

# Public Document Pack

Legal and Democratic Services



## AUDIT, CRIME & DISORDER AND SCRUTINY COMMITTEE

Tuesday 19 June 2018 at 7.30 pm

Council Chamber - 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 Steve Bridger (Vice-  
Chairman)  
Councillor Michael Arthur MBE  
Councillor Alex Clarke  
Councillor Alex Coley

Councillor George Crawford  
Councillor Rob Geleit  
Councillor Humphrey Reynolds  
Councillor Jean Steer  
Councillor Mike Teasdale

Yours sincerely

A handwritten signature in black ink, appearing to read 'J.C. Beldan'.

Chief Executive

For further information, please contact Tim Richardson, 01372 732122 or [trichardson@epsom-ewell.gov.uk](mailto: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 5 - 10)

The Committee is asked to confirm as a true record the Minutes of the Meeting of the Committee held on 19 April 2018 (attached) and to authorise the Chairman to sign them.

**4. COMMUNITY SAFETY PARTNERSHIP - END OF YEAR REPORT** (Pages 11 - 14)

This report fulfils the statutory responsibility to scrutinise the work of the Community Safety Partnership (CSP), for the year 2017-2018.

**5. INTERNAL AUDIT MONITORING REPORT** (Pages 15 - 46)

This report summarises progress against the audit plan for 2017/18.

**6. INTERNAL AUDIT ASSURANCE REPORT 2017/18** (Pages 47 - 66)

This report advises the Committee on the Council's internal audit assurance level for 2017/18.

**7. CUSTOMER COMPLAINTS ANNUAL REPORT 17/18** (Pages 67 - 80)

This report summarises the volumes and reasons for stage 1, stage 2 and stage 3 complaints received from customers between 1 April 2017 to 31 March 2018.

**8. ANNUAL GOVERNANCE STATEMENT 2017/18** (Pages 81 - 94)

This report seeks the Committee's formal approval of the draft Annual Governance Statement (AGS) and the arrangements made for its preparation as part of the 2017/18 financial statements.

**9. ANNUAL REPORT ON RIPA USAGE & APPROVAL OF POLICY & GUIDANCE ON LAWFULL SURVEILLANCE** (Pages 95 - 168)

To give an annual report to members on activities relating to surveillance by the Council and policies under the Regulation of Investigatory Powers Act 2000.

**10. ANNUAL REPORT ON THE USE OF DELEGATED POWERS** (Pages 169 - 178)

In accordance with the Council's Scheme of Delegation to Officers, this report sets out significant decisions taken by Officers in consultation with Committee Chairmen since 20 June 2017.

**11. CORPORATE PLAN: KEY PRIORITY TARGETS FOR 2018 TO 2019** (Pages 179 - 240)

This report provides the year-end position for the Key Priority Targets 2017 to 2018, under our Corporate Plan. It also provides a list of all the Key Priority Targets for 2018 to 2019.

**12. WORK PROGRAMME 2018/19** (Pages 241 - 246)

This report asks the Committee to agree its work programme for 2018/19.

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**Minutes of the Meeting of the AUDIT, CRIME & DISORDER AND SCRUTINY  
COMMITTEE held on 19 April 2018**

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**PRESENT -**

Councillor David Reeve (Chairman); Councillor Steve Bridger (Vice-Chairman); Councillors George Crawford, Tony Axelrod (as nominated substitute for Councillor Humphrey Reynolds), Rob Geleit, Jan Mason, Jean Steer, Peter Webb and Clive Woodbridge

In Attendance: Mike Cheetham (Partner) (RSM Risk Assurance (Internal Auditor)) (Item 30-34 only)

Absent: Councillor Alex Clarke and Councillor Humphrey Reynolds

Officers present: Damian Roberts (Chief Operating Officer), Brendan Bradley (Chief Accountant) (Item 30-35 only), Ian Dyer (Head of Operational Services), Gillian McTaggart (Head of Corporate Governance), Margaret Jones (Scrutiny Officer) and Tim Richardson (Democratic Services Officer)

**30 QUESTION TIME**

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

**31 DECLARATIONS OF INTEREST**

In the interests of openness and transparency, the following declaration was made by a member of the Committee in respect of an item on the agenda:

Review of the Community and Wellbeing Services

Councillor Jean Steer, Other Interest: User of Community and Wellbeing Centre.

**32 MINUTES OF THE PREVIOUS MEETING**

The Minutes of the meeting of the Audit, Crime & Disorder and Scrutiny Committee held on 8 February 2018 were agreed as a true record and signed by the Chairman.

**33 INTERNAL AUDIT MONITORING REPORT**

The Committee received a report summarising progress against the audit plan for 2017/18. The following matters were considered:

- a) **Finalised reports.** The Committee noted that four reports had been finalised by the Internal Auditor. These were: Homelessness Business Process Review, Planning Income, Corporate Governance and Payroll.
- b) **Audit of Homelessness Business Process Review - Contact Centre response to housing enquiries.** The Committee was informed that the Council's Contact Centre would be able to resolve a number of high level/routine housing enquiries made by customers. Enquiries that were more detailed or complex would be dealt with by the Council's Housing Officers.

Following consideration, the Committee:

- (1) Agreed to receive the internal audit progress report for 2017/18.

#### 34 INTERNAL AUDIT STRATEGY 2018/19

The Committee received a report introducing an updated internal audit strategy for 2018/19. The following matters were considered.

- a) **Internal Audit Contract.** The Committee noted that 2018/19 was the final year of the current internal audit contract and that assignments listed for future years were projected, but not confirmed.
- b) **Issues to consider when approving the internal audit strategy.** The Committee noted the questions detailed in page 7 of the Internal Auditor's Strategy, which it was asked to consider whilst approving the Internal Audit Strategy. The Committee did not identify any further areas for inclusion within the Strategy, and noted that the Strategy could be amended within the year if necessary.

Following consideration, the Committee:

- (1) Agreed to endorse the Strategy for Internal Audit for 2018/19 as prepared by RSM.

The Committee expressed its thanks to the Internal Auditor for his work over the past year.

#### 35 EXTERNAL AUDIT PLAN FOR 2017/18

The Committee received a report setting out the approach being taken by the Council's External Auditor (Grant Thornton) to the audit of the accounts for 2017/18. The following matters were considered:

- a) **Appointment of External Auditor.** The Committee noted that the External Auditor for the Council was appointed by Public Sector Audit Appointments, a national body. There were 5 years (2018/19 to 2022/23) remaining on the External Auditor's contract.

- b) **External audit of Epsom & Ewell Property Investment Company (EEPIC).** The Committee noted that the Council's subsidiary property investment company EEPIC had a separate external auditor, Williams & Co. Elements of EEPIC's final accounts would also be inspected by Grant Thornton in the course of its duties for the Council.
- c) **Clarification of funding of EEPIC.** Following a question from the Chairman, the Chief Accountant informed the Committee that the information on page 11 of the External Auditor's report regarding the Council's funding of EEPIC could be clarified. The Chief Accountant clarified the Auditor's statement by informing the Committee that the Council had funded the investment in the wholly owned Company through its Commercial Property Acquisition Fund, which had been established and earmarked for this specific purpose by full Council in September 2017. The fund was typically backed by external borrowing, although the Council could use any surplus cashflows to reduce the actual level of borrowing as part of its Treasury Management Strategy. There was no impact on the Council's strategic earmarked reserves.

Following consideration, the Committee:

- (1) Agreed to endorse the External Audit Plan.

### 36 REVIEW OF THE COMMUNITY AND WELLBEING SERVICES

The Committee received a report presenting a review of the implementation of recommendations from the Scrutiny review of Routecall undertaken in 2015. The following matters were considered:

- a) **Success of scrutiny review recommendations.** The Committee noted the improvements to the Council's services which had been implemented as a result of the recommendations of the scrutiny review, and expressed its congratulations and thanks to the Head of Operational Services and his team for their work to achieve this.
- b) **Cashless payments for Transport from Home services.** The Head of Operational Services informed the Committee that approximately 90% of excursion bookings were now paid for via a cashless method. A move to 100% cashless transactions for all Transport from Home services was likely to take a few more years to achieve, to ensure that vulnerable users without access to cashless payment methods were not restricted from using the services.
- c) **Provision of services to customers outside the Borough.** In response to a question from a Member of the Committee, the Head of Operational Services informed the meeting that the Meals at Home service was used by some customers located outside the Borough, and that this helped to offset its operational costs. Confirmation of whether any non-borough residents used the Transport from Home service would be provided to members of the Committee following the meeting.

- d) **Integration with Adult Social Care and Health Services.** The Chief Operating Officer informed the Committee that local adult social care services (provided by Surrey County Council) and health services (provided by the NHS through clinical commissioning groups) were not currently engaged with the Wellbeing Daycare+ services provided by the Council. Similar issues were encountered by other Boroughs and Districts across the County.

The Committee noted the value and benefits which the Council's Wellbeing Daycare+ services provided in terms of reducing social isolation and 'bed-blocking' and was informed by the Chief Operating Officer that both he and the Chief Executive would take this matter forward with social care and health care providers.

Following consideration, the Committee:

- (1) Noted the progress made on implementing the recommendations contained within the review of the Routecall service.

The Committee expressed its thanks to all of the staff involved in implementing the recommendations of the review, and requested that its appreciation of their efforts be included within the Minutes of the meeting.

### 37 ANNUAL REPORT

The Committee received a report presenting its Annual Report for 2017/18. The following matter was considered:

- a) **Reference to the improvements and efficiencies gained as a result of the scrutiny review of Routecall.** The Committee requested that the success of the Scrutiny review of the Routecall Service and its thanks to the Head of Operational Services and his team be included within its Annual Report.

Following this consideration, the Committee:

- (1) Approved the Annual Report 2017/18 attached at Annexe 1 to the report.
- (2) Authorised the Scrutiny Officer in consultation with the Chairman to make appropriate amendments or additions to the Annual Report 2017/18 as a result of business transacted at this meeting, including an expanded reference to the Scrutiny review of Routecall.

### 38 VOTE OF THANKS

The Committee passed a vote of thanks to the Chairman for his work on its behalf over the past year. The Chairman expressed his thanks to the Committee and officers for their support over the same period.



*The meeting began at 7.30 pm and ended at 8.30 pm*

COUNCILLOR DAVID REEVE (CHAIRMAN)

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## **COMMUNITY SAFETY PARTNERSHIP - END OF YEAR REPORT**

**Head of Service/Contact:** Rod Brown, Head of Housing & Community

**Urgent Decision?(yes/no)** No

**If yes, reason urgent decision required:**

**Annexes/Appendices (attached):**

**Other available papers (not attached):**

### **Report summary**

**This report fulfils the statutory responsibility to scrutinise the work of the Community Safety Partnership (CSP), for the year 2017-2018.**

### **Recommendation (s)**

- (1) The Committee is asked to note and comment on the work of the CSP for 2017-2018.**

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

- 1.1 Supporting our Community – Through partnership working with enforcement and support agencies, the Community Safety Partnership (CSP) provides the means by which community safety borough issues can be addressed and pressures from outside the borough and region be monitored.

## **2 Background**

- 2.1 Section 17 of the Crime and Disorder Act 1998 made it a requirement for local authorities and the respective police authorities to jointly undertake crime and disorder audits with a view to using the information to develop strategies for dealing with any issues the audit identified.

- 2.2 Subsequently the partnerships were expanded to include Fire and Rescue, Probation and Health Services whilst the police authorities were abolished and the governance transferred to Police and Crime Commissioners.
- 2.3 Epsom and Ewell Borough is covered by the East Surrey CSP. The East Surrey CSP comprises the boroughs of Epsom and Ewell, Reigate and Banstead and the districts of Mole Valley and Tandridge. The CSP meets quarterly with representation from all the districts and boroughs, the statutory partners and other non statutory invited partners such as housing providers. For the year 2017-2018 the partnership was chaired by the Chief Executive of Tandridge District Council.
- 2.4 The operational aspects of the CSP locally are the Community Harm and Risk Management Meetings, (CHaRMM) and Joint Action Groups, (JAG). The CHaRMM agendas are confidential in nature, involving assessment and case management of individuals either as perpetrators or as victims. At any one time over the course of 2017-2018 the CHaRMM meetings involved management of 10-15 adults and juveniles. JAGs in Epsom and Ewell are task and finish groups concerned with antisocial behaviour in a geographical area. In 2017-2018 JAGs were held in connection with Epsom town centre and antisocial behaviour to the north of Epsom Railway Station.
- 2.5 A review of the CSP priorities will take place in 2018-2019. The current areas of priority remain
- Antisocial behaviour
  - Domestic abuse
  - Rural crime
- 2.6 Historically the interface between Epsom & Ewell Borough Council and the CSP has been achieved at Officer level. From 2018 this will take place at Head of Service or Chief Officer level, matching the Council's stated ambition to be more proactive in the fields of community safety and enforcement generally.
- 2.7 The role of the Council's Audit, Crime and Disorder and Scrutiny Committee is to scrutinise the work of the CSP in compliance with the requirement placed on the Council as part of the Police and Justice Act 2006. For the 2018 review, the police Borough Inspector has been invited to speak about policing contributions to the work of the CSP.

### **3 Proposals**

- 3.1 The Committee is asked to note and comment on the work of the CSP for 2017-2018.

#### 4 Financial and Manpower Implications

- 4.1 Epsom & Ewell Borough Council's contribution to the CSP was managed within set budgets. A major source of expenditure is the borough wide CCTV system comprising 20 cameras within the Borough. The monitoring of these cameras was transferred to Reigate police station in 2017-2018 resulting in a saving of £17,000 which was built into the 2018-2019 budget.
- 4.2 Management of the council's community safety responsibilities has been transferred to the Council's Housing and Community service following the post of Community Safety and Projects Officer becoming vacant, and measures are underway to provide for the continuation of this area of work.
- 4.3 **Chief Finance Officer's comments:** The Community Safety spend is within budget. A reserve balance of £83k (at 31/03/2018) exists for Community Safety, of which £10k is earmarked for potential domestic homicide reviews.

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

- 5.1 There is a range of legislation which relates to the role and workings of a CSP (Crime and Disorder Act 1998, the Police and Justice Act 2006 and the Police Reform and Social Responsibility Act 2011).
- 5.2 **Monitoring Officer's comments:** This Committee is the Council's designated crime and disorder committee. It has the power conferred by Section 19 and Schedule 8 of the Police and Justice Act 2006 and regulations made under Section 20 of that Act to review and scrutinise decisions made, or other action taken, by the CSP. The power to scrutinise the CSP relates to the partnership as a whole rather than the power to scrutinise individual partners.

#### 6 Sustainability Policy and Community Safety Implications

- 6.1 The work of the CSP promotes community safety and partnership working both in a strategic sense and, through the CHaRMM and JAG processes, an operational sense.

#### 7 Partnerships

- 7.1 The CSP is a partnership between statutory partners and invited non-statutory partners who are in a position to collectively provide solutions to crime and antisocial behaviour.

## **8 Risk Assessment**

- 8.1 The inherent risks of partnership based approaches have been considered and judged to be of a low risk. All of the statutory and non statutory partners are committed to addressing crime, disorder and antisocial behaviour giving the context for the continuation of a successful partnership.

## **9 Conclusion and Recommendations**

- 9.1 It is recommended that the Committee notes the work of the CSP in 2017-2018 and takes advantage of the opportunity to ask questions of the Borough Inspector or his representative at the meeting.

**Ward(s) Affected:** (All Wards);

## **INTERNAL AUDIT MONITORING REPORT**

**Head of Service/Contact:** Gillian McTaggart, Head of Corporate Governance

**Urgent Decision?(yes/no)** No

**If yes, reason urgent decision required:**

**Annexes/Appendices (attached):** Annex 1 – Internal Audit Progress Report

**Other available papers (not attached):**

### **Report summary**

**This report summarises progress against the audit plan for 2017/18.**

### **Recommendation (s)**

**(1) That the Committee receives the internal audit progress report for 2017/18.**

#### **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 include a responsibility to monitor recommendations from the external and internal auditors.

2.2 The Committee endorsed the Internal Audit Plan for 2017/18 in April 2017. Throughout its work programme 2017/18 the Committee has received progress reports from the Internal Auditors against this plan.

2.3 The Committee last received an Internal Audit Progress Report for 2017/18 on 19 April 2018. At this time there were five outstanding reviews - Cyber Security, IT General Controls, Private Sector Leasing, Data Protection/GDPR and the supplementary work on commercial property acquisitions.

- 2.4 As reported to the Committee in April 2018, two audits have been deferred until 2018/19 (Housing Needs and Temporary Accommodation Initiatives). These deferrals were requested by management due to resource implications arising from the Homelessness Reduction Act 2017. Both audits have been added to the 2018/19 internal audit plan.
- 2.5 The Commercial Property Acquisitions audit was extended to include supplementary assurance regarding the governance around the two properties purchased through the Council's wholly owned company, Epsom & Ewell Property Investment Company Ltd (EEPIC). The initial Commercial Property Acquisitions audit, reported to this Committee in November 2017, provided assurance regarding the purchase of the Council's two commercial properties.
- 2.6 The Committee will wish to note that RSM has undertaken a follow up of the actions agreed to address previous years' internal audit findings; adequate progress has been reported. Details have been included in the Annual Internal Audit Report elsewhere on this Agenda (Item 6).

### 3 Proposals

- 3.1 A summary of progress against the Internal Audit Plan 2017/18 is shown below. Since 19 April 2018 three further audits have been finalised – Private Sector Leasing, Data Protection/GDPR and Commercial Property Acquisitions supplementary report (Part 2) One audit report from the Audit Plan for 2017/18 remains outstanding relating to Cyber Security and IT General Controls. The Debrief meeting has been held. This will be reported to the next Committee in November as part of the 2018/19 monitoring.
- 3.2 It is proposed that the Committee receives the last Internal Audit Progress Report for 2017/18 attached at **Annex 1**.

Assignment	Reported	Opinion	H	M	L
Business Process Review - Homelessness	19 April 18	Reasonable Assurance		3	
Booking System and Income Collected	23 November 17	Reasonable Assurance			3
Emergency Planning and Civil Contingencies	23 November 17	Reasonable Assurance		3	4
Delivery of the Local Plan	8 February 18	Reasonable Assurance		1	1



<b>Assignment</b>	<b>Reported</b>	<b>Opinion</b>	<b>H</b>	<b>M</b>	<b>L</b>
Property Management	23 November 17	Reasonable Assurance			5
<b>Cyber Security &amp; IT General Controls</b>	<b>22 November 18</b>	<b>De brief</b>			
Commercial Property Acquisitions	23 November 17	Substantial Assurance	-	-	-
Commercial Property Acquisitions Supplementary report	19 June 18	Substantial Assurance			
Housing Needs	Deferred to 2018/19				
Transport Contract Management	8 February 18	Substantial Assurance			3
<b>Private Sector Leasing</b>	<b>19 June 18</b>	<b>Substantial Assurance</b>			<b>1</b>
Temporary Accommodation Initiatives	Deferred to 2018/19				
Planning Income	19 April 18	Substantial Assurance			3
<b>Data Protection / GDPR</b>	<b>19 June 18</b>	<b>Advisory</b>			<b>11</b>
Revenues	8 February 18	Reasonable Assurance		1	2
Benefits	8 February 18	Reasonable Assurance		1	
Corporate Governance	19 April 18	Reasonable Assurance		3	1
Payroll	19 April 18	Reasonable Assurance		2	4
<b>Follow Up Review</b>	<b>19 June 18 as part of Annual Assurance Report</b>	<b>Adequate</b>			

**4 Financial and Manpower Implications**

4.1 There are no financial or manpower implications within 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 None for the purposes of this report.

5.2 **Monitoring Officer's comments:** None for the purposes of this report

**6 Sustainability Policy and Community Safety Implications**

6.1 None for the purposes of this report.

**7 Partnerships**

7.1 The Council continues to be part of the Internal Audit Consortium with Mole Valley, Tandridge and Waverley Districts Councils, Reigate and Banstead Borough Council and Surrey Police and Crime Commissioner.

**8 Risk Assessment**

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

**9 Conclusion and Recommendations**

9.1 Apart from the two deferred audits to 2018/19 and the IT audit , the Internal Audit Plan 2017/18 has now been completed.

**Ward(s) Affected:** (All Wards);



# EPSOM AND EWELL BOROUGH COUNCIL

## Internal Audit Progress Report

Audit, Crime & Disorder and Scrutiny  
Committee Meeting

19 June 2018

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.

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As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

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. Management actions 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.

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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 2017/18 was approved by the Audit, Crime & Disorder Scrutiny Committee in April 2017. Below provides a summary update on progress against that plan and summarises the results of our work to date.

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 the end of this progress report.

Assignments	Status	Opinion issued	Actions agreed		
			L	M	H
General Data Protection Regulation (13.17/18)	FINAL	N/a - Advisory	11 ungraded		
Private Sector Leasing (14.17/18)	FINAL	Substantial	1	0	0
Commercial Property Acquisitions part 2 (15.17/18)	FINAL	Substantial	0	0	0

Looking ahead, the work not yet completed from the 2017/18 internal audit plan is:

Assignment area	Timing per approved IA plan 2017/18	Status
Cyber Security	June 2017	Undergoing quality review
Housing Needs	September 2017	Management requested deferral to 2018/19 (refer 3.1 below)
Temporary Accommodation Initiatives	October 2017	Management requested deferral to 2018/19 (refer 3.1 below)

## 2 OTHER MATTERS

### 2.1 Changes to the audit plan

As reported at the last meeting of the Audit, Crime & Disorder and Scrutiny Committee we had received requests to defer two audits, both in the area of housing and relating to Housing Needs and Temporary Accommodation Initiatives as this area is going through a period of change at the current time. As also discussed at the last meeting of the Audit, Crime & Disorder and Scrutiny Committee, we have arranged a review of Asset Management to provide further assurance regarding the Commercial Property Acquisition which has replaced the deferred audits within the plan.

### 2.2 Information and briefings

There have been no information briefings since the last Audit Committee.

### 2.3 2018/19 internal audit plan

Our 2018/19 internal audit plan was approved at the last meeting of the Audit, Crime & Disorder and Scrutiny Committee. We are currently working with management to agree dates and scopes for the review included within it.

## FOR FURTHER INFORMATION CONTACT

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**Lorna Raynes, Client Manager**

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## APPENDIX A: INTERNAL AUDIT ASSIGNMENTS COMPLETED TO DATE

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

Assignments	Status	Opinion issued	Actions agreed		
			L	M	H
Booking System and Income Collection (1.17/18)	FINAL	Reasonable Assurance	3	0	0
Emergency Planning (2.17/18)	FINAL	Reasonable Assurance	4	3	0
Property Management (3.17/18)	FINAL	Reasonable Assurance	5	0	0
Local Plan (4.17/18)	FINAL	Reasonable Assurance	1	1	0
Commercial Property Acquisition (5.17/18)	FINAL	Substantial Assurance	0	0	0
Transport - Contract Management (6.17/18)	FINAL	Substantial Assurance	3	0	0
Revenues (7.17/18)	FINAL	Reasonable Assurance	2	1	0
Benefits (8.17/18)	FINAL	Reasonable Assurance	0	1	0
Business Process Review (Project) Homelessness (9.17/18)	FINAL	Reasonable Assurance	0	3	0
Payroll (10.17/18)	FINAL	Reasonable Assurance	4	2	0
Planning Income (11.17/18)	FINAL	Substantial Assurance	3	0	0
Governance (12.17/18)	FINAL	Reasonable Assurance	1	3	0



# GDPR GOVERNANCE - EXECUTIVE SUMMARY

## 1.1 Background

The General Data Protection Regulations (GDPR) will be implemented on 25 May 2018. The GDPR will replace EU Directive 95/46/EC on which the UK Data Protection Act is based with a single EU-wide regulation. It is likely to remain after the UK leaves the European Union. It is also likely that any post-Brexit UK privacy legislation, in the form of the Data Protection bill currently passing through the UK legislative process, will retain significant elements of the GDPR. As a result, the Information Commissioners Office (ICO) has recommended that it is essential for organisations to plan their approach to formal GDPR compliance.

GDPR places greater emphasis on the documentation that data controllers must keep to demonstrate their accountability. With that in mind, the ICO has published a 12-step guide setting out how organisations can begin their preparations for the changes.

Many of the GDPR's main concepts and principles are similar to those in the current Data Protection Act so much of the current approach to compliance will remain the same. However, there are significant new elements and enhancements which will require companies and organisations to perform some specific compliance activities for the first time.

We have been commissioned to perform an agreed upon procedures assignment of the current data governance processes, procedures and controls against the 12-step guide. Our report is a factual report and we do not provide a level of assurance, or internal audit opinion, and should not be taken to provide such.

At the time of the audit, the Council had an action in place, agreed with the GDPR Project Team, to implement key elements of GDPR. However due to the Information Governance Officer being recently in post a number of recommendations were at an early stage of implementation and this is reflected in the recommendations.

## 1.2 Key findings

The key findings from this review are as follows:

### Data governance processes, procedures and controls where further action is needed:

#### Business Processes and Data Discovery

- A data mapping exercise has not been carried out by the Council. The Council has instead created Information Asset Registers (IAR) which are a record of all the data processed across the Council by function / activity / task. However, we noted the IARs did not include all required areas under the GDPR and none of the 14 IARs had been fully completed. The Council have also not reviewed all hard drives to confirm there are no other databases that have not been disclosed via the IARs. **(2.1a)**
- Methods of data transfer are not being recorded by the Council in their IARs. **(2.1d)**

#### Third parties

- The IARs do not identify when data is being shared and also do not identify when data is flowing to third parties. **(2.2a)**

- The Council Solicitor has compiled a spreadsheet which identifies all contracts where personal data is used / processed for the purpose of the contract. Refreshed terms had not yet been drafted and sent out to the relevant third parties at the time of our visit. **(2.2b)**

### Data Ownership

- Through review of the Council Service IARs, we confirmed that the document includes a requirement to list an Information Asset Owner and / or an Information Asset Administrator who hold overall responsibility for the data area. However, for five of the fourteen Services, the IARs this has not been completed in full. **(2.3a)**

### Data storage and retention

- The Council do not have any documented policies or procedures in place in relation to data storage and retention. However, the Council does have in place a 'Retention Records' spreadsheet that details the different types of records the Council processes, whether or not the record contains personal information, retention periods for each type of record and whether it is held as a legal or business requirement. The spreadsheet does not define how the different types of records should be stored or destroyed / removed. **(2.5a)**

### Awareness

- The Information Governance Officer and Solicitor have undertaken GDPR training and the Leadership team were briefed by the Head of Legal. No other staff have received training in relation to GDPR at the time of the audit. **(2.6b)**

### Data policy, roles and responsibilities

- The Council has a Data Protection Policy in place. However, this has not been updated to reflect the introduction of the GDPR. **(2.7a)**
- We noted that the Council have assigned a Data Protection Officer (DPO), the Chief Legal Officer, and have also assigned responsibility to various key departmental staff as the Information Governance Officer and Solicitor to uphold and maintain a strong culture of data protection within the organisation. Staff data protection responsibilities however have not been formally documented such as for the Data Protection Officer, Information Asset Owners and Administrators. **(2.7b)**

### Individuals' rights

- Policies, procedures and systems have not yet been reviewed to ensure that they cover all the rights individuals have under GDPR, including how the Council would delete personal data or provide data electronically and in a commonly used format if requested. **(2.8a)**
- The Council have stated that a Subject Access Request (SAR) form is available to download via their website, however the link was not working at the time of our visit, and consequently was not available to the public. Additionally, the SAR form has not been updated to reflect GDPR. **(Linked 2.8a)**
- The information provided to the public on the Council's website in relation to individuals rights has not been updated to reflect the requirements of the GDPR. **(Linked 2.8a)**

## Consent

- Employees have not received up-to-date information about their rights under GDPR. **(2.9a)**
- As the Council does not have an over-arching process in place in relation to how consent is captured, we sample tested three different areas of the Council to verify if positive opt-in and deletion of personal data when required is occurring. In two of the three areas sampled we found that this was not occurring. **(Linked 2.9a)**

## Data breaches

- As of April 2018, the breach notification procedure and record form were in draft form and had been updated by the Council's Information Governance Officer. The documents are to be reviewed by the Data Protection Officer and the Leadership Team before they are finalised and circulated internally. We however confirmed that the draft Breach notification procedure and data breach record form covered the detection, reporting and investigation of personal data breaches and note that personal data breaches are reportable to the ICO and possibly other external organisations. We also confirmed that the timeframes stated in relation to reporting breaches were in line with GDPR and ICO guidance. **(2.10a)**

## GDPR compliant data governance processes, procedures and controls:

### Business Processes and Data Discovery

- The Council has a Data Protection Policy in place which details the process followed in relation to classifying data.

### Data Security Systems Level Controls

- The Council has appropriate access controls that reduce the risk of unauthorised access to Personal Identifiable Data (PID). Furthermore, the design of the detective control to periodically monitor user access rights is suitable.

### Awareness

- The Council has utilised various methods to ensure that staff have a general awareness of what GDPR means and the risks of performing their duties in non-compliance with the GDPR. For example, the Council have put up posters and sent out all staff correspondence. This however does not negate the need for all staff to be fully trained in GDPR.

### Data policy, roles and responsibilities

- Day-to-day responsibility for managing data protection will be assigned to the DPO. The Information Governance Officer and Solicitor will also be responsible for ensuring adherence to relevant legislative requirements, such as Data Protection, in collaboration with the DPO and Leadership Team.

## 2 DETAILED FINDINGS

The results of our testing are set out below:

Ref	ICO Area	Findings summary	Actions for management	Responsible owner	Implementation date
<b>1: Business processes and data discovery</b>					
1a	<p><b>The existence and process of data mapping</b></p> <p>A data mapping exercise has not been carried out by the Council, instead the Council has created an IAR for each service which is a record of all data processed across the Council by function / activity / task. The main headings are as follows:</p> <ul style="list-style-type: none"> <li>• Asset title / description</li> <li>• Condition for processing</li> <li>• Information owners</li> <li>• Storage / location</li> <li>• Retention years / months</li> </ul> <p>The registers have been created using Excel.</p>	<p>The Council are using a standard template IAR across all services. We confirmed that all services, as listed, had an IAR in place at the time of the audit:</p> <ul style="list-style-type: none"> <li>• Revenues and Benefits</li> <li>• Chief Executive including Personal Assistants</li> <li>• ICT</li> <li>• Corporate Governance</li> <li>• Customer Services and Business Support</li> <li>• Financial Services</li> <li>• Housing and Environmental Services</li> <li>• Human Resources and Organisational Development</li> <li>• Legal and Democratic Services</li> <li>• Operational Services</li> <li>• Place Development</li> </ul>	<p>Action raised in area 1c (identification of data flows to third parties) regarding data transfers.</p> <p>Once all IARs have been fully completed, the ICT department will review the registers and confirm there are no other databases sitting on Council hard drives that have not been disclosed accordingly.</p> <p><i>Management comment – the IAR's were enhanced as a result of comments from the auditor and are all being updated and finalised.</i></p>	<p>GDPR Project Team</p> <p>IG Officer</p>	September 2018

- Property
- Venues and Facilities
- Chief Operating Officer

None of the Information Asset registers were fully completed at the time of the audit and did not include all required areas under the GDPR, such as identifying when data is being shared / transferred including when it is flowing to third parties. We were also unable to confirm that a check has been completed that there are no other databases that have not otherwise been disclosed.

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<b>Processes to classify data</b>	Appendix 2 of the Council's current Data Protection Policy, last updated in September 2016, is a Protective Marking guide. It details the different government levels of classification and examples of information under each category. It also details how to mark and when to encrypt documents.	None noted	N/A	N/A
The Council has a Data Protection Policy in place which details the process followed in relation to classifying data.				
1c <b>Identification of data flows to third parties</b>	The IAR document is currently missing the following areas in line with best practice: <ul style="list-style-type: none"> <li>• identification of when data is being shared / transferred and whether or not this is flowing to third parties.</li> </ul>	The Council will ensure the IARs are fully completed in line with best practice and highlight when data is being shared / transferred and whether or not this flowing to third parties. The documents will also include:	GDPR Project Team and IAR owners	Sept 2018
The IARs do not identify when data is being shared and also do not identify when data is flowing to third parties.				

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- the method of data transfer and whether this is secure.
- what the third party needs the data for.
- whether consent has been given to transfer the data on.
- the method of data transfer and whether this is secure.
- what the third party needs the data for.
- whether consent has been given to transfer the data on.

*Management comment – this line is now included within the IAR.*

1d	<b>Methods of data storage and transfer</b>  The Council utilise an IAR for each service. This document requires data owners in each relevant area to document where their data is stored / its location and also how it is classified.	Through review of the GDPR data audit document, we confirmed that methods of data storage have been considered by the Council. However, the methods of data transfer are not documented.	Action raised in area 1c (identification of data flows to third parties) regarding data transfers.	N/A	N/A
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## 2: Third parties

2a	<b>Inspection of the methods used to identify third parties to whom the 'in scope' data is transferred</b>  The IARs do not identify when data is being shared and also do not identify when data is flowing to third parties.	'In scope' data flows to third parties have not yet been identified and recorded at the Council.	Actions raised in area 1c (the existence of process and data mapping identification of data flows to third parties) which relates to inspection of the methods used to identify third parties to whom the 'in scope' data is transferred.	N/A	N/A
2b	<b>Identification of methods used to assess contractual data confidentiality existence and coverage</b>	At the time of our visit, the Solicitor was prioritising the contracts to ascertain where sensitive personal data was being used / processed to	The Council will ensure all in scope third parties are sent a refreshed agreement as soon as possible to ensure	Solicitor	30 September 2018

The Council Solicitor has compiled a spreadsheet which identifies all contracts where personal data is used / processed for the purpose of the contract. The Finance and IT departments were asked to identify all such contracts under their remit, the Council Solicitor then reviewed the contract register in respect to the remaining contracts and extracted those that were relevant onto the spreadsheet.

ensure refreshed terms were sent to these third parties first.

Refreshed terms had not yet been drafted and sent out to the relevant third parties at the time of our visit.

they have agreed to the relevant terms

*Management comment - work has started on high risk contracts and will be prioritised.*

**3: Data Ownership**

3a	<p><b>Processes used to identify/ allocate data owners</b></p> <p>As part of each Service's IAR at the Council, each different asset area identified within the service should have both an Information Asset Owner and Information Asset Administrator listed. The Information Asset Administrator would be the key contact for the asset area.</p>	<p>We confirmed the IAR includes a requirement to list an Information Asset Owner and / or an Information Asset Administrator who hold overall responsibility for the data area however for some of the service IARs, as follows, this has not been completed in full:</p> <ul style="list-style-type: none"> <li>- Chief Executive including Personal Assistants</li> <li>- ICT</li> <li>- Corporate Governance</li> <li>- Financial Services</li> <li>- Chief Operating Officer</li> </ul>	<p>The Council will ensure each different asset area identified within each service has both an Information Asset Owner and Information Asset Administrator listed on their IAR.</p>	IAR's owners	30 September 2018
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**4: Data Security Systems Level Controls**

4a	<p><b>Data security controls over data inflow, data repository (stored) and data outflow</b></p> <p>The Council uses two layered authentication to access applications via their accounts. The Council</p>	<p>The Council has appropriate access controls that reduce the risk of unauthorised access to PID. Furthermore, the design of the</p>	None noted	N/A	N/A
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uses Active Directory to restrict access to folders on the U: Drive.

detective control to periodically monitor user access rights is suitable.

Users are afforded access to different folders through Active Directory, and any folders that they do not have access to are hidden from view.

Users are granted access to both the O: and U: Drive upon employment to the Council, but their line managers must approve access to individual folder groups on the Drive. User account revocations occur when employees leave the organisation or change roles.

No user is afforded access to PID without a request from their line manager.

The Council Password Policy is as follows:

- Password will be required to be changed every 60 days;
- Passwords cannot be reused within 20 password changes;
- A minimum of 8 characters; and
- Complex passwords are enabled including at least three of the following:
  - alpha upper-case character(s),
  - alpha lower-case character(s),
  - numeric character(s), and
  - non-alpha-numeric character(s).



Data on the system can be deleted if required.  
Deleted data can be retrieved from regular backups which occur on a daily basis.

## 5: Data Storage and Retention

5a	<b>Existence of data retention and storage policies</b>	Additionally, the Information Governance Officer noted that the spreadsheet is not very user-friendly and the Council would like to integrate its contents into an overarching retention and storage policy.	The Council will integrate their current record retention spreadsheet into an overarching retention and storage policy which adheres to both the GDPR and relevant statutory regulations.	Information Governance Officer	30 September 2018
	The Council do not have any documented policies or procedures in place in relation to data storage and retention however have in place a 'Retention Records' spreadsheet which details the different types of records the Council processes, whether or not the record contains personal information, retention periods for each type of record and whether it is held as a legal or business requirement.				
	The spreadsheet does not define how the different types of records should be stored or destroyed / removed.		<i>Management comment – the retention schedule is currently being drafted.</i>		

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## 6: Awareness

6a	<b>Existence of GDPR awareness processes</b>	The Council has utilised various methods to ensure that staff have a general awareness of what the GDPR means and the risks of performing their duties in non-compliance with the GDPR, such as:	None noted	N/A	N/A
	The Council Solicitor and Head of Corporate Governance confirmed that the Council have put up posters and sent out all staff correspondence to raise awareness of GDPR.	<ul style="list-style-type: none"> <li>Posters in common areas such as staff kitchens and corridors, stating that new regulations are coming into force at the end of May, a general overview of what this means and to watch out for</li> </ul>			

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further information and training sessions.

- Within the February team brief that goes out to all staff, a GDPR 'what you need to know' section was compiled, again providing a general overview of the new regulations.
- GDPR spring clean event where all staff were asked to look at the data they hold and to identify data that should be deleted.

This however does not negate the need for all staff to be fully trained in GDPR.

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**Plans and current processes designed to deliver internal GDPR training**

The Council has briefed the Leadership Team on the changes under the GDPR for Data Protection in November 2017. This training was led by the Head of Legal.

Both the Information Governance Officer and Council Solicitor have received GDPR training. Other staff have not yet been trained in relation to GDPR.

The Council's e-learning provider has a module available in relation to GDPR but at the time of our visit there were issues with the module's accuracy. Once this has been rectified, the Council may use this module to train staff.

We obtained copies of the packs used to train both the Information Governance Officer and Borough Solicitor and confirmed they included the following:

- Brief Background and Basics
- How will the GDPR change data protection practice?
- Impact of Brexit
- Legislative progress and timescale
- Definitions
- Exemptions
- Fines

The Council will ensure all staff have been trained adequately in relation to GDPR.

*Management comment – the mandatory e-learning GDPR module has been rolled out to all staff*

GDPR Project Team

25th May 2018

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**7: Data policy, roles and responsibilities**

7a	<b>Existence and scope of current data policies</b>	The current Data Protection Policy, which was last updated in September 2016, refers to the 1998 Data Protection Act and Freedom of Information Act 2000.	The Council will update its Data Protection Policy to ensure it is in line with the current procedures to be followed under GDPR.	Data Protection Officer/ Chief Legal Officer	17th July 2018
	The Council has a Data Protection Policy in place, however this has not been updated to reflect the introduction of GDPR.		<i>Management comment - The Data Protection Policy has been updated to reflect GDPR and will have to be approved by full Council.</i>		
7b	<b>Data protection roles and responsibilities and reference to recognised good practice</b>	The actions taken by the Council to establish responsibility over embedding the GDPR within the organisation and assigning the responsibility of the DPO to an appropriate individual reduces the risk that there will be resistance to change over data protection.	The Council will ensure data protection responsibilities are documented and included within job descriptions for all relevant staff such as the Chief Legal Officer, Borough Solicitor and any Information Asset Owners / Administrators.	Head of HR & OD	31st March 2019
Page 35	The Council have assigned a Data Protection Officer (DPO), the Chief Legal Officer.	It is noted that the Council have assigned responsibility to various different members of staff such as the Chief Legal Officer in relation to data protection, this responsibility has not been documented however for example in a job description.	<i>Management comment – all job role profiles are being reviewed and evaluated in 2018/19.</i>		
	The Information Governance Officer and Council Solicitor also ensure adherence to relevant legislative requirements, such as Data Protection, in collaboration with the DPO and Leadership Team.				
	The Council has assigned responsibility to various key departmental staff as information owners and administrators to uphold and maintain a strong culture of data protection within the organisation.				
	Day-to-day responsibility for managing data protection is assigned to the DPO.				

**8: Individuals' rights**

8a	<b>Procedures for updating, deleting and reporting personal data at department and organisation level</b>	We requested a template copy of the SAR form as it was not available via the Council's website as the link was not working and consequently the SAR form was not available to the public.	The Council will ensure that the information for individual rights listed on the Privacy and Cookies page of their public website is updated prior to 25 May 2018 to reflect GDPR requirements.	Solicitor	25th May 2018
	Policies, procedures and systems have not yet been reviewed to ensure that they cover all the rights individuals have under GDPR, including how the Council would delete personal data or provide data electronically and in a commonly used format if requested.	We noted the form had not been updated to reflect guidance under GDPR. For example, the form currently charges a £10 fee per request and does not state how quickly the Council will respond to each request.	The Council will ensure that the information provided to the public on their website adequately reflects the requirements of the GDPR and a Subject Access Request form will be updated and made available via the website prior to 25 May 2018.		
	The 'Privacy and Cookies' page on the Council's public website includes a statement called 'Your Rights and Requests for Information About You that we Hold'. This has not yet been updated with regards to individuals' rights under GDPR.	Per GDPR, in most cases you will not be able to charge for complying with a request. You can refuse or charge for requests that are manifestly unfounded or excessive. If a request is refused, you must tell the individual why and that they have the right to complain to the supervisory authority and to a judicial remedy. You must do this without undue delay and at the latest, within one month.	The Council will also review the systems used to ensure that data subject information can be deleted if it requested by data subjects.		
	The Council have stated that a Subject Access Request (SAR) form is available to download on its webpage.		<i>Management comment- changes to the website will be live from 25th May 2018.</i>		

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**9: Consent**

9a	<b>Processes in place to capture data consent</b>	The employee contracts imply consent to store and process employee information as part of their employment. Employees have not received up-to-date information about their rights under GDPR.	The wording of employee contracts will be updated to ensure it is explicit around how the Council store and process employee information. The Council will also ensure all employees receive up-to-date	Head of HR & OD	31st March 2019
	Whilst not specifically detailed within contracts, there is implied consent for employees regarding the storage and processing of their data when they sign the contract.	As the Council does not have an overarching process in place to			

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The Council does not have an overarching process in place in relation capturing consent; different processes are followed in each area.

