



Corporate Issues Overview and Scrutiny Committee

Date Monday 10 October 2016
Time 9.30 am
Venue Committee Room 2, County Hall, Durham

Business

Part A

Items during which the Press and Public are welcome to attend. Members of the Public can ask questions with the Chairman's agreement.

1. Apologies.
2. Substitute Members.
3. Minutes of the meeting held 11 July 2016 (Pages 1 - 6)
4. Declarations of Interest, if any.
5. Regulation of Investigatory Powers Act 2000 - Annual Review of the Council's use of powers and approval of RIPA Policy (Pages 7 - 56)
Report of the Head of Legal and Democratic Services:-
 - i) Annual Review of the Council's use of powers and approval of RIPA Policy Report of the Head of Legal and Democratic Services.
 - ii) Report of the Council's use of powers under the Regulation of Investigatory Powers Act 2000 – Quarter 1 2016/17.
6. Quarter 1 - 2016/17 Performance Management Report (Pages 57 - 74)
Report of the Director of Transformation and Partnerships
7. Customer Feedback: Complaints Compliments and Suggestions 2016/17 - Quarter 1 (Pages 75 - 92)
Report of the Corporate Director of Regeneration and Local Services
8. Revenue and Capital Outturn 2015/16 and Q1 Forecast of Revenue and Capital Outturn 2016/17 (Pages 93 - 122)
 - i) Report of the Corporate Director Resources
 - ii) Report of the Director of Transformation and Partnerships
9. CRM Light Touch Review Working Group - Verbal Update

10. Such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration.

Colette Longbottom
Head of Legal and Democratic Services

County Hall
Durham
30 September 2016

To: **The Members of the Corporate Issues Overview and Scrutiny Committee**

Councillor J Lethbridge (Chairman)
Councillor K Henig (Vice-Chairman)

Councillors J Alvey, B Armstrong, J Armstrong, L Armstrong, H Bennett, G Bleasdale, J Carr, P Crathorne, J Hillary, E Huntington, N Martin, J Rowlandson, A Shield, P Stradling, L Taylor, A Turner, M Wilkes, S Wilson and R Young

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DURHAM COUNTY COUNCIL

CORPORATE ISSUES OVERVIEW AND SCRUTINY COMMITTEE

At a Meeting of **Corporate Issues Overview and Scrutiny Committee** held in Committee Room 2, County Hall, Durham on **Monday 11 July 2016 at 11.30 am**

Present:

Councillor J Lethbridge (Chairman)

Members of the Committee:

Councillors J Alvey, J Armstrong, G Bleasdale, J Carr, E Huntington, N Martin, J Rowlandson, P Stradling, M Wilkes and R Young

1 Apologies.

Apologies for absence were received from Councillors B Armstrong, L Armstrong, P Crathorne, K Henig, J Hillary, J Lethbridge, A Shield and L Taylor.

2 Substitute Members.

There were no substitutes.

3 Minutes of the meeting held 20 April 2016

Resolved:

That the minutes of the meeting held on 20 April 2016 were confirmed as a correct record and signed by the Chairman with the inclusion of Councillor J Carr as being in attendance.

Matters Arising:-

The Head of Planning and Performance in referencing page 3 of the minutes and in particular comments raised regarding return to work interviews by Councillor Hillary advised that performance in relation to this was included as part of the Quarter 4 report to be considered later on the agenda.

In reference made to comments raised by Councillor Martin relating to housing benefits the Head of Planning and Performance advised that there had been a downward trend over the last 3 years and full details had been emailed to Councillor Martin. The response would be forwarded to the committee for information.

In referencing page 7 of the minutes and in particular the timing of scrutiny's role in the MTFP and budget setting process, the Head of Planning and Performance advised that comments had been taken back to the Assistant Chief Executive for her consideration.

Councillor Wilkes at this point commented that he was disappointed that the meeting had been rescheduled to accommodate a lead group meeting, given that meetings of the committee were scheduled a year in advance. He asked that assurances be given that meetings would not be rearranged again to accommodate such. Councillor J Armstrong advised that he would take the comments raised back to the group secretary.

4 Declarations of Interest, if any.

There were no declarations of interest.

5 Customer Feedback: Complaints Compliments and Suggestions 2015/16 - Year-end

The Committee considered a report of the Interim Corporate Director Neighbourhood Services which presented for consideration the Customer Feedback: Complaints, Compliments and Suggestions year-end report (for copy see file of minutes).

The Customer Relations, Policy & Performance Manager presented the report which provided a breakdown of all corporate complaints received during the 2015/16 financial year, an overview of complaints made to the Local Government Ombudsman (LGO), as well as compliments and suggestions relating to all service areas.

Councillor Lethbridge commented that he was extremely impressed with the breadth of analysis undertaken in compiling the report.

Councillor Wilkes in referring to discussion at a previous meeting relating to accessibility of information for members via the CRM system, asked whether a facility which would enable members to view reported issues within their area would be available this year. In response the Customer Relations, Policy & Performance Manager advised that the new CRM system would be going 'live' later this year and it was hoped that this information would be available for members from around Quarter 2.

Resolved:

That the content of the report be noted.

6 Quarter 4 2015/16 Performance Management Report

The Committee considered a report of the Assistant Chief Executive which presented progress against the council's corporate basket of performance indicators (PIs), Council Plan and service plan actions. It further reported other performance issues for the 2015/16 financial year (for copy see file of minutes).

The Corporate Scrutiny and Performance Manager presented the report highlighting key performance achievements and key performance improvement issues for the quarter.

Councillor Wilkes in referencing the performance of FOIs, suggested that a recommendation should be made to Cabinet to review staffing so that services were adequately staffed in order to meet demands in light of the high number of requests now being received.

He further made reference to page 41 of the report and indicator 185 (proportion of households in fuel poverty) commenting that there was a significant time lag on this indicator. The latest data relates to 2013 and a lot of changes had taken place since this time and therefore suggested that the indicator was no longer accurate or appropriate. He also mentioned indicator 184 (percentage of children in poverty) where there was a similar issue with data relating to 2013. In response the Corporate Scrutiny and Performance Manager advised that these were national indicators which are published by the Office for National Statistics. The time lag related to the time the ONS take to collect the data and carry out data cleansing processes on it and the council had have no control over the time taken for ONS to publish this data. However, the council developed a local proxy indicator number 183 for child poverty which gave a close approximation to the nationally published data and was based on more recent data (August 2015). The Corporate Scrutiny and Performance Manager said that he would work with officers dealing with fuel poverty issues to see whether a similar proxy measure for the national indicator can be developed.

Resolved:

That the content of the report be noted.

7 Scrutiny review of Attendance Management - Update on progress against recommendations

The Committee considered a joint report of the Assistant Chief Executive and Interim Corporate Director Resources which provide an update on progress made against the recommendations from the Scrutiny review of Attendance Management (for copy of report and slides of presentation see file of minutes).

The Head of Corporate Finance and HR provided a detailed presentation highlighting the key changes to the policy and what measures had been put in place to support Managers. He further provided a summary of progress against recommendations relating in particular to; targeting long term sickness absence, training, MyView alerts, review of OHS referral processes, staff surveys, better health at work and evaluation and review.

In summary he further provided an overview of current performance highlighting that Quarter 1 had indicated that performance was still slightly below target however there were early signs that performance was improving. In addition he reported that there had been a reduction in long term absence during the quarter and further details would be reported alongside regular performance updates.

Councillor Huntington added that she was pleased to see that there had been some improvement and applauded the team for their efforts.

Councillor J Armstrong commented that this had been an extensive piece of work and acknowledged that a lot of hard work had been undertaken by the team. He further added that he appreciated that a full picture of any changes in performance may not be possible to obtain for the next meeting due to the timing of the next meeting and quarter reporting timescales.

Councillor Wilkes raised a number of queries, the first relating to recommendation 4, regarding escalation messages to senior managers. He asked when and how it would be known, whether escalation was being undertaken within the prescribed period. In referencing recommendation 5 and the issue of OHS immediate referral, he added that if services were allowing managers to determine when referral should take place, then in his opinion performance would not improve to the desired level. Moving on, he further added that he felt mental health training for managers should be mandatory, especially if they were to be making determinations on referrals.

In conclusion Councillor Wilkes added that he also felt that the annual staff survey should be made mandatory as it was likely that figures could be skewed otherwise.

In response to the questions raised the Head of Corporate Finance and HR advised that early referral was vital in the right circumstances as it was also important that mental health was not stigmatised. Dr Wynn, Occupational Health was in attendance to provide further clarification on referrals and the effectiveness of early referral.

Councillor Wilkes further reiterated the point that training for managers should be compulsory. In response the Head of Corporate Finance and HR advised that to date 200 staff had participated in training. It was noted however, that there were approximately 1,400 managers employed.

In response to the comments made regarding the annual staff survey the Head of Planning and Performance added that members would be aware of the annual staff survey which was carried out by ACE and Communications and advised that members would have the opportunity to comment on the draft survey and provide input prior to it being circulated to staff.

Resolved:

That the content of the report be noted.

8 Review of the Committee's Work Programme 2016-17

The Committee received a report of the Assistant Chief Executive which provided an updated work programme for the Corporate Issues Overview and Scrutiny Committee 2016-17 (for copy see file of minutes).

