitoring Officer will oversee the RIPA process on behalf of the Council.

48. Private information is a broad term and can include aspects of private life such as gender identification, name, sexual orientation and sexual life. It can also cover interaction with others in the outside world (and not restricted to private premises), and may include activities of a professional or business nature (*Perry v United Kingdom*).

49. Ideally the Authorising Officer should not be responsible for authorising a CHIS in connection with their own activities, i.e. those operations or investigations in which they are directly involved or for which they have direct responsibility. If this is unavoidable it should be highlighted in the central record.

50. (not used – text moved to separate section)

51. All surveillance covered by the Act must be authorised using the corporate application forms, listed in Appendix 2. To ensure that the latest version of the relevant form is being used, officers must use a blank template on each occasion, and must not type over the top of a previously saved form.

52. Surveillance equipment will only be installed with the authorisation of the Council's authorised officers. If a resident is requested to keep a video diary as part of an evidence gathering exercise, this will be regarded as directed surveillance on behalf of the Council, and as such will require authorisation.

53. Directed surveillance or the conduct and use of CHIS can *only* be authorised by the Council on the ground of the prevention or detection of crime/disorder.

54. It is important that careful consideration is given to the issue of confidential information. It should be possible in most cases to ensure that it is not likely that confidential information will be acquired. In any case in which this is considered likely, advice should be sought prior to submission of an application to the Chief Executive for authorisation.

How is the application for authorisation made?

55. It should be made in writing, and it should specify:

- The details of the purpose for which the CHIS/surveillance will be used,
- The identities, where known, of those to be subject of the use or conduct of the CHIS/surveillance,
- Details of what the CHIS will be asked to do,
- An account of the investigation or operation,
- The ground on which the authorisation is sought (i.e. for the prevention or detection of crime/disorder),

- Why the use of CHIS/surveillance is considered to be proportionate to what it seeks to achieve.
- An explanation of the information which the Council desires to obtain as a result of the authorisation,
- Details of the level of authority required,
- The potential for collateral intrusion, that is to say, interference with the privacy of other persons other than the subjects of the investigation, and an assessment of the risk of such intrusion or interference,
- The likelihood of acquiring any confidential material and what that material might be,
- Where authorisation is sought urgently, reasons why the case is considered to be urgent.

56. In assessing an application form the Authorising Officer must:

- Be mindful of the corporate policy,
- Satisfy himself that**:**
    - The use of covert means is proportionate to the mischief being investigated and the degree of intrusion on the target and others;
    - the RIPA authorisation is in accordance with the law, and the proposed activity is necessary and proportionate, and
    - Whether other means show covert surveillance could be used,
- In assessing proportionality and necessity, consider whether other less intrusive means could be used to gather information,
- Consider the degree of intrusion for those likely to be affected, bearing in mind Article 8 of the Human Rights Act, including an assessment of the risk of any collateral intrusion,
- Set a date for reviewing the authorisation, Set the date on which the authorisation will expire
- Forward **the original** authorisation to the Head of Legal and Democratic Services within 5 working days of making the authorisation, keeping a copy on their own file.

57. When authorising the conduct or use of CHIS the Authorised Officer must adhere to the Regulation of Investigatory Powers (Source Records) Regulations 2000, and:

- Be satisfied that the appropriate arrangements are in place for the management of the CHIS. This should include a risk assessment for health and safety;
- Consider the diverse impact on community confidence that may result from the information obtained;
- Ensure that records are available on a need to know basis.

58. The authorisation must be reviewed within the time stated on the application form and cancelled as soon as it is no longer necessary. The duration of the authorisation for directed surveillance can last for a maximum of 3 months from the date of authorisation and 12 months for a CHIS. However, it is essential that the authorisations are reviewed or cancelled at the proper time. There must be evidence of cancellation on file.

59. Prior to any authorisation having effect, or being renewed, judicial approval must be sought. This will be done by the investigating officer in conjunction with the Council's legal team, who will advise on the completion of the judicial application/order form and liaise with the court service.

Training and Development

60. All officers certified to sign RIPA forms shall be given the appropriate training. If the Head of Legal and Democratic Services feels that an authorised officer has not had the appropriate training/guidance then he is authorised to retract the officer's authorisation until the training has been completed.

61. RIPA Monitoring Officer shall aim to keep a Central Record of all RIPA training undertaken (to include officer name, date, provider & course title, optional comments, and copy of course materials where appropriate and available).

62. Periodic external training of key staff shall be programmed (every 3-5 years).

63. Anyone attending an external course shall be encouraged to share what they've learnt with colleagues.

64. In-house training/update to be held on at least an annual basis – to cover legislative changes/guidance/cases etc, and follow-up on the most recent OSC inspection report

K. MAINTENANCE OF RECORDS

65. The Head of Legal Services is responsible for:

- The integrity of the process in place within the public authority for the management of CHIS;
- Compliance with Part II of the Act and the Codes;
- Oversight of the reporting of any errors to the Commissioner and identifying both the cause(s) of errors and the implementation of processes to minimise the repetition of errors;
- Engagement with the OSC inspectors when they conduct their inspections, where applicable; and
- Where necessary, oversight of the implementation of post-inspection action plans approved by the relevant oversight Commissioner.

66. The following documents must be forwarded to the Head of Legal and Democratic Services by the Authorising Officer and retained by the Head of Legal and Democratic Services where an authorisation has been granted:

- **The original** of the forms with any supporting documentation;
- A record for the period for which the surveillance has taken place;
- The frequency of reviews as prescribed by the Authorising Officer;
- A record of the result of each review of an authorisation;
- A record of any renewal of an authorisation, the reason why the person renewing an authorisation considered it necessary to do so, and the reasons, if any, for not renewing an authorisation;
- The date and time of any instruction by the Authorising Officer;
- A record including the date and time of any oral authorisation given by the Authorising Officer, and the reason why the case was considered urgent;
- Any risk assessment made in relation to a CHIS;
- The circumstances in which tasks were given to the CHIS;
- The value of the CHIS to the investigating authority;
- The reasons for cancelling an authorisation;
- The date and time when any instruction was given by the Authorising Officer to cease using a CHIS
- A copy of the judicial application form, and original of any order obtained from the Court.

67. The Council will retain records in the Central Register for a period of at least 3 years after the end of a period of authorisation.

Central Register of Authorisations

68. This will be maintained by the Head of Legal and Democratic Services. All completed forms must be sent to the Head of Legal and Democratic Services, marked "Private and Confidential", within 5 working days for the purpose of maintaining the Central Register.

69. If you need any further advice on RIPA please contact the Head of Legal and Democratic Services.

Who is responsible for overseeing compliance with RIPA?