All areas of the Council have been made aware through correspondence / awareness material that under GDPR consent requires a positive opt-in and therefore the method that consent is being obtained may need to be updated or revised.

capture consent we reviewed ways consent is processed across three different departments:

1) The Playhouse: at present, customer details are being stored automatically on the ticketing system to speed up any future purchases. However, consent from the customer is not being sought to store these details such as name, address, phone number and email. Customers can subscribe to the Playhouse's mailing list via the website through providing positive consent and streamlining the marketing they receive to their personal tastes. They can also unsubscribe through the website. At present however, there is no an automated link between the subscription service and the ticketing system to ensure that those who unsubscribe are removed wholly from the Playhouse's databases.

Additionally, when customers pay for tickets and other goods via credit card, both a customer copy and merchant copy receipt are printed. The merchant copy has the full sixteen digits of the customers card details present and currently are being stored with / stapled to the customer's ticket receipt which has their name and address detailed.

2) The Contact Centre: in relation to providing a garden waste subscription service, applicants have to provide the Council with their name, address, phone number, email and payment

information about their rights under the GDPR.

The Council will remove the setting that currently means merchant copy credit card receipts for the Playhouse have the full sixteen digits of the card printed.

Ticket receipt stubs will not be stapled to merchant receipt copies to ensure credit card numbers cannot be linked to customers. Customers will be identified via another method if they have queries or issues with their payment.

The Communications department will ensure that if users unsubscribe from either the paper magazine or e-newsletter their personal data is deleted from both Council systems and third-party systems. The e-newsletter website page will be updated to reflect the introduction of the GDPR.

Playhouse Manager

As above

The Communications Team

25th May 2018

25th May 2018

details such as account number and sort code. The application process implies consent which is permissible under the GDPR as it fulfils a business purpose to fulfil a service.

3) Communications: the Council produce a magazine / newsletter which is in both paper and electronic form. The paper form magazines are not subscribed to but are delivered by Royal Mail using the residential addresses that fall under the Council's remit. Residents may ask to unsubscribe and not receive the paper copy of the magazine, a list including personal details is currently being kept of those residents who have unsubscribed. The e-newsletter has to be subscribed to on the Council website to enable residents to receive it. It can be also be unsubscribed from on the website. The third party who manages the subscription lists and newsletter website page on behalf of the Council are not deleting user's data when they are unsubscribing from the newsletter and have not updated the website to reflect the introduction of the GDPR as it still references the Data Protection Act.

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**10: Data Breaches**

10a	<p><b>Detection, reporting and investigation of personal data breaches</b></p> <p>The Council has a Data Protection Act (DPA) Breach notification procedure and data breach record form in place. As of April 2018, the</p>	<p>We reviewed the Breach notification procedure and data breach record form and confirmed it covered the detection, reporting and investigation of personal data breaches and references personal data breaches</p>	<p>The Council will have the draft Data Protection Act (DPA) Breach notification procedure and data breach record form reviewed and</p>	<p>Information Governance Officer</p>	<p>25th May 2018</p>
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procedure and record form were in draft form and had been updated by the Council's Information Governance Officer.

are reportable to the ICO and possibly other external organisations.

finalised before the introduction of GDPR.

The documents are to be reviewed by the Data Protection Officer and the Leadership Team before they are circulated internally.

We also confirmed that the timeframes stated in relation to reporting breaches were in line with GDPR and ICO guidance.

*Management comment – the Breach Notification form has been updated.*

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# PRIVATE SECTOR LEASING - EXECUTIVE SUMMARY

## 1.1 Background

An audit was undertaken of the Private Sector Leasing (PSL) scheme as part the Council's 2017/18 annual internal audit plan.

The Council has set up a new PSL scheme to assist local families in housing need whilst reducing the risks and complexities of renting for local landlords. In addition, it is expected that this scheme will provide significant costs savings on current arrangements where local families in need are placed in overnight accommodation.

At the time of the audit the scheme was in the initial stages and the Council has only leased four properties from private landlords. The anticipation is that eventually the Council will lease up to 15 properties from private landlords.

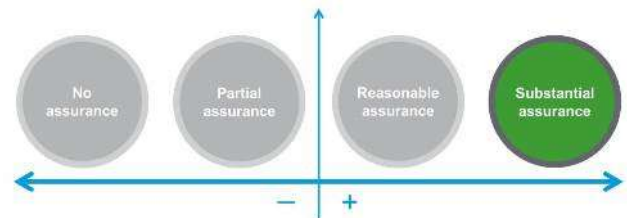
Our review of the PSL scheme considered the leasing process to ensure that decision making, governance and due diligence controls were in place and a sufficient audit trail was being maintained.

## 1.2 Conclusion

We found controls around the newly implemented PSL scheme at the early stage of implementation appear to be robust.

### Internal audit opinion:

Taking account of the issues identified, the Council can take substantial assurance that the controls upon which the organisation relies to manage the identified area(s) are suitably designed, consistently applied and operating effectively.



## 1.3 Key findings

The key findings from this review are as follows:

We have raised one low level management action, the details of which can be found in section 2 below. Notwithstanding this we noted the following examples of well-designed and applied controls:

A business case was developed to support the implementation of the PSL scheme. The business case clearly included a financial analysis with projected potential cost savings together with a programme risk assessment. A formal decision was made by the Strategy and Resources Committee to approve and pursue the PSL scheme on the 27/01/2016.

In order for private property to be considered for rental by the Council, landlords must complete an application form filling out all the relevant details. We confirmed an application form was completed by the private landlord for each of the four properties that the Council is currently renting and that the data captured was fit for purpose.



A range of 'due diligence' checks are undertaken by officers at the Council to ensure that the property leased is suitable for tenants. Checks include an asbestos survey report, Gas Safety certification, and a Land Registry search amongst others. A checklist is in place for each property detailing the checks undertaken by the Property team. We verified that for all four properties that the relevant checks were undertaken and was supported with the appropriate documentation.

A PSL rent setting framework has been developed by the Housing Team at the Council. Following a meeting with the landlord and after undertaking an inspection of the property, the Private Sector Leasing Officer will start negotiations at around the Local Housing Allowance rate. For properties that are assessed to be "above the schemes Lettings Standard" the maximum rent to be offered will be based on 90% of the current median market rent for the locality. We verified that the PSL officer has delegated authority to negotiate rents within the framework developed but does not have the authority to go outside of this. We confirmed for each of the properties rented that the price agreed did not go outside the framework agreed by the Housing Operations Team.

Prior to visiting a property, the Private Sector Leasing Officer will undertake research on the individual property and general postcode location to ascertain current market rents and any previous letting history. The PSL Officer based on market data has a maximum offer they can make for renting a property. The maximum amount that the Officer can offer is contained within the Market setting framework which is updated bi annually. We verified that the rental framework was subject to review every six months to ensure that it was reflective of the current market rates in the Borough. Updates are based on market research undertaken by the Housing Team at the Council.

On leasing a property, a schedule of condition is completed to evidence agreement regarding the condition of the property between the Council and the Landlord. The inspection is designed to ensure that any issues with the property are picked up at the beginning of the lease period. We found that for all four properties that a completed schedule of condition was in place. All schedules had been signed off by the both a Council representative and the property's Landlord.

Once the Council agree to rent a property a lease agreement is drawn up. The agreement is signed off by the Mayor and the Council's Chief Executive Officer (CEO) at the Council. We verified that a standard lease agreement was in place for each of the properties currently rented by the Council and each had been signed off by the Mayor and the CEO.

Lease agreements held between the Council and the landlord clearly outline the responsibilities of both parties. Responsibility for on-going response repairs, routine maintenance and capital investment for the property over the course of the lease are clearly prescribed. In addition, the Council have created a reserve of £500 for each property to cover any potential damages.

On a tenant entering into a privately-owned Council leased property a non-secure tenancy agreement should be drawn up. The agreement will outline the responsibilities of the tenant, the landlord and the Council. We found that for all four properties non-secure tenancy agreement are in place. Agreements had been signed by both a Council representative and the tenant.

Once a property has been leased the Property Team perform a calculation to verify the cost savings that have been made by leasing as opposed to putting the tenants in temporary accommodation. We verified that for all four properties a calculation had been undertaken to assess the savings made from renting the property as opposed to paying for nightly emergency accommodation.

Once a Tenancy begins, quarterly inspections are undertaken to ensure the flat is still fit for habitation for tenants and to check for any potential repairs that need to be carried out on the property. We verified that for each of the properties where appropriate an inspection had been carried out by a member of the housing team.

## 1.4 Additional information to support our conclusion

The following table highlights the number and categories of management actions made. The detailed findings section lists the specific actions agreed with management to implement.

Area	Control design not effective*		Non-Compliance with controls*		Agreed actions		
	Low	Medium	High	Low	Medium	High	
Private Sector Leasing	0	(12)	1	(12)	1	0	0
<b>Total</b>					<b>1</b>	<b>0</b>	<b>0</b>

\* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

## 1.5 Additional feedback

We would recommend as the PSL scheme expands the Housing Operations Team consider the use of KPIs to monitor the performance of the scheme both in terms of financial and operational impact. We have listed some suggested KPIs below the Council may wish to consider using in the future;

- % of time rented properties are left vacant;
- Average time taken to respond to prospective landlords against target;
- Average time taken to repair void properties against target;

## 2 DETAILED FINDINGS

### Categorisation of internal audit findings

Priority	Definition
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible regulatory scrutiny/reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, regulatory scrutiny, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

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Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
2.1	A Private Sector Leasing Scheme procedure manual is in place. The manual outlines the key steps to be taken by staff during the process of securing a property.	Yes	No	We verified that the current procedural documentation around the PSL scheme is in place and been through a number of iterations drafted by the Housing Operations Manager. We noted the procedural documentation had not been subject to formal approval from a secondary senior member of staff at the Council. There is a risk of error or omission within the policy and as this is a new area of operation sign off by the Head of Service is particularly merited.	Low	The PSL procedure will be reviewed and agreed by the Head of Housing and Community.	31 May 2018	Rod Brown - Head of Housing and Community

## COMMERCIAL PROPERTY ACQUISITIONS (2) - EXECUTIVE SUMMARY

### 1.1 Background

In common with other Local Authorities, Epsom and Ewell Borough Council has developed commercial intentions to invest in property. The rationale for this is to generate income to support local services. The Council moved forward with these plans and initially purchased two properties in 2016/17. In 2017/18 two further properties were purchased with a combined value of £56.5m in October and November 2017:

- The Cobham Centre, Marlow (£31m);
- Regus, Service Offices, Bracknell; (£25.5m)

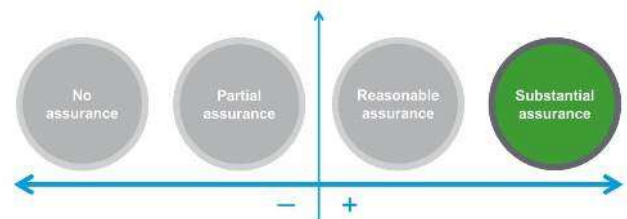
From September 2017 property purchases will be made through the Council's 100% wholly owned property trading company – Epsom & Ewell Property Investment Company Ltd (EEPIC). Our review considered the purchase process to ensure that decision making, governance and due diligence arrangements were in accordance with the Council's Property Investment Strategy.

### 1.2 Conclusion

We have verified that business cases were presented, the proposed purchases were scored in line with the Property Investment Strategy and the decisions were evidenced either in Council minutes or by both the signature and email approval of the members of the Property Investment Group.

#### Internal audit opinion:

Taking account of the issues identified, the Council can take substantial assurance that the controls upon which the organisation relies to manage the identified area(s) are suitably designed, consistently applied and operating effectively.



### 1.3 Key findings

The key findings from this review are as follows:

A property investment strategy was adopted in November 2016 and updated and approved once more by the Full Council in September 2017. The strategy aimed to provide a robust and viable framework for the acquisition of commercial property investments. The three underlying objectives of the strategy were:

- Investment Criteria – to identify suitable property investment opportunities.
- Risk Management – to balance the requirement for income return with an acceptable level of managed risk.
- Governance Arrangements – to provide an agile decision making framework

We satisfactorily verified that the property investment strategy was approved on 21st Nov 2016 and updated and approved on 19th September 2017 through a meeting of the full Council. This provided for governance arrangements

for the acquisition of investment properties, including the establishment of an Investment Property Group (IPG) with delegated authority to make decisions and the creation of the Epsom & Ewell Property Investment Company (EEPIC).

The strategy prescribes a scoring Matrix that allows the relative merits of an investment opportunity to be measured and assessed against a target threshold for a range of criteria. There is a weighting applied to each criteria and a score of one to five can be applied for scoring each assessment:

- **“Location** - property is categorised as either prime, secondary or tertiary in terms of its locational desirability. For example, a shop located in the best trading position in a town would be prime, whereas a unit on a peripheral neighbourhood shopping parade would be considered tertiary.
- **Tenant Covenant** – the financial strength of a tenant determines the security of the property’s rental income. A financially weak tenant increases the likelihood that the property will fall vacant. The minimum acceptable financial strength for any given tenant will be determined through financial appraisal of company accounts and the use of appropriate methods of risk assessment and credit scoring. To minimise management and risk, the preference will be for single occupancy investments wherever possible.
- **Building Quality** – a brand new or recently refurbished building will not usually require capital expenditure for at least 15 years. This is attractive for investors requiring long term rental income with the minimum of ongoing capital expenditure.
- **Occupational Lease Length** – the lease term will determine the duration of the tenant’s contractual obligation to pay rent. The most attractive investments offer a long lease with a strong tenant covenant.
- **Tenure** – anything less than a freehold acquisition will need to be appropriately reflected in the price.
- **Tenant Repair obligations** – under a Full Repairing & Insuring Lease (FRI), the tenant is responsible for the building’s interior and exterior maintenance / repair. The obligation is limited to the building’s interior under an Internal Repairing & Insuring Lease (IRI). The preference will be to favour FRI terms (or FRI by way of service charge i.e. all costs relating to occupation and repairs are borne by the tenants and administered through a service charge).
- **Lot Size** – to maintain a portfolio balance the preference will be to limit investments to below £20m unless exceptional prime properties with secure tenants become available.”

We reviewed the documentation of the decisions to purchase the two investment properties acquired in 2017. We have verified that business cases were presented, the proposed purchases were scored in line with the Property Investment Strategy and the decisions were evidenced either in Council minutes or by both the signature and email approval of the members of the IPG.

- Marlow was agreed by Council at its meeting of 19th September 2017
- Bracknell was agreed by the IPG on 16th October 2017

The business cases for both acquisitions provided scoring matrices as per the Property Investment Strategy. Scores were 93% and 79% for these. The strategy requires a score of at least 70% for acquisitions. We satisfactorily checked the weighted matrix calculation of scoring according to that defined within the Investment Strategy and in respect of the following confirmed the following criteria assessment by reference to source material:

Marlow:

- There is a Full Repairing & Insuring lease requirement with the Tenant (Criteria level 5 Excellent)
- The occupational Lease length is greater than 10 years (Criteria level 5 Excellent)
- There is a single tenant with a strong financial covenant (Criteria level 5 Excellent)
- The lot size was greater than £20m and subject to an in depth risk analysis (Criteria level 2 Marginal)

## Bracknell

- There is a Full Repairing & Insuring lease requirement with the Tenant (Criteria level 5 Excellent)
- The occupational Lease length is between 6 and 10 years (Criteria level 4 Good)
- There are multiple tenants with a strong financial covenant (Criteria level 3 Adequate)
- The lot size was greater than £20m and subject to an in depth risk analysis (Criteria level 2 Marginal)

We reviewed in further detail the documentation of the decisions to purchase the two investment properties acquired in 2017. We found:

- the decisions were based on a business case, in line with the Property Investment Strategy;
- the business cases considered capital costs, revenue costs and income; and
- the business cases showed that borrowing costs would be covered by income, giving a net gain.

We satisfactorily verified that the conveyancing transaction for both and that routine Land Registry, highway and drainage searches were recorded as being undertaken by the Council's legal representatives. We similarly verified that the correct calculation and payment of Stamp Duty Land Tax was included in the final conveyancing transaction payment.

- Marlow - £31,000,000 (Stamp Duty - £1,539,500) - Total balance payment to Freeths Solicitors (13/10/17) including searches and Fees = £32,203,029.10
- Bracknell- £25,500,000 (Stamp Duty - £1,264,500) - Total balance payment to Freeths Solicitors (20/11/17) including searches and Fees = £26,681,356

In addition, we confirmed the value of the properties as recorded on the conveyancing record accords with that reported to Council Members and the IPG.

We also verified that:

- an independent valuation of the property was obtained and that a binding legal contract between the tenants and the Council now exists.
- structural surveys of both properties provided a positive assurance regarding each building's condition and the financial integrity of the current tenants was examined through independent searches.

The business case for the purchase of these properties initially assessed risk within the context of the investment criteria set out in the Council's investment strategy. This examined the strengths, weaknesses and risk associated with each element. In addition to this further risk and SWOT analysis also examined the effect on cash flow and income returns should the tenants activate a break option in their agreements. In this respect options were identified to continue to maintain income streams from amended building use. Furthermore, we note that an element of the income to be received from these assets will be placed in an earmarked reserve to mitigate any future risk that may arise.

The income streams from these properties will be monitored through the routine budget monitoring and financial reporting framework that exists within the council.

There are no management actions arising as result of this audit.

## **INTERNAL AUDIT ASSURANCE REPORT 2017/18**

**Head of Service/Contact:** Gillian McTaggart, Head of Corporate Governance

**Urgent Decision?(yes/no)** No

**If yes, reason urgent decision required:**

**Annexes/Appendices (attached):** **Annex 1** – Internal Audit Annual Report 2017/18  
**Annex 2** –Annual Overview of Performance of Internal Audit Service By Chief Finance Officer 2017/18

**Other available papers (not attached):**

### **Report summary**

This report advises the Committee on the Council's internal audit assurance level for 2017/18.

### **Recommendation (s)**

- (1) The Committee is asked to receive the Internal Audit Annual Report for the year ended 31 March 2018 (Annex 1) and the Review of Performance of Internal Audit by the Chief Finance Officer (Annex 2).

### **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 Council's internal audit service is provided by RSM.

- 2.2 In accordance with the Public Sector Internal Audit Standards, the Head of Internal Audit is required to provide an annual opinion based upon, and limited to, the work performed on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. This opinion contributes to the Council's Annual Governance Statement elsewhere on this Agenda (Item 8).
- 2.3 In addition, the Accounts and Audit (England) Regulations 2015 require the effectiveness of the Council's system of internal control to be reviewed annually and for this Committee to consider the findings.

### **3 Annual Report of the Head of Internal Audit**

- 3.1 The Head of Internal Audit opinion is set out in the Annual Internal Audit report 2017/18 attached at **Annex 1 (paragraph 1.1)**. It states that:

"The [Council] has an adequate and effective framework for risk management, governance and internal control.

However our work has identified some further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective".

- 3.2 Of the reports issued in 2017/18, RSM have not issued any reviews with either "no assurance" or "partial assurance".
- 3.3 Mike Cheetham, Partner at RSM will be available at the meeting to answer any questions.

### **4 Review of the Effectiveness of Internal Audit**

- 4.1 The Chief Finance Officer has assessed the effectiveness of the Council's system of internal control; a copy of this assessment is attached at **Annex 2**. This also forms part of the contract management arrangements.
- 4.2 Overall RSM has provided an effective service.

### **5 Proposals**

- 5.1 It is proposed that the Committee receives the Annual Internal Audit Report and the Chief Finance Officers assessment of the effectiveness of the Council's system of internal control.

### **6 Financial and Manpower Implications**

- 6.1 The audit plan was delivered within the budget agreed.
- 6.2 Chief Finance Officer's comments: The internal audit function represents a key part of the Council's assurance mechanism for each financial year.



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

7.1 Legal requirements relating to audit are set out in the Accounts and Audit Regulations 2015. Public Sector Internal Audit Standards (PSIAS) also apply.

7.2 **Monitoring Officer's comments:** None for the purposes of this report

**8 Sustainability Policy and Community Safety Implications**

8.1 None for the purposes of this report.

**9 Partnerships**

9.1 The Council is part of the internal audit consortium which includes Mole Valley, Tandridge and Waverley District Councils, Reigate and Banstead Borough Council and Surrey Police & Crime Commissioner.

**10 Risk Assessment**

10.1 An effective audit service forms a critical part of the Council's risk management arrangements.

**11 Conclusion and Recommendations**

11.1 The Committee is asked to receive the Internal Audit Annual Report which includes the Head of Internal Audit's opinion (**Annex 1**).

11.2 The Committee is also asked to receive the Chief Finance Officer's review of the effectiveness of internal audit (**Annex 2**).

**Ward(s) Affected:** (All Wards);

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# EPSOM AND EWELL BOROUGH COUNCIL

## Annual Internal Audit Report 2017/2018

June 2018

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.

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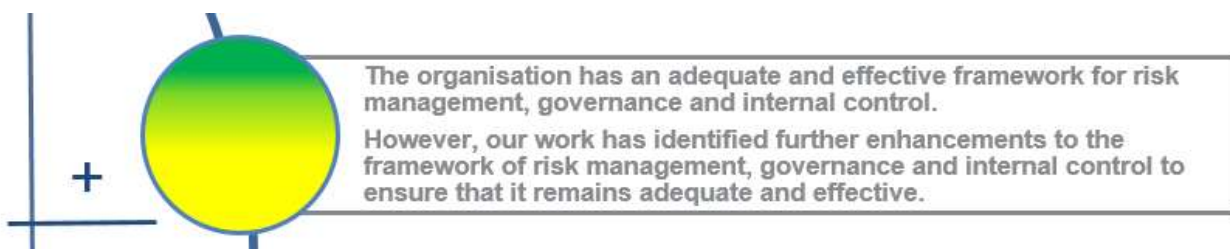
# 1 THE HEAD OF INTERNAL AUDIT OPINION

In accordance with Public Sector Internal Audit Standards, the head of internal audit is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. The opinion should contribute to the organisation's annual governance statement.

## 1.1 The opinion

For the 12 months ended 31 March 2018, the head of internal audit opinion for Epsom and Ewell Borough Council is as follows:

### Head of internal audit opinion 2017/18



Please see appendix A for the full range of annual opinions available to us in preparing this report and opinion.

## 1.2 Scope and limitations of our work

The formation of our opinion is achieved through a risk-based plan of work, agreed with management and approved by the audit committee, our opinion is subject to inherent limitations, as detailed below:

- the opinion does not imply that internal audit has reviewed all risks and assurances relating to the organisation;
- the opinion is substantially derived from the conduct of risk-based plans generated from a robust and organisation-led assurance framework. As such, the assurance framework is one component that the Council takes into account in making its annual governance statement (AGS);
- the opinion is based on the findings and conclusions from the work undertaken, the scope of which has been agreed with management;
- the opinion is based on the testing we have undertaken, which was limited to the area being audited, as detailed in the agreed audit scope;
- where strong levels of control have been identified, there are still instances where these may not always be effective. This may be due to human error, incorrect management judgement, management override, controls being by-passed or a reduction in compliance;

- due to the limited scope of our audits, there may be weaknesses in the control system which we are not aware of, or which were not brought to attention; and
- it remains management's responsibility to develop and maintain a sound system of risk management, internal control and governance, and for the prevention and detection of material errors, loss or fraud. The work of internal audit should not be seen as a substitute for management responsibility around the design and effective operation of these systems.

### 1.3 Factors and findings which have informed our opinion

Based on the work undertaken up until 31 March 2018 we have provided either substantial or reasonable level of assurance in the majority of areas we reviewed.

As noted above, we have given either reasonable or substantial assurance to the following reports in the period:

- Booking Systems and Income Collection;
- Emergency Planning;
- Property Management;
- Local Plan;
- Commercial Property Acquisitions;
- Transport Contract Management;
- Revenues;
- Benefits;
- Business Process Review (Project) Homelessness;
- Payroll;
- Planning Income;
- Corporate Governance;
- Private Sector Leasing; and
- Commercial Property Acquisitions Part 2.

Whilst we have given positive opinions in each of these audits, we have nevertheless identified a number of opportunities to further strengthen the control framework and have agreed a number of management actions to this end. We will report back on progress on implementation to the Audit Committee.

We have also completed an advisory review of GDPR which resulted in 11 actions being raised.

A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

### 1.4 Topics judged relevant for consideration as part of the annual governance statement

There are no areas that we are aware of through our work or from wider sector knowledge that have impacted your AGS.

### 1.5 Remaining internal audit work for 2017/18

The following assignments have yet to be completed and reported in final, and will also be taken in to consideration when drafting our full end of year head of internal audit opinion. Our opinion may therefore change between now and the year-end dependent on the findings of these reviews:

- Cyber Security

## 2 THE BASIS OF OUR INTERNAL AUDIT OPINION

As well as those headlines discussed at paragraph 1.3, the following areas have helped to inform our opinion. A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

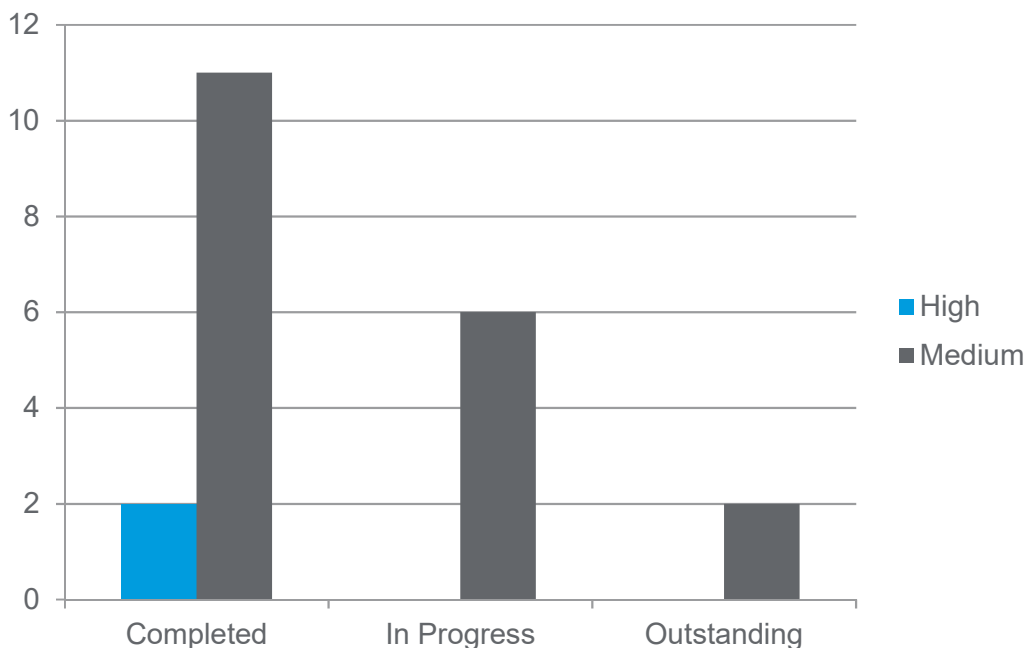
### 2.1 Acceptance of internal audit management actions

Management have agreed actions to address all of the findings reported by the internal audit service during 2017/2018.

### 2.2 Implementation of internal audit management actions

Where actions have been agreed by management, these have been monitored by management through the action tracking process in place. During the year progress has been reported to the audit committee, with the validation of the action status confirmed by internal audit on a rolling basis.

Our follow up of the actions agreed to address previous years' internal audit findings shows that the organisation had made adequate progress in implementing the agreed actions.



The two actions recorded as outstanding both relate to the area of IT where we have yet to receive an update on progress with implementation.

### 2.3 Working with other assurance providers

In forming our opinion we have not placed any direct reliance on other assurance providers.

## 3 OUR PERFORMANCE

### 3.1 Wider value adding delivery

In the last year we have:

- provided benchmarking within our reports on the number and category of recommendations and assurance opinions across other organisations where appropriate;
- highlighted actions for management throughout our audit reports based on our knowledge and experience in the local government sector to provide areas for consideration;
- provided regular contact and ad-hoc telephone calls and responded to queries from senior staff throughout the year.

### 3.2 Conflicts of interest

RSM has not undertaken any work or activity during 2017/2018 that would lead us to declare any conflict of interest.

### 3.3 Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the Public Sector Internal Audit Standards (PSIAS).

Under PSIAS, internal audit services are required to have an external quality assessment every five years. Our risk assurance service line commissioned an external independent review of our internal audit services in December 2016 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF) published by the Global Institute of Internal Auditors (IIA) on which PSIAS is based.

The external review concluded that “there is a robust approach to the annual and assignment planning processes and the documentation reviewed was thorough in both terms of reports provided to audit committee and the supporting working papers.” RSM was found to have an excellent level of conformance with the IIA’s professional standards.

The risk assurance service line has in place a quality assurance and improvement programme to ensure continuous improvement of our internal audit services. Resulting from the programme, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

### 3.4 Quality assurance and continual improvement

To ensure that RSM remains compliant with the PSIAS framework we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews are used to inform the training needs of our audit teams.

This is in addition to any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments.



### 3.5 Performance indicators

A number of performance indicators were agreed with the audit committee. Our performance against those indicators is as follows:

Delivery				Quality			
	Target	Actual	Notes (ref)		Target	Actual	Notes (ref)
Audits commenced in line with original timescales	Yes	No	1	Conformance with PSIAS	Yes	Yes	
Draft reports issued within 10 working days of debrief meeting	100%	73%	2	Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit.	Yes	Yes	
Management responses received within 5 working days of draft report	100%	9%	3	% of staff with CCAB/CMIIA qualifications	>50%	>50%	
Final report issued within 3 working days of management response	100%	100%		Turnover rate of staff	<10%	<10%	
% audit reports presented to agreed Audit, Crime & Disorder and Scrutiny Committee meetings	100%	100%		Respond to general enquiries for assistance within two working days	100%	100%	
% of High & Medium actions followed up	100%	100%	4	Respond to emergencies or notifications of potential fraud within one working day	100%	100%	

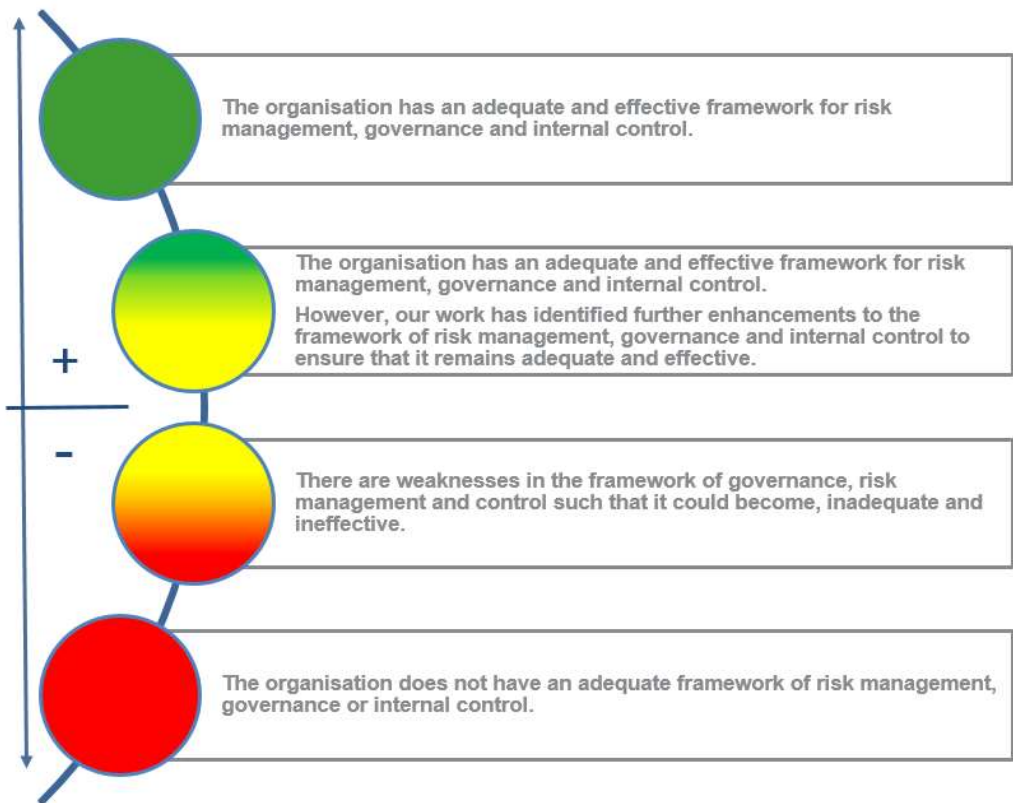
#### Notes

- 1 – Any changes were at the request of Council management
- 2 – 10 working days is the RSM target per our client care standards, the contractual target is 20 working days.
- 3 – Whilst responses generally have not been received within 5 working days we have worked with management to ensure that these are received to allow the report to be presented to the planned Audit Committee meeting.
- 4 – Results of follow up reported quarterly to management

## APPENDIX A: ANNUAL OPINIONS

The following shows the full range of opinions available to us within our internal audit methodology to provide you with context regarding your annual internal audit opinion.

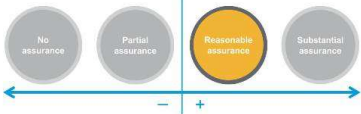
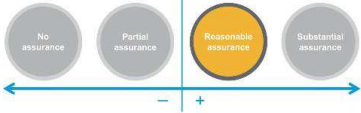
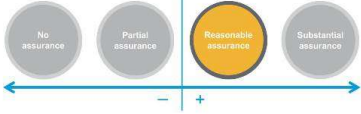
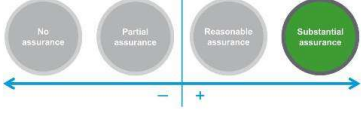
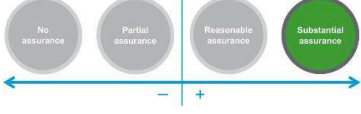
Annual opinions	Factors influencing our opinion
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The factors which are considered when influencing our opinion are:

- inherent risk in the area being audited;
- limitations in the individual audit assignments;
- the adequacy and effectiveness of the risk management and / or governance control framework;
- the impact of weakness identified;
- the level of risk exposure; and
- the response to management actions raised and timeliness of actions taken.

## APPENDIX B: SUMMARY OF INTERNAL AUDIT WORK COMPLETED 2017/2018

Assignment	Executive lead	Assurance level	Actions agreed		
			H	M	L
Booking System and Income Collection	Andrew Lunt, Head of Venues and Facilities	Reasonable 	0	0	3
Emergency Planning	Gillian McTaggart, Head of Corporate Governance	Reasonable 	0	3	4
Property Management	Mark Shephard, Head of Property	Reasonable 	0	0	5
Local Plan	Gillian McTaggart, Head of Corporate Governance	Reasonable 	0	1	1
Commercial Property Acquisition	Mark Shephard, Head of Property	Substantial 	0	0	0
Transport – Contract Management	Jon Sharpe, Transport & Waste Services Manager	Substantial 	0	0	3
Revenues	Judith Doney, Head of Revenues and Benefits  Siobhan Gavigan, Revenues Manager	Reasonable 	0	1	2

Assignment	Executive lead	Assurance level	Actions agreed		
			H	M	L
Benefits	Judith Doney, Head of Revenues and Benefits  Pete Wells, Benefits Manager	Reasonable 	0	1	0
Business Process Review (Project) Homelessness	Annette Snell, Housing Operations Manager	Reasonable 	0	3	0
Payroll	Shona Mason, Head of HR and Organisational Development	Reasonable 	0	2	4
Planning Income	Mark Berry, Head of Place Development	Substantial 	0	0	3
Corporate Governance	Gillian McTaggart, Head of Corporate Governance	Reasonable 	0	3	1
General Data Protection Regulation (GDPR)	Gillian McTaggart, Head of Corporate Governance	N/a - Advisory	11 Ungraded		
Private Sector Leasing	Rod Brown - Head of Housing and Community	Substantial 	0	0	1
Commercial Property Acquisition	Mark Shephard, Head of Property	Substantial 	0	0	0

All of the assurance levels and outcomes provided above should be considered in the context of the scope, and the limitation of scope, set out in the individual Assignment Report.

We use the following levels of opinion classification within our internal audit reports. Reflecting the level of assurance the board can take:

	<p>Taking account of the issues identified, the board cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective. Urgent action is needed to strengthen the control framework to manage the identified risk(s).</p>
	<p>Taking account of the issues identified, the board can take partial assurance that the controls to manage this risk are suitably designed and consistently applied. Action is needed to strengthen the control framework to manage the identified risk(s).</p>
	<p>Taking account of the issues identified, the board can take reasonable assurance that the controls in place to manage this risk are suitably designed and consistently applied. However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).</p>
	<p>Taking account of the issues identified, the board can take substantial assurance that the controls upon which the organisation relies to manage the identified risk(s) are suitably designed, consistently applied and operating effectively.</p>

## FOR FURTHER INFORMATION CONTACT

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As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

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. Actions for improvements should be assessed by you for their full impact. 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.

Our report is prepared solely for the confidential use of Epsom and Ewell Borough Council, and solely for the purposes set out herein. 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 third party which obtains access to this report or a copy and chooses to rely on it (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.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

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.

**ANNUAL OVERVIEW OF PERFORMANCE OF INTERNAL AUDIT SERVICES BY  
CHIEF FINANCE OFFICER 2017/18**

**Introduction**

Internal Audit is a statutory function and it is the responsibility of the Council to maintain an adequate and effective system of internal audit.

In accordance with the International Standards (PSIAS) and Regulation (6) of the Accounts and Audit Regulations 2015, the Chief Finance Officer is required to review the effectiveness of internal audit. This review also forms part of the overall review of the assurance framework for the Annual Governance Statement which provides reliance on the effectiveness of the controls in place. This is reported at an End of Year Meeting and to the Audit, Crime & Disorder and Scrutiny Committee.

RSM provides the service as part of the East Surrey Internal Audit Consortium. RSM have provided an Annual Report for 2017/2018 which provides the S.151 Officer and the Audit, Crime & Disorder and Scrutiny Committee with an opinion on adequacy and effectiveness of the Council's governance, risk management and controls.

**Head of Internal Audit's opinion for 2017/18**

**The organisation has an adequate and effective framework for risk management, governance and internal control.**

**However our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.**

**There are no areas that will have impacted on our AGS**

**Overview of Performance**

	<b>AUDIT</b>	<b>ASSURANCE 2017/18</b>	<b>COMMENTS</b>
1	Business Process Review - Homelessness	Reasonable Assurance	
2	Booking System and income collected	Reasonable Assurance	
3	Emergency Planning and civil contingencies	Reasonable Assurance	
4	Delivery of the Local Plan	Reasonable Assurance	
5	Property Management	Reasonable Assurance	
6	Cyber Security & IT General Controls	Debrief	
7	Commercial Property Acquisitions	Substantial Assurance	

## Agenda Item 6 Annex 2

8	Commercial Property Acquisitions Supplementary	Substantial Assurance	
9	Housing Needs	Deferred to 2018/19	Requested by Housing
10	Transport Contract management	Substantial Assurance	
11	Private Sector Leasing	Substantial Assurance	
12	Temporary Accommodation Initiatives	Deferred 2018/19	Requested by Housing
13	Planning Applications /Income	Substantial Assurance	
14	Data Protection/GDPR	Advisory	
15	Revenues	Reasonable Assurance	
16	Benefits	Reasonable Assurance	
17	Governance	Reasonable Assurance	
18	Payroll	Reasonable Assurance	Improved from 16/17
19	Follow up	Adequate	Part of the Annual Report

<b>Audit Contract</b>	The contract was extended for two years (after initial five years). When extended the composite day rate was increased but the number of days reduced to 199 in both 2017/18 and for 18/19. So the cost remains in budget The contract will end on 31 <sup>st</sup> March 2019.
<b>Delivery of the Audit Contract</b>	The Audit Strategy 2017/18 was agreed on 11th April 2017, by the Audit, Crime & Disorder and Scrutiny Committee. This was based on the Council's risk profile and where assurances are required. A total of 199 audit days were planned. And 19 audits undertaken  15 audits have been completed 2 deferred to 2018/19 (Temporary Accommodation Initiatives and Housing Needs) 1 in Debrief stage 1 Follow up
<b>Audit Quality, Monitoring Arrangements and PI's</b>	Regular contract monitoring meetings are in place and a regular monitoring report is issued.
<b>Consortium</b>	The Consortium agreed to an extension of the contract until 2019. The Consortium is reviewing options for future contract.



<b>Audit Findings</b>	The following assurances were given;					
	<b>Assurance Levels</b>	<b>No in 2017/18</b>	<b>No in 2016/17</b>	<b>No in 2015/16</b>	<b>No. in 2014/15</b>	<b>No in 2013/14</b>
	Red / No Assurance	0	0	0	2	1
	Amber/Red/ Partial Assurance	0	3	3	2	1
	Amber/Green/ Reasonable Assurance	9	6	8	4	7
	Green/ Substantial Assurance	5	4	3	7	6
	WIP	1	4	1	1	1
	Advisory	1	3	5	2(draft)	1
	Follow up	1	1	1	1 (draft)	1
	Deferred	2				
	<b>Sub Total</b>	19				
	Bus Grants & smaller bodies	Signed off	Signed off	Signed off	Signed off	Signed off
<b>Total</b>	<b>20</b>	<b>22</b>	<b>21</b>	<b>19</b>	<b>18</b>	
<b>Follow up Recommendations</b>	RSM follow up recommendations as we go through the year. We still have improvements to make in monitoring implementation as resources allow. The 4 Acton software can be upgraded to monitor performance. A report will go to ACDS Committee in November with an update on progress					
<b>Feedback from External audit</b>	The External Auditors (Grant Thornton) have not identified any weaknesses in internal audit which impact on their audit approach.					
<b>Role of the Audit, Crime &amp; Disorder and Scrutiny Committee</b>	In meeting their requirements as an Audit Committee they:- -receive regular monitoring reports and the Annual Audit Strategy -are independent to management -consider an annual report -review external audit report action plans -review the Annual Governance Statement - receive the outcome of specialist reviews					
<b>Additional Services</b>	RSM have delivered no additional services in 2017/18					
<b>Summary of Areas for Improvement in 2018/19</b>	<ul style="list-style-type: none"> <li>Continuing to improve the implementation and monitoring of recommendations.</li> <li>Improving the turnaround time for officers to finalise reports.</li> <li>Improvement in turnaround time for issuing draft reports after audit completed</li> </ul>					
<b>Overall Summary</b>	There have been delays in the delivery of the programme due to limited resources within the Council however these will be completed . The IT audit remains outstanding but when finalised will be reported within the 2018/19 audit monitoring. The two audits transferred into 2018/19 will also be reported in the 2018/19 monitoring.					