The Head of Planning and Performance advised that as per discussions at the previous meeting held on 20 April the following topic had been highlighted for in depth scrutiny review activity:-

- Major focus on MTFP and that early involvement is important.
- Other possible areas for consideration were:
 - Overview of ICT
 - Systematic review of Attendance Management, update on recommendations
 - Progress on appraisals performance
 - Consideration of succession planning.

It was further noted that a review of the CRM system was ongoing and an update would be reported following the next meeting of the group which was likely to be held in September.

Councillor Armstrong added that all work picked up by the committee would need to be completed by the end of January 2017 ahead of the election and new council. He further added that savings identified as part of the MTFP were expected by October and therefore felt that this would allow the committee more time to debate the savings proposed. With regard to succession planning which had been raised by Councillor Hillary at the previous meeting he agreed that this was an important topic for consideration.

Councillor Wilkes commented that he was less confident than Councillor Armstrong regarding the timing of receiving MTFP reports and added that there was no reason why every two months the committee could not be offered the opportunity to comment on proposed savings in line with current practice which had been adopted by Gateshead Council.

Further debate took place regarding the timing and content of information received relating to savings and although Councillor Wilkes felt that the information received did not offer enough detail nor was received early enough for scrutiny to debate fully, Councillor Armstrong added that the committee could not discuss guesstimates and only concrete detail (figures and information) could be considered in order for it to be a valued process.

Resolved:

That the work programme 2016-17 as attached to the report be agreed.

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**Corporate Issues Overview and Scrutiny
Committee**

10 October 2016

**Regulation of Investigatory Powers Act
2000 – Annual Review of the Council’s
use of powers and approval of RIPA
Policy**



**Report of Colette Longbottom, Head of Legal and Democratic
Services**

Purpose of the Report

1. To inform members about the Council’s use of powers under the Regulation of Investigatory Powers Act 2000 (RIPA) during the period 1 April 2015 to 31 March 2016, the training undertaken by officers and to invite members to approve the Council’s RIPA policy for the forthcoming year.

The Council’s use of RIPA for the period 1 April 2015 – 31 March 2016

2. The table below provides details of RIPA authorisations that have been granted by the Council during the period 1 April 2015 to 31 March 2016. All authorisations were approved by the Magistrates, who ensure that the correct procedures have been followed and relevant factors have been taken account of. Therefore Members can be reassured that the powers are being used appropriately by the Council.
3. The Council’s use of its powers under RIPA has increased slightly to the previous year when 29 RIPA authorisations were granted. The information received by Trading Standards still highlights more serious concerns about a continuing shift in trading practices which is showing that more illicit and illegal items are being sold from people’s homes. The Council has continued its partnership working with the Police and other agencies. The Council is actively seeking to generate more community intelligence and publicises its enforcement operations via a variety of different means including the media and Area Actions Partnerships.
4. As reported last year, social media platforms such as Facebook allow sellers to reach a larger audience than more traditional selling methods such as markets or car boot sales. Due to the expanding use of goods

being bought on line there is a much greater potential customer base which in turn may lead to more people complaining about them as they are more overt than they used to be.

Type of Investigation	Number of Authorisations during the period 1 April 2015 – 31 March 2016
Illicit tobacco	5 x Directed Surveillance, 1 x CHIS
Underage sales of alcohol/tobacco	3 x Directed Surveillance
Test Purchases	4 x Directed Surveillance
Counterfeit Goods	5 x Directed Surveillance, 8 x CHIS, 2 x Communications data
Other – false description/mileage discrepancy	3 x Communications data
	Total - 31

Training

5. The Office of Surveillance Commissioners, which oversees the use of covert surveillance by designated public authorities, places a high value on training. RIPA training was held in March 2016 and attended by the Council's Senior Responsible Officer for RIPA (Colette Longbottom), Authorising Officers and other Council officers who make RIPA applications to the Magistrates' Court.

Review of the Council's Corporate Guidance on RIPA

6. The Council's RIPA policy was last approved by Committee at its meeting held on 28 September 2015.
7. As part of the annual review, the Council's RIPA policy has been reviewed and is attached as Appendix 2. There is one proposed amendment to the policy which relates to a staffing change. It is not considered that any further changes are required to the policy at this stage. Changes to the list of Authorising Officers and Designated Persons found at Appendix 1 to the policy may be required as a result of the restructure of the Council's Corporate Management Team. The Council's Senior Responsible Officer will update this Appendix accordingly.

Recommendations and Reasons

8. It is recommended that members
 1. Receive the annual report on the Council's use of powers under RIPA.
 2. Approve the Council's policy on the use of RIPA.

Background Papers

None

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Appendix 1: Implications

Finance: None

Staffing: None

Equality and Diversity: None

Accommodation: None

Crime and Disorder: The appropriate use of an oversight of RIPA powers will enable the Council to provide evidence to support appropriate prosecutions and tackle crime.

Human Rights: None

Consultation: None.

Procurement: None

Disability Discrimination Act: None

Legal Implications: The policy and the procedures are designed to ensure as far as possible that the legislation is complied with.



CORPORATE GUIDANCE DOCUMENT

REGULATION OF INVESTIGATORY POWERS ACT 2000

October 2016

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Any member of staff requiring parts of this guidance to be made available in a different language or format should contact their Service Diversity Group member representative.

APPENDICES

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FOREWORD

- 1.0 This document addresses the requirements of the Regulation of Investigatory Powers Act 2000 (RIPA) and its codes of practice, in relation to the covert surveillance of individuals, the use of covert human intelligence sources, including undercover officers/agents/informants and the recording of telephone conversations. In addition, procedures for obtaining communications data fall within the Act's remit.

These procedures provide a summary and overview of the legislation and codes of practice. DO NOT seek to rely on them alone. In the event of any doubt, the officer should refer to the relevant legislation or code or contact Legal Services for advice.

- 1.1 RIPA had effect from 1 October 2000. There are Codes of Practice which impose requirements as regards authorisation procedures and records, which must be followed by Public Authorities undertaking investigations, which fall within the scope of RIPA.
- 1.2 Durham County Council works almost exclusively with, through and for people. We are, therefore, passionate about the authority's commitment to promoting a just society that gives everyone an equal chance to learn, work and live, free from discrimination and prejudice. This guidance demonstrates our desire to carry out our criminal investigations in a fair and equitable manner that respects all human rights and contributing to this commitment.
- 1.3 Enforcement activities of the authority which fall within the remit of RIPA are subject to monitoring and oversight by the Office of Surveillance Commissioners and the Interception of Communication Commissioner's Office.
- 1.4 Staff should therefore familiarise themselves with this document and the Codes of Practice. If in any doubt guidance should be sought before undertaking any activity, which falls within the scope of RIPA.
- 1.5 Complaints made regarding activities of the Authority, which are within the scope of the RIPA, can be investigated by an independent tribunal.
- 1.6 Copies of the Codes of Practice are readily available for reference on the Intranet.
- 1.7 Officers must appreciate that should they fail to follow the requirements of RIPA and Codes of Practice, Durham County Council may be liable to claims alleging breaches of an individual's rights under the Human Rights Act 1998.
- 1.8 Failure to follow RIPA and its Codes of Practice may also adversely affect the admissibility of any evidence obtained using methods covered by the Act. The safety of members of the public supplying information to the council may also be compromised. Where an authorisation is not in place, it may not be possible to seek exemption from disclosure under the provisions of Public Interest Immunity.

- 1.9 When undertaking any covert investigation, officers should have regard to the health and safety of persons affected by the activity. This may include themselves, colleagues and members of the public. A suitable and sufficient risk assessment of the investigation technique being proposed should be undertaken, having regard to Durham County Council Corporate Health and Safety Policy and any supplemental guidance issued by individual directorates. This needs to be communicated to all those at risk.
- 1.10 The monitoring of Internet and e-mail within the Council use is regulated by The Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000. The ICT service within the Resources Directorate has software in place to monitor the use of the internet and email. If anomalies are identified, these will be investigated by the Information Security Officer in liaison with Internal Audit.
- 1.12 A register, which records all of the authority's activities falling within the remit of RIPA, has been prepared and is included within the Central Record which is held by Legal and Democratic Services.
- 1.13 **The most frequently used RIPA applications forms are available on the Intranet and from the RIPA Monitoring Officer in Legal and Democratic Services. The other forms are available from the RIPA Monitoring Officer.**

DEFINITIONS

Directed Surveillance and Covert Human Intelligence Sources

Authorising Officer	The person(s) designated under Sections 28 and 29 of the Act to grant authorisations for directed surveillance and the use and conduct of a Covert Human Intelligence Source, respectively. Within a Local Authority this is Corporate Director, Head of Service or Service Manager. The Council's Authorising Officers are appointed by the Chief Executive. A list of the Council's Authorising Officers can be found as Appendix 1.
Confidential Material:	Communications subject to legal privilege, communications between a Member of Parliament and another person on constituency matters, confidential personal information or confidential journalistic material.
Covert Human Intelligence Source: (CHIS)	Commonly known as Agents, Informants, Undercover Officers. (NB. See RIPA and the Codes of Practice for the definition).
Covert Surveillance	Surveillance carried out in a manner calculated to ensure that the persons subject to the surveillance are unaware that it is taking place.
Directed Surveillance:	Means surveillance which is covert but not intrusive, is conducted for the purposes of a specific investigation, is likely to result in the obtaining of private information about a person and is conducted otherwise than by way of an immediate response to events or circumstances the nature of which is such that it would not be reasonably practicable for an authorisation under Part II of the Act to be sought.
Intrusive Surveillance:	<p><i>In no circumstances is the Council permitted to carry out intrusive surveillance</i></p> <p>Covert surveillance carried out in relation to anything taking place on residential premises or in any private vehicle, that involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device.</p> <p>Surveillance which is carried out by means of a surveillance device in relation to anything taking place on any residential premises or in any private vehicle, but is carried out without that device being present on the premises or in the vehicle, is not intrusive unless the device is such that it consistently provides information of the same quality and detail as might be expected to be obtained from a device actually present on the premises or in the vehicle.</p>

VALID ON DAY OF PRINTING ONLY
PLEASE CHECK ON INTRANET FOR MOST CURRENT VERSION IN USE

RIPA Monitoring Officer Governance Solicitor and Senior Committee Services Officer who are responsible for maintaining the central register, the oversight of RIPA applications and training.