70. The Chief Surveillance Commissioner and Surveillance Commission together with the Assistant Surveillance Commissioners have been appointed to provide independent oversight of the use of the powers contained in Part II of the Act. They will inspect the Council from time to time to ensure that the Council is complying with the Act. In addition, the 2000 Act establishes an independent tribunal. The tribunal has full powers to investigate and decide any case where a person complains about the conduct of the Council in exercising its powers which are covered by the Act.

Working with Other Organisations

71. Where another agency has been instructed by the Council to undertake any action under RIPA this must be done in accordance with this policy. The appropriate Director or Head of Service requesting the work must ensure that the agency is made explicitly aware of what they are authorised to do.

Involvement of Councillors

72. This policy and the Council's use of RIPA will be reviewed on an annual basis by the Strategy and Resources Committee. An internal report on the use of RIPA will be considered by the Scrutiny Committee; this will be to each meeting of the committee, or in such other way as that committee considers appropriate. However, Councillors will not act as authorised officers.

Acknowledgement

In producing this policy the Council has considered the Guidance of the Office of Surveillance Commissioners, the Codes of Practice. Good practice from other local authorities was considered when previous versions of this policy were prepared

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APPENDIX 1 - LIST OF AUTHORISED OFFICERS

Chief Executive

Head of Legal and Democratic Services[1] (also to act as the Chief Executive's Deputy when she is absent)

Other Authorised Officers (subject to receiving the appropriate training):

Head of Housing & Environmental Services

Grants and Licensing Team Leader

Benefits Manager

[1] Will not normally grant authorisations, due to role in overseeing use of RIPA.

APPENDIX 2 – RIPA FORMS

List of Forms

1. Application for Authorisation to Carry Out Directed Surveillance

2. Review of a Directed Surveillance Authorisation

3. Application for Renewal of a Directed Surveillance Authorisation

4. Cancellation of a Directed Surveillance Authorisation

5. Application for Authorisation of the Use or Conduct of a Covert Human Intelligence Source

6. Review of a Covert Human Intelligence Source (CHIS) Authorisation

7. Application for Renewal of a Covert Human Intelligence Source (CHIS) Authorisation

8. Cancellation of an Authorisation for the Use or Conduct of a Covert Human Intelligence Source (CHIS)

9. [Forms relating to the Acquisition of Communications Data have been removed from the list – please speak to the Head of Legal & Democratic Services for further information]

10. Application for judicial approval for authorisation to obtain communications data, to use a covert human intelligence source or to conduct directed surveillance.

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CORPORATE PLAN: PERFORMANCE REPORT TWO 2016 TO 2017

Report of the:	Chief Executive
Contact:	Adama Roberts
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Annexes/Appendices (attached):	Annexe 1 – Performance Report Two 2016 to 2017 Annexe 2 – Overview of Key Priority Performance Targets Reported under Phase Two
Other available papers (not attached):	Corporate Plan 2016 to 2020

REPORT SUMMARY

This report provides an update against our Key Priority Performance Targets that are either on amber or red for 2016 to 2017, under our new Corporate Plan.

RECOMMENDATION (S)	*Notes*
(1) That the Committee considers Key Performance Priority Targets that are either on amber or red as reported in Annexe 1 and identifies any areas of concern. **(2) That the Committee notes the actions that have been proposed or taken where performance is currently a concern as shown in table 3.1.** **(3) That the Committee notes the overview of the Key Priority Performance Targets in Annexe 2**	

1 Background

1.1 The Council has a four-year Corporate Plan for the period 2016-2020.

1.2 The Corporate Plan sets out the Council's vision together with its four Key Priorities. The four Key Priorities are underpinned by 19 Key Priority Objectives and measured against 57 Key Priority Performance Targets.

1.3 The delivery of the Corporate Plan will be captured in the performance reports, which are based around Committee cycles and detail what will be done, what the Key Priority Performance Targets are and how these will be measured. The desired key outcomes have also been outlined in the Corporate Plan. An annual year-end report will be produced to highlight delivery against the Corporate Plan.

2 Corporate Plan: Delivery against Key Priority Performance Targets set

2.1 This report tracks the progress against the Key Priority Performance Targets previously agreed by committees. On the whole performance is good as shown in the table below.

Performance status		
Key to reporting status		**Number**
G	On track	37
▲	Slightly off track not a major concern or slippage	8
R	Off track or unlikely to be achieved for projected year	9
Information indicators	These indicators are for information only	3
	Total	**57**

3 Actions identified for the Key Priority Performance Targets where performance is currently a concern

3.1 Red Key Priority Performance Target and remedial actions identified

Off track / not achieved	Actions identified to achieve targets
Managing our Resources Process new Housing Benefit claims within an average time of 22 days	A steady improvement in clearing the backlog continues as noted in the downward trend when compared to the beginning of the year it is now at 34 days from 42 days in April. This target will not be achieved by year-end because the recruitment campaign was unsuccessful. However, the team have been granted an extra resource to cover the enquiry counter and this is proving very helpful. New opening times are in place with an appointment only system. Since introducing these opening hours for the

Off track / not achieved	Actions identified to achieve targets
	enquiry counter we have reduced the outstanding backlog by 40%. Additional support has been agreed for offsite processing for a period of three months which will further reduce the backlog and improve processing times.
At least three business cases which will generate long term income streams to be submitted to the Capital Member Group for prioritisation as part of the 2017/18 capital bid process	The three business cases are: the business hub, the Commercial Property Acquisition Fund and a third case is being developed. The Commercial Property Acquisition Fund is now in place. The capital bid for the business hub was submitted, however it was not possible to progress this due to timescales as additional information was required, which is being obtained.
Revenue and benefits self-serve functionality available	Due to delays with the website and issues with the availability of the self-service consultants it is not possible to begin the work on self-service until March. It's anticipated that this target will be implemented by December 2017.
Review and implement a performance pay and staff appraisal scheme	The LGA has recommended undertaking job evaluation and benchmarking prior to developing a revised pay structure. The job evaluations are partially completed. The LGA will have designed a revised pay structure by February 2017 which will be reported to the Leadership Team by the end of March 2017. However, the implementation of a revised scheme will fall into 2017/18.
LGA "light touch" Decision Making Accountability (DMA) review to be undertaken	As a result of the Chief Executive (CEO) resigning, this target will be reviewed and implemented when the new CEO joins the Council along with the Leadership Team.
Supporting Businesses and our Local Economy Prepare a draft business plan for the proposed BID for consideration in January 2017	Although the achievement of this target by the end of this financial year is likely, the team cannot guarantee that the draft Business Plan will be ready for consideration by the Committee by 31 March 2017. Council Officers will continue to work closely with the new BID consultant to ensure that good progress is made and that the necessary momentum is not lost.
Supporting our Community Members to consider a review of the new Routecall arrangements	Review of Routecall is anticipated to take place in September 2017 due to slippage of target in implementing the Flexiroute Scheduling (this will be a one stop system for Meals on Wheels, Routecall and Community Alarm which will be implemented from April 2017).