Chief Finance Officer

16th May 2017

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## **CUSTOMER COMPLAINTS ANNUAL REPORT 17/18**

<b>Head of Service/Contact:</b>	Damian Roberts, Chief Operating Officer
<b>Urgent Decision?</b>	No
<b>If yes, reason urgent decision required:</b>	N/A
<b>Annexes/Appendices (attached):</b>	<b>Annex 1</b> – Complaints received 1 April 2017 – 31 March 2018
<b>Other available papers (not attached):</b>	None

### **Report summary**

This report summarises the volumes and reasons for stage 1, stage 2 and stage 3 complaints received from customers between 1 April 2017 to 31 March 2018.

### **Recommendation (s)**

- (1) That the Committee considers the findings of the annual report of customer complaints, which details complaints received between 1 April 2017 to 31 March 2018.**

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

- 1.1 This reports details dis-satisfaction expressed by customers through formal complaints received between 1 April 2017 and 31 March 2018. It relates to the Council's Key Priority of "supporting our community" and Core Value of "customer focus".

## **2 Background**

- 2.1 The Council's complaints process is underpinned by its Customer Relationship Management (CRM) system that is used to log and provide an audit trail for all complaints received, case updates and responses provided to customers.

- 2.2 Within the CRM system, all complaint cases are assigned to the appropriate department for resolution. Notification emails are then sent to the department to make them aware that a complaint has been logged for investigation and update as appropriate. This will result in either a direct response to the customer via email, phone or letter or a case update which Customer Services will then take ownership of, providing the customer with the department's response.
- 2.3 Until complaint cases are closed, the CRM system generates reminder emails which are sent to the responsible department and also to the department's Head of Service. Unresolved complaint cases will escalate to the next complaint stage if the relevant time scale is not met, or the respondent does not accept the Council's response.
- 2.4 On 3 January 2018, changes were introduced to EEBC's Complaint Process. These were a reduction of stages, from a 3 stage to a 2 stage process and an increased response time to 15 working days (it was previously 10 working days) for both of the 2 stages. The overall response time for complaints process remains at 30 days. Residents can escalate their complaint directly to the Local Authority Ombudsmen if they feel it has not been resolved at stage 2.
- 2.5 The Council's definition of a complaint is correspondence or contact that suggests that we have:
  - Failed to provide a satisfactory level of service
  - Done something that we should not have done
  - Done something badly
- 2.6 Our customers are encouraged to give us feedback as this will help us to improve our services. Information about the Complaints Process can be viewed on EEBC's website and in paper format for staff and customers.
- 2.7 The Internal Auditor's audit of Corporate Governance (reported to this Committee on 19 April 2018) included a recommendation that an annual report on complaints received by the Council be presented to the Audit, Crime & Disorder and Scrutiny Committee. This report is presented to the Committee in line with that recommendation.

### 3 Proposals

- 3.1 It is proposed that an annual report is presented to the Audit Crime & Disorder and Scrutiny Committee detailing volumes, reasons for dissatisfaction and trends related to volumes. A quarterly report detailing this information and additional information related to average time to resolve covering all stages of the Complaint Process and enquiries received from the Local Authority Ombudsmen will be presented to the Council's Leadership Team.
- 3.2 Throughout 2017/18, there have been changes to the monthly reporting methodology for complaints which has resulted in some inconsistencies for the data recorded. Compiling consistent data monthly, quarterly and annually will provide an accurate picture of customer feedback (complaints, compliments and comments).
- 3.3 **Annex 1** shows the volumes of stage 1, stage 2 and stage 3 complaints by month, by stage, by service area and by reason recorded.
- 3.4 Information about enquiries received from Local Authority Ombudsmen is not included in this report as comprehensive data is not available for 2017/18. However, recent changes and improvements to the data recording process will lead to the information for 2018/19 being included in next year's annual report (and in a year-on-year basis thereafter).

### 4 Financial and Manpower Implications

- 4.1 None for the purposes 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 None for the purposes of this report.
- 5.2 **Monitoring Officer's comments:** None for the purposes of this report.

### 6 Sustainability Policy and Community Safety Implications

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

### 7 Partnerships

- 7.1 None for the purposes of this report.

## 8 Risk Assessment

- 8.1 Complaints monitoring provides a key monitoring indicator and assurance function that the Council is delivering effective and quality services to residents and businesses so there is a risk that if monitoring is not carried out service delivery could be unsatisfactory.
- 8.2 Detailed analysis of complaints received from customers will help the Council identify where service provision can be improved for all our customers. If this analysis is not carried out there is a risk that Service areas will not be able to identify areas of customer dis-satisfaction, ensure delivery of satisfactory services and prevent similar issues re-occurring in the future.

## 9 Conclusions

- 9.1 Looking at the information provided in **Annex 1**, there were a total of 1,103 complaints received during 2017/18, across all complaint stages, with 97% resolved at stage 1 of the process. This shows that Service Areas are dealing with their complaints successfully at stage 1.
- 9.2 Operational Services received 82% (902) of all complaints, mostly related to the area of refuse and recycling. It should be noted that last Summer a new collection service was introduced to properties throughout the Borough and this resulted in a temporary increase in complaints (175 in June and 141 in July) being received. However, the number of complaints has been reducing throughout the remainder of 2017/18.
- 9.3 The main reason recorded for customer dis-satisfaction is due to service delivery (79% of stage 1 and 84% of stage 2 complaints).
- 9.4 The recording of complaints on CRM currently has a category reason listed as "other", and clarity is needed to understand the use of this category. This understanding will allow improved data about the reasons for a complaint to be recorded.
- 9.5 Using the data held within CRM, clear reports detailing customer feedback/complaints will be passed to Heads of Service regarding performance of their Service areas on a quarterly basis during 2018/19. This will assist in identifying trends and areas of concern, particularly those related to repeat complaints/service failure. It will also enable a review of processes/procedures.
- 9.6 During 2017/18, a process was put in place within the Contact Centre to monitor the CRM complaint cases and prompt service areas to respond to the complainant within time scales. This was initially to assist service areas with the change of Complaint Process (3 stage to 2 stage), but will continue in 2018/19.

- 9.7 During 2017/18, due to volume of complaints related to Operational Services (Refuse and Recycling) the Contact Centre introduced active monitoring of missed collection reports, liaising closely with Operational Services colleagues. This monitoring of missed collections is carried out for individual addresses for a period of 3-6 weeks. This process has helped towards reducing reports of missed collections becoming formal complaints. This monitoring will continue in 2018/19 and it is hoped that the downward trend will also continue.

## **10 Recommendations**

- 10.1 It is recommended that the Committee receives and considers the annual report on complaints received by the Council during the period 1 April 2017 to 31 March 2018.
- 10.2 For the next annual report (covering 1 April 2018 to 31 March 2019, and to be presented to this Committee in June 2019), information detailing enquiries received from the Local Authority Ombudsmen and responses within the 15 working day target will also be included.

**Ward(s) Affected:** (All Wards);

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Table below details monthly analysis for all stages of the complaint process per service area

Service Area	Total Council Complaints (ALL stages)	Total Percentage Breakdown (ALL stages)	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Place Development	42	4%	6	3	5	7	5	1	7	1	0	2	1	4
Financial Services	2	0.20%	0	0	1	0	0	0	0	0	0	1	0	0
Community & Wellbeing	2	0.20%	0	0	0	0	0	0	1	0	0	0	0	1
Customer Services	128	11%	17	8	19	14	12	13	16	10	5	2	8	4
Housing & Environmental	12	1.30%	2	3	5	0	1	0	0	0	0	0	1	0
HR	0	0%	0	0	0	0	0	0	0	0	0	0	0	0
Legal & Democratic	1	0%	0	1	0	0	0	0	0	0	0	0	0	0
ICT	0	0%	0	0	0	0	0	0	0	0	0	0	0	0
Operational Services	902	82%	112	112	175	141	93	44	66	48	29	23	32	27
Revenues & Benefits	12	1.30%	1	1	1	1	3	0	0	1	1	0	2	1
Risk	0	0%	0	0	0	0	0	0	0	0	0	0	0	0
Venues & Facilities	2	0%	0	1	0	1	0	0	0	0	0	0	0	0
	<b>1103</b>	<b>100%</b>	<b>138</b>	<b>129</b>	<b>206</b>	<b>164</b>	<b>114</b>	<b>58</b>	<b>90</b>	<b>60</b>	<b>35</b>	<b>28</b>	<b>44</b>	<b>37</b>

Table below details numbers for each stage of the complaint process by service area for 2017/18

Head of Service Area	Total Council Complaints (ALL stages)	Total Percentage Breakdown (ALL stages)	Stage 1	Stage 2	Stage 3**
Place Development	42	4%	40	2	0
Financial Services	2	0.30%	2	0	0
Community & Wellbeing	2	0.30%	2	0	0
Customer Services	128	12%	125	3	0
Housing & Environmental	12	1%	11	1	0
HR	0	0%	0	0	0
Legal & Democratic	1	0.10%	1	0	0
ICT	0	0%	0	0	0
Operational Services	902	81%	873	26	3
Revenues & Benefits	12	1%	11	0	1
Risk	0	0%	0	0	0
Venues & Facilities	2	0.30%	2	0	0
	<b>1103</b>	<b>100%</b>	<b>1067</b>	<b>32</b>	<b>4</b>

\*\* It should be noted that the complaint process changed to a 2 stage process from 3.1.18

Table below details reasons for stage 1 complaints by service area for 2017/18

Service Area	2017-18 Stage 1 Complaints (reasons)	Service Delivery	Staff	Policy	Other
Place Development	40	25	9	1	5
Financial Services	2	2	0	0	0
Community & Wellbeing	2	2	0	0	0
Customer Services	125	59	37	0	29
Housing & Environmental	11	7	2	0	2
HR	0	0	0	0	0
Legal & Democratic	1	0	0	0	1
ICT	0	0	0	0	0
Operational Services	873	746	61	9	57
Revenues & Benefits	11	5	3	1	2
Risk	0	0	0	0	0
Venues & Facilities	2	1	1	0	0
	<b>1067</b>				

Table below details breakdown for stage 1 complaints by service area and team for 2017/18

Service Area	2017-18 Total Complaints (stage 1)
<b>Place Development</b>	<b>40</b>
Building control	2
Planning	28
Trees	10
<b>Financial Services</b>	<b>2</b>
Accountants	2
<b>Community &amp; Wellbeing</b>	<b>2</b>
Communications	2
Consultation	0
<b>Customer Services</b>	<b>125</b>
Car Parks	82
Customer Services	43
<b>Housing &amp; Environmental</b>	<b>11</b>
Environmental Health	5
Licensing	2
Cemeteries	0

Housing	4
<b>Legal &amp; Democratic</b>	<b>1</b>
Legal and Estates	1
Electoral roll	0
Committee Services	0
<b>Operational Services</b>	<b>873</b>
Abandoned vehicles	0
GM Supervisor	81
Allotments	0
Community Services	6
Markets	1
Street care supervisor	54
Refuse and Recycling	731
<b>Revenues &amp; Benefits</b>	<b>11</b>
Benefits	2
Revenues	9
Business rates	0
<b>Venues &amp; Facilities</b>	<b>2</b>
Venues	2
	<b>1067</b>

Table below details reasons for stage 2 complaint by service area for 2017/18

Service Area	2017-18 Stage 2 Complaints (reasons)	Service Delivery	Staff	Policy	Other
Place Development	2	2	0	0	0
Financial Services	0	0	0	0	0
Community & Wellbeing	0	0	0	0	0
Customer Services	3	1	1	0	1
Housing & Environmental	1	1	0	0	0
HR	0	0	0	0	0
Legal & Democratic	0	0	0	0	0
ICT	0	0	0	0	0
Operational Services	26	23	2	0	1
Revenues & Benefits	0	0	0	0	0
Risk	0	0	0	0	0
Venues & Facilities	0	0	0	0	0
	<b>32</b>	<b>27</b>	<b>3</b>	<b>0</b>	<b>2</b>

Table below details breakdown for stage 2 complaints by service area and team for 2017/18

Head of Service Area	2017-18 Total Council Complaints (stage 2)
<b>Place Development</b>	<b>2</b>
Building control	0
Planning	1
Trees	1
<b>Customer Services</b>	<b>3</b>
Car Parks	1
Customer Services	2
<b>Housing &amp; Environmental</b>	<b>1</b>
Environmental Health	0
Licensing	0
Cemeteries	0
Housing	1
<b>Operational Services</b>	<b>26</b>
Abandoned vehicles	0
GM Supervisor	2
Allotments	0
Community Services	0
Street care supervisor	0
Refuse and Recycling	24

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## **ANNUAL GOVERNANCE STATEMENT 2017/18**

<b>Head of Service/Contact:</b>	Gillian McTaggart, Head of Corporate Governance
<b>Urgent Decision?(yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	
<b>Annexes/Appendices (attached):</b>	<b>Annex 1</b> – Draft Annual Governance Statement 2017/18
<b>Other available papers (not attached):</b>	Annual Governance Statement 2016/17 Code of Corporate Governance

### **Report summary**

**This report seeks the Committee’s formal approval of the draft Annual Governance Statement (AGS) and the arrangements made for its preparation as part of the 2017/18 financial statements.**

### **Recommendation (s)**

**The Committee is asked to:**

- (1) Confirm the adequacy of the arrangements made for preparing the Annual Governance Statement**
- (2) Consider and endorse the 2017/18 AGS prior to it being certified by the Chief Executive and the Chairman of the Strategy & Resources Committee**
- (3) Give delegated authority to the Chief Finance Officer to make any required amendments prior to its submission with the Statement of Accounts.**

## **1 Implications for the Council’s Key Priorities, Service Plans and Sustainable Community Strategy**

- 1.1 Corporate governance affects all aspects of our services because it relates to the framework in which decisions are made. It is defined as the system by which local authorities direct and control their functions and relate to their communities.

1.2 The AGS underpins everything we do and supports our core values of openness and integrity.

1.3 The Committee's terms of reference cover the responsibility for review and approval of the AGS.

## 2 Background

2.1 Our governance arrangements aim to ensure that we set and meet objectives, act lawfully, openly and honestly. All monies and resources are accounted for, safeguarded and used economically, efficiently and effectively.

2.2 The Accounts and Audit (England) Regulations 2015 require that councils produce a statement to cover their whole internal control environment, both financial and non-financial. The AGS is designed to provide assurance concerning our governance arrangements.

2.3 The principles and standards are based on the CIPFA /SOLACE guidance: Delivering Good Governance in Local Government Framework 2016.

2.4 The AGS forms part of the 2017/18 financial statements.

## 3 Proposals

3.1 The Council is committed to the principles of corporate governance and has adopted the principles contained in the latest guidance issued by CIPFA/SOLACE. The Code of Corporate Governance was approved by Strategy & Resources Committee in April 2017.

3.2 The AGS is attached as **Annex 1** to this report. The statement outlines the following:

- The purpose of the Governance Framework and compliance with the principles;
- The process of annually reviewing the effectiveness of the governance and internal control framework; and,
- Identifying significant governance issues arising from the Annual Governance Statement and monitoring issues from previous statement

3.3 The AGS is an important document as it is one form of providing assurances to residents and other stakeholders, including the Council's partners, that its decision making processes and procedures have integrity.

3.4 An action plan has been prepared to capture the issues raised throughout the review process. This document will form the basis for the Committee to monitor throughout the year. The action plan is provided as part of the

AGS. An update on the action plan will be reported to the Committee in November.

- 3.5 The statement was developed through a comprehensive evaluation process which has included input from the Leadership Team.

#### **4 Financial and Manpower Implications**

- 4.1 There are no direct financial implications arising through the preparation and publication of the Council's Annual Governance Statement.
- 4.2 However, the draft statement includes an assessment as to the extent to which the Council's financial and other internal control related procedures are being complied with.
- 4.3 Chief Finance Officer's comments: The Annual Governance Statement is a statutory requirement and will be subject to external audit alongside the Statement of Accounts 2017/18 for the Council.

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

- 5.1 The AGS is a statutory requirement as set out in the Account and Audit Regulations 2015.
- 5.2 External Audit will review the statement as part of the audit of the 2017/18 accounts.
- 5.3 **Monitoring Officer's comments:** It is important that good governance is an integral part of how all functions are delivered, rather than being considered an issue to be considered separately by others

#### **6 Sustainability Policy and Community Safety Implications**

- 6.1 There are no implications for the purposes of this report.

#### **7 Partnerships**

- 7.1 There are no implications for the purposes of this report.

#### **8 Risk Assessment**

- 8.1 The Council's Risk Management Strategy forms one of the key elements of the Council's governance arrangements.

#### **9 Conclusion and Recommendations**

- 9.1 The Committee is asked to confirm the adequacy of the arrangements for the compilation of the AGS as well as to endorse the AGS.

- 9.2 Responsibility for signing the statement lies with the Chief Executive and the Chairman of the Strategy & Resources Committee

**Ward(s) Affected:** (All Wards);



## DRAFT ANNUAL GOVERNANCE STATEMENT – 2017/2018

### 1. Introduction

- 1.1 This is the Council's Annual Governance Statement for 2017/18. It provides an opinion on the Council's governance arrangements, a review of the effectiveness of the governance statement, an update on the actions agreed in last year's statement and issues identified in 2017/18.
- 1.2 The Council adopted a code of corporate governance which reflects the principles and is consistent with the CIPFA/SOLACE Framework, "Delivering Good Governance in Local Government" 2016. This framework requires that local authorities are responsible for ensuring that;
- Their business is conducted in accordance with all relevant laws and regulations.
  - Public money is safeguarded and properly accounted for.
  - Resources are used economically, efficiently and effectively to achieve priorities which benefit the local authority.
- 1.3 All Councils are required to produce an Annual Governance Statement (AGS) and review their governance arrangements at least once a year.

### 2 Corporate Governance

- 2.1 Corporate governance is the process by which the Council directs, controls and is held to account. The Council's governance framework aims to ensure that in conducting its business it:
- Operates in a lawful, open, inclusive and transparent manner;
  - Makes sure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively
  - Has effective arrangements for the management of risk and;
  - Secures continuous improvements in its governance
- 2.2 The Council approved its Code of Corporate Governance in April 2017 which is based on the seven new principles within the Chartered Institute of Public Finance (CIPFA)/ Society for Local Authority Chief Executives (SOLACE) Framework 2016. The Code summarises the Council's internal arrangements; each section looks at how the Council accounts for the principles. The Council acknowledges that it is responsible for ensuring that there is a sound system of

governance and internal control compliant with its adopted principles within the local code. A high level summary is included in this document.

### **3 Compliance with the Principles**

#### **3.1 PRINCIPLE A- Behaving with Integrity, demonstrating strong ethical values and respecting the law**

This is achieved by:

- 3.2 The Council's Constitution lays out compliance with legislation and includes;  
Codes of conduct which define our standards and behaviour and deals with  
Conflicts of interest;  
Whistleblowing  
Financial Procedure Rules and Contract Standing Orders  
Anti-Fraud and Corruption Strategy and the Anti-Bribery Policy  
Rules relating to Members external interests  
Rules relating to Gifts and Hospitality  
Codes of Conduct for Members and Employees  
Scheme of Delegation to officers  
Information Security Policy  
Information Governance Policy  
Money Laundering Policy
- 3.3 The Monitoring Officer has specific responsibility for ensuring legality and investigating issues raised to ensure compliance with laws and regulations
- 3.3 Ensuring effective arrangements are in place for the discharge of the Monitoring Officers duties

#### **3.4 PRINCIPLE B - Ensuring openness and comprehensive stakeholder engagement.**

This is achieved by:

- 3.5 Documenting a commitment to openness and acting in the public interest.
- 3.6 Establishing clear channels of communication with different sectors of the community and other stakeholders, ensuring accountability and encouraging open consultation.
- 3.7 Ensuring an effective scrutiny function is in place.

#### **3.8 PRINCIPLE C - Defining outcomes in terms of sustainable economic, social and environmental benefits.**

This is achieved by:

- 3.9 Developing and communicating a vision which specifies intended outcomes for citizens and service users and is used as a basis for planning

**3.11 PRINCIPLE D - Determining the interventions necessary to optimise the achievement of the intended outcomes.**

This is achieved by:

- 3.12 Translating the vision into courses of action for the Council, its partnerships and collaborations.
- 3.13 Reviewing the effectiveness of the decision making framework, including delegation arrangements, decision making in partnerships, information provided to decision makers and robust data quality.
- 3.14 Measuring the performance of services and related projects and ensuring that they are delivered in accordance with defined outcomes and that they meet the agreed use of resources and value for money.

**3.15 PRINCIPLE E- Developing the Council's capacity, including the capability of its leadership and the individuals within it.**

This is achieved by

- 3.16 Defining and documenting the roles and responsibilities of members and management with clear protocols for effective communication in respect of the Council and partnership arrangements.
- 3.17 Ensuring effective arrangements are in place for the discharge of the Head of Paid Service.
- 3.18 Providing induction and identifying the development needs of members and senior management.

**3.19 PRINCIPLE F - Managing risks and performance through robust internal control and strong public financial management.**

This is achieved by:

- 3.20 Reviewing the effectiveness of the framework for identifying and managing risks and for performance and then demonstrating clear accountability.
- 3.21 Ensuring effective counter fraud and anti-corruption arrangements are developed and maintained in accordance with the Code of Practice on managing the risk of fraud and corruption (CIPFA 2015).
- 3.22 Independent review of the internal controls by Internal Audit when carrying out assessments of key activity areas.

**3.23 PRINCIPLE G - Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.**

This achieved by:

- 3.24 Ensuring that assurance arrangements conform to the governance requirements of the CIPFA statement on the Role of the Head of Internal Audit (2010) and where they do not, explain why and how they deliver the same impact.
- 3.25 Undertaking the core functions of an audit committee, as defined in audit Committee, Practical Guidance for Local Authorities and Police (CIPFA 2013)
- 3.26 Ensuring that the Council provides timely support and information and responses to external auditors and properly considers audit findings and recommendations.

**4. How do we know that our arrangements are working?**

- 4.1 The Code of Corporate Governance requires assurance upon:
  - Delivery of the Council's Corporate Plan and the Key Priorities
  - Services delivered economically, efficiently and effectively
  - Management of risk
  - Financial planning and performances
  - Effectiveness of internal controls
  - Community engagement and public accountability
  - Project management and project delivery
  - Governance of shared services and alternative services delivery modules
  - Procurement processes
  - Roles and responsibilities of members and officers
  - Standards of conduct and behaviour
  - Training and development of members and officers
  - Compliance with laws and regulations, internal policies and procedures
  - Records keeping

**4.2 Sources of Assurance**

- Constitution and scheme of delegation
- Council Meetings and Full Council
- Corporate Plan and Service delivery plans
- Performance Management Framework
- Risk Management Framework
- Project Management methodology
- Medium Term Financial Strategy and budget monitoring
- Customer Service Strategy and Complaints Policy
- HR Policies and procedures
- Whistleblowing policies
- Organizational Development Strategy
- Training for Members and Officers
- External Audit and Internal Audit



- Role of Head of Paid Service, Chief Finance Officer and Chief Legal Officer

#### **4.13 Assurances Received and Review of Effectiveness**

- All Heads of Service are required to complete a Divisional Assurance Statement.
- The Statutory Officers were consulted on the review process and their roles and responsibilities and consulted on the outcome.
- The Chief Executive and the Chair of Strategy and Resources sign the AGS
- Frauds reported and complaints to the Ombudsman are reviewed.
- The Head of Internal Audit's Opinion for 2017/18 is taken into account, and comments made by external audit and other external reviews.
- Performance and performance indicators are reviewed.
- We have made progress in implementing the action plan from 2016/17.
- The Leadership Team is fully structured and assists with good governance in delivering key services and making corporate decisions and monitors performance.
- Key management roles are defined and are within the Leadership Team,
- The Council's finances are driven through the Medium Term Financial Strategy. The Council sets an annual budget which is regularly monitored and reviewed and the Council's financial systems and processes are regularly audited.

#### **4.14 Opportunities to improve**

This AGS builds upon previous AGSs. All the key governance mechanisms remain in place. This document includes any changes to the key governance systems and an update of the significant governance arrangements in 2016/17.

## **5 The Council and how it functions**

- 5.1 The Council is a committee authority where policies and decisions are determined and scrutinised.
- 5.2 There are four main policy committees; Strategy & Resources, Community & Well Being, Licensing and Planning Policy and the Environment Committee.
- 5.3 The Council's Regulatory and Advisory Committees/Panels include; Licensing Hearing Panel, Planning Committee, the Appointments Panel, Financial Policy Panel, Health Liaison Panel and the Human Resources Panel.
- 5.4 In addition the joint committees and outside bodies include; Epsom and Walton Downs Conservators, Epsom & Walton Downs Consultative Committee and the Nonsuch Park Joint Management Committee.

- 5.5 The Constitution sets out the roles and responsibilities and there is a terms of reference for each committee/body.
- 5.6 Meetings are open and all agenda papers, reports and decisions can be found on the Council's website and partnership risks are identified in committee reports. Details of all consultations and surveys are also available. The Council's budget and financial statements are available through the web site. The web site also highlights all completed and approaching public consultation & staff surveys.
- 5.7 The management structure is available on the Council's website. The Chief Executive is the Head of Paid Service. In 2018 the Council added a new role of Chief Operating Officer. These posts meet regularly and also as part of the Leadership Team.

## **6 Significant operational events in 2017/18**

- 6.1 The Council has established a separate but wholly owned property company, Epsom and Ewell Property Investment Company (EEPIC). The Council has agreed a Property Investment Strategy to formulate policy on investing in property including the Commercial Property Acquisition Fund.
- 6.2 The directors of the company are the Chief Executive, Chief Finance Officer, Head of Property & Regeneration, and Head of Housing & Communities. The governance arrangements are enshrined in the articles of association and the shareholders agreement and the directors are accountable. They have been trained on their director's roles and responsibilities including conflicts of interest.
- 6.2 The Council's governance arrangements for ICT have altered as a result of separation of the ICT shared service

## **7 Managing Risks**

- 7.1 All Members and officers are responsible for ensuring that the risk implications are considered and included when making decisions and planning services. To deliver services and key priorities the Council must manage its risks and opportunities.
- 7.2 Significant risks are recorded in the Leadership Risk Register which is managed and monitored. The Leadership Team reviews this every 6 months. The risk register is used to formulate the internal audit plan. The service risks are identified from the Divisional Assurance Statements completed by the Heads of Services. The Risk Management Framework is reviewed annually.
- 7.3 The Council's IT systems are regularly audited and the Council has an IT Security & Acceptable Use Policy and IT Information Assurance Policy. Staff have received training on information governance and a number of workshops were held on maintaining information asset registers to improve how data is managed.

## **8 Managing Fraud**

- 8.1 The Council's Whistleblowing Policy is part of the Constitution which is available on the Council's website. The Council also has an Anti-Fraud and Corruption Strategy which determines the culture of honesty and opposing fraud and corruption.

## **9 Managing Resources**

- 9.1 The Council continues to manage the effect of austerity measures through its Medium Term Financial Strategy and has introduced some new initiatives.
- 9.2 The Council is required to set a balanced budget on an annual basis. The budget sets out how much money will be spent on services, invested in projects and the level of Council tax for individual residents. The level of Council Tax also includes tax required by Surrey County Council and Surrey Police & Crime Commissioners Office although it has no control over the amount set by these bodies.

## **10 Responsibility of the Chief Financial Officer**

- 10.1 The Chief Finance Officer is responsible for delivering and overseeing the financial management arrangements for the Council. He is part of the Council's Leadership Team and reports direct to the Chief Executive. These arrangements, both in design and in day to day practice, enable the financial aspects of material business decisions to be given due weight.
- 10.2 The Council maintains an effective system of financial control which is clearly set out within the Council's financial regulations and procedure rules. Control and oversight is facilitated by an effective internal audit function and underpinned by a strong culture of careful management of public money demonstrated by all managers. The effectiveness of the control environment can be evidenced through the Council's recent history of financial outturns and the timeliness and quality of the financial statements and other financial returns.
- 10.3 The Chief Finance Officer is the Council's S.151 Officer and in accordance with the statutory requirement has the relevant accountancy qualification and significant local government experience. In the opinion of the Chief Finance Officer, the Council's finance function is adequately resourced and contains a mix of staff with the appropriate levels of professional qualifications and experience.
- 10.4 The Chief Finance Officer is involved in the preparation of the Annual Governance Statement.

## **11 Managing Performance**

- 11.1 The Council's performance management arrangements uses a RAG system (red/amber/green). Targets are set annually based on the Council's Corporate Plan. The relevant Heads of Service and Committee Chairmen are consulted on proposed targets. The Audit, Crime & Disorder and Scrutiny Committee receives and reviews all targets. Accountability rests with the relevant Head of Service. The targets are also delivered through the Service Delivery Plan and individual targets. 63% of the 2017/18 targets were achieved.

## **12 Stakeholder Engagement**

- 12.1 The Council has changed its complaints process to a two stage procedure for recording complaints. This is clearly laid out in our procedure backed by the customer charter. The number of complaints to the Ombudsman forms part of this procedure and an annual report is received. For 2017 a total of 19 complaints were referred with a 33% upheld rate.
- 12.2 Phase 2 of the Council's website project is being implemented to improve digital transformation and accessibility by residents. Data is published on the website to meet the requirements of the Local Government Transparency Code.

## **13 Internal Audit and External Audit Assurance**

- 13.1 Internal audit is a key element of the governance arrangements and provides an independent, risk based approach.
- 13.2 Internal Audit is delivered through a Consortium with other Surrey organizations and is provided by an external provider RSM. RSM operate to the Public Sector Internal Audit Standards which is assessed every 5 years; they report direct to the Audit, Crime & Disorder and Scrutiny Committee.
- 13.3 The Head of Internal Audit's year end opinion for 2017/18 concluded that the Council has an adequate and effective framework for risk management, governance and internal control. However their work identified some further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective
- 13.4 The Audit, Crime & Disorder and Scrutiny Committee carries out the role of an Audit Committee as identified in CIPFA's "Audit Committees – Practical Guidance for local authorities". The Committee produces an Annual Report to Council which covers the work of internal audit. This Committee meets throughout the year and monitors specific areas of governance including performance management, risk management and internal audit; it receives the Head of Internal Audit's Year end opinion. As a Scrutiny Committee, it also conducts a number of specific reviews.
- 13.5 In 2017/18, the Committee met 4 times and reviewed progress against the audit plan, progress in implementing recommendations, and risk management

arrangements. The Committee annually review how effective it has been in overseeing the arrangements in their annual report to Council.

- 13.6 External Audit is provided by Grant Thornton and was appointed through the Public Sector Appointments (PSAA). The statutory accounts for 2017/18 are being audited and they should have an unqualified opinion and value for money (subject to confirmation)

## 14 Issues from 2016/17

- 14.1 The implementation of the actions identified in 2016/17 have been monitored and reported in detail to the Audit, Crime & Disorder and Scrutiny Committee as part of the arrangements for approving the AGS.

Issues identified for 2016/17	Action taken
Ensure the workforce has adequate resilience and also has the appropriate skills to deal with future requirements and changes to the way Councils operate.	The new Pay & Reward scheme has been introduced as part of the overarching Organisational Development Strategy
There have been a number of governance issues identified during 2016/17 within planning. The Council is currently at risk of designation by the Secretary of State to improve planning performance.	An LGA Planning Peer Review was undertaken and an improvement action plan was agreed and is currently being implemented to reduce possibility of designation
Elements of the Constitution are out of date and need to update.	The Constitution is being updated and a number of key documents agreed such as the Officer Member protocol. This will continue in 2018/19.
The Council has moved from debt free to external borrowing of up to £80m for property.  This increases the Council's financial risk and there needs to be a robust approach in place when purchasing property and developing new service models.	The Council has approved a wholly owned company for commercial property purchases. Reserves are set aside for any loss of income and the accounts are independently audited.
The robustness of IT governance, data recovery and disaster recovery arrangements need to be reviewed to ensure that all IT projects are properly managed and data can be recovered.	The ICT new ways of working group has set up with responsibility for governance and ensuring there are proper processes in place.

## 15 CONCLUSION AND SIGNIFICANT GOVERNANCE ISSUES 2017/18

15.1 The Council is satisfied that the appropriate governance arrangements are in place however it remains committed to maintaining and where required improving those areas. The key issues to be addressed in 2018/19 are listed below and these will be reviewed and monitored with a detailed action plan.

Issues identified for 2018/19	Planned Action
A number of codes, policies and strategies are out of date and in need of updating	A rolling programme of reviewing policies and strategies will be introduced with a checklist to ensure documents are timely and relevant
The Council has introduced alternative service methods and needs to ensure the governance arrangements are clear.	The governance arrangements of the company are being reviewed to ensure arrangements are clear and transparent and an audit will be undertaken in 18/19
The Council has received confirmation that it is at risk of designation for the quality of decision making although an improvement plan is in place resulting from the Planning Peer Review.	This will continue to be closely managed and a range of actions implemented to secure improvements

**Signed:**

.....

Chair of Strategy and Resources & Chief Executive on behalf of Epsom and Ewell  
Borough Council

## **ANNUAL REPORT ON RIPA USAGE & APPROVAL OF POLICY & GUIDANCE ON LAWFULL SURVEILLANCE**

<b>Head of Service/Contact:</b>	Amardip Healy, Chief Legal Officer
<b>Urgent Decision?(yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	
<b>Annexes/Appendices (attached):</b>	<b>Annex 1</b> – Policy & Guidance on Lawful Surveillance, Regulation of Investigatory Powers Act 2000 <b>Annex 2</b> – Annual Report of the Chief Surveillance Commissioner, 2016-17
<b>Other available papers (not attached):</b>	Regulation of Investigatory Powers Act 2000

### **Report summary**

To give an annual report to members on activities relating to surveillance by the Council and policies under the Regulation of Investigatory Powers Act 2000.

### **Recommendation (s)**

That the Committee:

- (1) notes the annual report of the Council's use of its RIPA powers;
- (2) approves the Council's 'Policy & Guidance on Lawful Surveillance' for the forthcoming year attached at Annex 1.

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

- 1.1 To ensure that any covert surveillance activity carried out by the Council remains proportionate and in line with current legislation and good practice. Compliance with this legislation will contribute to keeping the Borough clean and green, safe and vibrant, and supporting our community and businesses.

## 2 Background

- 2.1 The Council has a number of functions to undertake which involve the enforcement of laws and regulation. On occasion, officers may need to conduct investigations and, in exceptional circumstances, the Council has the power to make use of covert surveillance and similar activities.
- 2.2 The Regulation of Investigatory Powers Act 2000 (RIPA) and the Codes of Practice issued under section 71 of that Act regulates the way in which the Council conducts surveillance for the purposes of law enforcement. The fundamental requirement of RIPA is that when the Council considers undertaking directed surveillance or using a covert human intelligence source it must only do so if:
  - a) the activity has been authorised by an officer with appropriate powers, and
  - b) the relevant criteria are satisfied.
- 2.3 All directed surveillances (covert, but not intrusive) and use of covert human intelligence sources (CHIS) require authorisation by a senior Council officer and the exercise of the powers is subject to review. The controls are in place in accordance with the Human Rights Act, particularly the right to respect for family and private life.
- 2.4 Substantial changes were made to the powers of Local Authorities to conduct directed surveillance and the use of human intelligence sources under the Protection of Freedoms. As of 1 November 2012 any RIPA surveillance which the Council wishes to authorise must be approved by an authorising officer at the council and also be approved by a Magistrate; where a Local Authority wishes to seek to carry out a directed surveillance or make use of a human intelligence source the Council must apply to a single Justice of the Peace. The Home Office issued guidance to Local Authorities and to Magistrates on the approval process for RIPA authorisations.
- 2.5 The Office of the Surveillance Commissioner (OSC) oversees the exercise by Councils of their surveillance powers. As a consequence of the Investigatory Powers Act 2016, the Office of the Surveillance Commissioner was subsumed (with the Interception of Communications Commissioner's Office and the Intelligence Services Commissioner) into the Investigatory Powers Commissioner's Office from 1<sup>st</sup> September 2017, headed by Lord Justice Adrian Fulford (the Investigatory Powers Commissioner).



- 2.6 For the inspection year 2016-2017, the Chief Surveillance Commissioner, Lord Judge, in his Annual Report decided that for non-unitary councils, where statutory powers have not been used at all, or very rarely during the previous 3 years, any inspection process should begin with a “desktop” examination of papers following a request by an Inspector or Assistant Surveillance Commissioner for material.
- 2.7 The Council’s RIPA procedures and activity were inspected by the Office of the Surveillance Commissioner through a desktop review in 2017. A set of recommendations were put to the Council in order to ‘improve upon what is already sound guidance’.
- 2.8 The recommendations were incorporated into an amended policy and reported to the Strategy & Resources Committee for approval. The amended policy was approved on the 17<sup>th</sup> April 2018.
- 2.9 Training to support legal compliance when planning, authorising and/or conducting investigative practices regulated by RIPA will be refreshed, and will be mandatory for those involved in any part of the process.
- 2.10 The Council’s policy requires a regular update of RIPA activity to be reported to the Audit, Crime & Disorder Committee. The Council did not undertake any directed surveillance or use a covert human intelligence source in 2016/2017. In 2017/18, one application was approved for directed surveillance which led to the conviction of a defendant in a fly tipping case.
- 2.11 The question of why RIPA may be used so infrequently, was addressed by the Annual Report of the Chief Surveillance Commissioner, 2016-17, published in December 2017 (**Annex 2**) says:

“The Inspectorate has explored the reasons for the reduced use by local authorities of the statutory powers. Generally speaking the same explanations are given throughout the United Kingdom. Resources are reduced, and trained individuals, time, and money, are not available to carry out what can sometimes become protracted investigations. Moreover the Protection of Freedoms Act 2012 imposed additional burdens on authorities, with new statutory requirements for approval of planned activity by magistrates. We are often told that where an investigation appears to be necessary, local authorities now prefer to handle the investigation process overtly and covert investigations are usually treated as a last resort. Where there are grounds for concern that serious criminality may be involved the facts are reported to the police.”

<https://www.ipco.org.uk/docs/OSC%20Annual%20Report%202016%20-%202017%20with%20new%20page%20furniture.pdf>

### **3 Proposals**

- 3.1 This report seeks to inform on the last year's activities and seek approval of 'Policy & Guidance on Lawful Surveillance' for the forthcoming year attached at **Annex 1**.

### **4 Financial and Manpower Implications**

- 4.1 There are no financial implications to 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 new Policy & Guidance document sets out the means of compliance with and use of the RIPA legislation by the Council. It is based on the requirements of the Act and the relevant Codes of Practice.
- 5.2 Use of investigatory powers potentially engages the Human Rights Act 1998 and in particular the qualified right to private and family life under article 8 of the European Convention. This right may only be interfered with in circumstances where it is necessary and proportionate to do so in pursuit of the public interest. The Council's RIPA Policy & Guidance document is designed to facilitate compliance with the Human Rights Act.

### **6 Sustainability Policy and Community Safety Implications**

- 6.1 The RIPA Policy is part of the Council's regulatory toolkit. Updating the Policy helps to maintain public confidence in the Council's position on community safety.

### **7 Partnerships**

- 7.1 Not applicable for the purposes of this report.

### **8 Risk Assessment**

- 8.1 It is important to ensure regulatory investigative procedures are kept up to date in line with current good practice. The desktop review by the Office of Surveillance Commissioners is a part of this process.

### **9 Conclusion and Recommendations**

- 9.1 The updating of the RIPA policy ensures the Council is both up to date with current thinking and practice and allows all regulatory tools to remain available if needed.

**Ward(s) Affected:** (All Wards);



## Policy & Guidance on Lawful Surveillance Regulation of Investigatory Powers Act 2000

March 2018

### Review and Amendment

Review Period: Annual  
Responsible Officer: Chief Legal Officer

Date	Review or Amendment	Review Comments/ Summary of Amendment	Review/Amendment Made by
18/10/2017	Amendment	Various amendments made in response to OSC/IPCO Inspection Report	Simon Young
16/3/2018	Amendment	Various amendments in response to annual review	A Healy

Epsom & Ewell Borough Council  
Town Hall  
The Parade  
Epsom, Surrey  
KT18 5BY

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## A. INTRODUCTION

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 Chief Legal Officer 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, which can be viewed at <https://www.gov.uk/government/collections/ripa-codes>
4. This version replaces version 2 of 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 Chief Legal Officer 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 that 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. Prior to considering the “necessity” of a particular regulated activity, it is important to consider the scope of a local authority’s powers to engage in that activity. For example, there is now the crime threshold referred to in paragraph 21, which restricts the Council’s ability to authorise directed surveillance.

### **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 that 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 that is 'directed surveillance', and/or 'intrusive surveillance'. 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.

20. 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 be 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.

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

22. **"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.

23. 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 Chief Legal Officer. 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.

24. **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.

25. **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**

26. 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.

27. A CHIS may be an undercover officer or controlled informant. An informant can be considered to be “controlled” where a Council officer is directing the informant’s activities or enquiries.

28. **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.
29. 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).
30. 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 Chief Legal Officer for further information regarding procedure prior to authorising a CHIS. It will be important for an authorising officer to follow the requirements of Section 29 of RIPA. So, for example, the authorising officers’ needs to be satisfied that there will be a Handler for the CHIS – with day-to-day responsibility for the dealing with the CHIS, and for the CHIS’ welfare and security; there also needs to be a separate Controller, with general oversight of the use made of the CHIS.
31. “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 Chief Legal Officer.
32. 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**

33. 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.

34. 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.

35. 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.

36. 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
<p><u>Overt</u></p> <p>Not requiring prior</p>	<ul style="list-style-type: none"> <li>• Police Officer or Wardens on patrol;</li> <li>• Signposted Town Centre CCTV cameras (in normal use);</li> </ul>

Type of surveillance	Examples
authorisation	<ul style="list-style-type: none"> <li>Recording noise from outside the premises after the occupier has been warned that this will occur if the noise persists (in most cases).</li> </ul>
<p><b>Covert</b> But not requiring prior authorisation</p>	<ul style="list-style-type: none"> <li>CCTV cameras providing general traffic, crime or public safety information.</li> </ul>
<p><b>Directed</b> <b>Must be RIPA authorised</b></p>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>Can only be used for offences, which meet the crime threshold.</li> </ul>
<p><b>Intrusive</b> Council Officers cannot do this</p>	<ul style="list-style-type: none"> <li>Planting a listening or other device (bug) in a person's home or in their private vehicle.</li> </ul>

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

37. 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.