Private Information This includes any information relating to a person's private or family life. Private information 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.

Whilst a person may have a reduced expectation of privacy when in a public place, covert surveillance of that person's activities in public may still result in the obtaining of *private information*. This is likely to be the case where that person has a reasonable expectation of privacy even though acting in public and where a record is being made by a *public authority* of that person's activities for future consideration or analysis.

Private life considerations are particularly likely to arise if several records are to be analysed together in order to establish, for example, a pattern of behaviour, or if one or more pieces of information (whether or not available in the public domain) are covertly (or in some cases overtly) obtained for the purpose of making a permanent record about a person or for subsequent data processing to generate further information. In such circumstances, the totality of information gleaned may constitute *private information* even if individual records do not. Where such conduct includes surveillance, a directed surveillance *authorisation* may be considered appropriate.

Senior Responsible Officer (SRO): Head of Legal Services/Monitoring Officer who is responsible for the integrity of the process in place within the authority for surveillance, compliance with Part 2 of RIPA and the Codes of Practice, oversight of reporting errors, engagement with the OSC during and post inspections.

Controller The person or designated managerial officer responsible for overseeing the use of the source and recording this information.

Handler An investigating officer having day to day responsibility for:

- dealing with the source on behalf of the authority
- directing the day to day activities of the source
- recording the information supplied by the source
- monitoring the security and welfare of the source.

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Conduct of a Source Any action of that source, falling within the terms of the Act, or action incidental to it.
(i.e. What they do).

"The Use" of a source Any action to induce, ask or assist a person engaged in the conduct of a source or to obtain information by means of an action of the source.
(What they are asked to do).

Surveillance includes:-

- monitoring, observing or listening to persons, their movements, their conversations, or their activities or communications.
- recording anything monitored, observed or listened to in the course of surveillance.
- surveillance by or with the assistance of a surveillance device (any apparatus designed or adapted for use in surveillance).

Tasking: -

An assignment given to the source, asking him or her to obtain information, to provide access to information, or to otherwise act incidentally for the benefit of the relevant public authority.

Communications Data

Applicant

This is the officer involved in conducting an investigation or operation who makes an application electronically for the acquisition of communications data.

Communications Service Provider (CSP)

These include telecommunications, Internet (including email) and postal service providers.

Designated Person

This is the authorising officer for the purposes of obtaining communications data who must be registered with the National Anti Fraud Network by the SRO. This person must not be the applicant.

Senior Responsible Officer (SRO)

Head of Legal Services/ Monitoring Officer who is responsible for ensuring that the Applicant, Designated Person or other person makes available to the Single Point of Contact such information as the SRO thinks necessary to ensure the integrity of the process, oversight of reporting errors, engagement with the IOCCO during and post inspections.

Single Point of Contact (SPOC)

The Council processes its RIPA applications for communications data via the National Anti Fraud Network (NAFN). NAFN operates a secure online system for the acquisition of communications data under RIPA. NAFN officers act as Single Points of Contact or SPoCs to ensure that Council applications meet the necessary standards before the application is approved by a Designated Person (DP) who is an officer within the Council.

A. COVERT SURVEILLANCE

1.0 INTRODUCTION

- 1.1 Covert Surveillance means surveillance which is carried out in a manner calculated to ensure that the persons subject to the surveillance are unaware that it is or may be taking place.
- 1.2 A RIPA authorisation provides lawful authority for a Public Authority to carry out covert surveillance.
- 1.3 The Authorising Officers are documented in the central RIPA record held within Legal and Democratic Services. Where possible, Authorising Officers should not authorise operations in which they are directly involved.
- 1.4 Whenever covert surveillance takes place and is for the purpose of obtaining, or is likely to obtain private information about a person (whether or not they are the target of the operation) an authorisation should be obtained.
- (For exemption see 4.3.)
- 1.5 By obtaining an authorisation, the surveillance operation is carried out in accordance with the law and the safeguards that exist.
- 1.6 Prior to granting an authorisation the Authorising Officer must be satisfied that the proposed surveillance is necessary for the prevention of crime and is proportionate to what it seeks to achieve. This involves balancing the seriousness of the intrusion into the privacy of the subject of the operation (or any other person who may be affected) against the need for the activity in investigation and operational terms.
- 1.7 Careful consideration must also be given to any community sensitivities that may be exacerbated by any individual surveillance operation.
- 1.8 Before applying for an authorisation, the Investigating Officer should consider whether or not the evidence sought could be obtained by alternative methods.

2.0 COLLATERAL INTRUSION

- 2.1 The officer seeking the authorisation should also consider the possibility of collateral intrusion. This is private information about persons who are not subjects of the surveillance or property interference activity. Steps should be taken to assess the risk, and where possible minimise the risk of collateral intrusion. Where unforeseen collateral intrusion occurs during an operation, the Authorising Officer must be notified and consideration given to amending the authorisation following a review.
- 2.2 Consideration must also be given as to whether or not the surveillance activities of the Service take place where similar activities are also being undertaken by another agency e.g. the Police, Benefits Agency, Environment Agency.

2.3 Liaison should also be made with Durham Constabulary Local Intelligence Officers, where appropriate.

3.0 RECORDS OF AUTHORISATIONS

3.1 A record of all authorisations must be maintained for 5 years from the ending of each authorisation. This should include not only those authorisations granted, but also those which are refused.

3.2 A copy of each authorisation will be maintained by the Authorising Officer, within each service. The original authorisation must be supplied to the **central record** of authorisations managed by Legal and Democratic Services.

3.3 Due to the sensitive nature of **all documentation** covered by the Act, consideration **MUST** be given to the means by which original authorisations are forwarded to the central record to ensure confidentiality.

4.0 AUTHORISATIONS FOR DIRECTED SURVEILLANCE

4.1 An authorisation is required for covert surveillance undertaken:

- (a) for a specific investigation or operation; and
- (b) where the surveillance is likely to result in obtaining private information about any person (whether or not they are the subject of the surveillance).

4.2 An authorisation is **NOT** required for covert surveillance carried out as an immediate response to events or circumstances, which could not be foreseen.

4.3 Authorisations do not cover 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. This activity is termed as **INTRUSIVE SURVEILLANCE AND CANNOT BE UNDERTAKEN BY LOCAL AUTHORITIES**. An observation post outside of premises with a limited view and no sound would not constitute intrusive surveillance. If equipment is used without being the device being on the premises/ vehicle and consistently provides information of the same quality as if it were on the premises / vehicle the action may qualify as intrusive surveillance. (For further guidance see Section 26 of the Act).

4.4 The use of overt CCTV surveillance systems is not normally caught by the Act, since members of the public are aware that such systems are in use. There may be occasions when public authorities use covert CCTV systems for the purposes of a specific investigation or operation. In such cases, authorisation for directed surveillance may be necessary. A protocol has been produced to protect those officers, responsible for such systems, from being pressured into carrying out covert directed surveillance, without an appropriate authorisation. This protocol is shown in Appendix 3.

- 4.5 Where the surveillance activity is likely to result in confidential material being obtained, the authorising officer within Durham County Council, will be the Chief Executive, or in his absence, his Deputy.

5.0 COVERT VIDEO CAMERA AND AUDIO RECORDING EQUIPMENT

- 5.1 This equipment is frequently employed during test purchase exercises and other monitoring activities undertaken by the authority for the purpose of recording the transaction/activity and obtaining photographic evidence of the suspect. Concealed voice recorders may be used to record conversations without the knowledge of the other party.
- 5.2 The deployment of such equipment clearly has the potential for not only obtaining personal information in relation to the suspect, but also collateral intrusion into the activities of other persons in the vicinity of the operation.
- 5.3 An authorisation is **THEREFORE REQUIRED** before using such equipment to safeguard against any challenge as to Human Rights infringements. The manner in which such equipment is used may also invoke the requirements relating to **Covert Human Intelligence Sources and Part B of this Manual should be consulted.**

6.0 GROUNDS FOR AUTHORISING DIRECTED SURVEILLANCE APPLICATIONS

- 6.1 For an authorisation for directed surveillance it **must** be shown to be necessary to use covert surveillance in the investigation on specific grounds. Directed surveillance undertaken by Local Authorities can only be authorised for the purpose of preventing or detecting criminal offences that are 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.
- 6.2 Directed surveillance cannot be authorised for the purpose of preventing disorder that does not involve criminal offence(s).