Off track / not achieved	Actions identified to achieve targets
Round the Borough Hike – to have 70 participants (5% increase)	Overall, 124 people registered for the event however, only 55 took part due to bad weather on the day. .
Keeping the Borough clean and green Complete the pre-submission consultation on a partial review of the Core Strategy.	As explained in phase one, a revised Local Plan Programme was approved on 13 July 2016. The recruitment process was successful and this means the revised plan is anticipated to be achieved in 2017/18.

3.2 The process for setting the KPI's for 2017/2018 will start in February. This process will include a review of those agreed in 2016/17 and any amendments or clarifications required to improve how they are measured. For example the Round the Borough walk could be improved by measuring people registered not just participants.

4 Financial and Manpower Implications

4.1 **Chief Finance Officer's comments:** There are no specific financial or manpower implications for the purpose of this report

5 Legal Implications (including implications for matters relating to equality)

5.1 **Monitoring Officer's comments:** There are no legal implications arising from this report. The implications of each individual action are considered as those actions are being undertaken.

6 Sustainability Policy and Community Safety Implications

6.1 There are no particular community safety implications for the purpose of this report.

7 Risk Assessment

7.1 Actions have been identified for the Key Priority Performance Target where performance is currently a concern.

8 Conclusion and Recommendations

8.1 The Committee is requested to consider the performance reported and identify any areas of concern.

8.2 The Committee is requested to note the overview of the Key Priority Performance Targets

8.3 The Committee is requested to review the actions that have been proposed or taken for the Key Priority Performance Target where performance is currently of concern.

WARD(S) AFFECTED: N/A

Corporate Plan: Key Priority Performance Targets

Audit, Crime & Disorder and Scrutiny Committee

Performance Report Two 2016/2017

AGENDA ITEM 8
ANNEXE 1

Keeping our Borough Clean and Green

We will do this by:

Providing quality parks, nature reserves and other public spaces that are safe, pleasant and well maintained

Accommodating sustainable development whilst protecting the green belt in accordance with Policy

Introducing a premium weekly waste and recycling service as standard for all residents and encourage more household waste to be recycled

Keeping the streets and public spaces clean and tidy

Taking action to reduce graffiti, littering, flytipping, flyposting illegal, advertising and dog fouling

KEY OUTCOMES

- Management plans for all major parks and public spaces
- Premium weekly recycling and waste service as standard for all residents introduced from Spring 2017
- Recycling clubs with local schools

KEY SUCCESS MEASURES

- External accreditation for our major parks and public spaces
- Delivery of the Biodiversity Action Plan
- Increase in recycled household refuse
- Street cleanliness assessment

Performance status

Environment Committee Overview

Key to reporting target status		Number
G	On track	7
A	Slightly off track not a major concern or slippage	1
R	Off track or unlikely to be achieved for projected year	0
	Total	**8**

Performance status		
Community & Wellbeing Committee		
Key to reporting target status		Number
G	On track	12
A	Slightly off track not a major concern or slippage	2
R	Off track or unlikely to be achieved for projected year	2
	Total	16

Supporting our Community

We will do this by:

Supporting and enabling the delivery of affordable homes

Helping those at risk of homelessness

Promoting healthy and active lifestyles, especially for the young and elderly

Encouraging and supporting volunteering initiatives

KEY OUTCOMES	KEY SUCCESS MEASURES
Increase supply of homes to meet local needs	Delivery of affordable homes
Residents supported from becoming homeless	Long term empty properties brought back into use
Implement the Leisure Development Strategy	Reduction in homelessness Increase our supply of temporary accommodation
	Deliver the targets within the Leisure Development Strategy

Supporting Businesses and our Local Economy

We will do this by:

Supporting a comprehensive retail, commercial and social offer

Maintaining strong links with local business leaders and representative organisations

Supporting developers to bring forward the development of town centre sites

Delivering an affordable Economic Strategy

Promoting our Borough as an excellent place to do business

KEY OUTCOMES	KEY SUCCESS MEASURES
High quality/innovative building design	Businesses attending the Business Leaders' meetings
Improved transport infrastructure	Delivery of Plan E to improve traffic flow into Epsom Town Centre
Visual appearance of the town/ shopping centres enhanced	Delivery of the Economic Development Strategy Action Plan
	Space for start-up/incubator businesses to grow and expand

Performance status

Licensing, Planning & Policy Committee

Key to reporting target status		Number
G	On track	6
A	Slightly off track not a major concern or slippage	2
R	Off track or unlikely to be achieved for projected year	1
Information Indicators	These indicators are for information purposes only	3
	Total	**12**

Performance status

Strategy & Resources Committee		
Key to reporting target status		**Number**
G	On track	**12**
A	Slightly off track not a major concern or slippage	**3**
R	Off track or unlikely to be achieved for projected year	**6**
	Total	**21**

MANAGING RESOURCES

WE WILL DO THIS BY:

Developing multi-skilled & motivated staff

Providing services digital

Identifying new sources of revenue and maximising our existing income

Delivering further efficiency savings and cost reductions

Maximising returns from properties and other investments

KEY OUTCOMES

An Organisational Development Strategy which drives culture change, build capacity and delivers a skilled workforce for the future