38. 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**

39. 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**

40. 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.

41. 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.

42. 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”.

43. In issuing a Notice, the authorising officer can authorise another person to



liaise with the Communications Company covered by the Notice.

44. 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 SOCIAL MEDIA AND WEBSITES**

45. Although Social Media and other websites are easily accessible and a great deal of information may be published, if that information is going to be sought out and used as part of an investigation, consideration must be given to whether authorisation under RIPA should be obtained. A guidance note is included at Appendix 3.

46. Care must be taken to understand how the particular site/service works. Officers should not assume that one site or service provider will work in much the same way as any other. Individuals have a large measure of responsibility to set privacy settings to protect against unsolicited access to their private information on social media or the internet generally. Unprotected data may be considered published and no longer fully under the control of the originator. An author has a reasonable expectation of privacy, especially where access controls have been applied. Where privacy settings are available but have not been used, authorisation is not usually required to access and use that data in an investigation. Regard will of course need to be had to whether that information can be directly tied to a particular individual.

47. In certain circumstances, however, authorisation might be required. Following an individual's activities on social media could stray into covert surveillance. Any proposal to ask to become a "friend" or to otherwise connect with an individual could constitute use of a CHIS. One-off test purchasing over the internet where no ongoing relationship is established will not normally require a CHIS authorisation.

48. Social media could be a valuable source of information. Prior to undertaking research, legal advice must be sought, and the investigating officer should document their decision, if they conclude in light of that advice, that no authorisation is required. Records of activities should be kept, and officers should regularly review whether authorisation is required. If required, authorisations will be granted and administered in the normal way.

49. Officers must not create covert online identities, for the purposes of research or investigation without first seeking legal advice. This activity is generally to be discouraged. If such activities are, in exceptional circumstances, considered to be necessary, this will require the approval of the Chief Legal Officer and/or the Chief Executive, before any RIPA authorisation is considered by an authorising officer. The approved arrangements must include details of controls in place, including a register of such identities and details of which officers have access to those identities. A record must be kept of all activities using a covert identity.

## **K. NON-RIPA SURVEILLANCE**

50. RIPA does not of itself grant powers to carry out surveillance; such powers are either available under specific legislation, or ancillary to other functions. RIPA provides a framework for ensuring that surveillance that is undertaken is authorised and supervised in a manner that ensures compliance with the Human Rights Act 1998. Equally, RIPA does not prevent surveillance from being carried out or require that it may only be carried out in accordance with RIPA.

51. There may, exceptionally, be times when it will be necessary to undertake covert surveillance or use a CHIS otherwise in accordance with RIPA. For example, there may be a serious internal investigation. If this might lead to criminal proceedings, then a RIPA authorisation may be appropriate, but if criminal proceedings are not contemplated, this might not be possible.

52. There may be serious cases of anti-social behaviour or nuisance for which the penalties would be below the threshold for a RIPA authorisation. Nonetheless, there may be good reasons why covert directed surveillance, or the use of a CHIS is necessary, in order effectively to deal with the matter, especially if it might be the only effective means of efficiently obtaining the information necessary in order for action to be taken.
53. In such circumstances it is recommended that the same procedures are followed, as if it were a RIPA authorisation – the forms should be clearly endorsed “NON-RIPA APPLICATION” on the top of each page. An application should be submitted for the consideration of an Authorising Officer in the usual way, who should consider it under the necessity and proportionality tests. The normal procedure of timescales, review and cancellations should also be followed.
54. The authorisation, review, renewal and cancellation of non-RIPA surveillance/CHIS activity must be notified to the Chief Legal Officer. Authorisations will not require Magistrates’ Court approval and will take effect when authorised. Records will be kept alongside the RIPA central record.

## **L. PROCEDURES**

55. The overall rules and procedures that need to be followed are set out below. A quick RIPA checklist is included at Appendix 4.

### **Authorisation**

56. 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 Chief Legal Officer 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. The Monitoring Officer 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 the Chief Operating Officer or Head of Service wishes to add, delete or substitute a post s/he must make a formal request to the Chief Legal Officer for consideration. The Monitoring Officer will oversee the RIPA process on behalf of the Council.

57. 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*).

58. 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.

59. 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.

60. 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.

61. 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.

62. It is important that careful consideration be 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?**

63. 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.

64. 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 Chief Legal Officer within 5 working days of making the authorisation, keeping a copy on their own file.

65. 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.

66. 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.

67. 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**

68. All officers certified to sign RIPA forms shall be given the appropriate training. If the Chief Legal Officer 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.

69. 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)

70. Regular refresher training of key staff shall be programmed (every 2-3 years).

71. Anyone attending training shall be encouraged to share what they have learnt with colleagues.

72. Extra training /updating will be held on at least a biennial basis – to cover legislative changes/guidance/cases etc., and follow-up on the most recent OSC inspection report or good practice.

## M. MAINTENANCE OF RECORDS AND OTHER MATTERS

73. The Chief Legal Officer 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.

74. The following documents must be forwarded to the Chief Legal Officer by the Authorising Officer and retained by the Chief Legal Officer 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.

75. 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**

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

77. If you need any further advice on RIPA, please contact the Chief Legal Officer.

### **Who is responsible for overseeing compliance with RIPA?**

78. 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 that are covered by the Act.

## **Working with Other Organisations**

79. 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 Chief Operating Officer or appropriate 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**

80. This policy and the Council's use of RIPA will be reviewed on at least an annual basis by the Chief Legal Officer and by the Strategy and Resources Committee at least every four years. A report on the use of RIPA will be considered by the Audit Crime & Disorder and Scrutiny Committee at least annually. 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.

## List of Appendices

<b>APPENDIX 1</b>	LIST OF AUTHORISED OFFICERS
<b>APPENDIX 2</b>	RIPA FORMS
<b>APPENDIX 3</b>	GUIDANCE NOTE ON COVERT SURVEILLANCE OF SOCIAL NETWORKING
<b>APPENDIX 4</b>	QUICK RIPA CHECKLIST

## **APPENDIX 1 - LIST OF AUTHORISED OFFICERS**

Chief Executive – Kathryn Beldon

Chief Operating Officer - Damian Roberts (also to act as the Chief Executive's Deputy when she is absent)

Chief Legal Officer <sup>1</sup>– Amardip Healy

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

Head of Housing & Community – Rod Brown

Grants and Licensing Team Leader – Rachel Jackson

Benefits Manager – Pete Wells

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<sup>1</sup> Will not normally grant authorisations, due to role in overseeing use of RIPA.

## APPENDIX 2 – RIPA FORMS

Please see paragraph 4 of the Policy

The forms are available at <https://www.gov.uk/government/collections/ripa-forms--2>

### 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 Chief Legal Officer 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.

### **APPENDIX 3 – GUIDANCE NOTE ON COVERT SURVEILLANCE OF SOCIAL NETWORKING SITES**

The purpose of this guidance note is to provide clarity on the Council's position:

1. In using social media for the gathering of evidence:
  - officers must not 'friend' individuals on social networks
  - officers should not use their own private accounts to view the social networking accounts of other individuals
  - officers viewing an individual's profile on a social networking site should do so only once in order to obtain evidence to support or refute their investigation
  - further viewing of open profiles on social networking sites to gather evidence or to monitor an individual's status, must only take place once RIPA authorisation has been granted and approved by a Magistrate
  - officers should be aware that it may not be possible to verify the accuracy of information on social networking sites and, if such information is to be used as evidence, steps must be taken to ensure its validity.
2. It is not possible to provide a definitive list of social networking sites, so this should be taken to mean any site which involves individuals creating a profile which contains personal information and is viewable by others, whether accepted as 'friends' or otherwise. This might include sites such as 'Facebook' and 'Linked-In'.
3. As the definition of 'private information' under RIPA includes: 'any information relating to a person's private or family life and should be taken generally to include any aspect of a person's private or personal relationship with others, including family and professional or business relationships' Sites used to advertise goods and services should be included within the definition. Although there is likely to be a reduced expectation of privacy with this type of site, there

is still the possibility of obtaining private information that may be subsequently used in any enforcement proceedings.

4. If an allegation is received or, as part of an investigation into an individual, it is necessary to view their social networking site, officers may access the main page of the individual's profile once in order to take an initial view as to whether there is any substance to the allegation or matter being investigated.
5. The initial viewing must be reasonable – for example, it would not be reasonable to spend any significant amount of time searching through various pages of the individual's profile or to print out several pages just in case they may reveal something useful.
6. In some cases where, for example, a link to a site is provided by a complainant, it may be relevant for the receiving officer to view the link before passing it onto the investigating officer to also view. This would count as one viewing. However, it would not be reasonable for each officer in a team to view the site in turn so that they may each gather some information.
7. If there is a need to monitor an individual's social networking site, authorisation must be obtained.
8. If the offence being investigated falls under RIPA, a formal RIPA application must be completed, authorised by an Authorising Officers and then approved by a Magistrate.

**APPENDIX 4 – QUICK RIPA CHECKLIST**

When is RIPA Authorisation required? If the answer is 'Yes' to all of the following questions:

Questions to ask	Matters to consider
Is the proposed activity 'surveillance'?	involving monitoring, observing or listening to persons, their movements, their conversations or their other activities or communications, recording anything monitored, observed or listened to in the course of the proposed activity and/or a surveillance device will be used.
Is it 'covert'?	carried out in a manner calculated to ensure that the target(s) will be unaware of the activity
Is it 'directed'?	for the purposes of a specific investigation/operation.
Is it likely to result in obtaining private information about this person?	information about the target /targets' private or family life is likely to be obtained.
Is it a 'foreseen/planned response'?	something other than an immediate response to events. If the proposed activity has been planned in advance, it requires authorisation if all the answers to questions 1 to 4 above have also been 'Yes'.
Is it a "core function" of the Authority?	<ul style="list-style-type: none"> <li>• matters which relate to functions the Authority is required to carry out under statute (such as investigating benefit fraud, planning or food hygiene enforcement, licensing). is for the purpose of preventing or detecting criminal offences that are</li> </ul>



Questions to ask	Matters to consider
	<p>either punishable, whether on summary conviction or indictment, by a maximum term of at least 6 months' imprisonment or are related to the underage sale of alcohol and tobacco (the crime threshold)</p>
<p>does it meet Home Office requirements</p>	<p>If the answer is 'No' to any of the above questions, the proposed activity falls outside the scope of RIPA and this policy.</p>

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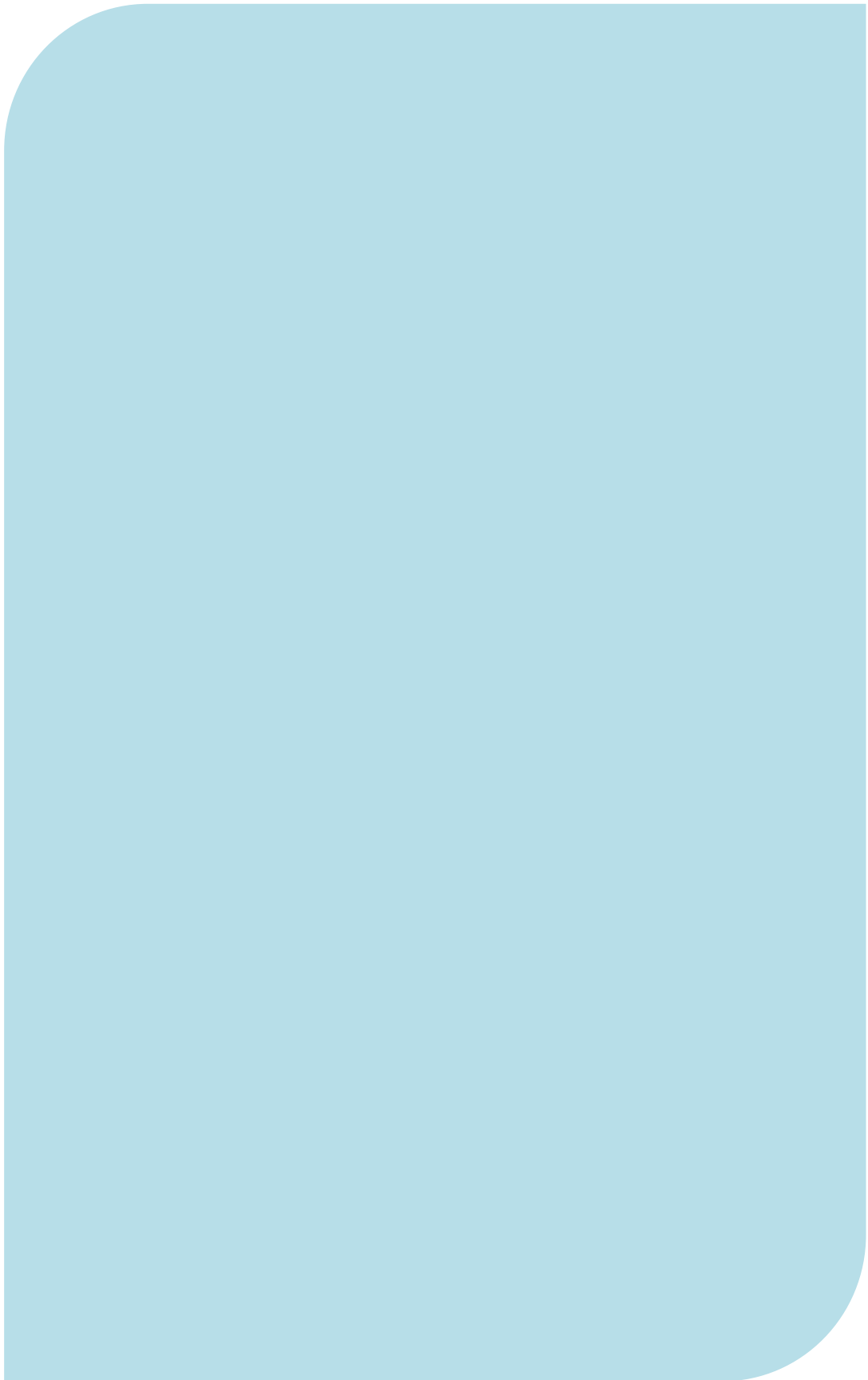


Office of Surveillance  
Commissioners

## ANNUAL REPORT

of the Chief Surveillance Commissioner  
to the Prime Minister and  
to the Scottish Ministers  
for 2016-2017

HC 299  
SG/2017/222



# ANNUAL REPORT

of the Chief Surveillance Commissioner

to the Prime Minister and

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for **2016-2017**

Chief Surveillance Commissioner:  
**The Rt. Hon. Lord Judge**

Presented to Parliament  
pursuant to section 107(3)  
of the Police Act 1997

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## 1. Introduction

- 1.1. This is my second and will be my last Annual Report as Chief Surveillance Commissioner. In September 2017 the Investigatory Powers Commissioner will assume responsibility for the work currently done by the Office of Surveillance Commissioners (OSC) and the Interception of Communications Commissioner and the Intelligence Services Commissioner. I publicly supported the proposals to bring these three bodies into a single organisation, and I am delighted that the Investigatory Powers Act 2016 will shortly be coming into force. The new arrangements make logical sense and have been achieved without any diminution in the level of independent oversight and supervision which will govern the use of covert surveillance and the exercise of the statutory powers created by the Regulation of Investigatory Powers Act 2000 and the Regulation of Investigatory Powers (Scotland) Act 2000, and connected legislation.
- 1.2. I took up appointment as the Chief Surveillance Commissioner in July 2015. Even in that short period there has been considerable change, largely deriving from technological advances and increasing understanding of their potential. Much criminality is instigated or conducted through virtual means across traditional geographical boundaries. Electronic equipment can be and is used to promote fraud, sexual abuse, modern slavery, serious organised crime in its many forms, and terrorism. Social media and the far reaches of the Internet have enabled individuals who might, in earlier days, have acted alone, or indeed not acted at all, to find others who share their perverted interests. At the same time what I may describe as age old crime remains. The law enforcement agencies overseen by the OSC are obliged to adapt their approach and tactics to deal with these changes. On occasions the Surveillance Commissioners are required to address the lawfulness of proposals by law enforcement agencies to deploy the latest technology as they perform their responsibilities for the prevention and detection of crime. This is as it should be. New technology will inevitably be misused by professional criminals; it should also be seen as a weapon against them.
- 1.3. Loyal to the principles established by my predecessors as Chief Surveillance Commissioner, Sir Andrew Leggatt and Sir Christopher Rose, the OSC has continued to exercise its oversight responsibilities with the determined and uncompromising independence expected of the senior judiciary. The legislative powers granted to law enforcement agencies are carefully constrained, and from the outset the OSC has sought to provide clear, impartial and reliable direction to ensure that the processes in place at each agency, and the exercise of those powers in each individual case, fall clearly within the permissive ambit of the legislation. Sir Adrian Fulford, the newly appointed Investigatory Powers Commissioner, until very recently the Senior Presiding Judge for England and Wales, will adopt and support the same approach.

- 1.4. As Sir Adrian exercises his responsibilities he will, as I have, enjoy the support of a group of Surveillance Commissioners who undertake the responsibility of checking, and where appropriate, approving the use of property interference, intrusive surveillance, and the deployment of undercover officers (“relevant sources”) in accordance with the legislation, provided that the proposed interference is necessary and proportionate. The OSC has operated this “double lock” process since 2001 and its value has been acknowledged and will be expanded to cover other forms of covert activity when the provisions of the Investigatory Powers Act 2016 come into effect.
- 1.5. Sir Adrian will also enjoy the further support of the Inspectorate, an impressive group of Surveillance Inspectors and, subject to the problem discussed in the following paragraph, Assistant Surveillance Commissioners. They carry out detailed and thorough inspections of the relevant agencies and write carefully structured reports in which they identify areas of good practice and, where criticism is justified, make unequivocal recommendations for improvements. Their rigorous scrutiny over the years, and the way in which they have reported their findings, have made a significant contribution to steadily improving standards across the United Kingdom. My personal experience, from visits to Police Forces and other major law enforcement agencies, like the National Crime Agency and Her Majesty’s Revenue and Customs, is that the work of the Inspectors and Assistant Surveillance Commissioners is welcomed by Chief Officers (or their equivalent) as a significant factor in securing compliance, and a desire to ensure compliance, with the statutory provisions.
- 1.6. Throughout the passage of the Investigatory Powers Bill, and since its enactment, the OSC, including Commissioners, Assistant Commissioners, the Inspectorate and the Secretariat, spent a great deal of time in discussion with and providing detailed information to policy officials. Despite this positive cooperation, it seemed to me that some officials paid insufficient attention to the fact that at the OSC, they enjoyed access to an array of experienced individuals who had practised the “double lock” system for well over a decade and had much practical knowledge to offer. The drive and accompanying policy focus was heavily weighted towards Part 1 of RIPA (interception and communications data). Indeed it was not until very late in the day, when the new power of equipment interference was under consideration, that it was fully appreciated that this system had been used by law enforcement agencies under the Police Act 1997, overseen by the OSC. It also remains disappointing that no formula has yet been found to enable the new Commissioner’s Office to benefit from the continued involvement of Assistant Surveillance Commissioners, all of whom have been Senior Circuit Judges, and who have provided considerable judicial experience as an integral part of the inspection process. In truth the omission is incomprehensible to anyone who appreciates the contribution of the Assistant Surveillance Commissioners to the inspection and oversight function.

- 1.7. During the period under report I have not had occasion to make a report to the Prime Minister or Scottish Ministers about matters arising from the exercise of the powers conferred by the legislation. I have, however, been sufficiently concerned about some of the arrangements relating to the secretarial support in my office to write about them. Details are provided later in this report.
- 1.8. Like earlier Annual Reports by the OSC (which can be found on the website) this report addresses the way in which statutory responsibilities have been discharged. I am required to report annually, and I continue the practice of preparing a single report which addresses all the issues which require to be reported.
- 1.9. I am grateful to the staff of the Security and Protection Group in Northern Ireland and the Defence, Security and Cyber Resilience Division of the Scottish Government for the valuable administrative support provided to the Commissioners in Northern Ireland, and Scotland respectively.

## 2. The statutory responsibilities of the OSC

### 2.1. The OSC must keep under review:

- i. the performance of functions under Part III of the Police Act 1997 (PA);
- ii. except in relation to the interception of communications and intelligence services, the exercise and performance of the powers and duties conferred by or under Parts II and III of the Regulation of Investigatory Powers Act 2000 (RIPA);
- iii. the exercise and performance of the powers and duties conferred by or under the Regulation of Investigatory Powers (Scotland) Act 2000 (RIP(S)A); and
- iv. the exercise and performance by law enforcement agencies of the use of undercover officers (“relevant sources”) in accordance with the Regulation of Investigatory Powers (Covert Human Intelligence Sources; Relevant Sources) Order 2013 and the Regulation of Investigatory Powers (Authorisation of Covert Human Intelligence Sources) (Scotland) Order 2014.

- 2.2. Every authority vested with any of the powers which fall within the responsibilities of the OSC is subject to scrutiny and inspection. The arrangements for approval, inspection and oversight have been carefully structured to achieve lawful compliance with the legislation. The specific duties of the OSC and the way in which they are discharged have been explained in earlier reports. They can be found on the OSC website and as they are unchanged I see no advantage in repetition.

- 2.3.** Surveillance powers which fall within the OSC ambit of responsibility are, understandably, most frequently exercised by Police Forces, and the major law enforcement agencies like the National Crime Agency and Her Majesty's Revenue and Customs. They are subject to a detailed annual inspection, and report, and a follow-up visit by me or by one of the Commissioners, the main object of which is to see that arrangements have been or are being made to address the OSC recommendations. A number of authorities, like the Care Quality Commission and the Serious Fraud Office, are inspected every other year. Every Council (whether Scottish or Welsh, Unitary, Metropolitan, County, District or London Borough) is inspected every three years. Councils in Northern Ireland form an exception, on which I shall comment later. A full list of the authorities subject to the inspection regime, together with the frequency of inspection, is found at Appendix C. For the purposes of this Report a distinction must sometimes be drawn between "law enforcement agencies" (those which fall within the first category) and "public authorities" or "authorities" (the others).
- 2.4.** Under the Regulation of Investigatory Powers Ordinance 2012 I also act as the Investigatory Powers Commissioner for the Sovereign Base Areas, Cyprus. The arrangements are inspected every two years, and following each inspection I report to the Administrator.
- 2.5.** The frequency of inspections is not fixed by legislation. The current arrangements reflect the balance to be made between authorities whose use of the legislation is frequent (as with the law enforcement agencies) and public authorities (which nowadays rarely exercise the statutory powers) and the availability of Inspectors and resources. If however, for example, the process of inspection has revealed unsatisfactory or troublesome features, it is open to the OSC, and I have accordingly ordered, a fresh inspection.
- 2.6.** Like the frequency of inspections, the process of inspection is determined by the OSC. As I explained in my last report, I decided that for this inspection year, in relation to a non-Unitary Council, or a "stand alone" Fire and Rescue Service in England, where the statutory powers had not been used at all, or very rarely used during the last three years, the process should start with an examination of papers, following a request by an Inspector or Assistant Surveillance Commissioner for material. This is known as the "desktop" process. It was applied to some 25 public authorities in the period covered by this report. In the vast majority, following an examination of all material, it was decided that no visit to the authority was required, and none was sought by the relevant Chief Executive. Sometimes, however, for a variety of reasons, the paper inspection revealed that a visit would be appropriate. For example, the evidence may show that the number of recent authorisations was greater than anticipated, or that the activities were more unusual in nature (for example, the authorisation of a Council Officer as a CHIS (covert human intelligence source) to act as a potential purchaser of puppies, suspected to be carrying highly contagious and fatal diseases from a "puppy farm"). In short, an appropriate level of flexibility means that this particular change to our processes has been successful, and enabled the Inspectors to use their available time to better effect where the needs were greatest.

- 2.7. The Commissioners, including the Commissioners from Scotland and Northern Ireland, and the Inspectors continue to meet three times annually. This underpins our collegiate approach to the discharge of individual responsibilities, based on the interaction between Commissioners with their commitment to the independent administration of criminal justice and the Inspectors with their experience of the practical realities of policing and great experience of the legislation in operation. From time to time the OSC attends meetings or seminars dealing with a variety of different aspects of covert activity. For example, the Chief Surveillance Inspector and another Inspector attended part of the annual conference for undercover policing during 2016, and we have provided early assistance to Her Majesty's Inspectorate of Constabulary for Scotland as it undertakes a review of undercover policing since 2000. Contributions have been made to work addressing national security matters, and another Inspector supported a bespoke piece of work being undertaken by the Surveillance Camera Commissioner. In the meantime the Chief Surveillance Inspector has remained a member of the Covert Legislation and Guidance Peer Review Group and continues to meet with the Chair and Secretary of the National Undercover Working Group. She has also been closely engaged with her opposite numbers in the oversight bodies, and Sir Adrian Fulford, so far as possible, to achieve a seamless transition into the new oversight arrangements.

### 3. Overview of the year

- 3.1. The statistics relating to property interference, intrusive surveillance, directed surveillance and covert human intelligence sources, including "relevant sources", are set out in Section 11.

### 4. Use of powers by public authorities

- 4.1. Following a determined effort by the OSC Secretariat to ensure that every authority provided its returns in good time to enable the preparation of the statistics for the reporting year, there has been a marked improvement. We have received returns from every public authority. The statistics indicate a consistent pattern of overall reduced use of the statutory powers by public authorities. The single exception is a minimal, immaterial rise (little more than 1%) in the number of CHIS authorisations.
- 4.2. The Inspectorate has explored the reasons for the reduced use by local authorities of the statutory powers. Generally speaking the same explanations are given throughout the United Kingdom. Resources are reduced, and trained individuals, time, and money, are not available to carry out what can sometimes become protracted investigations. Moreover the Protection of Freedoms Act 2012 imposed additional burdens on authorities, with new statutory requirements for approval of planned activity by magistrates. We are often told that where an investigation appears to be necessary, local authorities now prefer to handle the investigation process overtly and covert investigations are usually treated as a last resort. Where there are grounds for

concern that serious criminality may be involved the facts are reported to the police.

- 4.3. From time to time my Inspectorate is asked why, given that no authorisation has been granted by an individual authority since the previous inspection some three years earlier, the process of inspection and oversight is necessary. The short answer is unequivocal. While local authorities remain vested with the power to deploy covert surveillance, regardless of actual use, the appropriate structures and training must remain in place so that if and when the powers do come to be exercised, as they may have to be in an unexpected and possibly emergency situation, the exercise will be lawful. So for that reason alone the process of inspection must continue. There is a further consideration. The inspection process may reveal inadvertent use and misuse of the legislative powers. The steady expansion in the use of the social media and Internet for the purposes of investigative work provides a striking example of a potential new problem which came to light through the inspection system. Local authority officials, vested with burdensome responsibilities for, among others, the care of children and vulnerable adults, are, like everyone else, permitted to look at whatever material an individual may have chosen to put into the public domain. This is entirely lawful, and requires no authorisation. However, repeated visits to individual sites may develop into activity which, if it is to continue lawfully, would require appropriate authorisation. Local authorities must therefore put in place arrangements for training officials into a high level of awareness of these risks. Without the inspection process this problem might never have been identified.
- 4.4. In the context of local authorities in Northern Ireland, in accordance with section 62(1) of RIPA, the OSC scrutinising process is expressly excluded. The issue was highlighted by a report in February this year by the BBC News for Northern Ireland which carried a report under the broad heading, "Spying legislation used to detect benefit fraud cases". According to the report a Freedom of Information request revealed that since April 2012 RIPA had been used on 591 occasions by the Department for Communities for the purposes of preventing and detecting crime and the investigation and prosecution of benefit fraud cases, and by the Department for Infrastructure on 132 occasions for matters such as preventing personal injury compensation fraud and the illegal use of taxis and buses. The reported level of use did not distinguish between the type of authorisation granted for these purposes nor, indeed, the applicable statutory provision. The continued absence of an oversight and scrutinising process has survived the passing of the Investigatory Powers Act 2016. This distinction between local authorities in Northern Ireland and the rest of the United Kingdom will therefore continue. It is a distinction which does not apply to law enforcement agencies and the OSC inspects, for example, the Police Service for Northern Ireland, as it does every other police force in the United Kingdom.

## 5. Law enforcement agencies

### *Collaboration Agreements*

- 5.1. There has been a steady, welcome growth in the number of formal collaborations or “alliances” between different police forces. Starting with section 22A-23I of the Police Act 1996 this process has been most recently visited in the Police and Crime Act 2017. On 27 April this year all 43 Police Forces and Police and Crime Commissioners in England and Wales signed a National Collaboration Agreement to enable authorisations for interference with property or wireless telegraphy in accordance with Section 93 of the Police Act 1997 to be made by the Senior Authorising Officer not only in relation to their own force area but, where necessary and proportionate, in relation to other force areas. In other words, provided the Authorising Officer is personally satisfied that such wide-ranging authorisations are justified, the new arrangements will provide greater cohesion. The OSC inspection process has sought to address the impact of greater shared resources, joint operating locations, and single Authorising Officers with responsibilities for more than one police force, and, inevitably, more widely dispersed documentation. For the inspection year 2017-2018, wherever possible, inspection weeks will be aligned to cover agencies working in accordance with collaboration or partnership arrangements. This may mean that the traditional timings of the inspections of some forces will change. Sir Adrian has already indicated that he is content for the inspection timetable already planned by the OSC until March 2018 to continue.

### *Undercover police activities (“Relevant Sources”)*

- 5.2. In my last report there was detailed comment on this subject, which I shall not repeat. At this stage I record the Undercover Policing Inquiry will continue to be supported by the Investigatory Powers Commissioner’s Office, as it has been supported by the OSC. In the meantime, during this reporting year, the OSC has provided witness statements to this Inquiry, and has welcomed members of its legal team to the offices to explain the oversight regime which is now in force in accordance with SI 2013/2788 in England and Wales and 2014/329 in Scotland.
- 5.3. Occasions which involve the use of undercover police officers are immensely sensitive and involve considerable complexity in the processes of authorisation, approval and inspection. Moreover the nature of this form of deployment continues to change, particularly with engagements involving the virtual as opposed to the real world. I shall analyse our findings later in the report.

## 6. OSC capability

### *The Brent problem*

- 6.1. Last year I underlined the importance of a secure and reliable means of confidential communication between the OSC Secretariat and all the law enforcement agencies. In doing so I was merely repeating what my predecessor had highlighted. Brent machines continue to fail on a regular basis, both at the OSC office, and at the homes of the Surveillance Commissioners, and the agencies themselves. Police forces were compelled to send officers, in some cases literally hundreds of miles, to ensure that confidential papers were placed before a Commissioner for decision. This was an absurd waste of limited resources. With the assistance of the National Police Chiefs' Council the extent of the difficulties encountered with the Brent machines was analysed. The clear conclusion was that this means of communication was no longer fit for purpose, and had already, on several occasions, threatened to bring the prior approval process to a premature halt.
- 6.2. Accordingly, in October 2016, I wrote to the Director of National Security at the Home Office, with copies to the Home Secretary and the First Minister for Scotland that *"On any analysis the evidence which demonstrates the urgency with which the problem must now be addressed is unequivocal.....Quite apart from the immediate needs of the OSC, it would hardly be propitious for the new Investigatory Powers Commission to inherit these problems"*. While there appears to have been some determined work to find a long-term solution, and promising noises have emerged from the Home Office, at the time of writing (May 2017) it looks as though the unsatisfactory Brent machines will still continue to be used for the purposes of secure communication between the agencies and the Judicial Commissioners when the new Commissioner's Office begins work in September this year. If so, the start will indeed not be propitious.

### *The Website problem*

- 6.3. The attempts made by the OSC office to reinvigorate and make the website more dynamic have again been thwarted by what appears to be an unwillingness to adopt the fairly low cost updated site we had developed with an independent designer (already used by others of the oversight bodies). The website will be of considerable value to the new Commissioner's Office. It should enhance public understanding of its work and responsibilities, and indeed may serve to allay ill informed suspicions about the circumstances in which statutory powers may be exercised. As with the failure to resolve the problem of the Brent machines, the inadequate website issue remains. Each represents a diminution in the capability of the OSC, and, unless addressed, will have the same deleterious effect on the work of the new Commissioner's Office.



### *The Appointments problem*

- 6.4. In my last report, I repeated the concerns expressed by my predecessor about the inordinate time taken by the process of appointing or recruiting new Commissioners and Inspectors. During the course of this year, two Surveillance Inspectors have retired, and by the time this report is published a third will have taken employment elsewhere. The pace of replacement is alarmingly slow. By way of example, at the conclusion of the selection process, a new Inspector was offered appointment in November 2016. As a result of considerable time and effort made by my office to contact different parts of the recruitment and appointments process in the Home Office in London, the recruitment providers in the North East, and Human Resources teams in South Wales, his formal appointment was eventually confirmed, but not before over five months had elapsed. When another Inspector began working for the OSC, the salary arrangement was wrong, and only resolved following a direct approach from the Chief Surveillance Inspector and by me to the Director General for Capabilities and Resources at the Home Office.
- 6.5. The amendments to the requirements of judicial qualification as a Judicial Commissioner under the Investigatory Powers Act 2016 means that the office of Assistant Surveillance Commissioner will cease. I have already commented on the unwisdom of this decision. Two of the current Assistant Surveillance Commissioners have decided that they will retire this summer. It remains to be seen whether the third may be found some appropriate responsibilities in the new Commissioner's Office which, in any event, will require additional Judicial Commissioners. I assume that those currently in office as Commissioners will, if they wish, continue into the new Commissioner's Office. It would be absurd if they did not. In any event, however, the process of appointing new Commissioners should not be subjected to the delays which in my experience have accompanied the appointment to the OSC's list of Commissioners and Inspectors.

## **7. HM Prisons**

- 7.1. I reported at some length on this topic and the use of covert tactics at HM Prisons and I return to the topic at Section 16. It is however worth repeating at the outset that the use of covert tactics within prisons, quite apart from any complexity which surrounds the exercise of the legislative provisions which govern the use of covert surveillance, is fraught with difficulty and risk, while the value, and in some instances the necessity, for deploying covert surveillance in the public interest in the detection and prevention of serious crime is obvious. Covert surveillance in this context is far removed from the kind of gossip and informal, unattributable provision of information by inmates to prison officers which have always been a feature of and contributed to the safe running of the establishment. My understanding of the concerns about the safety of inmates, and the risks to which prison officers in their turn are exposed is consistent with many of the reports in our media.

- 7.2. The National Offender Management Service (NOMS) has now been replaced by Her Majesty's Prison and Probation Service. For convenience, and consistently with the position which obtained through the period covered by this report, I shall continue to refer to NOMS.

## 8. Advice and Assistance

- 8.1. The OSC continues to receive requests, sometimes during the inspection processes themselves, and at others from direct enquiries to the office, for advice. Last year the OSC's 2016 Procedures and Guidance Document became a public document, which remains in force. It can be found at <https://osc.independent.gov.uk/wp-content/uploads/2016/07/OSC-Procedures-Guidance-July-2016>. During the course of inspections, there are numerous occasions of informal discussions between the OSC Inspectors and the officers with responsibilities for covert surveillance, and it would be absurd for the Inspectors to decline to comment on matters on which their views are sought. When it is sought guidance is offered on a broad general basis, but in the end, the responsibilities of the OSC do not extend to provision of formal legal advice. Where there appears to be any significant point of difference, public authorities and individuals are required to seek their own legal advice.

## 9. Budget

- 9.1. Expenditure by the OSC is summarised at Appendix D. The Budget for the year was maintained at £1,717,000, and, as in every year since the OSC was created, it was not exceeded. The care with which all items of expenditure are examined reflects great credit on the Chief Surveillance Inspector and Head of the Secretariat. At the end of this financial year the underspend was £71,817.

## 10. Conclusion of Overview

- 10.1. This year has seen the retirement of Sir Scott Baker and Lord Maclean as Surveillance Commissioners as well as the departure of two Surveillance Inspectors, Les Turnbull and Martin Andrew. In acknowledging each individual contribution, I cannot forbear to highlight that Mr Turnbull, following a full career in the police, was one of the original four Inspectors who began working with the OSC when it was created in 2000. For sixteen years he served as an Inspector without the slightest hint of any diminution in his ability to see through flannel, and to use unequivocal language to describe it for what it was.
- 10.2. Throughout this year, and indeed throughout my time working at the OSC, I have been greatly impressed by the dedication and efficiency of its Commissioners and its Surveillance Inspectors, under the leadership of Clare Ringshaw-Dowle, the Chief Surveillance Inspector, and by the enthusiastic support of the Secretariat, led by Mark Ogunjumo. Collectively they have unfailingly offered the highest level of commitment to public service.

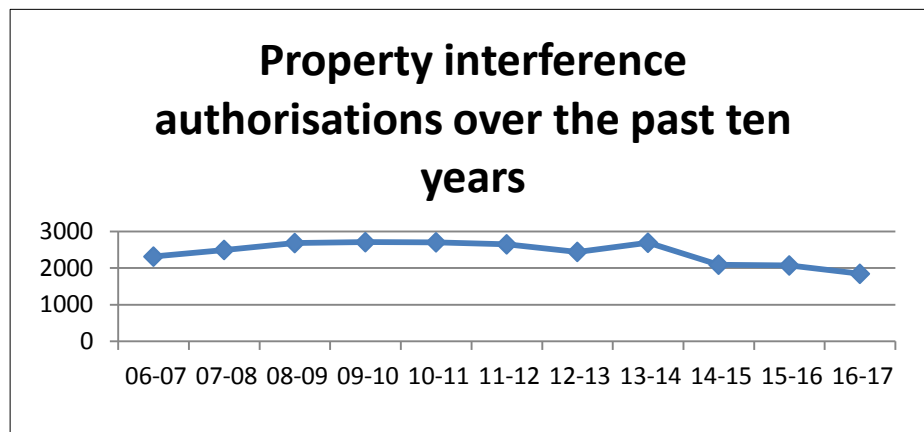
- 10.3.** Their contribution to the maintenance of the principles which govern the use of covert surveillance, and the areas of responsibility carried by the OSC, can be identified in a number of different ways. To me, perhaps the most significant is that the law enforcement agencies themselves, and public authorities, constantly seek improved standards. They know perfectly well that the Commissioners will not countenance authorisations which do not meet the strict legislative standards, and that the Inspectors will be meticulous in their examination of the documents containing the material on which the authorisations have been based, unafraid to highlight where standards have fallen below what is required, yet simultaneously helpful and cooperative, and constructive in their approach to their inspections, noting and encouraging good practice. Standards of compliance have steadily improved. In my view, and addressing it generally, they are high.
- 10.4.** There are occasional breaches. When they occur, as will be seen later in this report, they are almost invariably consequent on human error, often under pressure of events. They result in a report to me personally, which also describes the proposals for immediate action to address the cause of the breach. The reports include notification of possible breaches, for example, where the legislation is not entirely clear. It is unusual for my Inspectors, examining the documentation held by law enforcement agencies, to discover a breach which has not already been reported, and when they do, generally speaking, they are minor and technical. These issues are addressed in greater detail at Section 12.

## **11. Statistics**

- 11.1.** The statistical analysis is based on a return of 100% from both law enforcement agencies and other public authorities. Statistics provide a general record, no more, and before conclusions are drawn from any individual statistic, it should be examined as one feature in an overall context.
- 11.2.** In the context of the number of authorisations for covert surveillance, whatever those figures may be, the OSC should neither promote nor discourage the level of covert activity by law enforcement agencies or public authorities. Broad policy decisions, and decisions whether to use any statutory powers, are for the relevant authority.
- 11.3.** Statistics provided by law enforcement agencies for property interference and intrusive surveillance authorisations during the last three years are set out in Appendices A and B. Accompanying graphs below show the overall trend for each of these types of activity during the last ten years. Further graphs show the number of authorisations for directed surveillance and for the use of covert human intelligence sources (CHIS).

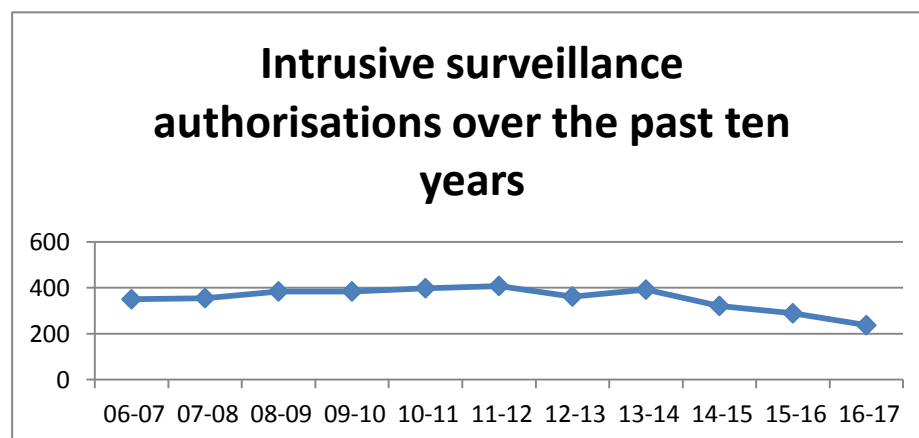
- 11.4. Separate statistics relating to the use made of “relevant sources”, better known as undercover police officers, are also provided. These indicate the number of relevant authorisations throughout the United Kingdom, as notified to the OSC between 1 April 2016 and 31 March 2017; the number of cancellations notified to the OSC; and the number of those submitted for prior approval for renewal as a long-term source. Particular operations in which undercover officers are deployed are, for obvious reasons, not identified in the statistics.

*Property interference*



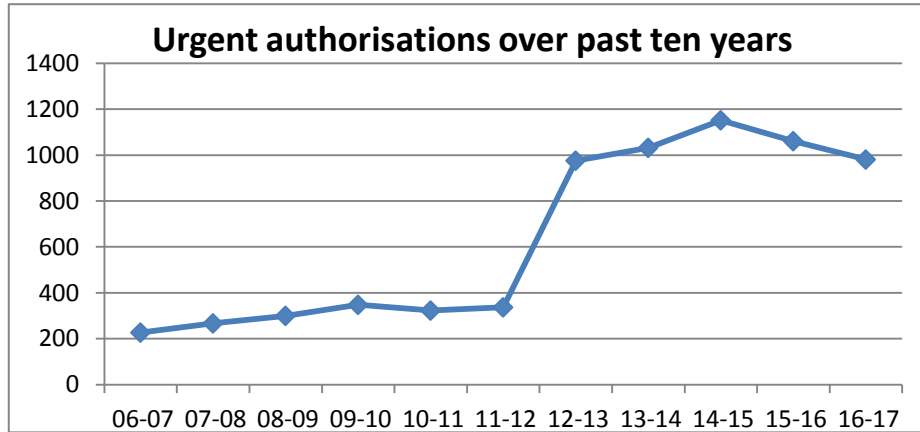
- 11.5. Excluding renewals, 1,842 authorisations for property interference were granted, a decrease of 228 on the previous year. In the reporting year, three property interference authorisations were quashed by a Surveillance Commissioner.