7.0 JUDICIAL APPROVAL OF DIRECTED SURVEILLANCE APPLICATIONS

- 7.1 From 1 November 2012 a local authority who wishes to authorise the use of directed surveillance will need to obtain an order approving the grant or renewal of an authorisation or notice from a Justice of the Peace (a District Judge or Lay Magistrate) before it can take effect. If the Justice of the Peace is satisfied that the statutory tests have been met and that the use of directed surveillance is necessary and proportionate, he/she will issue an order approving the grant or renewal for the use of the technique as described in the application.

Further guidance on the Local Authority judicial application process including the Council's RIPA Authorisation Procedure can be found on the Intranet and from the RIPA Monitoring Officer.

8.0 DURATION OF AUTHORISATION

- 8.1 A written authorisation is valid for 3 months, unless cancelled. This begins on the day on which the Justice of the Peace approves the grant of the application, the expiry date will be considered to be three months minus one day from the date of signature by the Justice of the Peace. The time at which the authorisation is granted must also be recorded on the documentation.

9.0 RENEWAL

- 9.1 An authorisation may be renewed for a further period of 3 months. A renewal of a grant of a directed surveillance authorisation must be approved by a Justice of the Peace before it can take place. It may be renewed more than once, provided that the renewal continues to meet the criteria for authorisation. The number of occasions it has been renewed should be recorded. The details of any renewal should be recorded centrally.

10.0 REVIEW

- 10.1 The Authorising Officer should ensure that a system is in place to review authorisations, before it ceases to have effect. It is a matter for the authorising officer to determine how frequently a review is necessary and practicable. This must be stated within the authorisation as a **control measure**. The authorisation should also be reviewed prior to expiry to determine whether or not a renewal is required and can be justified. The authorising officer may make use of one of the following for example: a diary entry, work planner, MS Exchange calendar/alarm facility to generate a message prompt at least **ten** days before the expiry date.
- 10.2 The Authorising Officer may amend specific aspects of the authorisation upon a review, for example by discontinuing surveillance against particular persons or the use of particular tactics.

11.0 CANCELLATIONS

- 11.1 The Authorising Officer who granted or last renewed the authorisation **must** cancel it, if satisfied that the directed surveillance no longer satisfies the criteria upon which it was authorised. Where the Authorising Officer is no longer available, this duty will fall on the person who has taken over the role of Authorising Officer or the person who is acting as Authorising Officer.
- 11.2 An authorisation should also be cancelled once the activity, which was the subject of the authorisation, has been completed. The authorisation should not be left to lapse as a result of the time limit expiring.
- 11.3 As soon as the decision is taken that directed surveillance should be discontinued, the applicant or other investigating officer involved in the investigation should inform the Authorising Officer. The Authorising Officer will formally instruct the investigating officer to cease the surveillance, noting the time and date of their decision. This is required for the cancellation form. The date and time when such an instruction was given should also be recorded in

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the central record of authorisations. It is also necessary to detail the amount of time spent on the surveillance as this is required to be retained by the SRO.

- 11.4 The officer submitting the cancellation should complete in detail the relevant sections of the form and include the period of surveillance and what if any images were obtained and any images containing third parties. The Authorising Officer should take this into account and issue instructions regarding the management and disposal of the images etc.
- 11.5 The cancellation process should also be used to evaluate whether the objectives have been achieved and whether the applicant carried out what they stated was necessary in the application form. This check will form part of the oversight function. Where issues are identified they will be brought to the attention of the SRO. This will assist with future audits and oversight.
- 11.6 The cancellation form will be filed by the Authorising Officer with the original authorisation in the central record of authorisations managed by Legal and Democratic Services.

12.0 RECORDS AND ERRORS

- 12.1 Material obtained as a result of surveillance activities should be recorded on the "Record of Product obtained by Directed Surveillance Form".
- 12.2 A copy of this form should be forwarded to the Authorising Officer to be filed with the Authorisation form. The original should be retained by the Investigating Officer, as part of the case file. Internal procedures within some departments may require that all authorisations and case materials are held within a specified secure location.
- 12.3 A record must also be maintained of the period over which surveillance has taken place to assist with reviews and renewal applications.
- 12.4 There is a requirement set out in the OSC Procedures and Guidance 2014 to report all covert activity that was not properly authorised to the OSC in writing as soon as the error is recognised. This includes activity which should have been authorised but wasn't or which was conducted beyond the directions provided by the authorising officer. It is therefore important that when an error has been identified it is brought to the attention of the SRO in order to comply with this guidance. The Council has a responsibility to report to the Inspector at the commencement of an inspection all activity which should have been authorised but wasn't. This is to confirm that any direction provided by the Chief Surveillance Commissioner has been followed. This will also assist with the oversight provisions of the Councils' RIPA activity.
- 12.5 The reporting requirement does not apply to covert activity which is deliberately not authorised because an authorising officer considers that it does not meet the legislative criteria, but allows it to continue. This would be surveillance outside of RIPA.

13.0 HANDLING PRODUCTS FROM SURVEILLANCE ACTIVITIES

- 13.1 Product from Covert Surveillance activities may consist of: Photographs, Video film, Voice recordings, Surveillance log, Officers Notes
- 13.2 The above may be required as evidence in current or future criminal proceedings. Officers must have regard to the provisions of the Criminal Procedure and Investigations Act 1996 in relation to unused material. Product obtained via an authorisation may be used by the authority in other investigations.
- 13.3 Although specific legislation and the Data Protection Act 1998 provide for the disclosure of information in certain circumstances, additional controls are introduced by RIPA.
- 13.4 The use of any product obtained by authorised surveillance activities outside of the Public Authority or the Courts should only be authorised in the most exceptional circumstances. **Joint operations should make reference to the potential use of evidence by each agency.**
- 13.5 Officers may receive requests from other agencies for product, which may include photographs of suspects, descriptions, and vehicle details. Where this information has been obtained under an authorisation, further guidance should be sought from the Authorising Officer and if disseminated to an outside agency, meet the requirements of the Data Protection Act 1998.

14.0 STORAGE AND RETENTION OF PRODUCT

- 14.1 All material associated with an application, together with material obtained throughout a surveillance operation will be subject of the provisions of the Criminal Procedures Investigations Act 1996 ("CPIA") Codes of Practice which state that relevant material in an investigation has to be recorded and retained and later disclosed to the prosecuting solicitor in certain circumstances. It is also likely that the material obtained as a result of a RIPA application will be classed as personal data for the purposes of the Data Protection Act 1998 ("DPA").
- 14.2 Officers should make themselves aware of the provisions within the DPA and how it impacts on the whole RIPA process. Material obtained together with relevant associated paperwork should be held securely and any dissemination of the product must take account of the DPA and may only be disclosed to those that can lawfully receive it. The material may only be retained for as long as is necessary. Therefore material which will be retained outside of the CPIA provisions must have some justification to meet the DPA requirements. If in doubt advice should be sought from the RIPA Monitoring Officer.
- 14.3 Material which is required to be retained under CPIA should be retained until a decision is taken whether to institute proceedings against a person for an offence or if proceedings have been instituted, at least until the accused is acquitted or convicted or the prosecutor decides not to proceed with the case.

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- 14.4 Where the accused is convicted, all material which may be relevant must be retained at least until the convicted person is released from custody, or six months from the date of conviction, in all other cases.
- 14.5 If the court imposes a custodial sentence and the convicted person is released from custody earlier than six months from the date of conviction, all material which may be relevant must be retained at least until six months from the date of conviction.

15.0 DISPOSAL OF PRODUCT

- 15.1 Officers should have regard to the fifth principle of the Data Protection Act 1998, as follows:

Product, which is not required as evidence should not be retained any longer than necessary. It will be necessary to retain product for a sufficient period of time to safeguard Durham County Council against any civil claims against infringement of an individuals Human Rights. Refer to your service areas retention guidelines.

- 15.2 Product which has been destroyed should have this fact recorded on the record of product obtained by Directed Surveillance, and be signed by the Officer (See 10.0).
- 15.3 An amended copy of this Record form should be forwarded to the Authorising Officer, indicating destruction of the product obtained from the surveillance activity.

16.0 GUIDANCE NOTES FOR THE AUTHORISATION OF DIRECTED SURVEILLANCE

- 16.1 Does the activity involve:-

The systematic covert surveillance of an individual (whether or not the identity is known), which is likely to gather personal information?

IF SO, AN AUTHORISATION IS REQUIRED

- 16.2 Low level activity for example, to determine whether a premise is still trading, will not require authorisation. Surveillance carried out in response to immediate events will also not require authorisation. However, if the surveillance activity continues for any period of time, an authorisation will be required.

- 16.3 **The Authorising Officer must be satisfied that:**

The authorisation is:

Necessary for the purposes of preventing or detecting criminal offences that are either punishable by at least a 6 month prison sentence or are related to the underage sale of alcohol or tobacco.