A new improved website enabling services to be delivered digitally

Asset Management Plan for major assets

Balanced budget each year

KEY SUCCESS MEASURES

Core values embedded into our performance management framework

Increase digital accessibility of our services

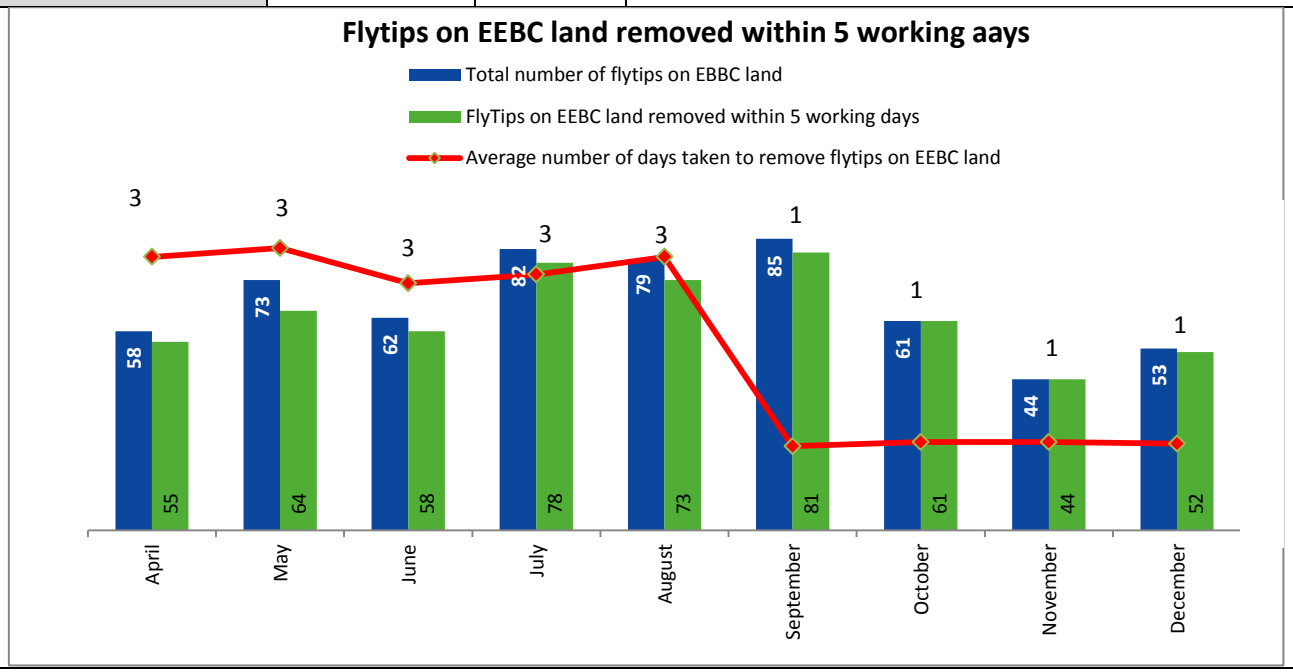
Return generated from property and other investments

Agreed savings delivered

Licensing and Planning Policy Committee: Keeping the borough clean and green – Key priority					
Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible officer	Achieved by:	Latest progress:	Status:
Accommodating sustainable development whilst protecting the green belt in accordance with Policy	Complete the pre-submission consultation on a partial review of the Core Strategy	Mark Berry Head of Place Development	31 March 2017	**April to Sept:** A revised Local Plan Programme was approved on 13 July 2016. This envisages that the issues and options consultation stage will be completed by 31 March 2017 but the pre-submission consultation will not be completed until October 2017. The reasons for this slippage were explained in July and were, in part, due to the unanticipated loss of staff within the Planning Policy team. A recruitment process is well advanced for additional resources to support work on the Local Plan. Even the revised programme is challenging and very much dependent on a positive result from the recruitment process. We will not be able to meet the agreed Corporate Plan performance target and this will remain at "Red".	R
				Oct to Dec: The recruitment process referred-to above has been successful and two new members of staff will be in place in January 2017. This means that the revised Local Plan programme (approved on 13 July 2016) is potentially achievable and the pre-submission consultation will hopefully be completed in October 2017. The indicator remains at red because the Corporate Plan target is unfortunately still unachievable.	
				Jan to March:	

Community & Wellbeing Committee: Keeping our borough clean and green – Key priority					
Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible officer	Achieved by:	Latest progress:	Status:
Providing quality parks, nature reserves and other open spaces that are safe, pleasant and well maintained	Continue to deliver: • The Local Biodiversity Action Plan (LBAP) and Management Plans for Horton Country Park and Hogsmill Local Nature Reserve	Mark Berry Head of Place Development	31 March 2017	**April to Sept:** The LBAP Working Group met on 31 August 2016 to assess progress on various actions. A detailed annual report will be prepared at the end of the calendar year as per previous years. The Horton Country Park Management Plan will be reported to the November meeting and the Hogsmill Local Nature Reserve Management Plan will be reported to the January meeting.	A
				Oct to Dec: The LBAP Working Group met on 22 November 2016 to assess progress during 2016 and the annual report is due in January 2017. The Horton Country Park LNR management plan is now due to go to an early meeting in 2017 along with the Hogsmill LNR plan. They will include an assessment of the likely cost to the Council and the associated reliance on external funding sources to deliver the plans.	
				Jan to March:	

Environment Committee: **Keeping our borough clean and green – Key priority**					
Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible officer	Achieved by:	Latest progress:	Status:
Keeping the streets and open spaces clean and tidy	Remove general fly-tips on Borough Council land from when they are reported within five working days	Head of Operational Service Ian Dyer	31 March 2017	**April to Sept:** There were 354 cases of fly-tipping reported during this period (April to August). In total, 328 fly-tips were removed within 5 working days (93%).	A
				Oct to Dec: Overall, 597 flytips have been reported and 566 on EEBC land were removed within five working days as at December.	
				Jan to March:	



Community & Wellbeing Committee: Supporting our Community – Key priority					
Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible officer	Achieved by:	Latest progress:	Status:
Promoting healthy and active lifestyles, especially for the young and elderly	• Round the Borough Hike – to have 70 participants (5% increase)	Leisure Development Manager Sam Beak	30 Sept 2016	**April to Sept:** Round the Borough Hike took place on Saturday 3 September 2016. Overall, 124 people registered and 55 participants actually took part. The low numbers on the day were due primarily to the bad weather forecast that afternoon which put many of the participants off. Feedback from those that did complete the Hike was very positive. Target has not been achieved.	R
Promoting healthy and active lifestyles, especially for the young and elderly	• Members to consider a review of the new Routecall arrangements	Head of Operational Services Ian Dyer	31 March 2017	**April to Sept:** The driver/technician post of multi skilled working has been in place and it is working efficiently and effectively within the new arrangements. Awaiting the outcome of the specification of the new vehicles within the transport project.	R
				Oct to Dec: Flexiroute Scheduling system has been purchased and the migration of data and the implementation of the system will commence in January 2017. The Flexiroute system will include Meals on Wheels Route Call and Community Alarm. It will be fully implemented from April 2017. Once Flexiroute is implemented it will enable us to have a greater understanding of the Fleet required within Community Services and this will inform the outcome of the specifications of the new vehicles within the transport project.	
				Jan to March:	

Community & Wellbeing Committee: Supporting our Community – Key priority					
Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible officer	Achieved by:	Latest progress:	Status:
Supporting and enabling the delivery of affordable homes	• At least five households accommodated through the private sector leasing scheme by March 2017	Head of Housing & Environmental Services Rod Brown	31 March 2017	**April to Sept:** Private Sector Leasing scheme is in the process of being established. Recruitment process has commenced.	A
				Oct to Dec: Recruitment is due to take place in early January. A meeting has be set up with Trowers and Hamlins law firm to seek legal advice on the landlord leases, non-secure licences and implications for Housing Revenue Account (HRA).	
				Jan to March:	