*Intrusive surveillance*



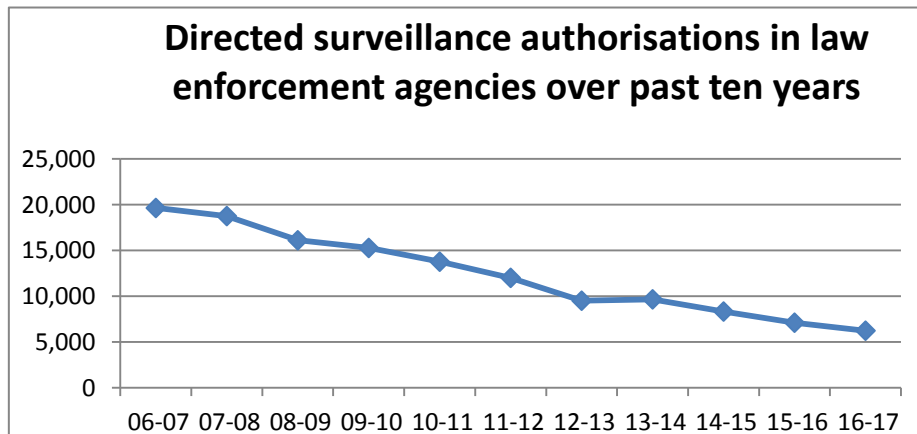
- 11.6. 237 intrusive surveillance authorisations were granted this year, a decrease from 289 granted last year.

**Urgency provisions**

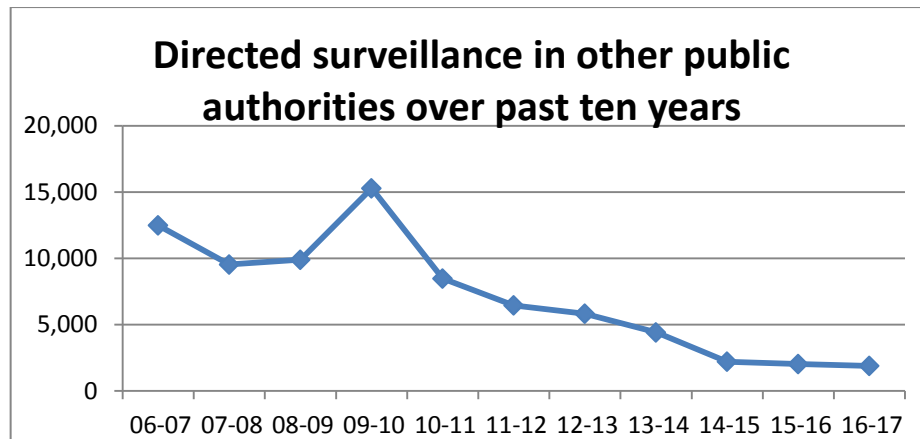


**11.7.** 981 occasions of the use of the urgency provisions permitted by the legislation were reported, a 7.5% reduction compared to last year.

**Directed surveillance**



**11.8.** Law enforcement agencies authorised the use of directed surveillance on 6,237 occasions, with 808 extant at the end of March 2017. This reflects a decrease on the previous year when the comparable figures were 7,118 and 1,057.

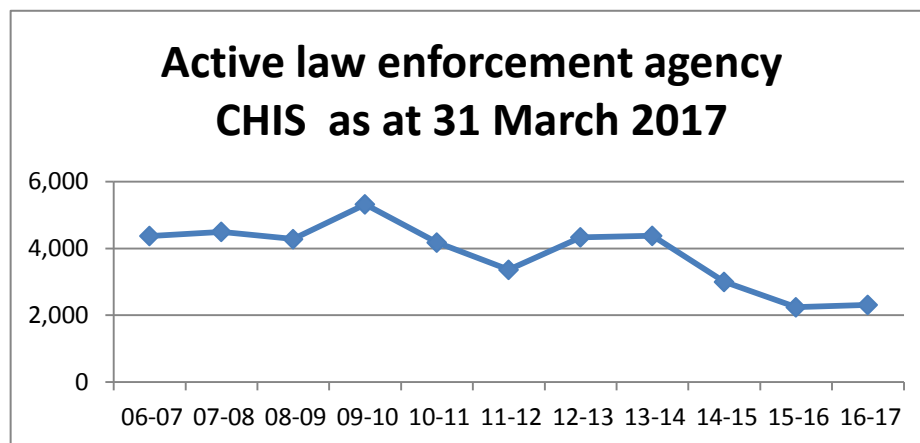


**11.9.** Within other public authorities directed surveillance was authorised on 1,887 occasions, a decrease of 7% from 2,029 such authorisations in the previous period. The Department for Work and Pensions still accounts for the overall majority of these authorisations (having authorised 1,203 of them – 64%). Out of the 483 public authorities, only 117 used directed surveillance at all.

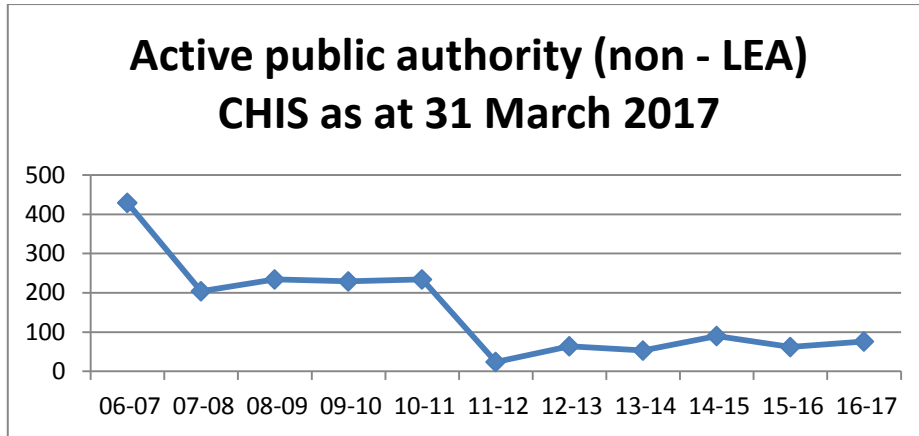
***Protection of Freedoms Act 2012***

**11.10.** 227 authorisations were presented by local authorities to a magistrate for approval under this legislation. Nine were rejected.

***Covert Human Intelligence Sources***

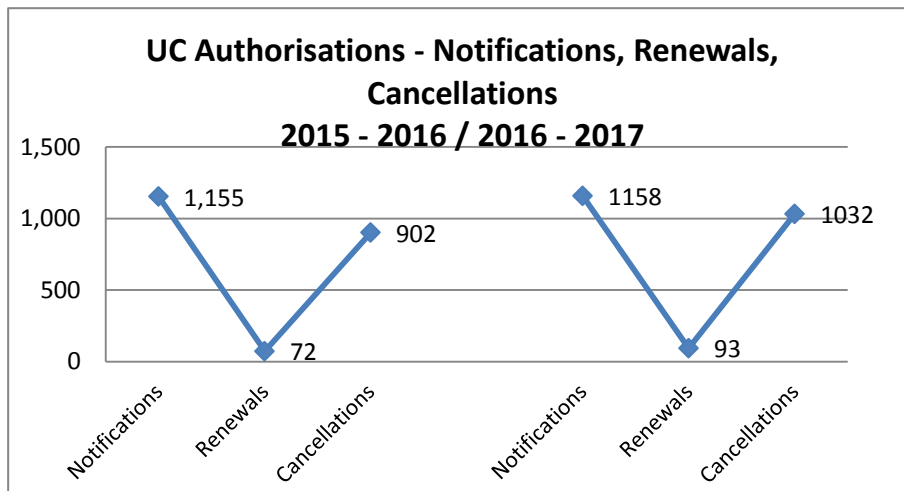


**11.11.** 2,310 CHIS were authorised by law enforcement agencies, and 2,184, including some which may have been already authorised from preceding years, were cancelled. At the end of March 2017, 2,299 CHIS remained authorised.



**11.12.** Only 6.6% of public authorities (aside from the law enforcement agencies) have deployed CHIS, usually for matters involving investigations like trading standards.

*Relevant Sources (undercover officers)*



**11.13.** During the reporting year 1,158 relevant source authorisations were notified to the OSC, effectively the same as last year when there were 1,155 authorisations. The number of cancellations rose from 902 last year to 1,032. The number of renewals rose from 72 to 93. These particular statistics need very careful interpretation. They represent the number of times a single individual undercover officer has been authorised for deployment on a specific and carefully defined police operation. Thus, the total number of authorisations does not reflect the number of undercover operations undertaken during the year. A single police operation may require the deployment of a number of undercover officers. Moreover there is a limited pool of trained officers, used on a variety of operations during the course of any year, and they may have been deployed on more than one operation.

## Encryption

**11.14.** During the period to which this report relates the National Technical Assistance Centre, following 166 applications granted 159 approvals. The documentation associated with these cases is generally included as part of the dip-sampling process during inspections of the law enforcement agencies. The offences to which the approvals relate include international and domestic terrorism and extremism, murder, firearms offences, indecent images of children, kidnap, people trafficking, drug-trafficking, fraud, evasion and excise duty, possession of drugs with intent to supply and misconduct in public office.

## 12. Breaches and Non-Compliance

**12.1.** In the period covered by this review law enforcement agencies reported 92 breaches or irregularities, and other public authorities reported three. In the previous year, 2015 - 2016 a total of 100 irregularities were reported, in the year before that, 2014 - 2015, 127 reports were received. The total number of reports this year continues a downward trend and to represent a minute proportion of the total number of authorisations granted during the course of a year. No less important, this year I have received no reports, and the Inspection process has not revealed any occasion, when the legislative powers have been deliberately misused.

**12.2.** In the course of complex and sometimes urgent investigations human error is inevitable. As already explained, every instance of a breach or possible breach of the statutory provisions, together with a detailed description of the circumstances in which it occurred, and the remedial steps which have been or are proposed to be taken, is reported to me personally, immediately or as soon as possible after the breach has been discovered. The breaches reported to me are usually consequent on individual oversight, usually through inexperience, and sometimes simply under the pressure of events demanding urgent attention. The breaches tend to fall into similar categories. Sometimes there is a failure to be totally focused on what exactly has been authorised, and in precisely what terms, so that steps outside the authorised ambit are taken; sometimes there is a failure to ensure that what was sought had in fact been authorised; sometimes, equipment is allowed to continue to function after the expiry of the authorisation time, or after a direction to cease has been given; and sometimes supervising officers, more familiar with the legislation, have recognised that an authorisation which ought to have been procured in advance of an operation, was not.

**12.3.** Errors also occur for technical reasons. For example, this year, a law enforcement agency reported that a piece of equipment had captured more data than envisaged by the associated property interference and directed surveillance authorisation. This was because part of the equipment was automatically capturing more data than authorised. By the time the problem was identified the equipment had been used on a number of different operations. All were reported to me and measures immediately put in place to prevent any repetition.



**12.4.** Following every report, all the papers relevant to the individual breach are retained for study during the annual inspections. Therefore in addition to an examination of the documents to ascertain whether there have been any unreported breaches (which are occasionally revealed, and as I have already explained are largely minor or technical) the occasions when a breach has occurred are reanalysed by the Inspectors. This provides a cross check, ensuring that the report to me is accurate and complete. Beyond that, the papers continue to be retained so that all the relevant information is available to the Crown Prosecution Service or the Procurator Fiscal Service, for appropriate disclosure to the defence, and thereafter, if the occasion arises, for an admissibility ruling by the trial judge, or an abuse of process hearing.

### **13. Law Enforcement Agencies**

**13.1.** No relevant change has occurred to the way in which applications and authorisations are submitted for prior approval or noting by a Surveillance Commissioner. None has occurred with the process of OSC inspection.

**13.2.** Apart from tackling what I have already described as age old crime, law enforcement agencies are under increasing pressure to tackle crime arising in the virtual world. This presents problems of training and resources. As well as spotting potential for disorder on a busy high street as the clubs start to close, today's investigating officer needs to be well versed in accessing social media, speaking new languages (including modern online "chat") and understanding the value, in all its different respects, of a Bitcoin. In addition, virtually every police force I have visited this year has explained the huge pressures arising from the Inquiries into historic sexual abuse, going back many decades, and also into undercover police activity, now going back some fifty years. Police resources are not unlimited.

**13.3.** It is therefore worth emphasising that, notwithstanding these difficulties, compliance standards continue to improve. Many inspections of major law enforcement agencies produce complimentary reports from Inspectors who are disinclined to flattery. Some reports make no formal recommendations at all, because none are needed, but simply offer suggestions for "fine-tuning", which are invariably adopted. This is admirable. My impression is that nowadays standards are most at risk when several key officers with particular responsibilities relating to covert surveillance, like Authorising Officers, Senior Responsible Officers, and Covert Authorities Bureau Managers retire or move on to different responsibilities, particularly when this happens to more than one such officer simultaneously. This underlines the necessity for continuing high quality training, to which the agencies are committed.

- 13.4.** Most Authorising Officers clearly articulate what they are seeking to achieve by any covert activity, and carefully explain to the Surveillance Commissioner why they believe that a particular form of covert activity is necessary and proportionate. Unless they are appropriately satisfied themselves, before seeking the further authorisation of a Surveillance Commissioner they normally refuse to grant the authorisation, or suggest strict parameters on what can and cannot be done. It would be highly unusual to find authorisations being sought from an Authorising Officer as a “fishing exercise” or one which is based on anything less than detailed intelligence and careful analysis. If it does happen, it is rejected.
- 13.5.** That is the starting point. From time to time, as I have already explained, as a result of facts established during the inspections, specific recommendations designed to improve standards are made to an individual law enforcement agency. In the context of originating applications which form the basis of an application to the Authorising Officer (that is, before the Authorising Officer approves the application and submits it to the Surveillance Commissioner) the assessment may not sufficiently explain how recent and reliable the intelligence is; it may fail to answer all the aspects of the proportionality argument in the way set out in the Codes of Practice; some reviews, which are intended merely to provide an update and inform the Authorising Officer of developments, can be over repetitive; occasionally formulaic entries on the issue of collateral intrusion and how this should be managed on a case-by-case basis are offered; and in relation to the use of CHIS, the risks inherent in what they are doing, and the level of “tradecraft”, that is how the CHIS is met, debriefed and rewarded, is not detailed in sufficient precision to enable the Authorising Officer to be satisfied with the arrangements for managing the CHIS.
- 13.6.** These issues are rarely systemic, and significantly, when they arise, are almost invariably picked up by the Authorising Officer. That represents an efficient working system. For the OSC, apart from the use of undercover police officers, which the report will shortly address, the area which causes greatest concern is the use of CHIS. As with the use of undercover police officers, every such use is immensely sensitive. The use of any and every CHIS is quite unlike any other covert technique, which apart from potential compromise or equipment malfunction, are generally predictable and directly manageable. With every CHIS, an individual human being is involved, and each has his or her personal traits, or domestic situation, or problems, or relationships which bear on the risks to which they may be exposed. One factor contributing to the problem is that some of those acting as CHIS are not accustomed to, and indeed resent, or, at least, do not wish to co-operate with the provision of any formal police or law enforcement structures. The records which are necessarily maintained in relation to the authorisation and ongoing use of every CHIS are inevitably complex and must be completed carefully and in sufficient detail by those responsible for the safety and welfare of any individual who has been authorised as a CHIS. During the inspections, the Inspectors examine the records very closely and many of their recommendations are directed to this issue.

- 13.7.** The OSC has no oversight responsibilities in relation to the activities of the Intelligence and Security Services. Nevertheless police forces work closely with the Services, and the supervisory responsibilities of the OSC therefore extend to counter terrorism units across the United Kingdom. Occasionally this means that we can see or discuss how the arrangements are aligned and work in practice. If only because more than one authority is involved in these processes, they become more complex, and there are occasions when the constraints on the exercise of differing responsibilities may lead to variations of practice in relation, for example, to record keeping. Obviously high levels of mutual respect and cooperation are essential in the public interest, but in the exercise of their statutory responsibilities Authorising Officers are not entitled to ignore their personal obligation to consider whether the particular form of proposed covert activity for which they are responsible is necessary and proportionate and that the potential for collateral intrusion has been properly addressed. The creation of the Investigatory Powers Commissioner's Office will produce greater cohesion.
- 13.8.** My final observation under this heading is to note that many forces now pool their key investigative and operational resources to provide a collaborative service through a variety of regional alliances. As I have already indicated, the OSC plans to match its inspection processes to meet these new ways of working. At present the development of these collaborative arrangements are at different stages with different forces. For the OSC inspection purposes unfettered access to key individuals and all relevant documentation remains an absolute necessity. Sometimes they are not in the same location. As the terms and processes of each collaboration or regional units settle down, this process should become easier.

## **14. Undercover Operations**

- 14.1.** The oversight regime was introduced relatively recently, but the OSC now has just over three years experience of it throughout the United Kingdom, save for Scotland, where the period of experience is just under three years. The deployment of any undercover police officer is a matter of great sensitivity. It frequently involves considerable personal bravery on the part of the individual police officer. It also requires extremely careful management by dedicated units, designed to avoid the police officers either becoming involved in unnecessary personal risks, and simultaneously, ensuring that they do not trespass beyond the authorised parameters of the engagement.
- 14.2.** As with CHIS, the relevant documentation is extremely detailed and requires close attention. I do not propose to offer any examples of operational activity. However I should record that the OSC has been able to observe with admiration, and gratitude, the high level of personal risk undertaken by many police officers acting undercover.

**14.3.** The OSC has identified examples of very high standards, with excellent personal documentation by officers responsible for undercover units, as well as individual Authorising Officers. Following our Inspections, the OSC has also been able to identify potential for difficulty under the arrangements currently in force, where there is room for improvement. These, in summary, are:

- i. the need to ensure that those charged with the statutory roles of managing the undercover officer day-to-day (section 29(5) of RIPA and section 7(6) of RIP(S)A) are not unduly influenced or undermined by officers in charge of the wider operational activity, who inevitably have different responsibilities;
- ii. Statutory Instrument 2013/2788 is complex and its construction is not always entirely clear. There are however rather too many errors in the process of notifying the Surveillance Commissioners when new authorisations for undercover officers are made, and this extends to a few instances when no notification has been made at all, or where a required renewal has been missed altogether;
- iii. the potential for collateral intrusion arising from the deployment of an undercover officer, even if taken into account in practice, is not always documented to a sufficient standard;
- iv. although risk assessments have become much more accurately reflective of the levels of the skills, ability, and training and experience of the relevant officer, occasionally they are less impressive;
- v. the methods and standards of record-keeping vary widely from one undercover unit to another, an issue which should be resolved by the use of revised forms and guidance from the College of Policing.

**14.4.** The material available findings by the OSC from its inspection of undercover activities during the last year have recently been passed to the Chair of the National Undercover Working Group. We shall continue to provide every possible assistance to it.

## **15. Use of covert powers by public authorities other than law enforcement agencies**

**15.1.** As explained earlier in the report, the use of covert surveillance by public authorities has steadily declined. Nevertheless, while they are vested with statutory powers, the process of inspection remains a necessary ingredient of the exercise of the OSC's responsibilities. I shall not repeat the reasons why a programme of continuing training remains a necessity even for those authorities which do not intend or expect to use the powers.

- 15.2. As discussed earlier one major consequence of the OSC inspections has been the emergence, during the course of discussions, of investigations being made by public authorities through use of social media and the Internet. For example, it may help to show whether counterfeit goods are being offered for sale on a Facebook page, or reveal that someone who claims to be living alone as a single parent has a social media page which provides a different story, or perhaps, particularly sensitive, enable a check to be made whether concerns about the welfare of a child or vulnerable adult may be justified. When individuals choose to go public or advertise themselves, they cannot normally complain that those who look at their social media sites are disregarding their rights to privacy. However if the study of an individual site becomes persistent, issues under the legislation may arise.
- 15.3. The resources available to the OSC do not enable me to say positively that issues relating to the use of social media sites have arisen or are arising in every local authority. What matters is that this potential certainly exists. Senior officials at local authorities should therefore be made aware of it, and have the necessary policy documents and training and awareness arrangements in place to address it. The issue has been recognised in the forthcoming Home Office and Scottish Government Codes of Practice (which will be issued at a convenient date after the introduction of the Investigatory Powers Act 2016). However, in advance of the issue, and because of repeated findings in reports made to me by Inspectors and Assistant Surveillance Commissioners throughout this year, I acted on my own initiative. I therefore wrote to all local authorities in April 2017 explaining my concerns, and urging them to undertake internal checks of the use of social media by no doubt well-intentioned members of their staff, and to ensure that appropriate guidance and training should be provided.
- 15.4. An extract from the letter reads:

*“It has become steadily more apparent that a number of officers working for public authorities, particularly those with responsibilities for the care of children and vulnerable adults have started to use the [social media and internet] sites, acting in good faith and on their own initiative. RIPA issues do not normally arise at the start of any investigation which involves accessing “open source” material, but what may begin as a lawful overt investigation can drift into covert surveillance which falls within the legislation. Although the investigation of crime is not normally a “core function” of the Council, the protection of children and vulnerable adults certainly is, and any continuing and deeper study of the social media site in question would only be justified by the exercise of that protective function.*

*These are complex legislative provisions, and without appropriate training and awareness council officers cannot be expected to appreciate and apply them. They may therefore act unlawfully. Ignorance would provide no defence to them personally, nor to the Council for which they were working.*

*The Surveillance Commissioners have issued further guidance on this issue, and identified circumstances when an appropriate authorisation under the legislation would be required or advisable. The guidance is available on the OSC website, as a public document, with the OSC Procedures and Guidance. Note 289 is relevant and I highlight it for your attention.*

*It would be sensible for an internal audit of the use of social media sites and the Internet for investigative or official business made across all departments to be undertaken now. That would provide the necessary information about the extent to which formal training or awareness of these complex provisions is required.”*

- 15.5.** A copy of this letter was sent to the Chair of the Local Government Association and the National police lead for child protection issues, Chief Constable Simon Bailey of the Norfolk Constabulary.
- 15.6.** As I reported last year, many local authorities have first-class arrangements in place for the use of covert tactics, even if, as a matter of policy, they do not intend to deploy them: others do not. Where necessary arrangements to ensure compliance are not in place, I require a report from the Chief Executive after a given period, say six months, about how the inadequacies have been addressed, and indicating that a further inspection may have to be arranged. There have been, and will continue to be occasional inspection revisits. One such revisit will have taken place by the time this report is published. I should, however, highlight that the problem of the non-compliant local authority should be kept in perspective. These authorities very rarely use or attempt to use the statutory powers, and the occasions when they have been in breach of the legislative provisions remain very rare indeed. The point, as one of my Inspectors helpfully paraphrased it, is that while they are vested with these significant powers they should remain “match fit”. The inspection process provides both an encouragement and a check that they are.

## **16. Prisons**

- 16.1.** At paragraphs 5.12-5.16 of my last report, I described the concerns which were arising in relation to the use of covert powers in the Prison Service. I was and remain deeply concerned.
- 16.2.** For a number of years NOMS has been obliged to operate under considerable pressures. The reasons are pretty evident, and need no recitation by me. The problems impact on every aspect of prison work and life, on prison staff and inmates. Intelligence and information (sometimes not much more than gossip not falling within the legislation) are essential ingredients of a safe disciplined prison environment. At the same time law enforcement agencies understandably value intelligence gathering from within prisons to assist with the detection and prevention of serious and organised crime and terrorism usually being planned to take place outside the prison establishment. All covert activity, whether within or outside a prison, is carefully and identically regulated by statute.

- 16.3.** In my last report I recognised that covert activities in prison establishments give rise to particular and unique problems. The Governor is directly responsible for all matters of safety and security. It needs very little imagination to appreciate that the use of a CHIS in prison requires extreme caution. Quite apart from the safety and protection of any individual inmate who provides information, controversy and misunderstandings about “informers” can escalate the tensions to which every prison establishment is susceptible. It is hardly surprising that notwithstanding the potential value to the detection and prevention of serious crime the number of authorisations for covert surveillance in prisons has reduced.
- 16.4.** Making every allowance for the complexities of the working environment in individual prisons, and the difficulties of achieving a balance between the many demands on NOMS, it is troublesome that it has not always proved possible for recommendations made by OSC Inspectors to be addressed. At the end of the most recent inspection in February 2017 ten formal recommendations (an unusually high number) were made in the report of the Inspectors. It included several that were repeated from those made in the 2016 report, and some of those were, themselves, repeated entries from earlier inspections.
- 16.5.** OSC Inspectors have visited NOMS Headquarters as well as a selection of prisons in England to address and resolve some of these difficulties. Their detailed findings continue to make sobering reading. Apart from the normal post report visit I have myself again discussed the issues personally with Mr Michael Spurr CB, the Chief Executive of NOMS. I have also appointed one of my Inspectors to act as the lead contact between the OSC and NOMS, and he will be readily available to provide ongoing assistance to hasten improved standards of compliance.
- 16.6.** My discussions with Mr Spurr and some of his senior officials lead me to believe that my concerns are well understood and that appropriate steps will now be taken to address them.

## **17. Conclusion**

- 17.1.** The OSC, and now the Investigatory Powers Commissioner’s Office, provides the guarantee of impartial and independent scrutiny of the use of covert tactics by those vested with law enforcement powers, and safeguards the rights of each citizen against unlawful interference. This body, publicly accountable, operates without interference from any state authority. Its responsibilities are to ensure that significant powers available to be exercised in specific circumstances where the public interest may be at serious risk, are exercised within the clear limits permitted by statute.

- 17.2.** I have greatly enjoyed working with a group of outstanding men and women, who, without exception, have been immensely competent, independent of mind, and committed to operating cohesively, by advice and encouragement, and where necessary by unequivocal criticism, to secure high standards of compliance with complex legislation. From time to time I have asked one or other's help individually, and it has been unhesitatingly offered. Beyond the Commissioners and Inspectors, I draw attention to the calm industrious atmosphere in the office itself. It is sometimes thought that on occasions like this, it might be invidious to identify any single individual. I propose to do so, safe in the knowledge that every single member of the OSC would share my view that in Clare Ringshaw-Dowle it has been blessed with a remarkable, unself-serving, high quality, innately modest Chief Surveillance Inspector. I am grateful to each and every member of the OSC for support and kindness to me personally.
- 17.3.** I wish Sir Adrian every success when he takes over his new and formidable responsibilities as the Investigatory Powers Commissioner.



**AUTHORISATIONS GIVEN UNDER PART III OF THE POLICE ACT 1997 (AS AMENDED)  
DURING LAST THREE YEARS**

	2014-2015			2015-2016			2016-2017		
	England, Wales & N.I	Scotland	Total	England, Wales & N.I	Scotland	Total	England, Wales & N.I	Scotland	Total
Total number of authorisations (not including renewals)	2020	71	<b>2091</b>	2099	64	<b>2070</b>	1796	46	<b>1842<sup>1</sup></b>

**PRIOR APPROVALS**

	2014-2015			2015-2016			2016-2017		
	England, Wales & N.I	Scotland	Total	England, Wales & N.I	Scotland	Total	England, Wales & N.I	Scotland	Total
Number of cases	<b>183</b>	<b>5</b>	<b>188</b>	<b>171</b>	<b>10</b>	<b>181</b>	<b>172</b>	<b>6</b>	<b>178<sup>2</sup></b>
By category:									
• Dwelling	125	5	<b>130</b>	124	6	<b>130</b>	130	6	<b>136</b>
• Office premises	27	0	<b>27</b>	27	4	<b>31</b>	20	0	<b>20</b>
• Hotel bedroom	28	0	<b>28</b>	17	0	<b>17</b>	17	0	<b>17</b>
• Matters subject to legal privilege	2	0	<b>2</b>	3	0	<b>3</b>	4	0	<b>4</b>
• Confidential journalistic material	0	0	<b>0</b>	0	0	<b>0</b>	0	0	<b>0</b>
• Confidential personal information	1	0	<b>0</b>	0	0	<b>0</b>	1	0	<b>1</b>

<sup>1</sup> Statistics provided by the law enforcement agencies.

<sup>2</sup> Statistics provided from the Office of Surveillance Commissioners Authorisation Register (OSCAR) database.

**AUTHORISATIONS GIVEN UNDER PART II (INTRUSIVE SURVEILLANCE) OF THE REGULATION OF INVESTIGATORY POWERS ACT 2000 AND THE REGULATION OF INVESTIGATORY POWERS (SCOTLAND) ACT 2000  
DURING THE LAST THREE YEARS**

	2014-2015			2015-2016			2016-2017		
	England, Wales & N.I	Scotland	Total	England, Wales & N.I	Scotland	Total	England, Wales & N.I	Scotland	Total
<b>Total number of authorisations</b> (not including renewals)	<b>309</b>	<b>12</b>	<b>321</b>	<b>270</b>	<b>19</b>	<b>289</b>	<b>222</b>	<b>15</b>	<b>237<sup>3</sup></b>

<sup>3</sup> Statistics provided by the law enforcement agencies.

## Inspection priorities

### *Subject to annual inspection*

British Transport Police  
Competition and Markets Authority  
Department for Work and Pensions  
Environment Agency  
HM Revenue and Customs  
Home Office – Immigration Enforcement  
Home Office – Border Force  
MoD Police and Guarding Agency  
National Crime Agency  
National Offender Management Service - HM Prison Service  
National Resources Wales  
Northern Ireland Prison Service  
Police Forces for England and Wales  
Police Scotland  
Police Service of Northern Ireland  
Royal Mail Group plc  
Royal Military Police  
Scottish Prison Service

### *Subject to inspection every other year*

Care Quality Commission  
Civil Nuclear Constabulary  
Department for Environment and Rural Affairs  
Department for Business, Innovation and Skills  
Driver and Vehicle Standards Agency  
Food Standards Scotland  
Gangmasters & Labour Abuse Authority  
Health and Safety Executive  
Independent Police Complaints Commission  
Marine Scotland  
NHS Counter Fraud and Security Management Service  
NHS Scotland Counter Fraud Services  
Office of Communications  
Office of the Police Ombudsman for Northern Ireland  
Police Investigations and Review Commissioner  
Port of Dover Police  
Port of Liverpool Police  
Royal Air Force Police and Security Service  
Royal Navy Police  
Scottish Environmental Protection Agency  
Serious Fraud Office  
Transport Scotland  
Welsh Assembly Government

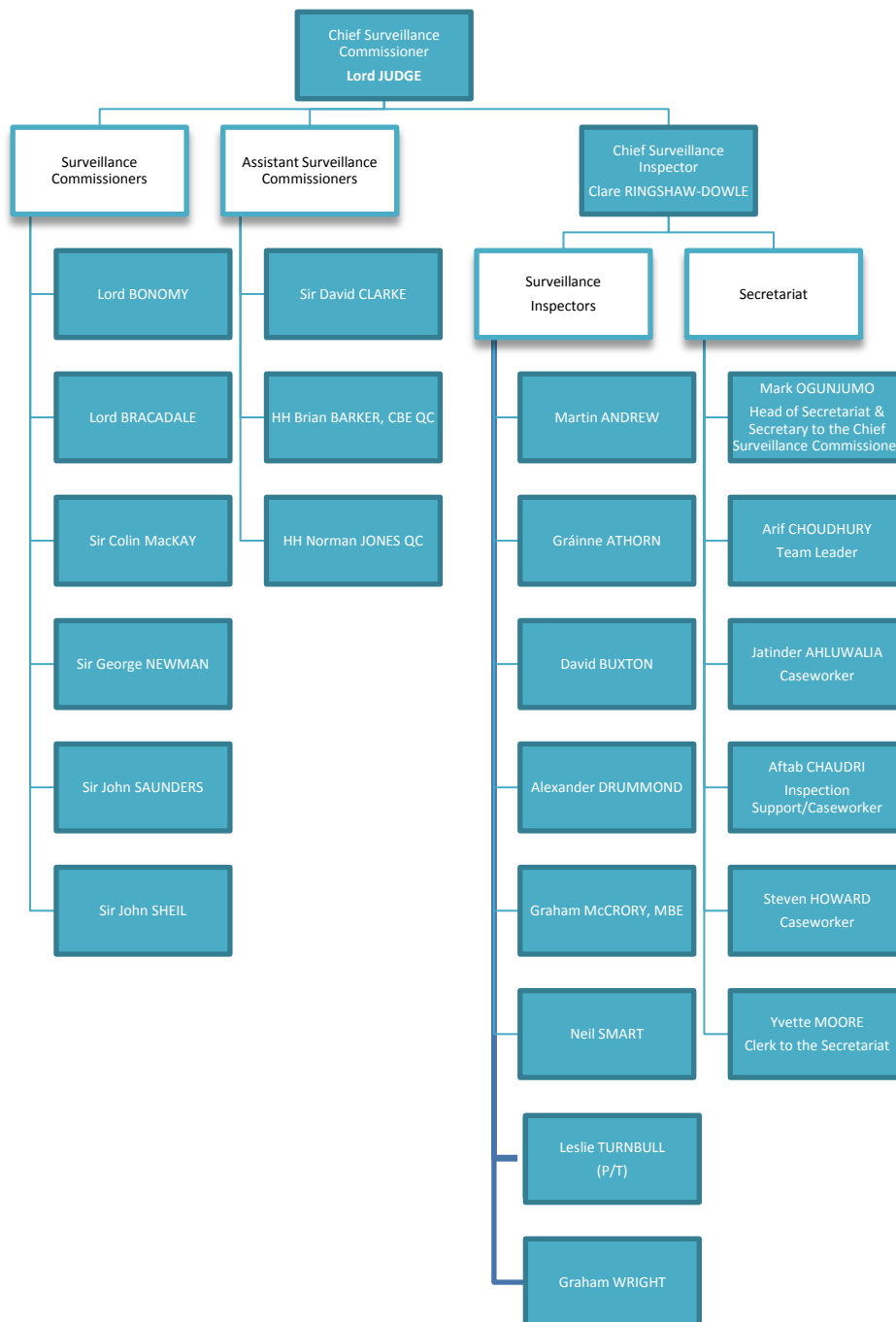
*Subject to inspection every third year*

British Broadcasting Corporation  
Charity Commission  
Department of Health – Medicines and Healthcare Products Regulatory Agency  
Financial Conduct Authority  
Fire and Rescue Services in England and Wales  
Food Standards Agency  
Gambling Commission  
General Pharmaceutical Council  
HM Chief Inspector of Education, Children's Services and Skills  
Local Authorities (Unitary, Metropolitan, London Boroughs, County, District, Scottish and Welsh)  
Maritime and Coastguard Agency  
Office of the Information Commissioner  
Scottish Accountant in Bankruptcy

Appendix D

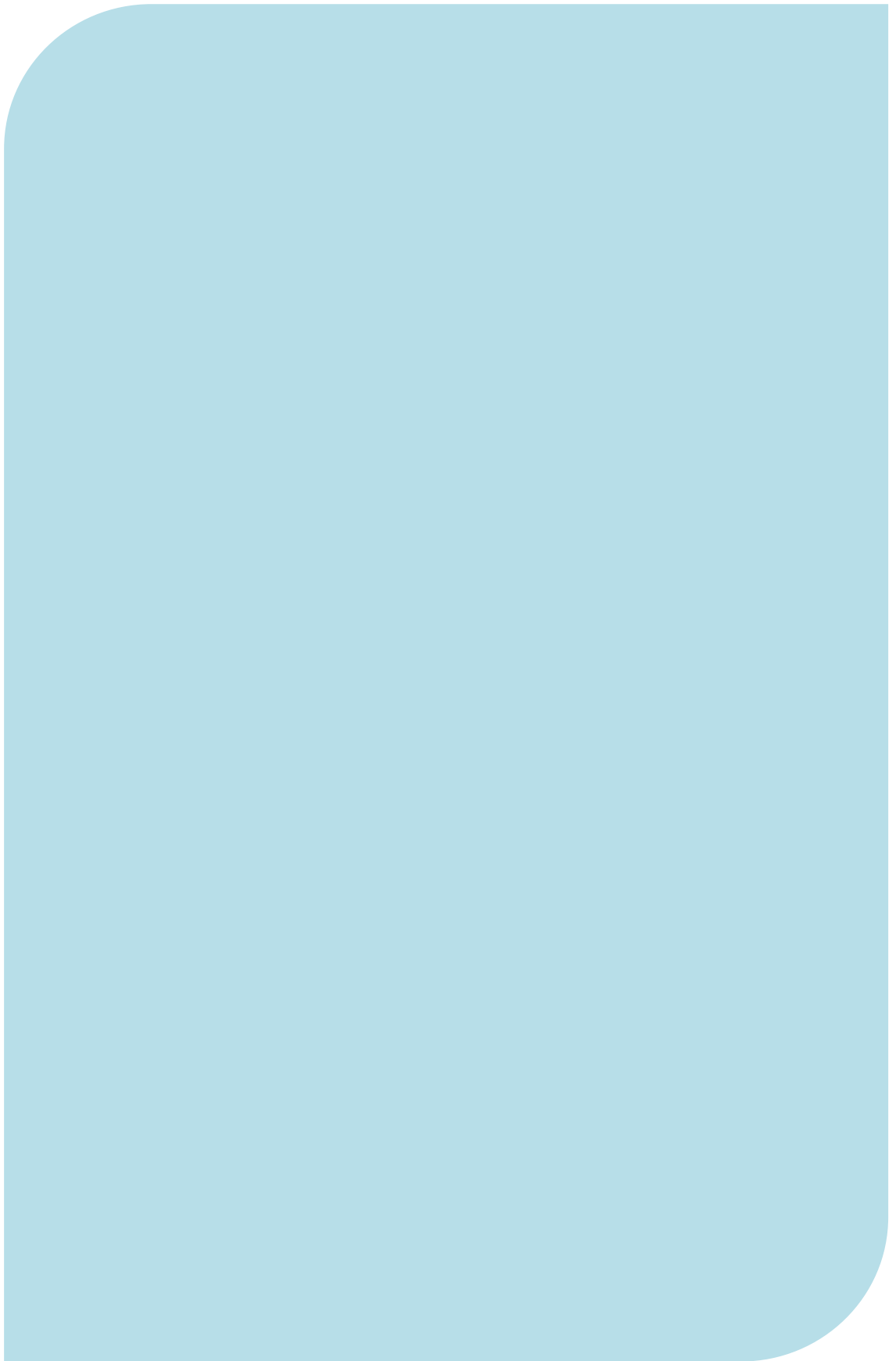
OSC expenditure for April 2016 – March 2017

Description	Total (£)
Staff costs, including recruitment and training	1,327,628
Travel and subsistence	127,935
Conferences and meetings	9,250
IT and telecommunications	32,890
Stationery, including printing, postage and publications	8,658
Office and security equipment	332
Accommodation	128,280
Other	10,210
<b>Total</b>	<b>1,645,183</b>



Members who have left during the reporting period:

Sir Scott Baker  
Lord MacLean  
Les Turnbull  
Martin Andrew





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## Annual Report on the Use of Delegated Powers

<b>Head of Service/Contact:</b>	Amardip Healy, Chief Legal Officer
<b>Annexes/Appendices (attached):</b>	<b>Annex 1:</b> Schedule of significant officer decisions taken in consultation with Committee Chairmen
<b>Other available papers (not attached):</b>	Scheme of Delegation

### Report summary

In accordance with the Council's Scheme of Delegation to Officers, this report sets out significant decisions taken by Officers in consultation with Committee Chairmen since 20 June 2017.

### Recommendation (s)

That the Committee notes that 19 significant decisions taken by Officers in consultation with Chairman have been recorded using the delegated authority proforma since 20 June 2017.

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

1.1 No direct implications.

#### 2 Background

2.1 The Scheme of Delegation was drawn up on the principle that Officers are authorised to do all things that are necessary to run their services and to implement council policies provided their actions are taken within budget and according to standing orders etc.

2.2 The Scheme still contains a number of caveats and restrictions to ensure that Members are aware of most actions taken under delegated powers and are consulted properly. One of these is that a report should be presented annually to this Committee setting out significant decisions taken by Officers under delegated powers in the previous year.

2.3 Under the previous Scheme of Delegation, a form had been developed to record the taking of urgent decisions or decisions that needed to be made in consultation with a Chairman or where specifically authorised by a Committee.

- 2.4 This form is still used as a means of recording decisions which officers have felt it necessary to consult members upon. The phrase “significant decision” is not defined in the Scheme therefore for the purposes of this report will be defined as those decisions still recorded using the Officer Action proforma. The officer named is usually the officer who has initiated the action on behalf of their Service Head, if not the Service Head themselves.

### **3 Proposals**

- 3.1 Since 20 June 2017, 19 decisions have been recorded using the delegated authority proforma, set out in **Annex 1** to this report. This is a reduction on the number reported last year. All decisions made have been reported in Members’ Update.

### **4 Financial and Manpower Implications**

- 4.1 As set out in individual cases and signed off by the Chief Finance Officer.
- 4.2 **Chief Finance Officer’s comments:** If the matter involves a significant amount of expenditure, the use of this process should only be exercised when the matter is proven as urgent and cannot wait for formal agreement at the next relevant policy committee.

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

- 5.1 The Chief Executive and Heads of Service are empowered to take all operational decisions within agreed policies in relation to the services for which they are responsible. In taking any decision Officers must be satisfied that all issues have been properly considered. Officers engage this process if, having considered the implications of any council, policy, initiative or procedure and the potential impact of the decision in any other area they consider that consultation with senior officers and members is appropriate.

### **6 Sustainability Policy and Community Safety Implications; Partnerships**

- 6.1 No implications for the purposes of this report.

### **7 Risk Assessment**

- 7.1 In taking any decision, the officer concerned must be satisfied that certain issues specified in the Scheme of Delegation have been properly considered at the earliest possible stage.

**8 Conclusion and Recommendations**

- 8.1 The Committee is asked to note that 19 significant decisions taken by Officers in consultation with Chairmen have been recorded using the delegated authority proforma since 20 June 2017. This is a reduction on the number reported last year.