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Consideration should also have been given to alternative methods of obtaining the evidence and why this has not or will not work or secure the best evidence.

16.4 The Authorising Officer must also believe that the surveillance is proportionate to what it seeks to achieve, and is not excessive.

Where the identity of the subject is known to the officer, measures should also be taken to verify, (where appropriate) the address under surveillance (e.g. electoral register, business rates, utility suppliers). The Authorising Officer may also wish to include some control measures within the authorisation e.g. reviews, circumstances in which the surveillance must be stopped.

16.5 The application should provide the background to the investigation, and details of other methods which have failed to provide the information being sought or why other methods are not appropriate.

16.6 The description of the activity to be undertaken should be as comprehensive as possible, describing how the surveillance will be undertaken, where it will occur and any equipment (e.g. cameras, video camera) which will be used. The Authorising Officer must know the capabilities of the equipment. The investigatory officers must not employ techniques which are not permitted by the authorisation.

16.7 The information being sought should be described and how this may provide evidence of the offence or other matter being investigated. The potential for collateral intrusion should be identified and plans to avoid / minimise such intrusion.

16.8 A statement must also be included as to the likelihood of obtaining confidential information as defined in the codes of practice.

16.9 If **confidential material**, is being sought, or **is likely** to be obtained, a higher level of authorisation is required. **This authorisation can only be given by the Chief Executive of Durham County Council, (or in his absence by a Chief Officer).** Further guidance should be sought if confidential material becomes relevant to the investigation.

16.10 Where applications for authorisation are refused by the Authorising Officer, records of the refused application must also be maintained stating the reasons for the refusal and a service number. Copies of these refusals must be sent for inclusion in the central record.

17. NECESSITY AND PROPORTIONALITY

17.1 Necessity

For interference with an individual's rights under 'Article 8' (Right to Privacy) to be necessary, the only ground on which the Council may authorise directed surveillance is for the prevention or detection of a criminal offence, punishable by a maximum term of at least 6 months imprisonment or are related to the underage sale of alcohol or tobacco. In order to be satisfied, the conduct that it is aimed to prevent or detect must be identified and clearly described. The

Authorising Officer must be satisfied that overt measures would not be likely to secure the desired result.

17.2 Proportionality

The proposed activity must be proportionate to what it seeks to achieve. The four elements of proportionality must be fully considered in an application.

1. Balance the size and scope of the operation against the gravity and extent of the perceived mischief.
2. Explain how and why the methods to be adopted will cause the least possible intrusion on the target and others.
3. Explain why the activity is an appropriate use of the legislation and the only reasonable way, having considered all others, of obtaining the necessary result; and
4. Provide evidence of other methods considered and why they were not implemented.

18. MEMBER OVERSIGHT

- 18.1 Elected members of a local authority should review the authority's use of RIPA and set the policy at least once a year. They should also consider internal reports on the use of RIPA on at least a quarterly basis to ensure that it is being used consistently with the Council's policy and that the policy remains fit for purpose. Members must not be involved in making decisions on specific authorisations. The Council's Corporate Issues Overview and Scrutiny Committee will carry out this function.

B. COVERT HUMAN INTELLIGENCE SOURCES (C.H.I.S.)

1.0 INTRODUCTION

1.1 This section of the guidance document, deals with Covert Human Intelligence Sources, more commonly known as: Undercover Officers, Informants/Agents

Authorisation is a two-stage process:

- (a) to use a source
- (b) an authority for the conduct of the source.

1.2 A Covert Human Intelligence Source is a person who establishes or maintains a personal or other relationship with another person for the covert purpose of:

- (a) Using such a relationship to obtain information, or to provide access to information to another person, or
- (b) Disclosing information obtained by the use of such a relationship or as a consequence of such a relationship.

1.3 The relationship is used covertly if, and only if, it is conducted in a manner calculated to ensure that the person is unaware of its purpose.

1.4 Durham County Council receives complaints routinely from the public and traders regarding the alleged activities of individuals. The actions of these complainants do not generally fall within the definition of a covert source, since they are a one off provision of information. However, a person may become a covert source if an ongoing relationship with a public authority (Durham County Council) develops and activities described in paragraph 1.2 above are carried out.

1.5 Where the nature of the complaint relates to a matter where an officer requests the complainant to obtain further information covertly, via a relationship with another individual, this activity is likely to fall within the scope of the Act. An authorisation will therefore be required before seeking such information. By following the authorisation procedures, the Authority will also be in a position to seek to safeguard the identity of the source in any subsequent legal proceedings. The origin of any information from the source can be withheld, subject to acceptance by the court of the established **Public Interest Immunity**, disclosure procedures. Further guidance should be sought from Legal Services on this issue, to ensure that the identities of any such individuals are safeguarded in the event of any legal proceedings, tribunals or disciplinary hearings.

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- 1.6 The Code of Practice on Covert Human Intelligence Sources relates not only to sources (which may commonly be referred to as informants) but also the activities of sources, which consist of undercover officers who establish or maintain a covert relationship to obtain information and evidence.
- 1.7 Before a source may be engaged or an undercover officer deployed the **use and conduct** must be authorised. The use part of the authorisation, effectively registers the source with the Authority. The conduct part addresses what the source is tasked to do. The applicant must not be the source.
- 1.8 In most cases, the use and conduct of a source will be restricted to a single investigation. However, situations may arise, where different conducts are required as the investigation develops. Consideration should then be given to cancelling the original authorisation and seeking a new authorisation on the basis of the new circumstances of the investigation.
- 1.9 The same authorisation form is used for both use and conduct. A handler and controller must also be designated, as part of the authorisation process, and detailed records of the use, conduct and tasking of the source maintained.
- 1.10 An Authorising Officer is a person entitled to give an authorisation for the use or conduct of a source in accordance with Section 29 of the Regulation of Investigatory Powers Act 2000. A list of the Authorising Officers is held in the **central record** managed by the RIPA Monitoring Officer, on behalf of the SRO. All Authorising Officers are, however, corporate and therefore can cross service authorise.
- 1.11 The use of Covert Human Intelligence sources should be necessary and proportionate to the matter being investigated.
- 1.12 Failure to obtain an authorisation may render Durham County Council liable to a claim of infringing the human rights of an individual and may adversely affect the admissibility of any evidence obtained by the use of covert methods employed by a source. It is also established that a Public Authority owes a duty of care to a CHIS. Failure to undertake a robust risk assessment and authorisation may also adversely affect the position of the Authority in the source suffering any harm as a result of the activity in which they have been engaged.
- 1.13 Careful consideration must be given to any potential sensitivities, which may exist, before deciding whether to use a CHIS in a particular community or against a particular individual.
- 1.14 A separate **directed surveillance** authorisation is **not** required where any surveillance device (technical equipment) is used in the presence of the covert source.

- 1.15 A Covert Human Intelligence source carrying surveillance equipment **can** be invited to enter residential premises or a private vehicle. However the CHIS **cannot install** surveillance equipment in residential premises since this activity constitutes intrusive surveillance or a private vehicle, since this activity constitutes property interference. These techniques are not available for use by Local Authorities.

2.0 GUIDANCE ON THE SOURCE CULTIVATION PROCESS

- 2.1 When seeking an authorisation for an individual to act as a covert human intelligence source, consideration needs to be made of their potential role in the investigation. Are they prepared to be a witness? Do they need to be given protection as a result of providing information, by means of public interest immunity? The source may also be in a position to provide information relating to a number of different matters worthy of investigation.
- 2.2 The motives of potential sources need to be considered as part of the evaluation process. Could they be motivated by possible rewards or revenge? The aim could be to deflect attention away from themselves towards other individuals.
- 2.3 Has consideration been given to building up a detailed profile of the potential source and their associates. **In all cases**, a face-to-face meeting with the complainant or any other person considered as a potential source should take place. Please be aware that the individual may have needs in respect of language, hearing or sight.
- 2.4 Directed surveillance may be needed to evaluate the source. Consideration should be given in certain circumstances to carrying out checks on the source with the Police. A thorough risk assessment must be carried out on the potential source, and the proposed conduct.

3.0 MANAGEMENT OF SOURCES

- 3.1 Tasking is the assignment given to the source by the handler/controller asking him/her to obtain information or to take action to obtain information.
- 3.2 All authorisations **should be in writing** and in place before tasking a source. Every source must have a designated handler and controller.

4.0 DESIGNATED HANDLERS AND CONTROLLERS FOR THE USE OF COVERT HUMAN INTELLIGENCE SOURCES

4.1 Where the Covert Human Intelligence source is a complainant or an informant, the Handler will be the Investigating Officer and the Controller will be their line manager. Where the Covert Human Intelligence source is an Officer of the authority acting in an undercover capacity the Handler will be the Officer's line manager and the Controller will be another manager within the Service. This arrangement will ensure that an Officer does not act as a Controller and Authorising Officer thereby ensuring a level of independent scrutiny.

5.0 SECURITY AND WELFARE OF SOURCES

5.1 A source has no licence to commit crime. In certain circumstances it may be advisable to provide written guidance to the source, explaining what is being requested of them and the limits of the tasking. The source should be asked to sign such a document to confirm that they understand the terms of reference.