Strategy & Resources Committee: Supporting Businesses and our Local Economy – Key priority					
Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible officer	Achieved by:	Latest progress:	Status:
Supporting a comprehensive retail, commercial and social offer	• Prepare a draft business plan for the proposed BID for consideration by Members in January 2017	Mark Berry Head of Place Development	31 Jan 2017	**April to Sept:** Survey of town centre businesses undertaken during September 2016. This will feed into the business plan which is still on target. The Plan is due to be considered in the November S&R Committee meeting.	R
				Oct to Dec: An up-date report was presented to the November S&R meeting and well received. The Town Centres Manager has since resigned and a specialist BID consultant has therefore been appointed to take the BID forward with the local business community. As a result of this, the BID timetable will need to be reviewed and any revisions to the published timetable will be communicated early in the New Year once the BID consultant has been able to discuss it with the steering group known as Epsom Town Business Partnership. There is a risk of some slippage and, therefore the business plan will not be reported to members in January.	
				Jan to March:	

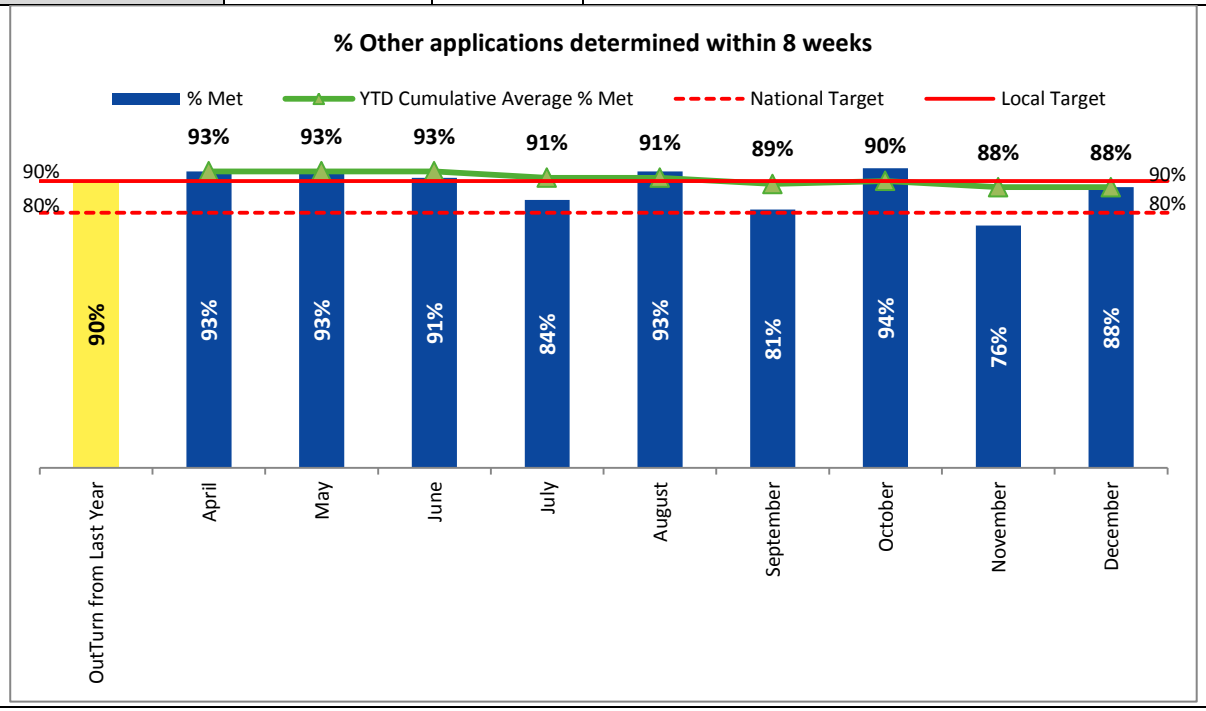
Licensing and Planning Policy Committee:

Supporting businesses and our local economy – Key priority

Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible officer	Achieved by:	Latest progress:	Status:
Supporting developers to bring forward the development of town centre sites	Develop a project plan for major applications	Mark Berry Head of Place Development	31 March 2017	**April to Sept:** This will be a light-touch process which will be designed in line with the approved Planning Performance Agreement procedure. It is achievable but is marked as amber as no substantive progress will be made until the end of September 2016.	A
				Oct to Dec: The Planning Performance Agreement regime is in use, a timetable and milestone will be set out for relevant cases. Other applications will be managed to ensure that statutory timescales are adhered-to. This target is partially achieved.	
				Jan to March:	

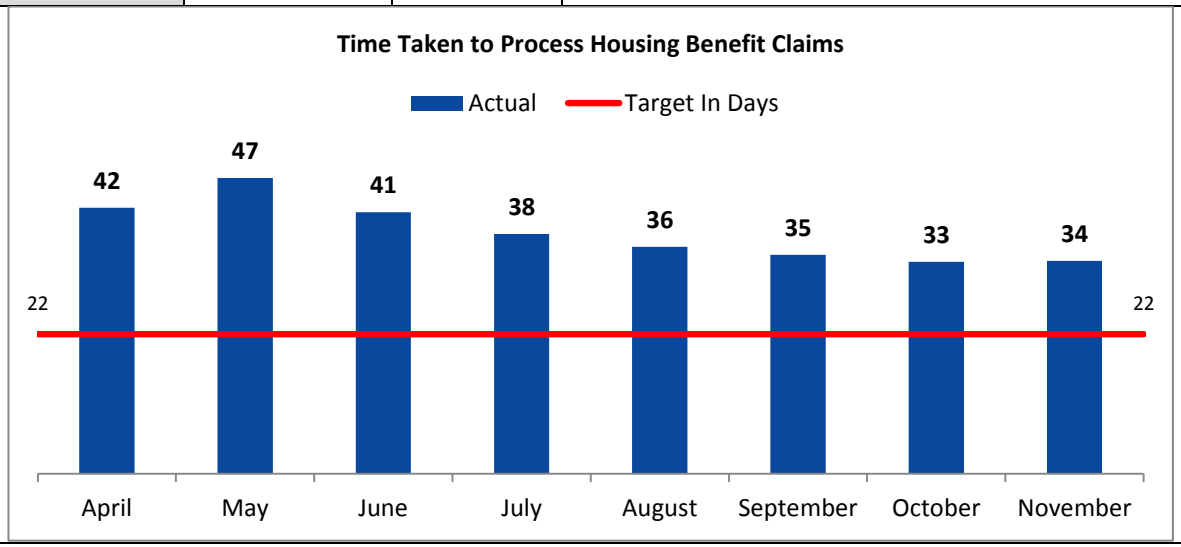
Licensing and Planning Policy Committee:
Supporting businesses and our local economy – Key priority

Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible officer	Achieved by:	Latest progress:	Status:
Supporting developers to bring forward the development of town centre sites	At least 90% of other planning applications determined within 8 weeks	Mark Berry Head of Place Development	31 March 2017	**April to August:** Target met. **Oct to Dec:** Slightly under target for November and December. Development management now fully resourced and so we anticipate an outturn on target by year-end. We are however exceeding the 80% national target for these types of applications. **Jan to March:**	A