**Ward(s) Affected:** (All Wards);

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Audit Crime & Disorder and Scrutiny  
Committee  
19 June 2018

NAME	RESPONSIBLE COMMITTEE	FORM No.	DATE ISSUED	SUBJECT	DATE RETURNED FOR REPORTING IN MEMBERS' UPDATE	REASON FOR USE OF DELEGATED POWERS	FINANCIAL IMPLICATIONS	SOURCE OF FUNDING
R. Chevalier	Environment	<b>493</b>	22/6/17	Ewell Summer Fete – Free Parking	13/7/17	Significant Officer Decision	£314.98 revenue loss	-----
R. Appiah-Ampofo	Community & Wellbeing/ S & R	<b>494</b>	20/07/17	Disabled Facilities Grant – budget increase	9/10/17	Significant Officer Decision	Increase in DFG budget within capital programme by £53,304	Central Government
M. Shephard	S & R	<b>495</b>	24/7/17	Offer on investment property	25/7/17	Significant Officer Decision	confidential	Capital borrowing
J. Stevens	Environment	<b>496</b>	30/8/17	Parking Permits for Ewell Court House	7/9/17	Significant Officer Decision	Admin costs recouped	-----
R. Brown	S & R	<b>497</b>	24/10/17	Purchase of property: Bahram Road	9/1/18	Authorised by Committee	£290,670	Residential Property Acquisition Fund

Audit Crime & Disorder and Scrutiny  
Committee  
19 June 2018

NAME	RESPONSIBLE COMMITTEE	FOR M No.	DATE ISSUED	SUBJECT	DATE RETURNED FOR REPORTING IN MEMBERS' UPDATE	REASON FOR USE OF DELEGATED POWERS	FINANCIAL IMPLICATIONS	SOURCE OF FUNDING
R. Brown	S & R	<b>498</b>	24/10/17	Purchase of property: Wandle Court	6/2/18	Authorised by Committee	£283,270	Residential Property Acquisition Fund
R. Jackson	Environment	<b>499</b>	9/11/17	Plan E: Taxi Rank Traffic Order	10/11/17	Urgent nature of works	-----	-----
R. Appiah-Ampofo	Environment/S & R	<b>500</b>	24/11/17	Festive Lights	9/1/18	Significant Officer Decision	Reduction of £5,000 in Reserve to £14,531	Repairs and Renewals Reserve (Market Place)
R. Appiah-Ampofo	Environment/S & R	<b>501</b>	29/11/17	Cemetery Tools	9/1/18	Significant Officer Decision	Reduction of £8,712 in Reserve to £4,288	Repairs and Renewals Reserve (Grounds Maintenance )

Audit Crime & Disorder and Scrutiny  
Committee  
19 June 2018

NAME	RESPONSIBLE COMMITTEE	FORM No.	DATE ISSUED	SUBJECT	DATE RETURNED FOR REPORTING IN MEMBERS' UPDATE	REASON FOR USE OF DELEGATED POWERS	FINANCIAL IMPLICATIONS	SOURCE OF FUNDING
R. Brown	S & R	<b>502</b>	8/12/17	Disabled Facilities Grant – budget increase	12/12/17	Significant Officer Decision	Increase in DFG budget within capital programme by £60,251	Central Government
J. Sharpe	Environment	<b>503</b>	21/12/17	Withdrawal of Garden Waste/Leaves Sacks	2/1/18	Authorised by Committee	-----	-----
T. Wingfield	S & R	<b>504</b>	21/12/17	Anticipated Redundancy costs	9/1/18	Authorised by Committee	Circa £47,000	Corporate Projects Reserve
L. Duffy	Council	<b>505</b>	3/1/18	Council Tax Base 2018/19	9/1/18	Authorised by Council	Agreed Council Tax Base of 32,658.06 (Band D equivalent properties)	Calculation of Council Tax Base prescribed in regulations

Audit Crime & Disorder and Scrutiny  
Committee  
19 June 2018

NAME	RESPONSIBLE COMMITTEE	FOR M No.	DATE ISSUED	SUBJECT	DATE RETURNED FOR REPORTING IN MEMBERS' UPDATE	REASON FOR USE OF DELEGATED POWERS	FINANCIAL IMPLICATIONS	SOURCE OF FUNDING
R. Chevalier	Environment	<b>506</b>	17/1/18	Police staff parking, Hook Road	----	<b>Cancelled on basis that Officers already had authority to action</b>		
R. Brown	S & R	<b>507</b>	18/1/18	Private Sector Lease Rents	---	<b>Cancelled – referred to Committee</b>		
R. Jackson	Community & Wellbeing	<b>508</b>	24/1/18	Minor Amendment to DFG policy	----	<b>Cancelled – referred to Committee</b>		
T. Foxwell	S & R	<b>509</b>	25/1/18	Works to Rosebery Pond	29/1/18	Urgent Decision Required	Cost of £33,000	S106 funds
R.Thorold	Licensing & Planning Policy	<b>510</b>	28/2/18	Consultation Response to draft London Plan	2/3/18	Consultation period outside of committee cycle	-----	-----



Audit Crime & Disorder and Scrutiny  
Committee  
19 June 2018

NAME	RESPONSIBLE COMMITTEE	FORM No.	DATE ISSUED	SUBJECT	DATE RETURNED FOR REPORTING IN MEMBERS' UPDATE	REASON FOR USE OF DELEGATED POWERS	FINANCIAL IMPLICATIONS	SOURCE OF FUNDING
R. Jackson	Licensing & Planning Policy	<b>511</b>	21/3/18	Minor Amendment to Hackney Carriage & Private Hire Licensing Policy	28/3/18	Authorised by Committee	-----	-----
L. Duffy	S & R	<b>512</b>	27/3/18	Disposal of Council Interest in Ebbisham Centre	28/3/18	Significant Officer Decision	Capital receipt & no further capital expenditure liabilities	-----
R. Brown	S & R	<b>513</b>	26/4/18	Mitigation of funding risk in relation to Syrian Vulnerable Persons Resettlement Programme	30/4/18	Authorised by Committee	Detailed estimated costs set out on relevant form	Central Government

Audit Crime & Disorder and Scrutiny  
 Committee  
 19 June 2018

NAME	RESPONSIBLE COMMITTEE	FORM No.	DATE ISSUED	SUBJECT	DATE RETURNED FOR REPORTING IN MEMBERS' UPDATE	REASON FOR USE OF DELEGATED POWERS	FINANCIAL IMPLICATIONS	SOURCE OF FUNDING
I Dyer	Community & Wellbeing/ S & R	<b>514</b>	30/4/18	"Social Prescribing"	4/5/18	Significant Officer Decision	£30,000	Surrey County Council

**CORPORATE PLAN: YEAR-END PERFORMANCE REPORT 2017 TO 2018 AND KEY PRIORITY TARGETS FOR 2018 TO 2019**

<b>Head of Service/Contact:</b>	Gillian McTaggart, Head of Corporate Governance
<b>Urgent Decision?(yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	N/A
<b>Annexes/Appendices (attached):</b>	<b>Annex 1</b> – Overview of Key Priority Targets for 2017 to 2018 Year- end <b>Annex 2</b> – Year-end Performance Report 2017 to 2018 <b>Annex 3</b> – Overview of Key Priority Targets for 2018 to 2019
<b>Other available papers (not attached):</b>	Corporate Plan 2016 to 2020 Service Delivery Plans 2018 to 2019

**Report summary**

This report provides the year-end position for the Key Priority Targets 2017 to 2018, under our Corporate Plan. It also provides a list of all the Key Priority Targets for 2018 to 2019.

**Recommendation (s)**

**That the Committee:**

- (1) considers the performance reported in Annexes 1 and 2 and identifies any areas of concern.**
- (2) notes the actions that have been proposed or taken where a Key Priority Target has not been achieved as shown in table 4.1 of this report.**
- (3) notes the Key Priority Targets set for 2018 to 2019 as detailed in Annexe 3 of this report and outlined in paragraph 5.**

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

1.1 This report covers performance against year two Key Priority Targets, and outlines Key priority Targets for year three of the Corporate Plan.

**2 Background**

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

2.2 Each year, delivery of the Corporate Plan by means of Key Priority Targets is captured in regular performance reports. These performance reports were previously presented to the four policy committees in addition to this Committee. However, in order to provide greater timeliness, in September 2017, it was agreed by Chairmen’s Group that progress against the Key Priority Targets would be reported directly to all councillors through the weekly Members Update. All targets will continue, however, to be reported to meetings of the Audit, Crime & Disorder and Scrutiny Committee, in recognition of its responsibilities in this area.

2.3 In 2017 to 2018, performance at phase two (August to December) was reported to councillors on 12 January 2018. Performance at Phase three (year-end) was reported on 18 May 2018.

**3 Corporate Plan: Delivery against Key Priority Targets 2017 to 2018**

3.1 This report sets out the progress made in 2017 to 2018 against the Key Priority Targets previously agreed by the policy committees.

<b>Performance status</b>		
<b>Key to reporting status</b>	<b>Number</b>	<b>%</b>
Achieved	43	68% (n=43/63)
Not achieved	17	32% (n=20/63)
Information only indicators	3	(Excluded from the overall percentage as information only indicators)
No data	3	(Included in the overall percentage as unachieved targets)
<b>Total</b>	<b>66</b>	<b>100%</b>

3.2 **Annex 1** provides an overview of the achievement of targets. The end of year performance report is set out at **Annex 2**; this report provides detailed commentary against each target. The Committee will wish to give particular consideration to the Key Priority Targets that have not been achieved as shown at Annexes 1 and 2, and in section 4 of this report.

**4 Actions identified for the Key Priority Targets that have not been achieved for 2017 to 2018**

4.1 The table below sets out those Key Priority Targets that have not been achieved during the year and remedial actions identified where applicable.

<b>Key Priority</b>	<b>Not achieved</b>	<b>Actions identified</b>
<b>Keeping our borough clean and green</b>	Issue the pre-submission consultation for the Partial Review of the Core Strategy	This forms part of our Key Priority Targets for 2018 to 2019 as shown in <b>Annexes 2 and 3</b> .
	Recycle 53% domestic waste	On average this year we recycled 51%. This target has been reviewed and set at 54% for 2018 to 2019 as shown in <b>Annex 3</b> .
<b>Supporting our community</b>	At least 15 households accommodated through the private sector leasing (PSL) scheme	This target has been reviewed and set at eight as part of our Key Priority Targets for 2018 to 2019.
	Implement new FlexiRoute system	Plans are in place to switch to FlexiRoute in April 2018 as shown in <b>Annex 2</b> .
	Introduce a programme for raising awareness of volunteering initiatives in Epsom & Ewell	An officer project group has been formed to review how volunteering initiatives across the council can be merged under one umbrella. This group has also been tasked with agreeing an action plan to facilitate achievement of this target.
<b>Managing our resources</b>	Complete phase 2 of the website	Live date expected to be 30 April 2018 as shown in <b>Annex 2</b> .
	Develop the Customer Experience Strategy and report to S&R	This forms part of our Service Delivery Plans for 2018 to 2019.

Key Priority	Not achieved	Actions identified
	<p>Epsom Cemetery extension:</p> <ul style="list-style-type: none"> <li>• Conduct ecological and ground water risk assessment</li> <li>• Submit the planning application</li> </ul>	<p>This forms part of our Key Priority Targets for 2018 to 2019 as shown in <b>Annex 3</b>.</p>
	<p>Submit a capital bid and, identify a replacement system for the CRM which meets our business needs, is affordable and sustainable</p>	<p>This forms part of our Service Delivery Plans for 2018 to 2019</p>
	<p>To support economic regeneration utilise the Commercial Property Acquisition Fund to purchase a minimum two additional commercial investment properties generating no less than 5% return on investment</p>	<p>This target has been reviewed and forms part of our Key Priority Targets for 2018 to 2019 as shown in <b>Annex 3</b>.</p>
	<p>To produce a proposal in regards to an Asset Management Strategy and Ten year maintenance plan</p>	<p>The Asset Management Strategy will be reported to Strategy &amp; Resources committee in Sept 2018 as shown in <b>Annex 2</b>.</p>
<p><b>Supporting businesses and our local economy</b></p>	<p>To complete the refurbishment of 24 South Street, including one retail unit</p>	<p>This forms part of our Key Priority Targets for 2018 to 2019 as shown in <b>Annex 3</b>.</p>
	<p>No more than ten per cent of major planning applications allowed at appeal (using the two-year rolling assessment period defined by the government)</p>	<p>This forms part of our Key Priority Targets for 2018 to 2019 as shown in <b>Annex 3</b>.</p>
	<p>Complete a review of the benefits/disadvantages of establishing a Joint</p>	<p>This forms part of our Service Delivery Plans for 2018 to 2019.</p>

Key Priority	Not achieved	Actions identified
	Local Committee and report to S&R	
	Develop the business case for a business hub and report to S&R	An alternative building to be identified for a business hub.
	To carry out a corporate review of all marketing and promotions to agree an overall strategy	This forms part of our Service Delivery Plans for 2018 to 2019. A new marketing role has been created for marketing opportunities across the council.
	To produce an up to date marketing strategy and action plan for: <ul style="list-style-type: none"> <li>• Ewell Court House</li> <li>• Bourne Hall</li> </ul>	This target will be reviewed and actions implemented in 2018 to 2019.

## 5 Key Priority Targets for 2018 to 2019

5.1 **Annex 3** sets out, for information, our Key Priority Targets for 2018 to 2019. These targets are linked to our Annual Service Delivery Plans for 2018 to 2019. The targets for 2018 to 2019 have been developed in consultation with the Council's officer Leadership Team and Committee Chairmen. The targets are focused around our key priorities for 2018 to 2019.

5.2 Our performance management arrangements for year two of our Corporate Plan (2017 to 2018) has been successfully completed. At the yearend, the progress report showed that 43 targets have been achieved, which equates to approximately 68% attainment for the year, as reported in the year progress report to all Councillors.

Feedback received as part of year two has been fed into the target setting process for year three. We will continue to review our performance management processes to ensure performance information submitted facilitates decision making and is fit for purpose

## 6 Financial and Manpower Implications

6.1 **Chief Finance Officer's comments:** *None for the purposes of this report*

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

7.1 There are no legal implications arising from the contents of this report.

7.2 **Monitoring Officer's comments:** good governance requires the setting of key priorities, processes for their performance management and subsequent reporting.

**8 Sustainability Policy and Community Safety Implications**

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

**9 Risk Assessment**

9.1 Performance management provides clear direction and enables progress to be monitored and action taken as needed on a timely basis to keep targets on track. This reduces the risk that targets will not be achieved at year-end.

9.2 Actions have been identified for those Key Priority Targets that have not been achieved for 2017 to 2018.

**10 Conclusion and Recommendations**

10.1 The Committee is requested to consider the year-end performance reported for 2017 to 2018 and identify any areas of concern for those Key Priority Targets that have not been achieved.

10.2 The Committee is requested to note the Key Priority Targets set for 2018 to 2019.

**Ward(S) Affected:** (All)

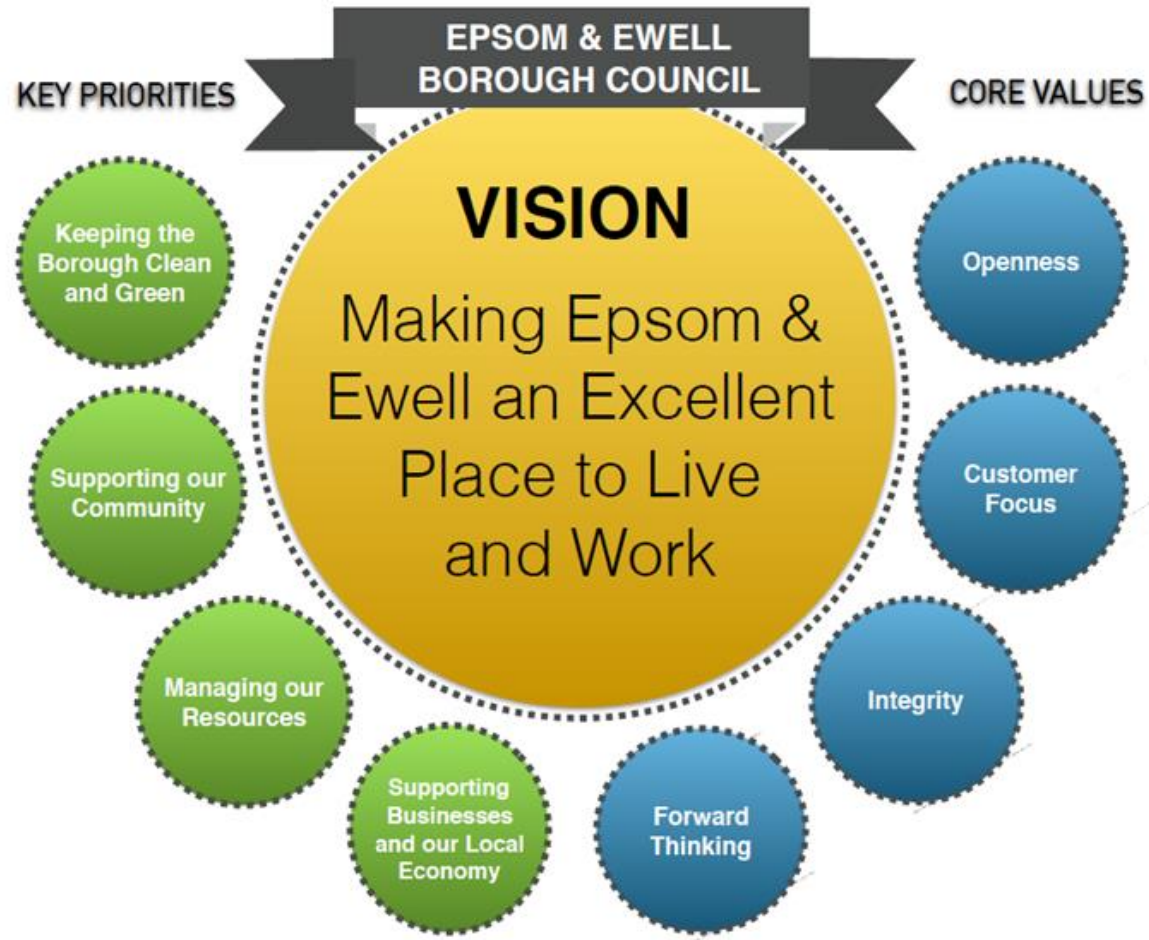


# Corporate Plan: Key Priority Performance Targets - Year-end 2017/2018

Keeping our borough clean and green	Supporting our community	Managing our resources	Supporting businesses and our local economy
<p><b>Providing quality parks, nature reserves and other public spaces that are safe, pleasant, and well maintained:</b></p> <ul style="list-style-type: none"> <li>Maintain external accreditation to recognise the quality of: <b>(C&amp;WC) (Achieved)</b> <ul style="list-style-type: none"> <li>Alexandra Recreation Ground 31 March</li> <li>Ewell Court Park 31 March</li> <li>Rosebery Park 31 March</li> </ul> </li> <li>Produce an Operational Management Plan for: <b>(C&amp;WC) (Achieved)</b> <ul style="list-style-type: none"> <li>Rosebery Park; Ewell Court 31 March</li> </ul> </li> <li>Local Biodiversity Action Plan (LBAP): <b>(Achieved)</b> <ul style="list-style-type: none"> <li>Undertake the scoping exercise for a Borough-wide veteran tree survey 31 October 2017</li> <li>Complete inspections and compile the data on veteran trees for two wards by 31 March</li> </ul> </li> <li>Complete refurbishment of: <b>(C&amp;WC) (Achieved)</b> <ul style="list-style-type: none"> <li>Rosebery Park pond 31 March</li> <li>Tennis courts in Alexandra Recreation Ground 30 Sept</li> <li>Basketball courts in Alexandra Recreation Ground 30 Sept</li> </ul> </li> </ul> <p><b>Accommodating sustainable development whilst protecting the green belt in accordance with Policy: (L&amp;PPC)</b></p> <ul style="list-style-type: none"> <li>Complete issues and options consultation on the partial review of the Core Strategy by 30 September <b>(Achieved)</b></li> <li>Issue the pre-submission consultation for the Partial Review of the Core Strategy by 31 March <b>(Not Achieved)</b></li> </ul> <p><b>Introducing a premium weekly waste and recycling service as standard for all residents and encouraging more household waste to be recycled: (EC)</b></p> <ul style="list-style-type: none"> <li>Implement the new simply weekly recycling service to all residents by 30 July 2017 <b>(Achieved)</b></li> <li>Recycle 53% domestic waste by 31 March <b>(Not Achieved)</b></li> <li>Promote household recycling by holding: <b>(Achieved)</b> <ul style="list-style-type: none"> <li>20 road shows, and 3 school events 31 March</li> </ul> </li> <li>Over the year at least 99% of bins to be collected on average each week 31 March <b>(Achieved)</b></li> </ul> <p><b>Keeping the streets and open spaces clean and tidy: (EC)</b></p> <ul style="list-style-type: none"> <li>Twice yearly street cleansing survey based on a random selection of 113 areas achieving a cleanliness rating of Grade B or above in 65% of all selected streets <b>(Achieved)</b> <ul style="list-style-type: none"> <li>Phase 1 (Apr to Aug) to be reported in September</li> <li>Phase 2 (Sept to Mar) to be reported at year-end</li> </ul> </li> <li>Fly tips: <b>(Achieved)</b> <ul style="list-style-type: none"> <li>Investigate all fly-tips within five working days of being reported to Operational Services</li> <li>Remove 95% of all fly-tips on Council owned land (with the exception of hazardous waste) within five working days of being reported to Operational Services 31 March</li> </ul> </li> </ul> <p><b>Taking action to reduce graffiti, littering, flyposting, illegal advertising and dog fouling: (EC)</b></p> <ul style="list-style-type: none"> <li>To identify options for future enforcement action and report to Committee 31 March <b>(Achieved)</b></li> </ul>	<p><b>Supporting and enabling the delivery of affordable homes: (C&amp;WC)</b></p> <ul style="list-style-type: none"> <li>Secure two additional residential properties to be used as temporary emergency accommodation and ensure occupation within one month of completion or after works completed 31 March <b>(Achieved)</b></li> </ul> <p><b>Helping those at risk of homelessness: (C&amp;WC)</b></p> <ul style="list-style-type: none"> <li>At least 15 households accommodated through the private sector leasing scheme by 31 March <b>(Not Achieved)</b></li> <li>Have no more than 50 households living in emergency nightly paid temporary accommodation per month 31 March <b>(Achieved)</b></li> </ul> <p><b>Promoting healthy and active lifestyles, especially for the young and elderly: (C&amp;WC)</b></p> <ul style="list-style-type: none"> <li>Leisure development strategy: <b>(Achieved)</b> <ul style="list-style-type: none"> <li>Deliver Epsom &amp; Ewell entry into the Surrey Youth Games 31 July 2017</li> </ul> </li> <li>Community &amp; Wellbeing Centre: <b>(Achieved)</b> <ul style="list-style-type: none"> <li>To obtain approval for a programme of refurbishment work at the Community &amp; Wellbeing Centre and carry out the works by 31 March</li> <li>Increase membership by a further 55 by 31 March</li> <li>Promote increased use by under 55s by holding at least three taster sessions/activities 31 March</li> </ul> </li> <li>Implement new FlexiRoute system by 28 February 2018 <b>(Not Achieved)</b></li> <li>To establish a health and wellbeing officer group by 30 June 2017 which will: <b>(Achieved)</b> <ul style="list-style-type: none"> <li>Conduct a workforce health and wellbeing gap analysis by 30 August 2017</li> <li>Health and well-being strategy with agreed targets reported and approved by the committee 31 January 2018</li> <li>Implement the 2017/18 targets in our Health and Wellbeing Strategy by 31 March</li> </ul> </li> <li>To adapt the Wellbeing Centre to accommodate a high-needs day care facility for eight clients 31 March <b>(Achieved)</b></li> </ul> <p><b>Encouraging and supporting volunteering initiatives: (EC)</b></p> <ul style="list-style-type: none"> <li>Support at least three community/volunteer clean up campaigns by 31 March <b>(Achieved)</b></li> <li>Introduce a programme for raising awareness of volunteering initiatives in Epsom &amp; Ewell by 31 March <b>(Not Achieved)</b></li> </ul>	<p><b>Developing multi-skilled and motivated staff: (S&amp;R)</b></p> <ul style="list-style-type: none"> <li>Present proposals for a revised pay structure to HR Panel and S&amp;R Committee by 31 October 17 <b>(Achieved)</b></li> <li>Present proposals for a revised appraisal scheme to the Leadership Team and HR Panel by 31 December 17 <b>(Achieved)</b></li> <li>Hold three Managers Huddle's to support the development of all EEBC managers by 31 March <b>(Achieved)</b></li> <li>To consult with staff on a range of initiatives including management competencies, revised HR policies including the Attendance Management and Capability, and the appraisal process by 31 March <b>(Achieved)</b></li> </ul> <p><b>Providing services digitally:</b></p> <ul style="list-style-type: none"> <li>Complete phase 2 of the website by 31 December 2017 <b>(S&amp;R) (Not Achieved)</b></li> <li>Develop the Customer Experience Strategy and report to S&amp;R by 31 March <b>(Not Achieved)</b></li> <li>Introduce new pay machines with contactless payment facilities as part of a refurbishment programme in: <b>(EC) 31 March (Achieved)</b> <ul style="list-style-type: none"> <li>Depot Road car park; Upper High Street car park</li> </ul> </li> <li>100% of all housing clients to complete applications digitally by 31 March <b>(S&amp;R) (Achieved)</b></li> </ul> <p><b>Identifying new sources of revenue and maximising our existing income:</b></p> <ul style="list-style-type: none"> <li>At least 98.4% of Council Tax collected <b>(S&amp;R) (Achieved)</b></li> <li>At least 99.0% of Business Rates to be collected <b>(S&amp;R) (Achieved)</b></li> <li>Process new Housing Benefit claims within an average time of 28 days (31 March) <b>(S&amp;R) (Achieved)</b></li> <li>Process Housing Benefit change of circumstances within an average time 11 days (31 March) <b>(S&amp;R) (Achieved)</b></li> <li>Increase the catering income from Bourne Hall café and Playhouse bar by an additional £50,000 net (31 March) <b>(S&amp;R) (Achieved)</b></li> <li>Secure a combined lettings income from Bourne Hall, Community &amp; Wellbeing Centre, Playhouse and Ewell Court of £462,000 by 31 March <b>(S&amp;R) (Achieved)</b></li> <li>Generate £8,000 income from pest control referral service by 31 March <b>(S&amp;R) (Target Achieved)</b></li> <li>Epsom Cemetery extension: <b>(S&amp;R) (Not Achieved)</b> <ul style="list-style-type: none"> <li>Conduct ecological and ground water risk assessment by 31 July 2017</li> <li>Submit the planning application by 31 December 2017</li> </ul> </li> <li>To produce a proposal in regards to income generation plan to accompany the Medium Term Financial Strategy by 20 February 2018 <b>(S&amp;R) (Achieved)</b></li> </ul> <p><b>Delivering further efficiency savings and cost reductions: (S&amp;R)</b></p> <ul style="list-style-type: none"> <li>E-Tendering system implemented by 31 Oct 2017 <b>(Achieved)</b></li> <li>Submit a capital bid and, identify a replacement system for the CRM which meets our business needs, is affordable and sustainable 30 September 2017 <b>(Not Achieved)</b></li> <li>Playhouse: <b>(C&amp;WC) (Achieved)</b> <ul style="list-style-type: none"> <li>Complete a service review and submit report to Audit, Crime and Disorder and Scrutiny Committee by 23 November 2017 and Community and Wellbeing Committee by 23 January 2018</li> </ul> </li> </ul> <p><b>Maximising returns from properties and other investments: (S&amp;R)</b></p> <ul style="list-style-type: none"> <li>To support economic regeneration utilise the Commercial Property Acquisition Fund to purchase a minimum two additional commercial investment properties generating no less than 5% return on investment by 31 March 2018 <b>(Not Achieved)</b></li> </ul>	<p><b>Supporting a comprehensive retail, commercial and social offer:</b></p> <ul style="list-style-type: none"> <li>Support the Business Partnership to develop a proposal for a Business Improvement District (BID) with the intention of holding a Ballot in Oct 2017 <b>(S&amp;R) (Achieved)</b></li> <li>To agree and implement a scheme for the allocation of the neighbourhood portion of Community Infrastructure Levy (CIL) (15%) by 31 Aug 2017 <b>(S&amp;R) (Achieved)</b></li> <li>At least 90% of premises licence application determined within 21 days from the end of the statutory consultation period <b>(L&amp;PPC) 31 March (Achieved)</b></li> <li>Ten percent reduction of 0-2 food hygiene rated food businesses <b>(EC) 31 March (Achieved)</b></li> <li>Completion of three storey Houses in Multiple Occupation (HMO) inspection due within the year <b>(C&amp;WC) 31 March (Achieved)</b></li> <li>To complete the refurbishment of 24 South Street, including one retail unit by 31 March <b>(C&amp;WC) (Not Achieved)</b></li> </ul> <p><b>Maintaining strong links with local business leaders and representative organisations: (S&amp;R)</b></p> <ul style="list-style-type: none"> <li>To hold at least three business breakfasts by 31 March <b>(Achieved)</b></li> </ul> <p><b>Supporting developers to bring forward the development of town centre sites: (L&amp;PPC)</b></p> <ul style="list-style-type: none"> <li>Number of major planning applications received*</li> <li>Number of minor planning applications received*</li> <li>Number of other planning applications received*</li> <li>At least 75% of major planning applications determined within 13 weeks <b>{No data available}</b></li> <li>At least 80% of minor planning applications determined within 8 weeks <b>{No data available}</b></li> <li>At least 90% of other planning applications determined within 8 weeks <b>{No data available}</b></li> <li>No more than ten per cent of major planning applications allowed at appeal (using the two-year rolling assessment period defined by the government) <b>(Not Achieved)</b></li> </ul> <p>(*Note: Information only indicator)</p> <p><b>Delivering an affordable Economic Development Strategy: (S&amp;R)</b></p> <ul style="list-style-type: none"> <li>Plan E (Phase 1): <b>(Achieved)</b> <ul style="list-style-type: none"> <li>Finalise and agree the design for the Market Place improvements in partnership with Surrey County Council (SCC) by 31 October 2017</li> </ul> </li> <li>Complete a review of the benefits/disadvantages of establishing a Joint Local Committee and report to S&amp;R by 31 March <b>(Not Achieved)</b></li> </ul> <p><b>Promoting our Borough as an excellent place to do business:</b></p> <ul style="list-style-type: none"> <li>Develop the business case for a business hub and report to S&amp;R by 28 November 2017 <b>(Not Achieved)</b></li> </ul>

		<ul style="list-style-type: none"><li>• To produce a proposal in regards to an Asset Management Strategy and Ten year maintenance plan 31 March 2018 <b>(Not Achieved)</b></li><li>• Review options for establishing a local authority trading company through a Member / Officer Working Group and report to S&amp;R by 31 December 2017 <b>(Achieved)</b></li></ul>	<ul style="list-style-type: none"><li>• Conduct a review of the groups that we contribute to in relation to promoting Epsom and Ewell as a place to do business and evaluate the benefits and effectiveness from participating in these arrangements by 31 December 2017 <b>(Achieved)</b></li><li>• To carry out a corporate review of all marketing and promotions to agree an overall strategy by 31 October <b>(S&amp;R) (Not Achieved)</b></li><li>• To produce and up to date marketing strategy and action plan for <b>(C&amp;WC): (Not Achieved)</b><ul style="list-style-type: none"><li>○ Ewell Court House 31 December 2017</li><li>○ Bourne Hall 31 December 2017</li></ul></li></ul>
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**Key:** Target Achieved {GREEN}; Not achieved {RED}; Information only indicator\*/No Data Available



**Corporate Plan: Key Priority Performance Targets  
Performance Report: Year-end 2017/2018**

## Corporate Plan: Key Priority Performance Targets

### Performance Report: Phase Year-end 2017/2018

Performance status					
Key to reporting target status	Keeping our borough clean and green	Supporting our community	Managing our resources	Supporting businesses and our local economy	Totals:
<b>Achieved</b>	<b>11</b>	<b>7</b>	<b>17</b>	<b>8</b>	<b>43</b>
<b>Not achieved</b>	<b>2</b>	<b>3</b>	<b>6</b>	<b>6</b>	<b>17</b>
<b>Information Indicators</b>	-	-	-	<b>3</b>	<b>3</b>
<b>No data</b>	-	-	-	<b>3</b>	<b>3</b>
<b>Totals:</b>	<b>13</b>	<b>10</b>	<b>23</b>	<b>20</b>	<b>66</b>

## 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

Keeping our borough clean and green – Key priority						
Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:	
Providing quality parks, nature reserves and other open spaces that are safe, pleasant and well maintained	Maintain external accreditation to recognise the quality of: <ul style="list-style-type: none"> <li>Alexandra Recreation Ground</li> <li>Ewell Court Park</li> <li>Rosebery Park</li> </ul>	Ian Dyer Head of Operational Service (C&WC)	31 March 2018	<b>April to Sept:</b> Earlier in the year we entered Alexandra Recreation Ground, Ewell Court Park and Rosebery Park in to the Green Flag Scheme. Judging took place in June and all our entries have been successful. We will soon be flying the Green Flag in all these sites.	<b>Achieved</b>	
				<b>Oct to Dec:</b> All flags are now displayed at these sites. Target Achieved.		
				<b>Jan to March:</b> This was completed in Dec 2017		
	Produce an Operational Management Plan for: <ul style="list-style-type: none"> <li>Rosebery Park</li> <li>Ewell Court</li> </ul>	Ian Dyer Head of Operational Service (C&WC)	31 March 2018	<b>April to Sept:</b> Rosebery Park Management Plan has been completed and we are now starting work on Ewell Court.		<b>Achieved</b>
				<b>Oct to Dec:</b> Ewell Court Management Plan has been started and is due for completion in January 2018.		
				<b>Jan to March:</b> Ewell Court Management Plan completed.		

Keeping our borough clean and green – Key priority						
Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:	
Providing quality parks, nature reserves and other open spaces that are safe, pleasant and well maintained	Local Biodiversity Action Plan (LBAP): <ul style="list-style-type: none"> <li>• Undertake the scoping exercise for a Borough-wide veteran tree survey</li> <li>• Complete inspections and compile the data on veteran trees for two wards</li> </ul>	Mark Berry Head of Place Development (C&WC)	31 October 2017	<b>April to Sept:</b> Progress with veteran tree/Heritage Asset mapping is as follows: the desk or scoping exercise is approx. two thirds completed. The exercise has shown that there are hundreds of trees to check right across the borough. A significant amount of officer time will be needed to investigate and determine the status of the currently mapped possible veteran trees. The reason that we chose just two Wards is that we knew from the start that the whole borough was likely to take several years and the scoping exercise is confirming that it's a bigger task than predicted.	<b>Achieved</b>	
			31 March 2018			<b>Oct to Dec:</b> Progress with veteran tree/Heritage Asset mapping is as follows: the initial desk mapping exercise is essentially completed. The result is a map locating hundreds of trees that need to be checked across the borough. The Field work pilot has been completed in Town Ward and is currently underway in Cuddington Ward and should be complete by March 2018. As predicted the field exercise has confirmed that recording our veteran trees will take several years with current resources. This has led to the creation of a traffic light key for the map which will allow the map to function straight away as field work is taking place.
						<b>Jan to March:</b> Scoping exercise and field work pilot has been completed for both Town and Cuddington wards.

## Keeping our borough clean and green – Key priority

Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Providing quality parks, nature reserves and other open spaces that are safe, pleasant and well maintained	Complete refurbishment of: <ul style="list-style-type: none"> <li>• Tennis courts in Alexandra Recreation Ground</li> <li>• Basketball courts in Alexandra Recreation Ground</li> <li>• Rosebery Park pond</li> </ul>	Ian Dyer Head of Operational Service (C&WC)	30 September 2017  31 March 2018  31 March 2018	<p><b>April to Sept:</b> The three Tennis and one basketball courts have been successfully resurfaced in Alexandra Rec. The works took three weeks and the contractor Sovereign Sports will be cleaning up site and leaving on 06/09/17. The courts will be locked and unavailable for the next three weeks whilst the surface settles. The contractor will return in three weeks time depending on the weather to apply surface coating markings, to fit new nets and posts. All works to date have been carried out successfully within budget and agreed timescales without issues.</p> <p>Rosebery Park pond has been delayed slightly due to completion of fire risk assessments. A documentation and specification for tender is currently been prepared. The documents will be issued out to tender by 15 September, with a start on site at end of October 2017. Although slightly delayed this meets requirements for less disturbance to wildlife and its best that works are not carried out during school summer holidays.</p> <p><b>Oct to Dec:</b> Following the tender C J Thorne appointed as contractors for the Rosebery Pond works. Pre-start meeting held on 22 November. Works due to start on Monday 8th January 2018 for approximately 3 months dependant on weather.</p> <p><b>Jan to March:</b> Rosebery Pond completed. It has now been expertly repaired, refurbished and officially open to the public on 12/04/17.</p>	Achieved



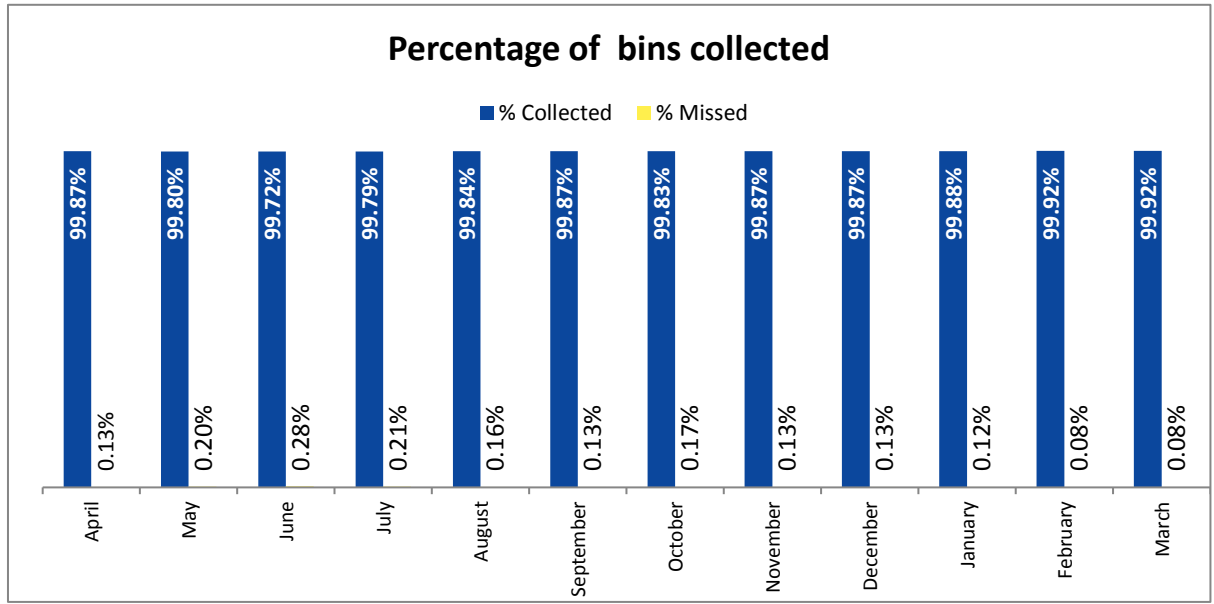
Keeping the borough clean and green – Key priority					
Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Accommodating sustainable development whilst protecting the green belt in accordance with Policy	Complete issues and options consultation on the partial review of the Core Strategy	Mark Berry Head of Place Development (L&PPC)	30 September 2017	<b>April to July:</b> The Issues and Options report is being prepared with a proposed consultation paper to be published in September subject to Committee approval. It is anticipated that this target will be achieved by the end of September.	Achieved
				<b>Oct to Dec:</b> Consultation completed and results to be conveyed to the Licensing and Planning Policy Committee in January 2018.	
				<b>Jan to March:</b> Target completed, report submitted to Licensing and Planning Policy committee.	
	Issue the pre-submission consultation for the Partial Review of the Core Strategy	Mark Berry Head of Place Development (L&PPC)	31 March 2018	<b>April to July:</b> Subject to completion of the Issues and Options above, we will be able to progress to the pre-submission consultation stage.	Not Achieved
		<b>Oct to Dec:</b> A lot of preparatory work has been done to bring forward the debate on how much growth we can accommodate and where that growth should be accommodated. The Issues and Options consultation has been completed and the Local Plan Programme is still on target for a submission to the Secretary of State in mid-2018 including issuing the pre-submission consultation by 31 March 2018.			
		<b>Jan to March:</b> The Pre-submission consultation will be issued next year.			

Keeping our borough clean and green – Key priority					
Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Introducing a premium weekly waste and recycling service as standard for all residents and encouraging more household waste to be recycled	Implement the new simply weekly recycling service to all residents	Ian Dyer Head of Operational Service (EC)	30 July 2017	<b>April to Sept:</b> Big Switch launched to all houses May/June. Excellent reception to new service from residents, and launch operations were highly successful. Service bedded in well and operating smoothly.	<b>Achieved</b>
				<b>Oct to Dec:</b> Big Switch launched to flats, hopeful that this will now add further to our recycling performance.	
				<b>Jan to March:</b> Target completed in December	
	Recycle 53% domestic waste	Ian Dyer Head of Operational Service (EC)	31 March 2018	(see below)	<b>Not Achieved</b>
	<b>April to Sept:</b> As at July 51% has been recycled, this figure is provisional. First month of full Simply Weekly Recycling (SWR) system at houses. The introduction of SWR has resulted in a big rise in dry recycling, up from 573 tonnes last July to 615 tonnes this July, and food waste has risen from 167 tonnes last July to 179 tonnes this July. But garden waste continues to lag, with 562 tonnes last July but only 420 tonnes this July. This has served to continue to depress the overall recycling figure. Hopefully the wet weather in July and early August will provide a boost to garden waste recycling in August.				
	<b>Oct to Dec:</b> The recycling rate for November is 47.86%. Overall, the monthly recycling rate is only 1.13% points higher than Nov '16 (46.73% overall recycling rate). During November we implemented the Big Switch at flats, which we hope will now provide a small boost to performance.				
	<b>Jan to March:</b> Dry recycling up a full 20% versus prior year, helped by our biggest recycling Christmas yet. But cold weather saw garden waste crash by 24.4%, which heavily depressed our overall recycling rate of 47.4% (only 0.5% points higher than prior year, when garden waste tonnage was pretty healthy). Overall result for the year was 51.09% recycling. That's disappointing, but we did collect 770 extra tonnes of dry recycling in the year just through the Big Switch, as well as 155 extra tonnes of food waste compared to 2016/17.				