5.2 A public authority deploying a source, should take into account the safety and welfare of the source, when carrying out any actions in relation to the authorisation or tasking. The foreseeable consequences of the tasking should also be considered.

5.3 A Risk Assessment should be undertaken to evaluate the source and to determine the risk to the source of any tasking and the likely consequences should the identity and role of the source become known to the subject or others involved with the subject. Appropriate documentation is contained on the intranet or is available from the RIPA Monitoring Officer.

5.4 The handler should draw to the attention of the controller:

The Risk Assessment
The Conduct of the Source
The Safety and Welfare of the Source.

A Handler is responsible for:

Dealing with the source on behalf of the Authority
Directing the day to day activities of the source
Recording the information supplied by the source
Monitoring the security and welfare of the source.

5.5 Where a source is known or suspected of being involved in crime, consideration should be given to their motives in supplying information. It may also be a prudent step in the management of such a source to have two officers present during any meetings with the source. Background checks on the potential source via the Police Local Intelligence Officer should also be considered.

5.6 Special provisions exist for the conduct in use of juvenile sources (Under 18).

A source under 16 cannot be engaged to use a relationship with any person having parental responsibility for them. A source under 16 must have an appropriate adult present during any meetings and a risk assessment must also take place before granting or renewing an authorisation for the conduct and use of a source under 16. This will take account of physical and psychological risks.

See the Regulation of Investigatory Powers (Juveniles) Order 2000 for detailed guidance.

5.7 Special consideration should also be given to the use of vulnerable individuals as a source. This will require the highest level of authorising officer, the Chief Executive (see the code of practice for further guidance).

5.8 Authorisations for juvenile sources i.e. a source under the age of 18, when the authorisation is granted have effect for **one month**. **Juvenile source** authorisations should be issued by the highest level of authorising officer in an Authority. This will be the **Chief Executive** of Durham County Council.

6.0 JUDICIAL APPROVAL OF CHIS APPLICATIONS

6.1 From 1 November 2012 a local authority who wishes to authorise the use of a CHIS will need to obtain an order approving the grant or renewal of an authorisation or notice from a Justice of the Peace (a District Judge or Lay Magistrate) before it can take effect. If the Justice of the peace is satisfied that the statutory tests have been met and that the use of a CHIS is necessary and proportionate, he/she will issue an order approving the grant or renewal for the use of the technique as described in the application.

7.0 DURATION OF AUTHORISATIONS

7.1 Authorisations have effect for a period of twelve months from the date of judicial approval unless a juvenile in which case the authorisation has effect for a period of one month. The Authorisation should be managed and be made subject to reviews set as a control measure by the Authorising Officer.

7.2 Records of authorisations are to be retained for, a minimum period of one year to comply with the code. However, it will be policy to retain the records for a **period of six years**, to safeguard against any civil claims against the authority under the Human Rights Act 1998.

7.3 Destruction of the authorisation form should be documented in the Authorising Officers Management Record file.

8.0 RENEWALS AND REVIEWS

8.1 An authorisation may be renewed, after the Authorising Officer reviews the use made of the source having regard to:-

- a) The tasks given to the source
- b) The information obtained from the source.

If satisfied that the original authorisation criteria are met, a renewal may be authorised. A renewal of a grant of a CHIS authorisation must be approved by a Justice of the Peace before it can take place.

- 8.2 Since an authorisation for a CHIS may remain in force for a period of twelve months, regular reviews should be undertaken to ensure the ongoing validity of the activity and the ongoing welfare and security of the source. Any changes to circumstances may require that further risk assessments are undertaken.
- 8.3 The reviews should be undertaken at intervals of **no longer than three months** and documented. Additional **control measures** may also be introduced as a result of a review. The Authorising Officer should implement a system to identify appropriate review dates (e.g. the MS Exchange Calendar alarm option).

9.0 CANCELLATIONS

- 9.1 An Authorising Officer must cancel an authorisation where:

The use or conduct of the source no longer meets the original authorisation criteria.

The procedures for managing the source are no longer in place.

Where possible the source should be informed of the cancellation, and this fact noted on the cancellation.

- 9.2 Where an investigation no longer requires the authorisation to be in place e.g. the evidence has been obtained, it should be cancelled promptly rather than allowed to expire through time, and the reason for cancellation documented.

10.0 SOURCE RECORDS

- 10.1 Records of Use of the source and the product provided by the source. Similarly for the procedures detailed for Directed Surveillance records should be maintained by the service, for a **period of six years**. Records should not be destroyed without the authority of the Authorising Officer. Destruction of records should be documented in the Authorising Officers Management Records file.

- 10.2 The following information must be recorded:-

- Authorisation Reference Number
- Authorising Officer
- Identity used by Source (If any)
- Identity of Source

- Reference used in the authority to refer to Source (If any)
- Information relating to security and welfare of Source
- A record that any risks to the security and welfare of the Source have been explained to and understood by the Source
- Records of reviews conducted on the continuing use and welfare of the Source
- The date when the Source was recruited
- The circumstances of the recruitment
- Identity of the Handler and Controller (and details of any changes)
- A record of the tasks and activities given to the Source
- A record of all contacts or communications between the Source and a person representing the Authority
- The information obtained through the Source
- How the information is used
- A statement as to whether any payment, benefit or reward is provided by or on behalf of any investigating authority and details of it (#)
- Reasons for cancelling / not renewing the authorisation and the date and the time of such a decision.

(it is **NOT** currently the Policy of Durham County Council to directly offer any benefits or rewards to a CHIS. Rewards may be forthcoming from a third party e.g. from a trade association or trademark holder where an investigation involves counterfeit goods).

11.0 THE APPLICATION FOR AUTHORISATION

Must include:

- 11.1 The grounds on which the authorisation is sought: and why it is necessary
- Preventing or detecting crime or preventing disorder
 - An explanation of the **proportionality** of the Use/Conduct.
 - Where the matter relates to a specific investigation, details of that investigation or operation.
 - Details of the purpose for which the source will be tasked.

- Details of what the source will be tasked to do.
- Details of the level of authority required having regard to any confidential material that might be obtained as a consequence of the authorisation. (This will invoke the requirement to be authorised by the Chief Executive if confidential material is being sought or is likely to be obtained).
- Details of who will be affected, and plans to avoid/minimise collateral intrusion. Where this changes, the Authorising Officer must be informed and the authorisation reviewed.
- A detailed Risk Assessment must have been undertaken. A review may also be required if the assessment is not current.
- The Authorising Officer may wish to impose **control measures** on the authorisation that is granted.

11.2 Unless renewed or cancelled, an authorisation remains in force for:

12 months from the date of judicial approval (Juveniles One Month). The authorisation should be given a unique operation reference number and be recorded in management record file. Conduct authorisations should be referenced to the original use authorisation.

A duplicate/copy of the authorisation should be issued to the officer. This will ensure that the officer has a record of the scope of the activity authorised.

11.3 Applications, which are refused, should also be recorded together with the reasons for the refusal and a service number. Copies of these refusals must be sent for inclusion in the central record.

12.0 ERRORS

12.1 There is now a requirement as set out in the OSC procedures and Guidance 2011 to report all covert activity that was not properly authorised to the OSC in writing as soon as the error is recognised. This includes activity which should have been authorised but wasn't or which was conducted beyond the directions provided by the authorising officer. It is therefore important that when an error has been identified it is brought to the attention of the SRO in order to comply with this guidance. The Council has a responsibility to report to the Inspector at the commencement of an inspection all activity which should have been authorised but wasn't. This is to confirm that any direction provided by the Chief Surveillance Commissioner has been followed. This will also assist with the oversight provisions of the Councils' RIPA activity.

12.2 This does not apply to covert activity which is deliberately not authorised because an authorising officer considers that it does not meet the legislative criteria, but allows it to continue. This would be surveillance outside of RIPA.

C. RISK ASSESSMENTS

1. Whenever undertaking covert directed surveillance, or engaging in the conduct and use of a Covert Human Intelligence Source, the proposed activity **must** be the subject of a suitable and sufficient risk assessment and evaluation of the proposed Source.
2. Directed Surveillance activities clearly have the potential to expose staff to hazards, should their activities become known to the subject or even to others during the operation. The use of Covert Human Intelligence Sources has the potential to expose handlers, undercover officers, agents/informants and the public to health and safety risks. A duty of care may also lie with officers and the Authority in managing sources.
3. Authorising Officers, Controllers, Handlers Undercover Officers and Investigating Officers **must** all have regard to Durham County Council Corporate Policy on Health and Safety. This addresses issues such as lone working and violence to staff.
4. The Policy states that "Durham County Council will ensure that management systems are produced that are sufficient to effectively identify, assess, manage and control the risks to the health and safety of employees and other people affected by their work".
5. It is a matter for each Service to determine the training required to ensure that staff are competent to undertake risk assessments of proposed operations/use of covert sources. All incidents/dangerous occurrences during the course of operations should be reported in accordance with the corporate Health and Safety Procedures.
6. Consideration should also be given to staff training requirements to engage in covert activities, surveillance and acting in an undercover capacity.
7. This section of this guidance document is intended to provide an overview, which must be borne in mind when undertaking activities within the scope of RIPA.
8. Further Guidance on Health and Safety issues is available from:

Management of Health and Safety at Work Regulations 1999

The Corporate Health and Safety Policy Document and Guidance

The Health and Safety Unit (0191 383 3430)
9. Risk assessments for directed surveillance operations, should be undertaken by the officer in charge of the proposed activity and submitted with the authorisation application.