Strategy & Resources Committee:
Managing our resources – Key priority

Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible officer	Achieved by:	Latest progress:	Status:
Identifying new sources of revenue and maximising our existing income	• Process new Housing Benefit claims within an average time of 22 days	Judith Doney Head of Revenues & Benefits	31 March 2017	**April to Sept:** The gradual clearing of a backlog of work skews initial results but improvements through the year are expected. The September figures are missing due to an unresolved software issue. This will be solved by next month.	R
				Oct to Dec: Resources required for the New Benefit Cap. The November 2016 change to the Benefit Cap has trebled the number of customers affected by this Welfare Reform measure and we have seen an increase in contact from these customers. This target will not be achieved by year-end.	
				Jan to March:	



Strategy & Resources Committee: Managing our resources – Key priority					
Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible officer	Achieved by:	Latest progress:	Status:
Identifying new sources of revenue and maximising our existing income	• At least three business cases which will generate long term income streams to be submitted to the Capital Member Group for prioritisation as part of the 2017/18 capital bid process	Mark Berry Head of Place Development Simon Young Head of Legal & Democratic Services Rod Brown Head of Housing & Environmental Services	31 March 2017	**April to Sept:** Capital BID for a Business Hub in the Town Hall submitted but deemed to require further work. No other business cases have been brought forward for prioritisation in the 2017/2018 capital bid process, though there are a number of projects seeking to reduce costs and protect existing income. There are also other projects to be brought forward outside of the normal capital bid process which will, if agreed, generate a long term income for the Council.	R
				Oct to Dec: The target as worded cannot now be met due to missing the capital BID timetable. However, the Commercial Property Acquisition Fund was approved by the committee in November and external advisors have been appointed to undertake further feasibility studies to generate additional income. Regarding the Business Hub, options are being explored whether to utilise the Town Hall building or acquire a new floor space. Both proposals will be considered on the basis of revenue generation as well as delivering against other Corporate Plan priorities.	
				Jan to March:	

Strategy & Resources Committee: Managing our resources – Key priority					
Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible officer	Achieved by:	Latest progress:	Status:
Identifying new sources of revenue and maximising our existing income	• Revenues and benefits self-serve functionality available	Judith Doney Head of Revenues & Benefits	30 November 2016	**April to Sept:** Self-serve software has been installed. The next stage of implementation is dependent on the new website going live depending on testing in November.	R
				Oct to Dec: Due to the delay in the website going live and securing the Capita resource to undertake the work on self-service this will now be implemented as part of phase 2 of the website in the new year. It is expected that this will be completed and launched by 30 June 2017.	
				Jan to March:	

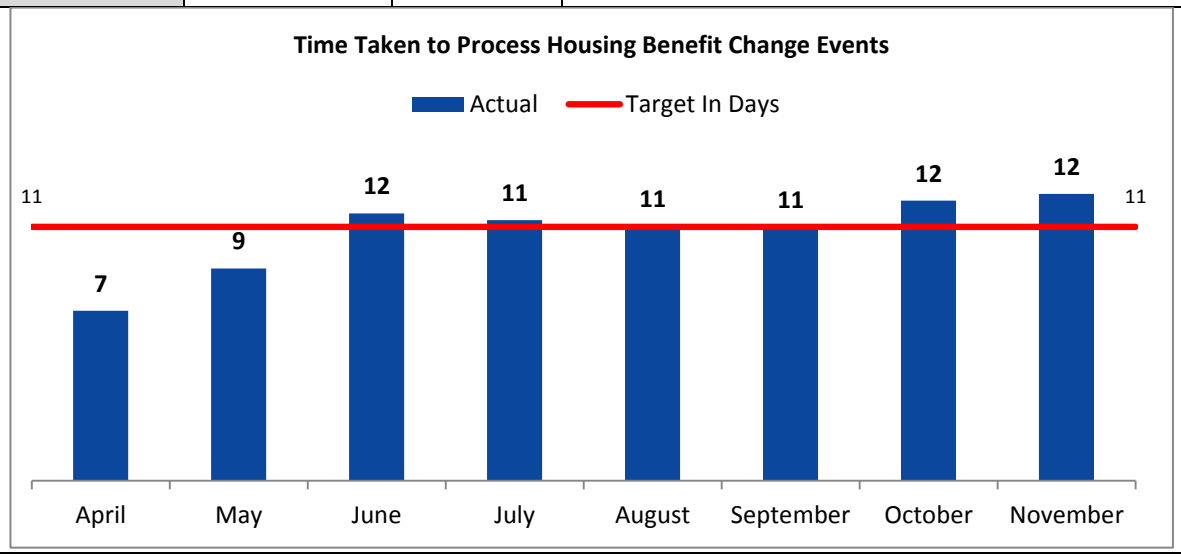
Strategy & Resources Committee: Managing our resources – Key priority					
Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible officer	Achieved by:	Latest progress:	Status:
Developing multi-skilled & motivated staff	• Review and implement a performance pay and staff appraisal scheme	Shona Mason Head of HR & OD	31 March 2017	(see below)	R
	April to Sept: Local Government Association (LGA) commenced review in April 2016 providing an initial report and recommendations in May highlighting which aspect of EEBC Pay & Performance scheme that needed to be reviewed. These included the number of salary bandings and overlaps, complexity of the system and value of progression pay being insufficient. LGA has recommended the introduction of job evaluation, based on the national single status scheme. However, they recommended the benchmarking of key roles as a first stage. As a result the roles for benchmarking have been identified along with a job benchmarking working group. This group is due to undergo training on 3 Nov 2016. The review of our performance pay and staff appraisal scheme will be completed within this financial year however it will not be implemented within 2016/17.				
	Oct to Dec: Training of the job evaluation working group was postponed as the training was identified as being too generic and not bespoke enough for EEBC needs. Further advice was sought from LGA on job evaluation and more detailed analysis of the process provided to give greater assurances that undertaking such an exercise would be valuable. The LGA are supporting an initial job evaluation process while further investigation is undertaken into setting up generic role profiles and alternative pay modelling. The LGA are due to come back on 5 Jan to review the work completed so far on job evaluation and advise on next steps. Consideration will be given to training a wider group should it be necessary moving forward. Upon completion of the initial job evaluation process the LGA will develop a proposed pay structure for consideration.				
	Jan to March:				

Strategy & Resources Committee: Managing our resources – Key priority					
Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible officer	Achieved by:	Latest progress:	Status:
Developing multi-skilled & motivated staff	• LGA "light touch" Decision Making Accountability (DMA) review to be undertaken	Frances Rutter CEO EEBC	30 November 2016	**April to Sept:** Light touch review successfully completed at end of May 16. Outcomes to be reported Autumn/Winter 16.	R
				Oct to Dec: This will be reviewed and implemented from April 2017 once a new Chief Executive is appointed.	
				Jan to March:	