Keeping our borough clean and green – Key priority					
Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Introducing a premium weekly waste and recycling service as standard for all residents and encouraging more household waste to be recycled	Promote household recycling by holding: <ul style="list-style-type: none"> <li>• 20 road shows</li> <li>• 3 school events</li> </ul>	Ian Dyer Head of Operational Service (EC)	31 March 2018	<b>April to Sept:</b> Overall, 65% of roadshows have been carried out ie 13 pre-launch Big Switch roadshows in April/May. Roadshows and schools thereafter temporarily suspended while service beds in, and will re-start September to reinforce service introduction.	<b>Achieved</b>
				<b>Oct to Dec:</b> 5 further roadshows at Sainsbury's were completed, focusing on what can be recycled and encouraging people to support our new service.	
				<b>Jan to March:</b> Further roadshows held in spring pre-Big Switch.  Overall, 40 roadshows were held for the Big Switch during the year, plus several separate talks to residents' groups.  Several schools events held by Susannah Lea, Waste Services Assistant through the year.	

## Keeping our borough clean and green – Key priority

Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Introducing a premium weekly waste and recycling service as standard for all residents and encouraging more household waste to be recycled	Over the year at least 99% of bins to be collected on average each week	Ian Dyer Head of Operational Service (EC)	31 March 2018	<b>April to Sept:</b> Year to date, we have collected 99% of bins.	<b>Achieved</b>
				<b>Oct to Dec:</b> As at November, we have collected 99.87% of bins.	
				<b>Jan to March:</b> As at March, we have collected 99.92% of bins.	

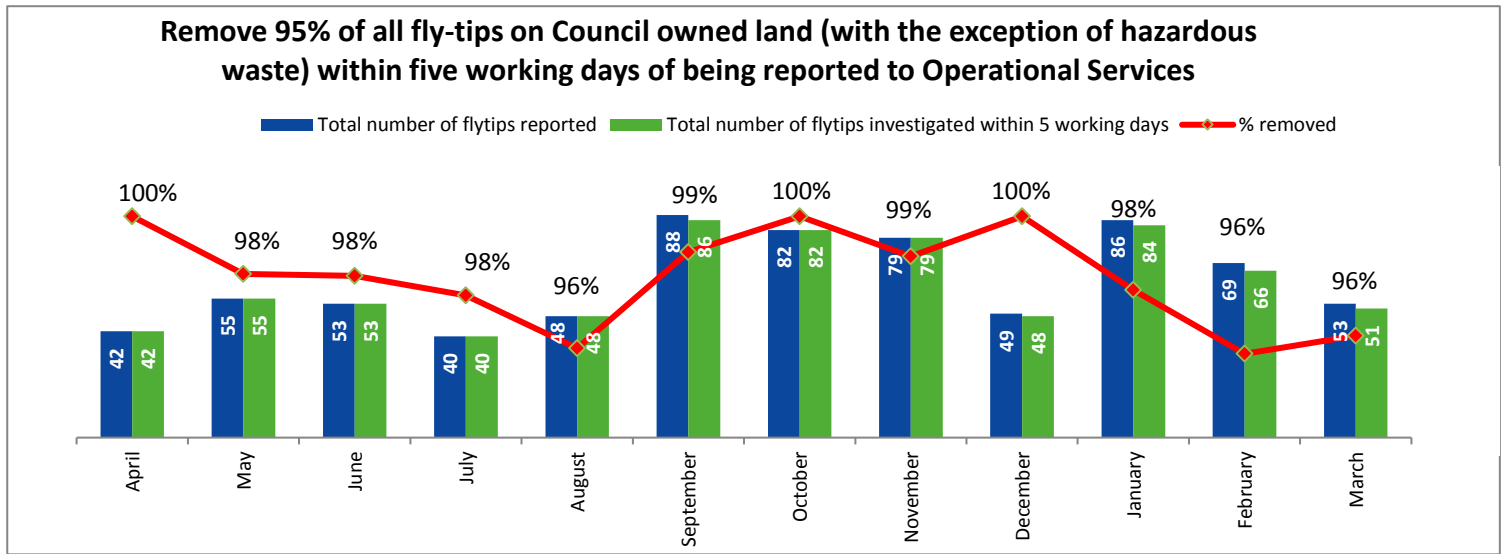


## Keeping our borough clean and green – Key priority

Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Keeping the streets and open spaces clean and tidy	Twice yearly street cleansing survey based on a random selection of 113 areas achieving a cleanliness rating of Grade B or above in 65% of all selected streets <ul style="list-style-type: none"> <li>Phase 1 (Apr to Aug) to be reported in September</li> <li>Phase 2 (Sept to Mar) to be reported at year-end</li> </ul>	Ian Dyer Head of Operational Service (EC)	31 March 2018	<b>April to Sept:</b> Overall, a total of 113 streets, parks and shopping parades have been surveyed across all Wards (approx. 9 areas per Ward). Of the 113 surveyed all Wards scored an overall B for grass cutting, detritus, litter, fly-posting and graffiti and an overall C for weeds. Weeds in gullies were most prolific and this can be attributed to the lack of big mechanical sweeper which was taken off the fleet for financial reasons. This decision has recently been reversed due to the impact noticed and a big mechanical sweeper forms part of the fleet. The sweeper has recently been retro-fitted with weed spraying technology and will soon be fitted with weed ripping tines. This should now start to address the score recorded for weeds.	<b>Achieved</b>
				<b>Oct to Dec:</b> Due to Autumn there is no surveying carried out in this period. This target will be achieved by year-end.	
				<b>Jan to March:</b> 109 areas were surveyed this quarter consisting of five per ward plus shopping parades and parks in applicable wards. 94% of areas were grade A or B for litter and graffiti, 99% were graded A or B for flyposting and 80% were graded A or B for detritus. 97% of grassed areas were graded A or B for grass cutting and 58% of areas were graded A or B for weeds. Giving an overall cleanliness rating of Grade B or above in 87% of inspected areas. Weeds and detritus remain our areas for improvement but with the new spraying and weed removal technology installed to our sweepers in November 2017, we are confident that this will improve over the coming year.	

## Keeping our borough clean and green – Key priority

Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Keeping the streets and open spaces clean and tidy	<b>Fly tips:</b> <ul style="list-style-type: none"> <li>Investigate all fly-tips within five working days of being reported to Operational Services</li> <li>Remove 95% of all fly-tips on Council owned land (with the exception of hazardous waste) within five working days of being reported to Operational Services</li> </ul>	Ian Dyer Head of Operational Service (EC)	31 March 2018	<b>April to Sept:</b> Year to date, all fly tips reported have been investigated within five working days and slightly over 95% removed.	Achieved
				<b>Oct to Dec:</b> As at November, 99% of fly-tips on council owned land were removed within five working days.	
				<b>Jan to March:</b> As at December, 96% of fly-tips on council owned land were removed within five working days.	



Keeping our borough clean and green – Key priority					
Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	
Taking action to reduce graffiti, littering, flyposting, illegal advertising and dog fouling	To identify options for future enforcement action and report to Committee	Head of Environmental Health Rod Brown/  Environmental Health Team Leader/ Oliver Nelson (EC)	31 March 2018	<b>April to Sept:</b> No action taken to date however, a report will be brought to Committee in January outlining the options available.	<b>Achieved</b>
				<b>Oct to Dec:</b> Experimentation with use of fixed penalty notices for littering, flytipping and duty of care offences has been ongoing. Options report to be delivered at the March 2018 Environment Committee.	
				<b>Jan to March:</b> A report on options for community safety went to S&R on 17 <sup>th</sup> April 2018 which set out the proposal for a more effective and co-ordinated approach to the Council’s community safety role, including tackling antisocial behaviour and environmental crime in the Borough.	

## 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

Increase supply of homes to meet local needs

Residents supported from becoming homeless

Implement the Leisure Development Strategy

### KEY SUCCESS MEASURES

Delivery of affordable homes

Long term empty properties brought back into use

Reduction in homelessness  
Increase our supply of temporary accommodation

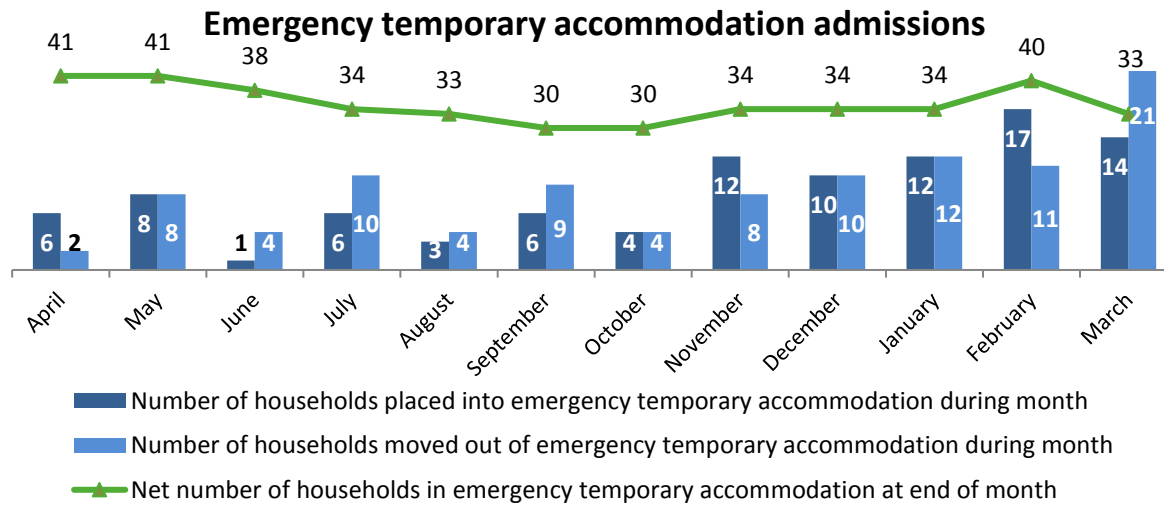
Deliver the targets within the Leisure Development Strategy



Supporting our community – Key priority					
Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Supporting and enabling the delivery of affordable homes	Secure two additional residential properties to be used as temporary emergency accommodation and ensure occupation within one month of completion or after works completed	Rod Brown Head of Housing & Environmental Services (C&WC)	31 March 2018	<b>April to Sept:</b> A lack of suitable properties at the right price currently but positive discussions had about acquiring several properties which may come to fruition within the year.	<b>Achieved</b>
				<b>Oct to Dec:</b> Offers accepted on two additional properties with likely exchange in early 2018.	
				<b>Jan to March:</b> Two additional properties purchased in Q4.	
Helping those at risk of homelessness	At least 15 households accommodated through the private sector leasing (PSL) scheme	Rod Brown Head of Housing & Environmental Services (C&WC)	31 March 2018	<b>April to Sept:</b> PSL scheme launched and two landlords ready to be signed up and a number of leads of other landlords interested in participating. This will lead to two households being accommodated.	<b>Not Achieved</b>
				<b>Oct to Dec:</b> Three properties operating well. Other housing pathways such as the Rent Deposit Scheme have been providing suitable accommodation reducing the need for 15 units as PSL.	
				<b>Jan to March:</b> Four properties operating well and three in the pipeline. Target not completed and will form part of our 2018/19 Key Priority Targets.	

## Supporting our community – Key priority

Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Helping those at risk of homelessness	Have no more than 50 households living in emergency nightly paid temporary accommodation per month	Rod Brown Head of Housing & Environmental Services (C&WC)	31 March 2018	<p><b>April to Sept:</b> We have 33 households in B&amp;B. Year to date, this has reduced by 37% when compared to last year (n=54) and by 17% when compared to April (n=41). However, it should be noted that this figure is not likely to get any lower. However, the team will continue to implement measures agreed to improve it as much as possible.</p>	<b>Achieved</b>
				<p><b>Oct to Dec:</b> As at November we have 34 households in B&amp;B and 4 people placed under Severe Weather Emergency Protocol (SWEPE).</p>	
				<p><b>Jan to March:</b> As at yearend we have 33 households in B&amp;B and none were placed under SWEPE. Last year the highest number placed in B&amp;B was 61 households a reduction of 46% with 30 being our lowest this year.</p>	



## Supporting our community – Key priority

Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Promoting healthy and active lifestyles, especially for the young and elderly	Leisure development strategy: <ul style="list-style-type: none"> <li>Deliver Epsom &amp; Ewell entry into the Surrey Youth Games (SYG)</li> </ul>	Sam Beak Leisure Development Manager (C&WC)	31 July 2017	<p><b>April to Sept:</b> There were 557 young people from Epsom &amp; Ewell registered for the SYG 2017. This compared to 523 in 2016. We had 60 volunteer and coaches representing 15 local sports clubs and organisations who helped to deliver free taster sessions. Team Epsom &amp; Ewell came 2nd and retained the Highest Team Entry Award for the 10th consecutive year. A presentation evening to celebrate the achievements of Team Epsom &amp; Ewell was held at Epsom Playhouse where over 300 guests attended. Target achieved.</p> <p><b>Oct to Dec:</b> Target has been completed and plans are underway for 2018's campaign.</p>	Achieved
	Community & Wellbeing Centre: <ul style="list-style-type: none"> <li>To obtain approval for a programme of refurbishment work at the Community &amp; Wellbeing Centre and carry out the works</li> <li>Increase membership by a further 55</li> <li>Promote increased use by under 55s by holding at least three taster sessions/activities</li> </ul>	Andrew Lunt Head of Venues & Facilities (C&WC)	31 March 2018	<p><b>April to Sept:</b> This is currently on target. Improvement options are being costed and engineers are being consulted to determine the viability of building an extension on the property. The membership of the centre currently stands at 650 against the membership at the start of April which was 672. This reduction is fairly typical for this time of year and the centre team predict an increase in numbers of the coming months. Work on taster sessions/activities will commence in October.</p> <p><b>Oct to Dec:</b> A list of improvements was sent to relevant members and materials are now being purchased. A business plan is being produced in order to secure the funding for a building extension. So far we have 34 new members. We are on target to achieve the 55 additional members. The taster sessions will be held in the last quarter of the year.</p> <p><b>Jan to March:</b> Membership now stands at 652 with 78 renewals. Improvements to the kitchen, servery area and rear of the building have been complete and replacement dining room furniture provided. The centre now also hosts the following activities for the under 55's – two fitness classes, two dance classes and one camera club.</p>	Achieved

Supporting our community – Key priority						
Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:	
Promoting healthy and active lifestyles, especially for the young and elderly	Implement new FlexiRoute system	Ian Dyer Head of Operational Services (C&WC)	28 February 2018	(see below)	Not Achieved	
	<p><b>April to Sept:</b> Work completed to date include: Training on FlexiRoute; driver and vehicle profiles; menu profile; clients profiles and fares profiles for transport; client and fare profiles for meals at home. Scheduled work include:</p> <ul style="list-style-type: none"> <li>• Meals at home route for the borough by end of September</li> <li>• Day centre and vulnerable adults clients profiles</li> <li>• by October</li> <li>• Payment methods for pay on booking by end of September</li> <li>• Implementation of payment system once testing completed</li> <li>• Training with Customer Services tbc</li> <li>• Go live date to be agreed with Finance and Customer Services</li> <li>• Route planner training date tbc.</li> </ul> <p>Further development has been needed with regards to the direct debit payment and how it will work with our financial system this is on target.</p>					
	<p><b>Oct to Dec:</b> Works completed to date include: The payment module has been completed and has also been tested with Finance. Communications will be forwarded to all clients by the end of December to inform them of the changes to the services with regards to payment on booking. As Meals at home payment methods are mainly Direct Debit we will be commencing the first switchover to FlexiRoute in January. Second phase will be to move the transport to FlexiRoute in February.</p>					
	<p><b>Jan to March:</b> We have been testing and running the payments with Meals at home. There has been issues with the card payments, this has now been rectified. We have also had to change to Civica card payments along with the larger finance project. Additional changes were needed to the system to incorporate the direct payments to ensure advanced payments were taken into account. With the support from ITC we are now on course to switch Transport to FlexiRoute in April 2018.</p>					

Supporting our community – Key priority					
Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Promoting healthy and active lifestyles, especially for the young and elderly	To establish a health and wellbeing officer group (by 30 June 2017) which will: <ul style="list-style-type: none"> <li>• Conduct a workforce health and wellbeing gap analysis</li> <li>• Health and well-being strategy with agreed targets reported and approved by the committee</li> <li>• Implement the 2017/18 targets in our Health and Wellbeing Strategy</li> </ul>	Rod Brown Head of Housing & Environmental Services (C&WC)	30 August 2017	<b>April to Sept:</b> A health and wellbeing officer group has been established and an initial meeting was held on 06/06/17. Gap analysis underway and it's likely to be completed later this year.	<b>Achieved</b>
			31 January 2018	<b>Oct to Dec:</b> Draft Health and Wellbeing Position Statement and Action Plan completed and subject to consultation by Health Liaison Panel prior to Report to Community and Wellbeing in January 2018.	
			31 March 2018	<b>Jan to March:</b> Community and Wellbeing Position Statement and Action Plan was agreed at committee in Jan 2018.	

Supporting our community – Key priority					
Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Promoting healthy and active lifestyles, especially for the young and elderly	To adapt the Wellbeing Centre to accommodate a high-needs day care facility for eight clients	Ian Dyer Head of Operational Services (C&WC)	31 March 2018	<p><b>April to Sept:</b> The works are scheduled to start on the 4 September subject to planning permission for a period of five weeks. The current clients that use the Wellbeing Centre have all been informed of the changes and the new model. We have secured a room with Roseberry housing so that we can commence the new model from the 4 September until the building works are completed. Surrey County Council Adult Social Care team are aware of the new model. Promotion of the new higher needs day care took place at the Golden day's festival on the 9 July.</p>	<b>Achieved</b>
				<p><b>Oct to Dec:</b> The works were delayed until the 16 October. The works are in two phases the first phase was the conversion of the old kitchen into the foot clinic due to issue beyond our control there were considerable delays and the works for the Wellbeing Centre commenced mid-November. The Wellbeing centre works should be completed by end of December therefore the opening date will be in January 2018.</p>	
				<p><b>Jan to March:</b> The Wellbeing Daycare+ was opened of the 5 March 2018. It currently has five members attending half day sessions.</p>	

Supporting our community – Key priority					
Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Encouraging and supporting volunteering initiatives	Support at least three community/volunteer clean up campaigns	Ian Dyer Head of Operational Service (EC)	31 March 2018	<p><b>April to Sept:</b> Supply of litter picking packs to WERRA For two community events. Litter picking arranged and kits supplied to Councillor Wormington and Town Ward Residents Association.</p> <p><b>Oct to Dec:</b> In conversations with residents in West Ewell to carry out Spring Clean Up operations.</p> <p><b>Jan to March:</b> Target completed. Volunteer picks by the church of god (new group), RA litter picks in Stoneleigh</p>	Achieved
	Introduce a programme for raising awareness of volunteering initiatives in Epsom & Ewell	Gillian McTaggart Head of Corporate Governance (EC)	31 March 2018	<p><b>April to Sept:</b> Work has not commenced on this project however, a project scope will be drafted and a project working group established in October.</p> <p><b>Oct to Dec:</b> This project is on hold until 2018/19.</p> <p><b>Jan to March:</b> An officer project group from several departments has been established to review the volunteering initiatives and voluntary bodies that the Council work with. The group will evaluate what is in place and then will agree a set of actions during 2018/19</p>	



KEY OUTCOMES	KEY SUCCESS MEASURES
An Organisational Development Strategy which drives culture change, build capacity and delivers a skilled workforce for the future	Core values embedded into our performance management framework
A new improved website enabling services to be delivered digitally	Increase digital accessibility of our services
Asset Management Plan for major assets	Return generated from property and other investments
Balanced budget each year	Agreed savings delivered



Managing our resources – Key priority					
Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Developing multi-skilled and motivated staff	Present proposals for a revised pay structure to HR Panel and S&R Committee	Shona Mason Head of HR & OD (S&R)	31 October 2017	<b>April to Sept:</b> Revised pay structured developed and presented to Leadership Team, Chair of HR Panel and Chair of S&R with consultation with staff commenced in July.	Achieved
				<b>Oct to Dec:</b> Revised pay structure presented to S&R on 28 Nov 2017 and agreed to be implemented for 1 April 2018.	
				<b>Jan to March:</b> Revised pay structure now implemented	
	Present proposals for a revised appraisal scheme to the Leadership Team and HR Panel	Shona Mason Head of HR & OD (S&R)	31 December 2017	<b>April to Sept:</b> Draft scheme was developed and presented to Leadership Team	Achieved
				<b>Oct to Dec:</b> Draft scheme consulted on with feedback received ready to be implemented in April 2018.	
				<b>Jan to March:</b> The New Performance Conversation is now implemented with training scheduled for staff and managers.	
	Hold three Managers Huddle's to support the development of all EEBC managers	Shona Mason Head of HR & OD (S&R)	31 March 2018	<b>April to Sept:</b> So far we've held one Managers Huddle in June 2017 covering the following topics - Developing the Managers Network, Our EEBC Manager, Service Delivery Plans & Performance Management.	Achieved
				<b>Oct to Dec:</b> Further Managers Huddle held in Nov 2017 covering the following topics - Managers Network Update, DISC Profiling (it's a personal assessment tool for Dominance, Influence, Steadiness and Conscientiousness), Finance & Budget Exercise, Developing Our EEBC Employee and Personal Development themes and Social Media.	
				<b>Jan to March:</b> The last one was held in February covering the following topics - working with members, experiences of working with members, member/officer protocol & case studies, Absence & Capability Policy, decision making, communications and induction.	

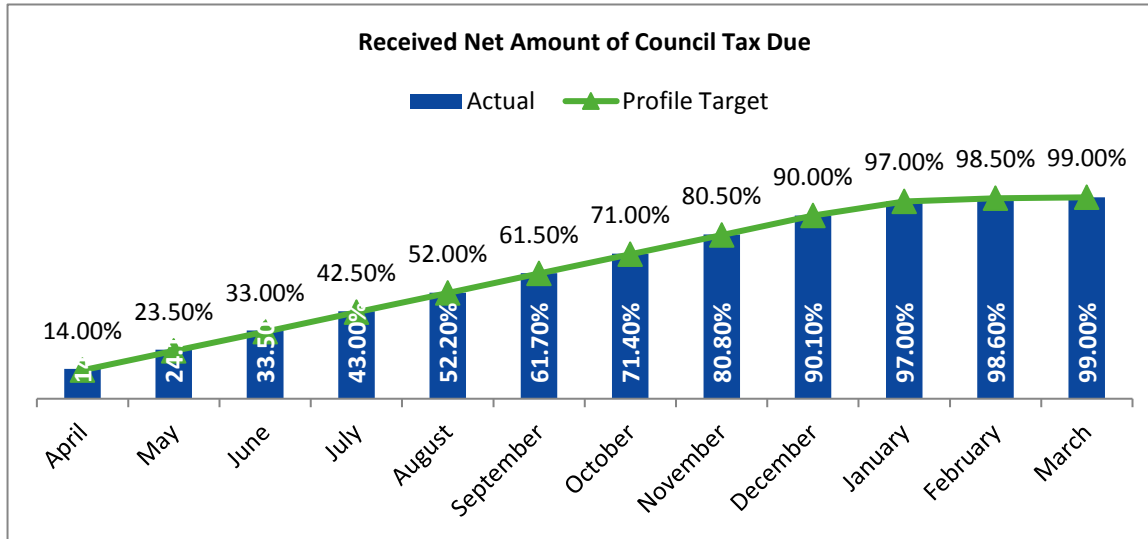
<b>Managing our resources – Key priority</b>					
Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Developing multi-skilled and motivated staff	To consult with staff on a range of initiatives including management competencies, revised HR policies including the Attendance Management and Capability, and the appraisal process	Shona Mason Head of HR & OD (S&R)	31 March 2018	<b>April to Sept:</b> Collated and review of feedback from staff on Attendance Management Policy and Capability policy with a view to rolling out new policies in Autumn. Finalised "Our EEBC Manager" behaviours and competencies via the Manager Huddle that took place in June.	<b>Achieved</b>
				<b>Oct to Dec:</b> Consultation taken place on the new appraisal process "My Performance Conversation" and feedback received. Focus group held on Employee behaviours with feedback currently being considered.	
				<b>Jan to March:</b> Further consultation has taken place on My Performance Conversations to ensure the smooth implementation of the new scheme. This has been discussed at length at the Staff Consultative Group. A new behaviour framework has now been finalised with further consultation required prior to implementation.	

Managing our resources – Key priority						
Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:	
Providing services digitally	Complete phase 2 of the website	Judith Doney Head of Revenues & Benefits Andrew Lunt Head of Venues & Facilities (S&R)	31 December 2017	<b>April to Sept:</b> Venues currently on target. Plan Alpha have supplied templates, relevant domain addresses have been purchased, 360 degree filming of the Playhouse and Ewell court house has been carried out. Websites content is now being drafted. Revenues & Benefits self-service currently on target. Module has been updated to newest version and initial work done by Capita consultant. Setup now to be completed by Revenues & Benefits project team.	Not Achieved	
				<b>Oct to Dec:</b> Venues Websites went live on the 19th December. Revenues and Benefits self service module has been set to live and the final work to brand the self-service site and amend documents is being completed. User Acceptance Testing (UAT) on live site currently being undertaken with the intention of making available to residents in January 2018.		
				<b>Jan to March:</b> The online self-service for Revenues and Benefits go live was delayed to April due to some issues discovered during live testing and lack of IT resources. Live date now expected to be 30 April 2018.		
	Develop the Customer Experience Strategy and report to S&R	Joy Stevens Head of Customer Services & Business Support (S&R)	31 March 2018	<b>April to Sept:</b> Some work has been done on the Customer Experience Strategy but this is linked to progressing the replacement options for the CRM which has been submitted as a capital bid.		Not Achieved
				<b>Oct to Dec:</b> Work progressing on writing of the strategy to go to Committee.		
				<b>Jan to March:</b> This has been deferred and is now in the service delivery plan for 2018/19		

Managing our resources – Key priority					
Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Providing services digitally	Introduce new pay machines with contactless payment facilities as part of a refurbishment programme in: <ul style="list-style-type: none"> <li>• Depot Road car park</li> <li>• Upper High Street car park</li> </ul>	Joy Stevens Head of Customer Services & Business Support (EC)	31 March 2018	<b>April to Sept:</b> A procurement tender has been completed and contract awarded to Metric. Machines being customer designed and due for installation in Q3.	<b>Achieved</b>
				<b>Oct to Dec:</b> Lining & signing completed. Pay machines installed and live. Target Achieved.	
				<b>Jan to March:</b> The refurbishments were completed in December.	
	100% of all housing clients to complete applications digitally	Rod Brown Head of Housing & Environmental Services (S&R)	31 March 2018	<b>April to Sept:</b> Year to date 100% of housing clients applications have been submitted digitally.	<b>Achieved</b>
				<b>Oct to Dec:</b> Year to date 100% of housing clients applications have been submitted digitally.	
				<b>Jan to March:</b> Year to date 100% of housing clients applications have been submitted digitally. Overall, 862 digital applications were received and 370 have been closed.	

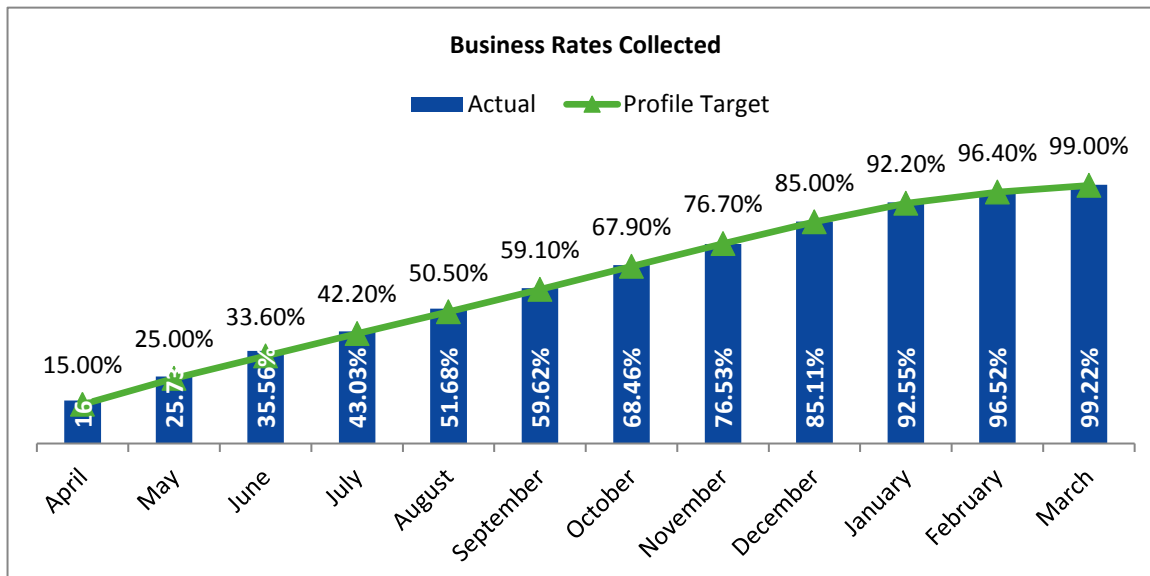
## Managing our resources – Key priority

Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Identifying new sources of revenue and maximising our existing income	At least 98.4% of Council Tax collected	Judith Doney Head of Revenues & Benefits (S&R)	31 March 2018	<b>April to Sept:</b> The cumulative target as at July is 42.50%. We've collected 43.00%. This compares to 42.80% in July 2016/17. We are expecting to achieve this target by year end.	<b>Achieved</b>
				<b>Oct to Dec:</b> As at November we have collected 80.80% Council Tax. This is above the profile target 80.50%.	
				<b>Jan to March:</b> As at March we have collected 99.00% of Council Tax.	



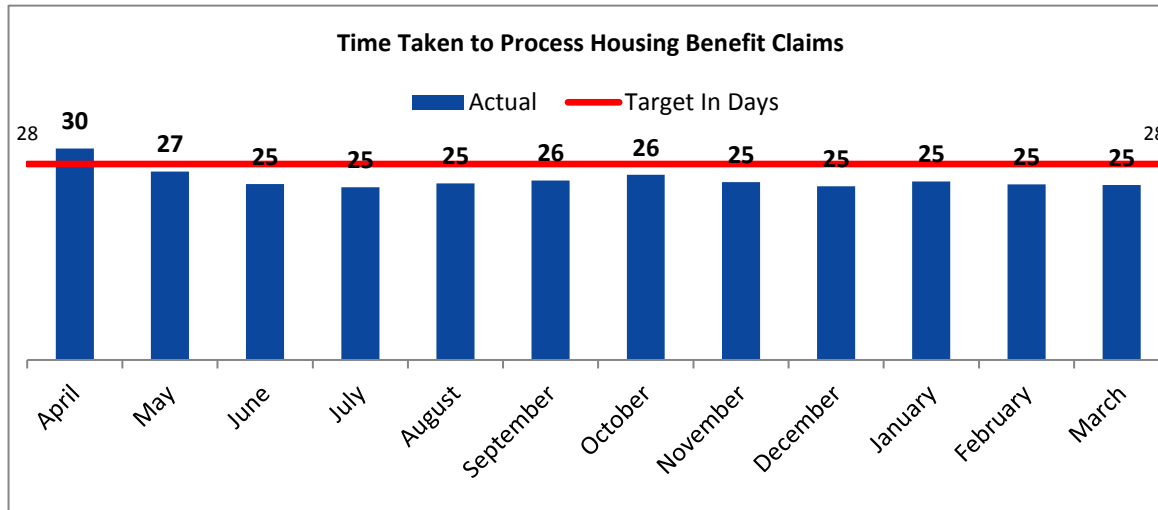
## Managing our resources – Key priority

Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Identifying new sources of revenue and maximising our existing income	At least 99.0% of Business Rates to be collected	Judith Doney Head of Revenues & Benefits (S&R)	31 March 2018	<b>April to Sept:</b> The cumulative target as at July is 42.20%. We've collected 43.03%. This compares to 42.35% in July 2016/17. We are expecting to achieve this target by year end.	<b>Achieved</b>
				<b>Oct to Dec:</b> As at November we have collected 76.53% of Business Rates. We slightly missed this target.	
				<b>Jan to March:</b> As at March, we have collected 99.00% of Business Rates.	



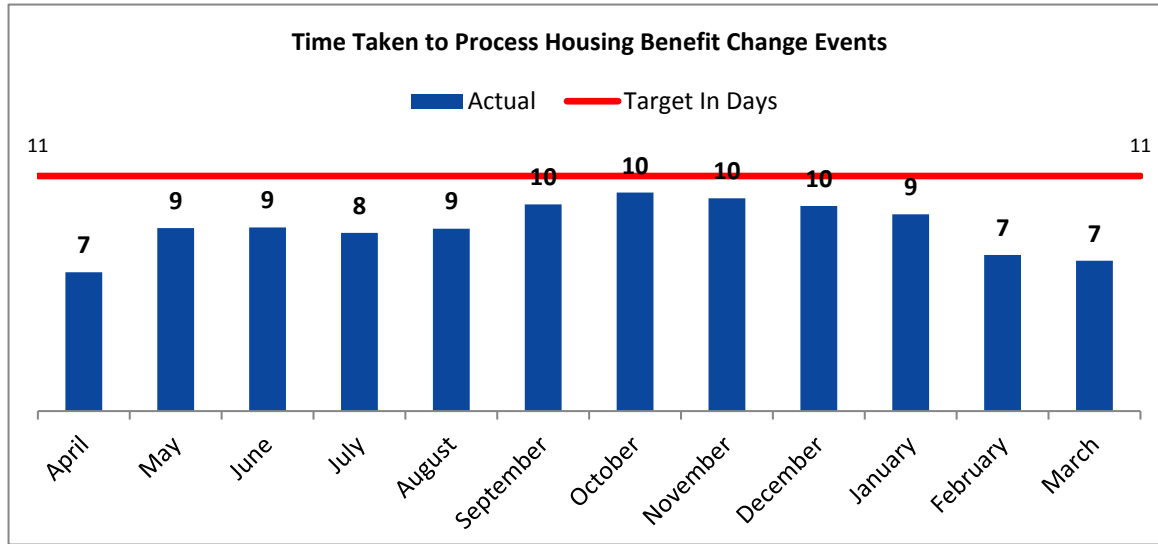
## Managing our resources – Key priority

Key priority objective. We will do this by...	Key priority performance target for 2017/18	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 28 days	Judith Doney Head of Revenues & Benefits (S&R)	31 March 2018	<b>April to Sept:</b> Apart from April and May, we've been processing new Housing Benefits claims within an average time of 25 days therefore meeting the target set. When compared to July 2016/17 we were processing claims with an average time of 38 days.	<b>Achieved</b>
				<b>Oct to Dec:</b> As at November new Housing Benefits claims were processed within 25 days.	
				<b>Jan to March:</b> As at March new Housing Benefits claims were processed within 25 days.	



## Managing our resources – Key priority

Key priority objective. We will do this by...	Key priority performance target for 2017/18	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 (S&R)	31 March 2018	<b>April to Sept:</b> Target met.	<b>Achieved</b>
				<b>Oct to Dec:</b> As at November Housing Benefit change of circumstances were processed within 10 days.	
				<b>Jan to March:</b> Target met.	





Managing our resources – Key priority					
Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Identifying new sources of revenue and maximising our existing income	Increase the catering income from Bourne Hall café and Playhouse bar by an additional £50,000 net	Andrew Lunt Head of Venues & Facilities (S&R)	31 March 2018	<b>April to Sept:</b> The current income position for the named venues stands at £255,304 net (to the end of July). Although this figure is a little over half of the required amount, due to the seasonal nature of the venues business it is projected that we will achieve target.	Achieved
				<b>Oct to Dec:</b> The current gross income from the bar and catering operations at Bourne hall and the Playhouse is £72,444. Target achieved.	
				<b>Jan to March:</b> The gross income for the Playhouse bar and Bourne hall café is £222,642 - net income is 58,318.64	
	Secure a combined lettings income from Bourne Hall, Community & Wellbeing Centre, Playhouse and Ewell Court of £462,000	Andrew Lunt Head of Venues & Facilities (S&R)	31 March 2018	<b>April to Sept:</b> The current income position for Bourne Hall, Community & Wellbeing Centre, Playhouse and Ewell Court venues stands at £255,304 net (to the end of July).	Achieved
<b>Oct to Dec:</b> This target has been achieved. It is anticipated that the projections for the Pantomime will once again break all previous records for the theatre. The current income for these venues stands at £475,275					
<b>Jan to March:</b> As at March the income received was £836,978					

## Managing our resources – Key priority

Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Identifying new sources of revenue and maximising our existing income	Generate £8,000 income from pest control referral service	Rod Brown Head of Housing & Environmental Services (S&R)	31 March 2018	<b>April to Sept:</b> Year to date, we've generated £5,900.	<b>Achieved</b>
				<b>Oct to Dec:</b> Year to date, we've generated £9,800.	
				<b>Jan to March:</b> We have generated £11,839 of income, which is £3,839 above target.	
	Epsom Cemetery extension: <ul style="list-style-type: none"> <li>Conduct ecological and ground water risk assessment</li> <li>Submit the planning application</li> </ul>	Rod Brown Head of Housing & Environmental Services (S&R)	31 July 2017  31 December 2017	<b>April to Sept:</b> Ground Water Risk Assessment was received in August and although subject to Environment Agency approval looks promising. Other assessments are needed and being pursued. Obtaining results of all extensive pre- application assessments may delay submission of planning application.	<b>Not Achieved</b>
				<b>Oct to Dec:</b> Discussions to acquire land progressing. Emerging complexity of pre-planning assessment will require an external agent to prepare and submit the planning application. Consequently tender brief being prepared.	
				<b>Jan to March:</b> Tender process was completed with 2 returns being received. Report to committee on 17 April to gain approval to appoint a planning consultant and to pursue the CPO process if negotiations for buying the land remains unconcluded. Submission of the planning application is now expected by Sept 2018.	
	To produce a proposal in regards to income generation plan to accompany the Medium Term Financial Strategy	Lee Duffy Head of Financial Services (S&R)	20 February 2018	<b>April to Sept:</b> A proposal by an independent consultant for producing a four year generation plan with clear deliverables towards a savings targets of £500,000 has been agreed and will be funded by a grant from the LGA. A start date for works to commence will be agreed shortly.	<b>Achieved</b>
				<b>Oct to Dec:</b> The independent consultant held workshops with EEBC managers in October, to collate income generation ideas. The consultant subsequently undertook to write a report presenting conclusions and recommendations. A draft plan was issued in December. This report will inform the Council's income generation plan.	
				<b>Jan to March:</b> An overall approach to income generation and commercialisation has been reported to the Strategy & Resources Committee in April. This set out agreed actions around a four year plan.	

Managing our resources – Key priority					
Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Delivering further efficiency savings and cost reductions	E-Tendering system implemented	Gillian McTaggart Head of Corporate Governance (S&R)	31 October 2017	<b>April to Sept:</b> The Contract & Procurement Officer has been in post for six months and the system is now fully operational and has been used to run a number of procurement exercises. A Contract Register has been compiled of all current contracts and this will be uploaded onto the system. Training/awareness sessions will be held to ensure that managers are aware of the new procurement system and their responsibilities.	Achieved
				<b>Oct to Dec:</b> The e-tendering system is now being fully utilised and supported by the Contracts & Procurement Officer. Information on how to do business with the Council has been updated and is available on the website with the Council's Contract Register.	
				<b>Jan to March:</b> This is now fully implemented and we will continue to improve functionality and use of the system.	
	Submit a capital bid and, identify a replacement system for the CRM which meets our business needs, is affordable and sustainable	Joy Stevens Head of Customer Services & Business Support (S&R)	30 September 2017	<b>April to Sept:</b> A capital bid has been submitted and was reviewed by the Capital Member Group.	Not Achieved
				<b>Oct to Dec:</b> Capital bid is progressing through the process. Identification for replacement was reprioritised in September and put on hold until arrival of Chief Operating Officer.	
				<b>Jan to March:</b> This has been deferred and is now in the service delivery plan for 2018/19	

Managing our resources – Key priority						
Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:	
Delivering further efficiency savings and cost reductions	Playhouse: <ul style="list-style-type: none"> <li>Complete a service review and submit report to Audit, Crime and Disorder and Scrutiny Committee (23 November 2017) and Community Wellbeing and Committee (23 January 2018)</li> </ul>	Andrew Lunt Head of Venues & Facilities (C&WC)	23 November 2017	<b>April to Sept:</b> The playhouse service review is currently on target. The consultation has been concluded and the results are being analysed The working group will commence drafting their final report in mid-September 2017.	<b>Achieved</b>	
			23 January 2018			<b>Oct to Dec:</b> Report of the review working party has been discussed by the Audit, Crime, Disorder and Scrutiny Committee and will be sent to the 23rd January meeting of the Community and Wellbeing Committee.
						<b>Jan to March:</b> Service Report completed and submitted to both committees. An action plan has been agreed.

Managing our resources – Key priority					
Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Maximising returns from properties and other investments	To support economic regeneration utilise the Commercial Property Acquisition Fund to purchase a minimum two additional commercial investment properties generating no less than 5% return on investment	Mark Shephard Head of Property & Regeneration (S&R)	31 March 2018	<b>April to Sept:</b> No suitable investment properties were available to purchase in the Borough that met the Council's stringent Property Investment Strategy criteria.	Not Achieved
				<b>Oct to Dec:</b> Currently in negotiation to acquire an investment property located within the Borough.	
				<b>Jan to March:</b> The Council have purchase one property. No other suitable opportunities have arisen that are compliant with our investment strategy	
	To produce a proposal in regards to an Asset Management Strategy and Ten year maintenance plan	Mark Shephard Head of Property & Regeneration (S&R)	31 March 2018	<b>April to Sept:</b> The Asset Management Strategy remains under review and a report is anticipated to be brought to S&R during the next quarter.	Not Achieved
				<b>Oct to Dec:</b> The Asset Management Strategy has been delayed to accommodate a review of property assets. A report is anticipated to be brought to S&R by the second quarter of 2018.	
				<b>Jan to March:</b> This has been delayed in order to align with the retendering of the Facilities Management contract renewal. The Asset Management Strategy will be reported to Strategy & Resources committee in Sept 2018	
	Review options for establishing a local authority trading company through a Member / Officer Working Group and report to S&R	Mark Shephard Head of Property & Regeneration	31 December 2017	<b>April to Sept:</b> The Working Group has reviewed options and a report is being brought to S&R / Extraordinary Council on 19 September 2017.	Achieved
				<b>Oct to Dec:</b> The establishment of the Epsom & Ewell Property Company (EEPIC) was agreed by Council on the 19th September 2017 and it has been set up for the purchase of acquiring commercial property.	
				<b>Jan to March:</b> Epsom & Ewell Property Investment Company (EEPIC) established.	