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10. Risk assessments for the use of a CHIS, should be undertaken by the Handler and considered by the Controller as part of a risk management process. The assessment should then be forwarded to the Authorising Officer with the application. The assessment should consider the **Ethical, Personal** and **Operational Risks** of the proposed activity. The evaluation of a potential source is an important part of the application process.
11. Risk assessment is not a one off activity, but an ongoing process throughout the operation and use of the source, since circumstances may change and a review may be required.
12. The nature of the risks surrounding the deployment and management of individual sources, handlers and operational activities will vary according to a wide range of factors on a case by case basis. Risk assessment allows the handler and controller to advise the Authorising Officer of the plan for managing the risks.
13. Authorising Officers will **not** authorise a Directed Surveillance operation or the use of a source, without the evidence that the risks have been considered and a plan for their management exists.

D. RECORDING OF TELEPHONE CONVERSATIONS

1. **The interception of communications sent by post or public telecommunications systems or private telecommunications systems attached to the public network may only be authorised by the Secretary of State. (Part I Regulation of Investigatory Powers Act 2000).**
2. The attachment of a surveillance device to a telecommunications system can only be undertaken under a warrant issued under Section 5 of the Act (this is not available to the County Council).
3. An exception to the rule requiring a warrant exists, where one party to the conversation consents and where an authorisation for **directed surveillance** is obtained. See Section 48(4) of the Act.
4. For example, a member of the public may consent to the recording of a telephone conversation made by or to him/her. An officer may seek to record such a conversation to assist with an investigation into another person's activities.
5. An officer may also request a colleague to telephone another person as part of an investigation, or may make the call himself or herself. These situations may require an authorisation to be granted if the RIPA criteria are met.
6. Officers considering making a test purchase must be very careful when deciding whether the recorded conversation, is to obtain goods, or whether it is to gather information, which will only be obtained in a covert capacity.

E. ACCESSING COMMUNICATIONS DATA

1.0 Introduction

- 1.1 This section of the guidance document details the system in place to ensure compliance with RIPA, when an investigating officer seeks to obtain communications data within the scope of their enquiries.
- 1.2 In a similar manner to the existing provisions of RIPA relating to directed surveillance and the use of Covert Human Intelligence sources, a process of submitting an application and securing an authorisation is established by the legislation and code of practice.
- 1.3 The Council processes its RIPA applications for communications data via the the National Anti Fraud Network (NAFN). NAFN operates a secure online system for the acquisition of communications data under RIPA. NAFN officers act as Single Points of Contact or SPoC's to ensure that Council applications meet the necessary standards before the application is approved by a Designated Person (DP) who is an officer within the Council. Whilst the NAFN system makes it easier to comply with the law, the SRO retains oversight of the process to ensure that it is carried out in a lawful manner and in accordance with the statutory code of practice.

Further guidance on NAFN can be obtained from the RIPA Monitoring Officer.

- 1.4 From 1 November 2012 a local authority who wishes to authorise the use to acquisition of communications data, will need to obtain an order approving the grant or renewal of an authorisation or notice from a Justice of the Peace (a District Judge or Lay Magistrate) before it can take effect. If the Justice of the Peace is satisfied that the statutory tests have been met and that the use of the acquisition of communications data, is necessary and proportionate, he/she will issue an order approving the grant or renewal for the use of the technique as described in the application.
- 1.5 If an application is to be approved by a Justice of the Peace, an accredited individual within NAFN forwards a notice to the communications service provider (CSP), to obtain the information. This activity cannot be undertaken by an officer, as CSPs will only accept requests for information from accredited officers registered with the Home Office and termed Single Points of Contact (SPOC).
- 1.6 Records of all applications, authorisations, notices, cancellations and refusals must be maintained since an inspection regime by the Interception of Communications Commissioner's Office is established under this part of the legislation, making Council procedures and documentation subject to periodic inspection by an external body. These records are held by NAFN but authorisations approved by a Justice of the Peace are retained by the Council in a central record in a similar manner to directed surveillance and CHIS authorisations.

2.0 WHAT IS COMMUNICATIONS DATA

2.1 NAFN are able to obtain communications data from specific telecommunication sources i.e. telephone, e-mail, web address and postal providers. Information obtainable under RIPA is formed into the following three distinct types:

(A) Data

This is not available to Local Authorities.

Classed as “traffic data” comprised in or attached to a communication.

e.g. information identifying the sender and recipient, mobile phone cell site location, pages visited on a website, I.P Address, information on the outside of a parcel, incoming call data.

(B) Data

Classed as any information regarding the use of a service made by any person that does not include contents.

- Itemised outgoing call records only
- Timings and durations of calls
- Call forwarding

(C) Data

Classed as any information held by a telecommunication company not defined as (A) Data or (B) Data,

- Subscriber details
- Payment details
- Top up history
- Connection dates
- Account history
- Royal mail - redirection, PO Box, freepost, registered and franked details
- Website provider

3.0 RECORDS AND ERRORS

3.1 A copy of each authorisation will be maintained by the DP and supplied to the central record of authorisations managed by Legal and Democratic Services.

3.2 Where any errors have occurred in granting authorisations or notices (e.g. subscriber details of an incorrect telephone number being obtained), or more data has been supplied by the CSP than that requested, i.e. obtaining excess data, a record must be kept and the matter reported to the Interception of Communication Commissioner’s Office as soon as practicable. A copy of the error record must also be provided to NAFN and to the RIPA Monitoring Officer.

F. SOCIAL NETWORKING SITES AND INTERNET SITES

1. Although social networking and internet sites are easily accessible, if they are going to be used during the course of an investigation, consideration must be given about whether a RIPA authorisation should be obtained.
2. Whilst it is the responsibility of an individual to set privacy settings to protect against unsolicited access to their private information on a social networking site, and even though the data may be deemed published and no longer under the control of the author, it is unwise to regard it as “open source” or publicly available; the author has a reasonable expectation of privacy if access controls are applied. Where privacy settings are available but not applied the data may be considered open source and an authorisation is not usually required. The frequent or systematic check on an open source record could amount to directed surveillance and the appropriate authorisation would be needed.
3. If it is necessary and proportionate for the Council to covertly breach access controls, the minimum requirement is an authorisation for directed surveillance. For example, an authorisation for directed surveillance will be required if an investigating officer is planning to monitor open source information on an individual’s social networking site (i.e. the activity is more than a one off search for information). An authorisation for the use and conduct of a CHIS is necessary if a relationship is established or maintained by the officer (i.e. the activity is more than mere reading of the site’s content). This could occur if an officer covertly asks to become a “friend” of someone on a social networking site. The officer seeking the authorisation should fully consider the issue of collateral intrusion (See Part A, Section 2.0).
4. A CHIS authorisation is unlikely to be required when using an internet trading organisation such as E-bay or Amazon Marketplace. The use of a disguised purchaser details in a simple, overt, electronic purchase does not usually require a CHIS authorisation, because no relationship is usually established at this stage. A CHIS authorisation is required in circumstances when a covert relationship is likely to be formed, for example when liaising via Facebook or other types of site which do not allow for more traditional transactions and where the investigating officer has to make contact with the seller directly and would wish for their true identity or reason for purchasing to be unknown to the seller.
5. The Council’s Environment Health and Consumer Protection Service has developed an Online Investigation Protocol which should be adopted by other service areas conducting online investigations.

G. JOINT AGENCY SURVEILLANCE

1. In cases where one agency is acting on behalf of another, it is usually for the tasking agency to obtain or provide the authorisation. For example, where surveillance is carried out by Council employees on behalf of the Police, authorisation would be sought by the Police. If it is a joint operation involving both agencies the lead agency should seek authorisation.
2. Council staff involved with joint agency surveillance are to ensure that all parties taking part are authorised on the authorisation page of the application form to carry out the activity. When staff are operating on another organisation's authorisation they are to ensure they see what activity they are authorised to carry out and make a written record. They should also provide a copy of the authorisation to the RIPA Monitoring Officer. This will assist with oversight of the use of Council staff carrying out these types of operations.

H. NON-RIPA SURVEILLANCE

1. Amendments to the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 mean that a local authority can now only grant an authorisation under RIPA where the local authority is investigating criminal offences which attract a maximum custodial sentence of at least six months or criminal offences relating to the underage sale of alcohol or tobacco.
2. As a result of the changes in legislation, it is envisaged that surveillance may be required which falls outside of RIPA (for example in the case of anti-social behaviour offences which do not attract a maximum custodial sentence of at least six months imprisonment). The Office of Surveillance Commissioners Procedures and Guidance 2011 states that it is prudent to maintain an auditable record of decisions and actions to use covert surveillance without the protection of RIPA and that such activity should be regularly reviewed by the SRO. The SRO will therefore maintain an oversight of non RIPA surveillance in her role as SRO to ensure that such use is compliant with Human Rights legislation. The RIPA Monitoring Officer will maintain a central record of non RIPA surveillance.
3. As part of the new process of formally recording and monitoring non RIPA surveillance, a non RIPA surveillance application form should be completed and authorised by at least a tier 4 level manager. A copy of the non RIPA surveillance application form can be found on the Intranet or is available from the RIPA Monitoring Officer.
4. Non RIPA surveillance also includes staff surveillance which falls outside of RIPA. Any surveillance of staff must be formally recorded on the non-RIPA surveillance Application Form and authorised by the Head of Service in consultation with the Head of Internal Audit. A central record of staff surveillance is also maintained by the SRO.