Strategy & Resources Committee: Managing our resources – Key priority					
Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible officer	Achieved by:	Latest progress:	Status:
Delivering further efficiency savings and cost reductions	• Development and implementation of a new procurement strategy, revised contract standing orders and implementation of e-tendering package	Gillian McTaggart Corporate Risk and Governance Manager	31 March 2017	**April to Sept:** As agreed by Strategy & Resources Committee in January, we are restructuring the procurement function through joint working to ensure compliance with legislation. An implementation plan is in place, although is behind schedule due to the project team being under resourced. The updated Contract Standing Orders were approved in July and the e-tendering system has been tested and is ready to be used once standardised terms, and conditions and guidance notes are agreed. Use of the system will be rolled out in stages to minimise disruption and will commence with ICT. Training was provided earlier in the year, but additional support and training will be made available. A new Procurement Strategy and Contract Register are currently being produced. The new post of Contract and Procurement Officer will provide operational support for procurement and this should be advertised shortly.	A
				Oct to Dec: A consultant has been appointed to support the implementation and has agreed an action plan to ensure the new procurement arrangements are in place by the end of March. The new post of Contract & Procurement Officer will be advertised in January and the new e-tendering system will also be rolled out in January and refresher training arranged.	
				Jan to March:	

Strategy & Resources Committee:
Managing our resources – Key priority

Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible officer	Achieved by:	Latest progress:	Status:
Identifying new sources of revenue and maximising our existing income	• Process Housing Benefit change of circumstances within an average time 11 days	Judith Doney Head of Revenues & Benefits	31 March 2017	**April to Sept**: Year to date as illustrated on the graph below, target has been met bar June and July. It is anticipated that this target will be achieved by year end. **Oct to Dec:** Target slightly missed due to resources being diverted for the New Benefits Cap. **Jan to March:**	A



Strategy & Resources Committee: Managing our resources – Key priority					
Key priority objective. We will do this by…	Key priority performance target for 2016/17	Responsible officer	Achieved by:	Latest progress:	Status:
Providing services digitally	• At least 30% of housing clients to complete applications digitally	Rod Brown Head of Housing & Environmental Services	30 November 2016	**April to Sept**: New on-line system procured, and has been developed and tested. The next step is for 2220 requests to be sent out to everyone on our current register on a phased basis, to request previous applicants to reapply on-line. It is anticipated that the 30% digital applications will be achieved by November.	A
				Oct to Dec: The majority of people are applying online (not on paper), but some groups need more help in filling parts of the form. Reapplication process will be complete by March 2017. Overall, 250 online applications have been submitted. At present, parallel systems are being operated and it's anticipated that the Housing Needs Register will have 850 applicants once all applications are sent giving us a predicted 29% (n=250/850) to date.	
				Jan to March:	

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Corporate Plan: Key Priority Performance Targets for 2016/2017 Phase Two

Keeping our borough clean and green	Supporting our community	Managing our resources	Supporting businesses and our local economy
Providing quality parks, nature reserves and other public spaces that are safe, pleasant, and well maintained: • **Obtain external accreditation to recognise the quality of: (C&WC)** ○ **Alexandra Recreation Ground** ○ **Ewell Court Park** ○ **Rosebery Park** ○ **Epsom Common** • **Produce an Operational Management Plan for: (C&WC)** ○ **Alexandra Recreational Ground** ○ **Auriol Park** • **Continue to deliver: (C&WC)** ○ **The Local Biodiversity Action Plan and Management Plans for Horton Country Park and Hogsmill Local Nature Reserve**	Supporting and enabling the delivery of affordable homes: • **Bring back at least three long term empty properties into use (C&WC)**	Developing multi-skilled and motivated staff: • **Review and implement a performance pay and staff appraisal scheme (S&R)** • **LGA "light touch" Decision Making Accountability (DMA) review to be undertaken (S&R)**	Supporting a comprehensive retail, commercial and social offer: • **Prepare a draft business plan for the proposed BID for consideration by Members in January 2017 (S&R)** • **At least 90% of premises licence application determined within 21 days from the end of the statutory consultation period (L&PPC)**
Accommodating sustainable development whilst protecting the green belt in accordance with Policy: • **Members to consider a Strategic Housing Market Assessment (L&PPC)** • **Members to consider a Green Belt Study (L&PPC)** • **Complete the pre-submission consultation on a partial review of the Core Strategy (L&PPC)**	Helping those at risk of homelessness: • **Provide nine additional units of temporary accommodation at Blenheim Road for occupation (C&WC)** • **At least five households accommodated through the private sector leasing scheme by March 2017 (C&WC)** • **Have no more than 60 households living in emergency temporary accommodation (C&WC)** • **Housing allocation policy to be fully implemented (C&WC)**	Providing services digitally: • **New and improved website to go live (S&R)** • **At least 30% of housing clients to complete applications digitally (S&R)** • **Revenues and benefits self-serve functionality available (S&R)**	Maintaining strong links with local business leaders and representative organisations: • **To hold at least three business breakfasts (S&R)** • **At least three additional businesses represented at the business breakfasts meetings (S&R)**
Introducing a premium weekly waste and recycling service as standard for all residents and encouraging more household waste to be recycled: • **Consult members on the action plan for the introduction of the new weekly premium recycling and waste service as standard for all residents and Implement the Plan enabling weekly collection (EC)** • **At least 99% of bins to be collected each week (EC)** • **Promote household recycling by holding: (EC)** ○ **Three road shows, and** ○ **12 school events**	Promoting healthy and active lifestyles, especially for the young and elderly: • **Round the Borough Bike – to have 135 participants (5% increase) (C&WC)** • **Deliver Epsom & Ewell entry into the Surrey Youth Games (C&WC)** • **To deliver a programme of physical activities for older people (C&WC)** • **Round the Borough Hike – to have 70 participants (5% increase) (C&WC) (not achieved)** • **Hold one event each quarter to promote services available to assist residents to remain in their homes (C&WC)** • **Membership at the Epsom Centre to increase to at least 120 members (C&WC)** • **Install community alarms within two days of the assessment (C&WC)** • **Members to consider a review of the new Routecall arrangements (C&WC)**	Identifying new sources of revenue and maximising our existing income: • **At least 98.4% of Council Tax collected (S&R)** • **At least 99.0% of Business Rates to be collected (S&R)** • **At least three business cases which will generate long term income streams to be submitted to the Capital Member Group for prioritisation as part of the 2017/18 capital bid process (S&R)** • **Collect £2.3 million of receivable rents (S&R)** • **Process new Housing Benefit claims within an average time of 22 days (S&R)** • **Process Housing Benefit change of circumstances within an average time 11 days (S&R)**	Supporting developers to bring forward the development of town centre sites: • **Number of major planning applications received (L&PPC)** • **Number of business applications received (L&PPC)** • **Number of other planning applications received (L&PPC)** • **At least 75% of major planning applications determined within 13 weeks (L&PPC)** • **At least 80% of business applications determined within 8 weeks (L&PPC)** • **At least 90% of other planning applications determined within 8 weeks (L&PPC)** • **Produce proposals to implement Planning Performance Agreements for Major Planning Applications by 31 July 2016 and implement these once agreed by the Licensing & Planning Policy Committee (L&PPC)** • **Develop a project plan for major applications (L&PPC)**
Keeping the streets and open spaces clean and tidy: • **At least 75% of streets to have met the national standard for street cleanliness based on a sample of five streets per quarter. (Included in the survey will be parks and shopping areas. The survey will grade litter, graffiti, weeds and grass verges during cutting season) (EC)** • **Remove each abandon vehicle on Borough Council land within five working days from being reported (EC)** • **Remove general fly-tips on Borough Council land from when they are reported within five working days (EC)**	Encouraging and supporting volunteering initiatives: • **Support at least three community/volunteer clean up campaigns (EC)**	Delivering further efficiency savings and cost reductions: • **Development and implementation of a new procurement strategy, revised contract standing orders and implementation of e-tendering package (S&R)** • **Implementation of the agreed ICT proposals for partnership working with Elmbridge Borough Council and undertake progress review (S&R)** • **Review and implement alternative options for delivery of payroll service (S&R)**	Delivering an affordable Economic Development Strategy: • **Commence the delivery of the agreed public realm improvements as part of the phase one highway works within Epsom town centre (S&R)**
Taking action to reduce graffiti, littering, flyposting, illegal advertising and dog fouling: • **Report to be considered by members identifying measures designed to reduce incidents of graffiti, littering, fly-tipping, flyposting, illegal advertising, dog fouling and improve dog control (EC)**		Maximising returns from properties and other investments: • **To procure at least two residential units generating no less than 6% return on investment (S&R)** • **At least an additional £50,000 income to be generated from investment properties (S&R)**	Promoting our Borough as an excellent place to do business: • **Develop business content for Epsom and Ewell and other stakeholder websites (S&R)**