**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**

High quality/innovative  
building design

Improved transport infrastructure

Visual appearance of the town/  
shopping centres enhanced

**KEY SUCCESS MEASURES**

Businesses attending the  
Business Leaders' meetings

Delivery of Plan E to improve traffic flow  
into Epsom Town Centre

Delivery of the Economic Development  
Strategy Action Plan

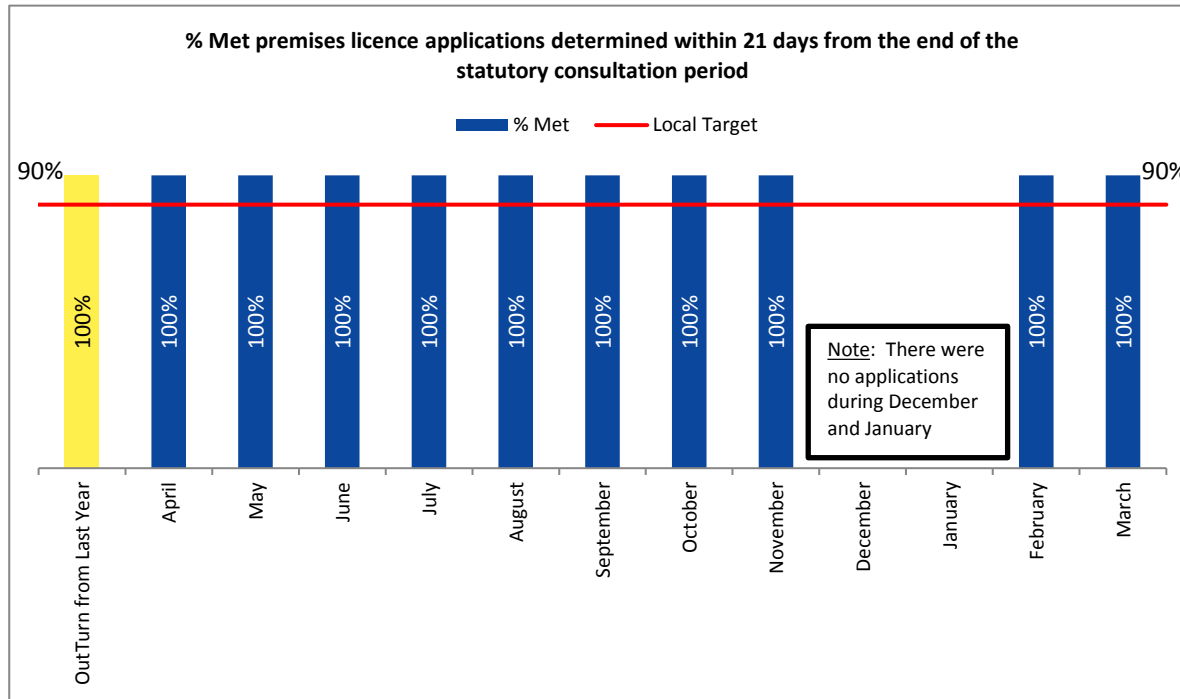
Space for start-up/incubator businesses  
to grow and expand

## Supporting businesses and our local economy – Key priority

Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Supporting a comprehensive retail, commercial and social offer	Support the Business Partnership to develop a proposal for a Business Improvement District (BID) with the intention of holding a Ballot	Mark Berry Head of Place Development (S&R)	31 October 2017	<p><b>April to Sept:</b> This target has slipped slightly. BID ballot to take place during November 2017. <u>Note:</u> Since the S&amp;R Report has been published this target has slipped further to December.</p> <p><b>Oct to Dec:</b> Ballot held in December, target achieved.</p> <p><b>Jan to March:</b> Business Improvement District now in place</p>	Achieved
	To agree and implement a scheme for the allocation of the neighbourhood portion of Community Infrastructure Levy (CIL) (15%)	Mark Berry Head of Place Development (S&R)	31 August 2017	<p><b>April to Sept:</b> During July 2017 Members of Epsom &amp; Ewell’s Joint Infrastructure Group (comprised of Borough Members and County Joint Committee Members) received a report setting out how CIL monies could be allocated to neighbourhood level schemes. Members confirmed the proposed new Civic Investment Fund (CIF) style scheme and agreed that a further report on the introduction of a Local Projects scheme go before S&amp;R Committee during November 2017.</p> <p><b>Oct to Dec:</b> Report deferred until January Strategy &amp; Resources Committee</p> <p><b>Jan to March:</b> A report on the allocation of the local spend element of CIL (15%) was reported to Strategy &amp; Resources Committee in April for implementation in 2018/19</p>	Achieved

## Supporting businesses and our local economy – Key priority

Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Supporting a comprehensive retail, commercial and social offer	At least 90% of premises licence application determined within 21 days from the end of the statutory consultation period	Rod Brown Head of Housing & Environmental Services (L&PPC)		<b>April to July:</b> As at July, we received 36 premises licence applications and all were determined within 21 day.	<b>Achieved</b>
				<b>Oct to Dec:</b> As at November, we received 66 premises licence applications and all were determined within 21 days.	
				<b>Jan to March:</b> As at March, we've received 162 premises licence applications and all were determined within 21 days.	





## Supporting businesses and our local economy – Key priority

Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Supporting a comprehensive retail, commercial and social offer	Ten percent reduction of 0-2 food hygiene rated food businesses	Rod Brown Head of Housing & Environmental Services (EC)	31 March 2018	<b>April to Sept:</b> Presently a 19 percent decrease - net figure of 11 premises have been moved from 0-2 following reassessment having received a previous inspection.	<b>Achieved</b>
				<b>Oct to Dec:</b> Currently a net reduction of 24 poorly rated premises resulting in a 41 percent reduction. A project to address persistently poor businesses is underway.	
				<b>Jan to March:</b> A 49% decrease - net figure of 28 premises have been moved from 0-2 following reassessment having received a previous inspection. 100% of businesses who participated in the Poor Performing Premises Project improved and were considered broadly compliant and had a Food Hygiene Rating of 3 or more following their food hygiene inspection.	

## Supporting businesses and our local economy – Key priority

Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:	
Supporting a comprehensive retail, commercial and social offer	Completion of three storey Houses in Multiple Occupation (HMO) inspection due within the year	Rod Brown Head of Housing & Environmental Services (C&WC)	31 March 2018	<b>April to Sept:</b> Three inspections complete from eight scheduled. It is anticipated that this target will be achieved by year end.	Achieved	
				<b>Oct to Dec:</b> All inspections complete which were due, various requirements mean that actual licences have yet to be issued but anticipate they will be before end of year.		
				<b>Jan to March:</b> Programme complete. Eight in depth inspections and properties relicensed. Notification that up to 350 additional properties will require licensing from 01/10/18		
	To complete the refurbishment of 24 South Street, including one retail unit	Rod Brown Head of Housing & Environmental Services  Mark Shephard Head of Property & Regeneration (C&WC)	31 March 2018	<b>April to Sept:</b> Planning application has been submitted and due to go to next available planning committee for decision. It is anticipated that work will commence on site from December 2017.		Not Achieved
				<b>Oct to Dec:</b> Amended planning application following discussions with planners. Planning application due to go to January 2018 committee.		
				<b>Jan to March:</b> Planning application recently granted and forms part of our Key Priority Targets for 2018/19.		

Supporting businesses and our local economy – Key priority					
Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Maintaining strong links with local business leaders and representative organisations	To hold at least three business breakfasts	Mark Berry Head of Place Development (S&R)	31 March 2018	<b>April to Sept:</b> On course. One held on 24 May 2017. Another planned for the autumn although date not yet fixed.	<b>Achieved</b>
				<b>Oct to Dec:</b> One held on 7 November 2017. Another planned for the spring although date not yet fixed.	
				<b>Jan to March:</b> Last one for this year held in February 2018.	

## Supporting businesses and our local economy – Key priority

Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:																										
Supporting developers to bring forward the development of town centre sites	Number of major planning applications received	Mark Berry Head of Place Development (L&PPC)	31 March 2018	<b>April to July:</b> As at July, we have received six major planning applications	N/A (information only indicator)																										
				<b>Oct to Dec:</b> As at November, we have received 12 major planning applications.																											
				<b>Jan to March:</b> As at January we have received 14 major planning applications. No data is available for February and March.																											
<table border="1"> <caption>Major applications received</caption> <thead> <tr> <th>Month</th> <th>Number of Applications</th> </tr> </thead> <tbody> <tr><td>April</td><td>2</td></tr> <tr><td>May</td><td>1</td></tr> <tr><td>June</td><td>1</td></tr> <tr><td>July</td><td>2</td></tr> <tr><td>August</td><td>1</td></tr> <tr><td>September</td><td>1</td></tr> <tr><td>October</td><td>1</td></tr> <tr><td>November</td><td>3</td></tr> <tr><td>December</td><td>1</td></tr> <tr><td>January</td><td>1</td></tr> <tr><td>February</td><td>No data</td></tr> <tr><td>March</td><td>No data</td></tr> </tbody> </table>						Month	Number of Applications	April	2	May	1	June	1	July	2	August	1	September	1	October	1	November	3	December	1	January	1	February	No data	March	No data
Month	Number of Applications																														
April	2																														
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February	No data																														
March	No data																														

## Supporting businesses and our local economy – Key priority

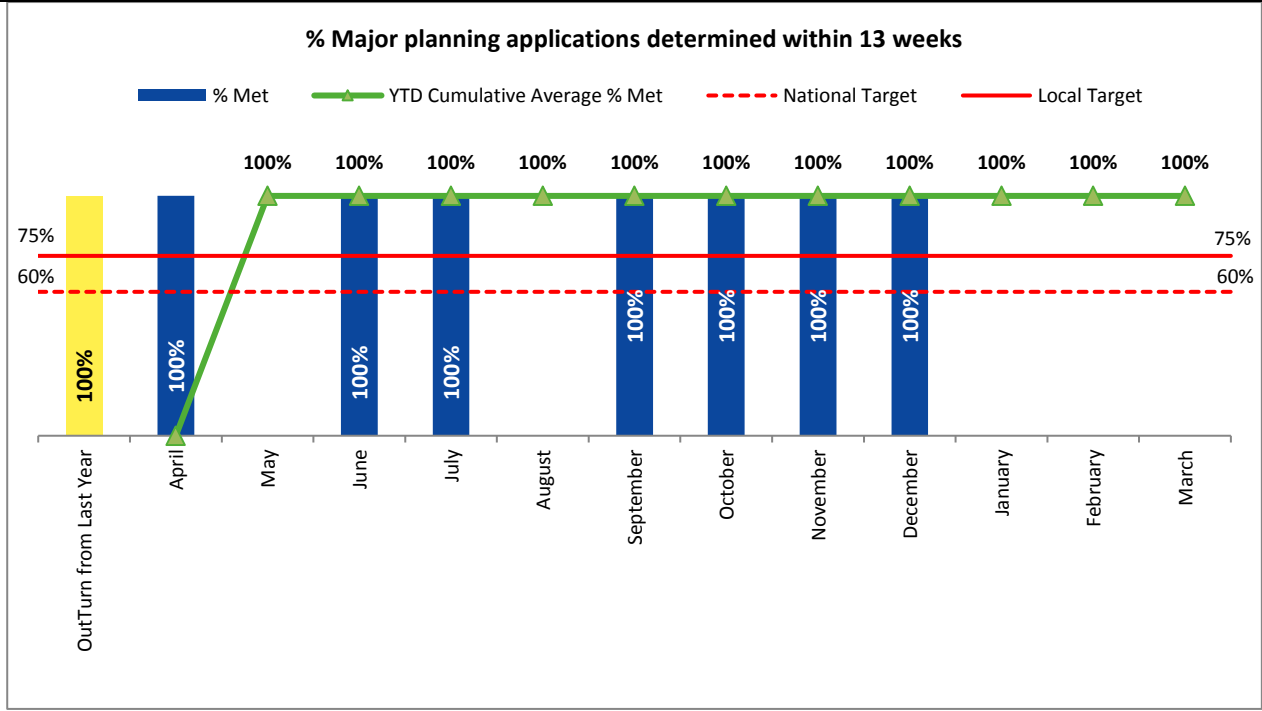
Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:																										
Supporting developers to bring forward the development of town centre sites	Number of minor applications received	Mark Berry Head of Place Development (L&PPC)	31 March 2018	<b>April to July:</b> As at July, we have received 56 minor applications.	N/A (information only indicator)																										
				<b>Oct to Dec:</b> As at November, we have received 127 minor applications.																											
<b>Jan to March:</b> As at January, we have received 156 minor applications. No data is available for February and March.																															
<table border="1"> <caption>Minor applications received</caption> <thead> <tr> <th>Month</th> <th>Number of Applications</th> </tr> </thead> <tbody> <tr><td>April</td><td>15</td></tr> <tr><td>May</td><td>6</td></tr> <tr><td>June</td><td>21</td></tr> <tr><td>July</td><td>14</td></tr> <tr><td>August</td><td>12</td></tr> <tr><td>September</td><td>25</td></tr> <tr><td>October</td><td>17</td></tr> <tr><td>November</td><td>17</td></tr> <tr><td>December</td><td>19</td></tr> <tr><td>January</td><td>10</td></tr> <tr><td>February</td><td>No data</td></tr> <tr><td>March</td><td>No data</td></tr> </tbody> </table>						Month	Number of Applications	April	15	May	6	June	21	July	14	August	12	September	25	October	17	November	17	December	19	January	10	February	No data	March	No data
Month	Number of Applications																														
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March	No data																														

## Supporting businesses and our local economy – Key priority

Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:																										
Supporting developers to bring forward the development of town centre sites		Mark Berry Head of Place Development (L&PPC)	31 March 2018	<b>April to July:</b> As at July, we have received 380 other planning applications.	N/A (information only indicator)																										
				<b>Oct to Dec:</b> As at November, we have received 764 other planning applications.																											
<b>Jan to March:</b> As at January, we have received 870 other applications. No data is available for February and March.																															
<table border="1"> <caption>Other applications received</caption> <thead> <tr> <th>Month</th> <th>Number of Applications</th> </tr> </thead> <tbody> <tr><td>April</td><td>88</td></tr> <tr><td>May</td><td>129</td></tr> <tr><td>June</td><td>84</td></tr> <tr><td>July</td><td>79</td></tr> <tr><td>August</td><td>85</td></tr> <tr><td>September</td><td>100</td></tr> <tr><td>October</td><td>118</td></tr> <tr><td>November</td><td>81</td></tr> <tr><td>December</td><td>47</td></tr> <tr><td>January</td><td>59</td></tr> <tr><td>February</td><td>No data</td></tr> <tr><td>March</td><td>No data</td></tr> </tbody> </table>						Month	Number of Applications	April	88	May	129	June	84	July	79	August	85	September	100	October	118	November	81	December	47	January	59	February	No data	March	No data
Month	Number of Applications																														
April	88																														
May	129																														
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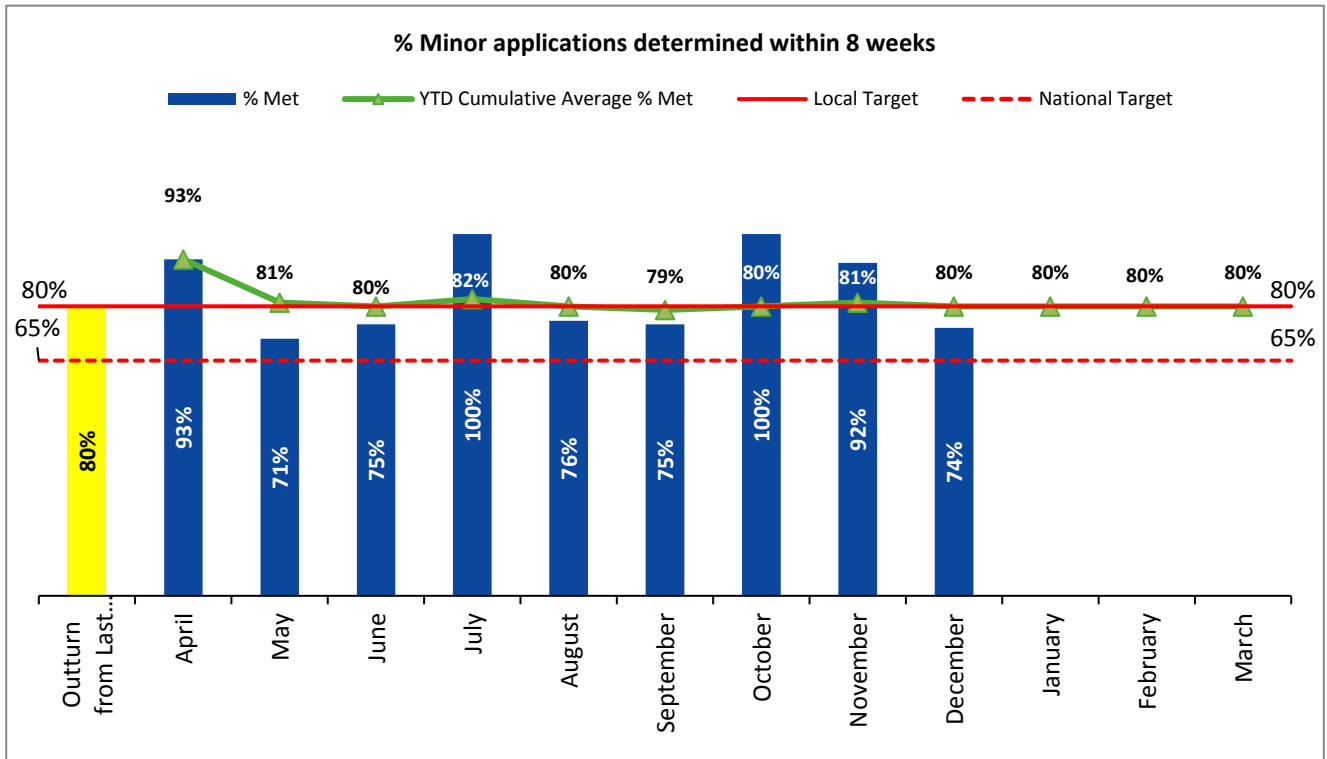
## Supporting businesses and our local economy – Key priority

Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Supporting developers to bring forward the development of town centre sites	At least 75% of major planning applications determined within 13 weeks or in accordance with a Planning Performance Agreement or agreed extension of time.	Mark Berry Head of Place Development (L&PPC)	31 March 2018	<b>April to July:</b> As at July, 100% of major applications have been determined within 13 weeks. There were no applications determined in May.	<b>No Data</b>
				<b>Oct to Dec:</b> As at November, 100% of major applications have been determined within 13 weeks.	
				<b>Jan to March:</b> Overall, 100% of major applications were determined within 13 weeks up to December. No data available from January to March.	



## Supporting businesses and our local economy – Key priority

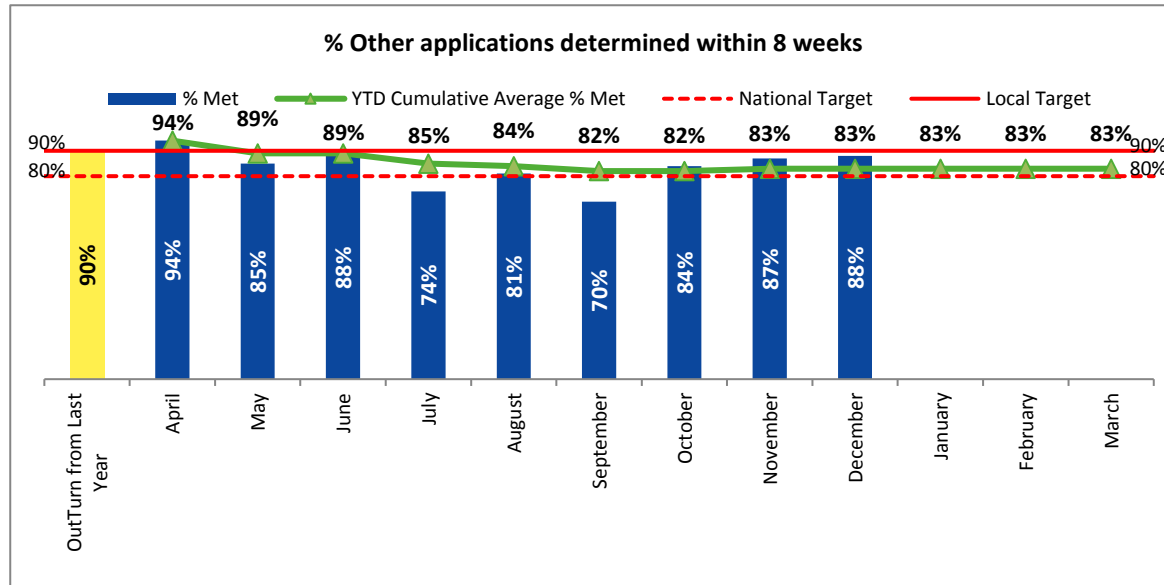
Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Supporting developers to bring forward the development of town centre sites	At least 80% of minor applications determined within 8 weeks	Mark Berry Head of Place Development (L&PPC)	31 March 2018	<b>April to July:</b> As at July on average, 82% of minor applications were determined within 8 weeks, 100% were determined for the month of July.	<b>No Data</b>
				<b>Oct to Dec:</b> As at November on average, 81% of minor applications were determined within 8 weeks, 92% were determined for the month of November.	
				<b>Jan to March:</b> As at December on average, 80% of minor applications were determined within 8 weeks. No data available for January to March.	





## Supporting businesses and our local economy – Key priority

Key priority objective. We will do this by...	Key priority performance target for 2017/18	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 (L&PPC)	31 March 2018	<b>April to July:</b> Overall the year to date average is 85%. We slightly missed this target by 5%. It's worth noting that except for July, we are exceeding the national target for other planning applications.	<b>No Data</b>
				<b>Oct to Dec:</b> Overall, the year to date average is 83%. We slightly missed this target by 7%, however we are exceeding the national target for other planning applications.	
				<b>Jan to March:</b> As at December on average, 83% of other applications were determined within 8 weeks. No data available for January to March.	



Supporting businesses and our local economy – Key priority					
Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Supporting developers to bring forward the development of town centre sites	No more than ten per cent of major planning applications allowed at appeal (using the two-year rolling assessment period defined by the government)	Mark Berry Head of Place Development (L&PPC)	31 March 2018	<p><b>April to July:</b> At present 14% of planning applications have been allowed at appeal. We are slightly over by 4%. Year to date one major and one minor or other have been allowed at appeal. A peer review is being conducted in September to map out how we can meet this target.</p>	<b>Not Achieved</b>
				<p><b>Oct to Dec:</b> We can do nothing to redeem the performance that is past and it will take until January 2019 to shake-off the three decisions made in October 2016 that were overturned at appeal. However, we are doing a lot to try and avoid a recurrence of this performance. A Planning Improvement Action Plan was adopted by the Planning Committee and licensing and Planning Policy Committee in November and December respectively and is in the process of being implemented.</p>	
				<p><b>Jan to March:</b> Action plan implemented to help improve this target for 2018/19.</p>	

Supporting businesses and our local economy – Key priority						
Delivering an affordable Economic Development Strategy	Plan E (Phase 1): <ul style="list-style-type: none"> <li>Finalise and agree the design for the Market Place improvements in partnership with Surrey County Council (SCC)</li> </ul>	Mark Berry Head of Place Development (S&R)	31 October 2017	<b>April to Sept:</b> Material and design for Market Place improvements agreed between Borough and County Council. Detailed construction design in-hand. Work on implementation due to commence during 2018.	<b>Achieved</b>	
				<b>Oct to Dec:</b> Work commenced on project in October with regular bulletins now being produced by SCC and posted on their web-page. Final design of Market Place not yet agreed with inputs required on trees, Wetherspoons frontage and sculpture position. Drop-in sessions with Members being held.		
				<b>Jan to March:</b> SCC has finalised a detailed design for the market place in March.		
	Complete a review of the benefits/disadvantages of establishing a Joint Local Committee and report to S&R	Amardip Healy Head of Legal & Democratic Services (S&R)	31 March 2018	<b>April to Sept:</b> Not yet started however, it is anticipated that this target will be achieved by year end.		<b>Not Achieved</b>
				<b>Oct to Dec:</b> This will be deferred until 2018/19 once the new Chief Legal Officer is in post.		
				<b>Jan to March:</b> This was deferred and is in the 2018/19 service delivery plan.		

Supporting businesses and our local economy – Key priority						
Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:	
Promoting our Borough as an excellent place to do business	Develop the business case for a business hub and report to S&R	Mark Berry Head of Place Development	28 November 2017	<b>April to Sept:</b> A business case is being prepared for submission to the Local Enterprise Partnership (LEP) to establish the availability of funding for the acquisition of an Epsom office building.	<b>Not Achieved</b>	
		Mark Shephard Head of Property & Regeneration (S&R)		<b>Oct to Dec:</b> The owner of the building supporting the business case above has withdrawn from the transaction. Discussions are ongoing with an alternative building owner in the heart of Epsom.		
				<b>Jan to March:</b> An alternative building has not been identified for a business hub.		
	Conduct a review of the groups that we contribute to in relation to promoting Epsom and Ewell as a place to do business and evaluate the benefits and effectiveness from participating in these arrangements		Mark Berry Head of Place Development (S&R)	31 December 2017	<b>April to Sept:</b> Review commenced. To be reported in the autumn to the relevant Chairman.	<b>Achieved</b>
					<b>Oct to Dec:</b> This review has been completed and the results will be shared with Members in January 2018.	
					<b>Jan to March:</b> Review completed and findings reported to the Chief Executive.	

Supporting businesses and our local economy – Key priority					
Key priority objective. We will do this by...	Key priority performance target for 2017/18	Responsible officer	Achieved by:	Latest progress:	Status:
Promoting our Borough as an excellent place to do business	To carry out a corporate review of all marketing and promotions to agree an overall strategy	Gillian McTaggart Head of Corporate Governance (S&R)	31 October 2017	<b>April to Sept:</b> A scope for the corporate marketing review has been drafted and a project group will meet at the beginning of September reporting to the Leadership Team at the end of October.	<b>Not Achieved</b>
				<b>Oct to Dec:</b> Further work on developing a corporate marketing strategy has been deferred until the Income Generation Plan has been produced, in order that there can be link between areas identified to generate additional income and marketing.	
				<b>Jan to March:</b> This was deferred awaiting the income generation plan and now is in the service delivery plan for 2018/19. A new marketing role will be created in 2018 to support the Income Generation and Commercialisation action plan.	
	To produce and up to date marketing strategy and action plan for: <ul style="list-style-type: none"> <li>• Ewell Court House</li> <li>• Bourne Hall</li> </ul>	Andrew Lunt Head of Venues & Facilities (C&WC)	31 December 2017	<b>April to Sept:</b> Work has commenced, - previous strategies are being analysed to determine their strengths/weaknesses and to inform the structure of the new strategy. Market characteristics and buyer behaviour are also being investigated to determine which promotional/advertising channels would be most effective	<b>Not Achieved</b>
				<b>Oct to Dec:</b> The production of a marketing strategy has been temporarily delayed to enable limited resources to be redirected to development of the venues websites and the operation of increasingly busy buildings.	
				<b>Jan to March:</b> This has not been achieved due to issues with available resources and having to prioritise other areas of the venues operation.	

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# Corporate Plan: Key Priority Targets for 2018 to 2019

Keeping our borough clean and green	Supporting our community	Managing our resources	Supporting businesses and our local economy
<ul style="list-style-type: none"> <li>Establish a corporate group to evaluate the future approach to enforcement and community safety with an agreed work programme by April 2018 (Damian Roberts S&amp;R) and to:               <ul style="list-style-type: none"> <li>Evaluate the available powers and legal options for enforcement and present a report to Committee for member consideration by September 2018 (Rod Brown EC)</li> <li>Oversee the implementation of Public Space Protection Orders (PSPOs) as agreed by the Environment Committee by September 2018 (Rod Brown EC)</li> </ul> </li> <li>Prepare options for introducing electric charging points by October 2018 (Joy Stevens EC)</li> <li>Introduce new sustainable planting scheme for flowers beds and flower displays by December 2018 (Ian Dyer EC)</li> <li>Maintain external accreditation to Alexandra Rec Ground, Ewell Court Park and Rosebery Park and a South and South East Award for Nonsuch Park by December 2018 (Ian Dyer CW)</li> <li>Produce Operational Management Plans for Poole Road Park and Long Grove Park by December 2018. (Ian Dyer CW)</li> <li>Undertake a survey on the changes resulting from simply weekly collection and feedback on what would increase recycling behaviours by September 2018 (Ian Dyer EC)</li> <li>Refurbishment of Rosebery Park Pond by July 2018 (Ian Dyer S&amp;R)</li> <li>Hold at least three Community Clean up events by November 2018 (Ian Dyer CW)</li> <li>Complete the new survey at Stones Road Allotment and report on future options by Sept 2018 (Mark Shephard S&amp;R)</li> <li>Deliver the Local Plan in accordance with: (LPP)               <ul style="list-style-type: none"> <li>Pre-submission consultation by 30 Sept 2018</li> <li>Submission to the Secretary of State by 31st December 2018</li> </ul> </li> <li>Complete the Green Belt Study 2 and report to LPPC by July 2018 (Head of Planning LPP)</li> </ul> <p><b>Statistics</b></p> <ul style="list-style-type: none"> <li>Recycle 54% domestic waste by 31 March (Ian Dyer EC)</li> <li>Over the year at least 99% of bins to be collected on average each week 31 March (Ian Dyer EC)</li> <li>Fly tipping – remove 95% of all fly tips on council owned land within 5 working days of being reported to Operational Services (Ian Dyer EC)</li> <li>Number of fly tips dealt with; Tonnage of fly tips removed* (Ian Dyer EC) (* Note: Information only indicator)</li> <li>Graffiti – remove 95% of graffiti on council owned land within 5 working days of being reported to Operational Services (Ian Dyer EC)</li> <li>Graffiti – remove offensive graffiti within two working days of being reported to Operational Services. (Ian Dyer EC)</li> <li>Graffiti – remove 95% of graffiti on private property within two working days from receiving the waiver document. (Ian Dyer EC)</li> <li>Street Cleaning /Cleanliness (Twice yearly street cleansing survey (Phase 1: April to Aug; Phase 2 Sept to Mar) based on a random selection of 113 areas achieving a cleanliness rating of Grade B or above (grading being A to D) in 75% of all selected streets (Ian Dyer EC)</li> </ul>	<ul style="list-style-type: none"> <li>Appraise options for the development of the Wells Site and agreed community space by Sept 2018 (Mark Shephard S&amp;R)</li> <li>Complete the transfer and support the handover of Horton Chapel to the Horton Chapel Arts &amp; Heritage Society by March 2019 (Amardip Healy S&amp;R)</li> <li>Deliver the agreed initial Community Infrastructure Levy (CIL) and Civic Investment Fund scheme (CIF) in line with timetable by July 2018 (Gillian McTaggart S&amp;R)</li> <li>To complete the build in the Long Grove Skate Park extension by May 2018 and arrange a fun day to officially open the park by June 2018 (Rod Brown CW)</li> <li>A report to S&amp;R Committee to determine the options to develop two units for residential accommodation in South Street by July 2018 (Mark Shephard/Rod Brown S&amp;R)</li> <li>As part of the Health &amp; Wellbeing Strategy, review the social prescribing pilot scheme and recommend the next steps to the Community and Wellbeing Committee by Sept 2018 (Ian Dyer CW)</li> <li>Produce a policy for the management of events on Council land by April 2018 (Ian Dyer CW)</li> <li>Support the delivery of the Hollymoor Lane Parade by 31 March 2019 (Mark Shephard S&amp;R)</li> <li>Submission of a planning application to extend Epsom Cemetery by 30 Sept 2018 (Rod Brown CW)</li> <li>A review of the CCTV provision provided by the Council by 31 March 2019 (Rod Brown S&amp;R)</li> </ul> <p><b>Statistics</b></p> <ul style="list-style-type: none"> <li>Less than 40 households living in emergency nightly paid temporary accommodation per month (Rod Brown CW)</li> <li>At least 8 households accommodated through the private sector leasing scheme by 31 March 2019 (Rod Brown CW)</li> <li>At least 30 households supported through the rent deposit scheme by 31 March 2019 (Rod Brown CW)</li> </ul>	<ul style="list-style-type: none"> <li>Implement the new on-street parking agreement by 30 Sept 2018 (Joy Stevens EC)</li> <li>Delivery of the Income Generation Plan by April 2018 (Lee Duffy S&amp;R) and the supporting marketing action plan by 31 Sept 2018 (Shona Mason S&amp;R)</li> <li>Produce a 10 year Financial Projection for the Council by Sept 2018 (Lee Duffy S&amp;R)</li> <li>Retender the FM contract to be awarded in January 2019 (Mark Shephard S&amp;R)</li> <li>Agree an action plan and Implement the recommendations from the Playhouse Review by October 2018 (Andrew Lunt CW)</li> <li>Replace the stage and first floor changing rooms at the Playhouse by 31st March 2019 (Andrew Lunt CW)</li> <li>Replace the air conditioning units and lighting at Bourne Hall by March 2019 (Andrew Lunt CW)</li> <li>Improve on-line functionality to increase digital services for residents by 31 March 2019 (Judith Doney S&amp;R)</li> <li>Co-ordinate and support the Council's civic events for 2018 to commemorate WW1, Epsom 400 and Suffragette by 31 December 2018 (Shona Mason S&amp;R)</li> <li>Report on adopting a policy on single use plastics and an action plan to Strategy &amp; Resources by September 2018 (Amardip Healy S&amp;R)</li> <li>To agree an unauthorised encampment protocol with partners by May 2018 (Amardip Healy S&amp;R)</li> </ul> <p><b>Statistics</b></p> <ul style="list-style-type: none"> <li>At least 98.4% of Council Tax collected (Judith Doney S&amp;R)</li> <li>At least 99.0% of Business Rates to be collected (Judith Doney S&amp;R)</li> <li>Process new Housing Benefit claims within an average time of 28 days (Judith Doney S&amp;R)</li> <li>Process Housing Benefit change of circumstances within an average time 11 days (Judith Doney S&amp;R)</li> </ul>	<ul style="list-style-type: none"> <li>Upgrades to the Ashley Centre Car Park installing:               <ul style="list-style-type: none"> <li>Fencing, railings, mesh and fire doors by December 2018</li> <li>Deckshield work to be completed by March 2019 (Joy Stevens EC)</li> </ul> </li> <li>Letting availability of South Street premises ground floor as a commercial occupation by March 2019 (Mark Shephard S&amp;R)</li> <li>Run an event for local businesses with the Surrey Chamber of Commerce by August 2018 (Economic Development Contract S&amp;R) (Head of Planning/Julia Owen)</li> <li>Host an annual welcome event with University of the Creative Arts (UCA) business students by October 2018 (Shona Mason S&amp;R)</li> <li>Work in conjunction with UCA to produce a promotional film to promote Epsom &amp; Ewell by March 2019 (Damian Roberts S&amp;R)</li> <li>Support the work of the Business Improvement District (BID) by March 2019 (Damian Roberts S&amp;R)</li> <li>Produce an economic profile of the Borough including ward profiles by December 2018 (Gillian McTaggart S&amp;R)</li> <li>Report to S&amp;R on the options to establish a joint committee by July 2018 (Amardip Healy S&amp;R)</li> <li>Develop a Memorandum of Understanding for the market place by December 2018 (Damian Roberts S&amp;R)</li> <li>At least 92% of premises licence application determined within 21 days from the end of the statutory consultation period (Rod Brown LPP)</li> </ul> <p><b>Statistics</b></p> <ul style="list-style-type: none"> <li>Ten percent reduction of 0-2 food hygiene rated food businesses (Rod Brown EC) 31 March</li> <li>Number of major planning applications received*</li> <li>Number of minor planning applications received*</li> <li>Number of other planning applications received*</li> <li>At least 75% of major planning applications determined within 13 weeks (Head of Planning LPP)</li> <li>At least 80% of minor planning applications determined within 8 weeks</li> <li>At least 90% of other planning applications determined within 8 weeks</li> <li>No more than ten per cent of major planning applications allowed at appeal (using the two-year rolling assessment period defined by the government)</li> <li>The number of officer recommendations overturned by the Planning Committee* (* Note: Information only indicator)</li> </ul>

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## WORK PROGRAMME 2018/19

<b>Head of Service/Contact:</b>	Gillian McTaggart, Head of Corporate Governance
<b>Urgent Decision?(yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	
<b>Annexes/Appendices (attached):</b>	<b>Annex 1</b> – Work Programme 2018/19
<b>Other available papers (not attached):</b>	None

### Report summary

This report asks the Committee to agree its work programme for 2018/19.

### Recommendation (s)

- (1) That the Committee approves the work programme 2018/19 attached at Annex 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 A draft work programme for 2018/19 has been prepared and is attached at **Annex 1**. This work programme has been designed to ensure that the Committee meets responsibilities relating to audit, risk management and scrutiny. It identifies those items for consideration by the Committee at its four formal meetings held across the year. No items for review by a sub-committee or panel have been identified at this time.

- 2.3 Audit reports from both internal and external audit have been included. Regular internal audit monitoring reports which highlight progress made against the internal audit plan as well as outcomes of individual audits are scheduled for each of the four Committee meetings. The Internal Audit Assurance Report 2017/18 and the Annual Governance Statement 2017/18 (AGS), key governance documents, are included elsewhere on this Agenda (June 2018). Progress made against actions contained in the AGS and in the Annual Audit Findings of 2017/18 are scheduled for November 2018. Lastly, the Internal Audit Strategy 2019/20 and the external audit plan for the audit of the accounts 2018/19 are scheduled for April 2019.
- 2.4 Regular performance management reports have also been scheduled. The 2017/18 end of year report, together with an overview of the policy committees' Key Priority Targets for 2018/19 is included elsewhere on this Agenda (June 2018). The Committee will receive two 2018/19 progress reports, the first in November 2018 and the second in February 2019.
- 2.5 A number of different annual reports have been included within the Committee's work programme. Four have been included elsewhere on this Agenda (June 2018). They address:
- 2.5.1 Use of delegated powers at the Council within the last 12 months
  - 2.5.2 Matters relating to the Regulation of Investigatory Powers Act 2000
  - 2.5.3 Community Safety Partnership – End of Year Report
  - 2.5.4 Council Complaints
- 2.6 The report on Council Complaints is newly introduced in response to a recommendation by Internal Audit (Corporate Governance Audit) that Members receive complaint statistics on a routine basis.
- 2.7 The remaining two annual reports include the Council's Risk Management Framework Annual Report, scheduled for November 2018 and this Committee's Annual Report to Council on its work across the year, scheduled for April 2019.
- 2.8 The last report, scheduled into the work programme for November 2018, is a report on Compliance with the Surveillance Camera Code of Practice. This report is carried over from the Committee's 2017/18 work programme.

### 3 Proposals

- 3.1 It is proposed that the Committee approves its work programme for 2018/19 attached at **Annex 1**.

- 3.2 The Committee will wish to note that the work programme is fluid and new items may be added as the year progresses.

#### **4 Financial and Manpower Implications**

- 4.1 The Committee will wish to consider workload implications when considering its work programme, particularly if it wishes to add any new items for scrutiny by a sub-committee or panel. In-depth scrutiny reviews require more intensive input from members as well as officers.

- 4.2 **Chief Finance Officer's comments:** Any financial considerations arising in relation to items included in the work programme will be set out as appropriate in the individual reports prepared for consideration by the Committee.

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

- 5.1 The Committee's draft work programme 2018/19 has been designed to meet the Committee's responsibilities as set out in legislation and its own Terms of Reference.

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

#### **6 Sustainability Policy and Community Safety Implications**

- 6.1 As Crime & Disorder Committee for the Council, the Committee has a responsibility under the Police & Justice Act 2006 to review the work of the local Community Safety Partnership.

#### **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. It may require relevant partner authorities (excludes local health bodies) to have regard to any report or recommendations made.

#### **8 Risk Assessment**

- 8.1 Agreeing items for review/scrutiny at the beginning of the municipal year will assist the Committee in managing its workload and rescheduling work according to need/risk.

#### **9 Conclusion and Recommendations**

- 9.1 The Audit, Crime & Disorder and Scrutiny Committee is responsible for setting its own work programme. With a new municipal year now begun, a new draft work programme has been developed encompassing all areas of responsibility.

- 9.2 It is recommended that the Committee approve the work programme for 2018/19 attached at **Annex 1**.

**Ward(s) Affected:** (All Wards);

**Audit, Crime & Disorder and Scrutiny Committee Work Programme  
2018/19**

<b>MEETING DATE</b>	<b>ITEMS FOR CONSIDERATION BY FULL COMMITTEE</b>	<b>ITEMS FOR CONSIDERATION BY APPOINTED TASK GROUP(S)</b>
<b>19 June 2018</b>	<ul style="list-style-type: none"> <li>• Internal Audit Monitoring Report 2017/18</li> <li>• Internal Audit Assurance Report 2017/18</li> <li>• Annual Governance Statement 2017/18</li> <li>• Corporate Plan: Year End Performance Report 2017 to 2018 and Provisional Targets for 2018 to 2019</li> <li>• Community Safety Partnership 2017/18 – End of Year Report</li> <li>• Use of Delegated Powers Annual Report</li> <li>• Annual Report on the Regulation of Investigatory Powers Act 2000</li> <li>• Complaints – Annual Monitoring Report</li> <li>• Work Programme 2018/19</li> </ul>	
<b>22 Nov 2018</b>	<ul style="list-style-type: none"> <li>• Internal Audit Monitoring Report 2018/19</li> <li>• Annual Governance Statement and District Auditor's Audit Findings – Progress Against Action Plans</li> <li>• Progress on the Implementation of Internal Audit Recommendations</li> <li>• Risk Management Framework Annual Report</li> <li>• Corporate Plan: Performance Report One 2018 to 2019</li> <li>• Compliance with Surveillance Camera Code of Practice</li> <li>• Work Programme 2018/19</li> </ul>	
<b>7 Feb 2019</b>	<ul style="list-style-type: none"> <li>• Internal Audit Monitoring Report 2018/19</li> <li>• Corporate Plan: Performance Report Two 2018 to 2019</li> <li>• Work Programme 2018/19</li> </ul>	
<b>16 April 2019</b>	<ul style="list-style-type: none"> <li>• Internal Audit Monitoring Report 2018/19</li> <li>• Internal Audit Strategy 2019/20</li> <li>• External Audit Plan for 2018/19</li> <li>• Annual Report 2018/19</li> </ul>	

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