Key: **Achieved or on target**; **Slightly off target not a major concern or slippage**; **Off target / unlikely to be achieved for projected year or not achieved**; **Information only indicator**

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WORK PROGRAMME 2016/17

Report of the:	Head of Legal and Democratic Services
Contact:	Margaret Jones
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Annexes/Appendices (attached):	Annexe 1 – Work Programme 2016/17
Other available papers (not attached):	None

REPORT SUMMARY

This report updates the Committee on its work programme 2016/17.

RECOMMENDATION (S)	*Notes*
(1) That the Committee notes the current position of its work programme 2016/17 attached at Annexe 1.	

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

1.1 Implications vary across the different items agreed for inclusion in the work programme. Specific implications are considered by the Committee before undertaking any individual investigation.

2 Background

2.1 Paragraph 1 of the Overview and Scrutiny Procedure Rules requires the Committee to approve an annual Overview and Scrutiny Work Programme including the programme of any sub-committees or panels.

2.2 The Committee agreed its 2016/17 work programme in June 2016. A number of amendments have since been made; Annexe 1 shows the current position of the Committee's work programme.

3 Proposals

3.1 That the Committee notes the current position of its 2016/17 work programme attached at Annexe 1.

4 Financial and Manpower Implications

4.1 The Committee's work programme has workload implications for both its members and the Scrutiny Officer. In depth scrutiny reviews undertaken by task groups require more intensive input from members as well as the Scrutiny Officer for specific time periods.

4.2 ***Chief Finance Officer's comments:*** The financial implications of any items in the work programme will be reported alongside each specific report for the Committee.

5 Legal Implications (including implications for matters relating to equality)

5.1 The work programme attached at Annexe 1 has been designed to meet the Committee's responsibilities set out in legislation and its Terms of Reference.

5.2 ***Monitoring Officer's comments:*** There are no legal implications arising from this report.

6 Sustainability Policy and Community Safety Implications

6.1 Scrutiny of the work and decisions of the Community Safety Partnership is a responsibility of the Audit, Crime & Disorder and Scrutiny Committee.

7 Partnerships

7.1 The Committee has the ability to make reports or recommendations on matters which affect the authority's area or the inhabitants of that area.

8 Risk Assessment

8.1 Maintenance of an annual work programme helps ensure the Committee meets its responsibilities both statutory and local. It enables the Committee to manage its workload across the year, identifying priorities and rescheduling work according to need/risk.

9 Conclusion and Recommendations

9.1 Under its Terms of Reference the Audit, Crime & Disorder and Scrutiny Committee is responsible for setting its own work programme. The Committee approved its work programme 2016/17 in June 2016.

9.2 It is recommended that the Committee note the latest version of its work programme which encapsulates all amendments to date.

WARD(S) AFFECTED: (All Wards);

Overview and Scrutiny Work Programme 2016/2017

MEETING DATE	ITEMS FOR CONSIDERATION BY FULL COMMITTEE	ITEMS FOR CONSIDERATION BY APPOINTED TASK GROUP(S)
21 June 2016	• Internal Audit Monitoring Report 2015/16 • Internal Audit Assurance Report 2015/16 • Annual Governance Statement 2015/16 • External Audit Update Report • Community Safety Partnership 2015/16 – End of Year Report • Corporate Equality Scheme Annual Report 2015/16 • Annual Report on use of Delegated Powers • Work Programme 2016/17	• Review of Venues
11 Oct 2016	• Review of Venues • Work Programme 2016/17	
15 Nov 2016	• Internal Audit Monitoring Report 2016/17 • Progress on the Implementation of Internal Audit Recommendations • External Audit Progress Report August 2016 • Audit Findings Report 2015/16 • Annual Governance Statement and District Auditor's Audit Findings – Progress Against Action Plans • Risk Management Framework Annual Report • Performance Management • Epsom and Ewell Community Safety Partnership 2016/17 – Half Year Report • Work Programme 2016/17	
9 Feb 2017	• Corporate Plan: Performance Management Two 2016 to 2017 • Review of CCTV Provision • Internal Audit Monitoring Report 2016/17 • External Audit Update Report • Regulation of Investigatory Powers Act 2000 – Monitoring Report • Work Programme 2016/17	
11 April 2017	• Internal Audit Strategy 2017/18 • Internal Audit Monitoring Report 2016/17 • External Audit Update Report • Performance Management • Update Report on the Scrutiny Review of Routecall • Update Report on the Scrutiny Review of the Arrangements for Publicising and Determining Planning Applications • Annual Report 2016/17	

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