I. AUDITING OF AUTHORISATIONS AND RECORDS

1. Periodic audits will be carried out across relevant services, including the Central Record. These will be conducted by internal Audit in line with the Council's Risk Based Strategic Audit Plan. This may require some material to be sanitised, to maintain the safety of sources.
2. The following should fall within the scope of the audit:
 - Applications
 - Authorisations
 - Risk Assessments
 - Reviews and Renewals
 - Cancellations
 - Records of Product of Directed Surveillance
 - Source Records
 - Staff Awareness e.g. training, memos, e-mails, meetings
 - Access and awareness of the codes of practice.
3. The audit should seek to establish compliance of the authorisations/ renewals/reviews/cancellations and records, with RIPA and the Codes of Practice, and Durham County Council's, RIPA 2000 Guidance Document

J. COMPLAINTS

1. Copies of the Codes of Practice on Covert Surveillance and Property Interference and Covert Human Intelligence Sources are available to the public at Durham County Council, County Hall Help Desk. Copies should also be available at public offices of Durham Council departments undertaking activities, which are within the scope of RIPA.
2. The Investigatory Powers Tribunal (IPT) exists to investigate complaints about conduct by various public bodies under RIPA.

The Tribunal can be contacted at:

The IPT
PO Box 33220
London
SW1H 97Q

Tel: 0207 035 3711
www.ipt-uk.com

K. MANAGEMENT RECORDS

1. The Authorising Officer must keep a copy of the relevant documents to check against the cancellation. These documents must be kept in a secure place, with restricted access. **Original authorisations (including refusals), reviews, renewals and cancellations, must be provided to the Central Record for Durham County Council.** This is managed by the RIPA Monitoring Officer in Legal and Democratic Services. Officers forwarding confidential material to the Central Record must ensure that it is forwarded by a secure method.
2. The Central Record is held in a locked filing cabinet.

The following officers have sole access to the central record:

The Director of Corporate Resources

Head of Legal and Democratic Services (SRO)

Legal Manager - Governance

RIPA Monitoring Officer

3. **The Record Retention Period is 5 years**

RIPA DIRECTED SURVEILLANCE/CHIS AUTHORISING OFFICERS

Authorising Officer	Rank
Paul Bradley	Chief Internal Auditor and Corporate Fraud Manager, Resources
Ian Houlton	Neighbourhood Protection Manager Neighbourhood Services
Owen Cleugh	Consumer Protection Manager, Neighbourhood Services
Lesley Jeavons	Head of Adult Care, Children and Adults Services

RIPA COMMUNICATIONS DATA DESIGNATED PERSONS

Designated Person	Rank
Owen Cleugh	Consumer Protection Manager, Neighbourhood Services

APPENDIX 2

DURHAM COUNTY COUNCIL

REGULATION OF INVESTIGATORY POWERS ACT 2000

CCTV SYSTEM PROTOCOL

1.0 Introduction

- 1.1 Durham County Council operates and manages a number of Surveillance Cameras and Closed Circuit Television Systems (CCTV) for the purposes of monitoring public open space to deter anti-social behaviour, preventing and detecting crime and to monitor council buildings, vehicles and premises for security reasons.
- 1.2 It is recognised that CCTV systems may be employed to observe and record the activities of individuals, which clearly has implications under the Human Rights Act 1988 and the Regulation of Investigatory Powers Act 2000, (RIPA) in terms of intrusion into the privacy of individuals.
- 1.3 This protocol is a separate document to the Council's CCTV Policy and Code of Practice produced by Durham County Council in response to the code of practice issued by the Information Commissioner to ensure compliance with the Data Protection Act 1998. Officers seeking to make use of CCTV systems and recordings should, however, have regard to the requirements of the Council's policy.
- 1.4 This protocol serves to establish safeguards for the potential use of CCTV systems to specifically target individuals to observe and/or record their activities. Such planned activities will fall within the scope of Directed Surveillance and are subject to the controls established by RIPA to ensure that the activity is necessary, proportionate and authorised by a suitable senior officer of the authority.
- 1.5 Durham County Council is committed to promoting a just society that gives everyone an equal chance to live, work and live free from discrimination and prejudice. This protocol, demonstrates our concern for human rights, and therefore contributes to our diversity agenda.

2.0 Authorised Activities

- 2.1 General, non-directed recording of events and people, through the use of overt CCTV systems, will not infringe the rights of the individual. This activity does not, therefore, need to be authorised, through the RIPA process.
- 2.2 The retrospective viewing of CCTV footage, to gain evidence of actual or potential criminal activity, does not fall within the definition of covert surveillance and would, similarly, not require any form of authorisation. An approach should be made to the County Hall Facilities Manager, for permission to view. Similarly for sites other than

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County Hall, the officer in charge of the premises should be approached in the first instance.

- 2.3 The processing of such data is, however, subject to the Information Commissioner's Code, issued under the Data Protection Act 1998.
- 2.4 Provision also exists within the RIPA framework, to react to immediate events, without the need to obtain an authorisation. For example, should a CCTV operative witness an attempted break-in of any property, it would be completely in order to re-focus or target the camera on that particular activity.
- 2.5 However, on occasions, it can be useful to use this equipment to detect or prevent crime, by means of a planned operation to record the activities of known or unknown persons. A comprehensive, corporate guidance document exists, to clearly define the processes and procedures that must be followed if such use is to be contemplated.
- 2.6 In these instances, CCTV operatives must not carry out targeted, planned surveillance which falls within RIPA, without an appropriate authorisation.
- 2.7 It is not the responsibility of the CCTV operative to obtain such authorisation, which must **always** be in existence **prior** to any such activity commencing. Any individual approaching a CCTV operative without such an authorisation, should be referred to the Senior Responsible Officer and be advised that any unauthorised use of the CCTV system would be unlawful and may give rise to a claim against the authority.
- 2.8 On occasions, the authority may be approached by an outside law enforcement agency to help in their enquiry, by utilising the authorities CCTV equipment, to undertake planned covert surveillance. Any approach of this nature, must be referred to the Senior Responsible Officer and no such usage should ever be approved unless the agency concerned produces a valid RIPA authorisation.

This document can be provided in different formats and languages on request. Please call ~~Paula Nicholson~~ ~~Jocasta Lawton~~ on 03000 269707 ~~269710~~.

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Corporate Issues Overview and Scrutiny Committee

10 October 2016



Report on the Council's use of powers under the Regulation of Investigatory Powers Act 2000 – Quarter 1 - 2016/17

Report of Colette Longbottom, Head of Legal and Democratic Services

Purpose of the Report

1. To inform members about the Council's use of powers under the Regulation of Investigatory Powers Act 2000 ('RIPA') during the period 1 April 2016 until 30 June 2016 (Quarter 1) to ensure that it is being used consistently with the Council's policy and that the policy remains fit for purpose.

Background

2. As members are aware, the Regulation of Investigatory Powers Act 2000 (RIPA) enables local authorities to carry out certain types of surveillance activity provided that specified procedures are followed. The Local Authority is able to rely upon the information obtained from those surveillance activities within court proceedings.
3. This report gives details of RIPA applications that have been authorised during the period 1 April 2016 until 30 June 2016 and the outcomes following surveillance.

Quarter 1 Activity

4. During Quarter 1 there were 2 new RIPA Directed Surveillance authorisations which related to operations conducted by Trading Standards regarding sales of illicit tobacco and alcohol from residential premises and online sales of counterfeit goods.
5. There was 1 new Covert Human Intelligence Source (CHIS) authorisation which related to the operation conducted by Trading Standards regarding

online sales of counterfeit goods and where a Directed Surveillance authorisation was also in force.

6. All authorisations were approved by the Magistrate and there were no difficulties or issues raised by the Magistrate in approving the applications.
7. The Council's Senior Responsible Officer is satisfied that the Council's use of its powers under RIPA during Quarter 1 is consistent with the Council's policy and that the policy remains fit for purpose.

Outcomes following surveillance

8. Investigations have concluded in relation to one operation with no evidence supporting the allegations. Investigations remain ongoing in relation to the other operation.

Recommendations and Reasons

9. It is recommended that members receive the quarterly report on the Council's use of RIPA for the period 1 April 2016 to 30 June 2016 and resolve that it is being used consistently with the Council's policy and that the policy remains fit for purpose.

Background Papers

None

Contact: Clare Burrows

Tel: 03000 260548

Appendix 1: Implications

Finance: None

Staffing: None

Equality and Diversity: None

Accommodation: None

Crime and Disorder: The appropriate use of an oversight of RIPA powers will enable the Council to provide evidence to support appropriate prosecutions and tackle crime.

Human Rights: None

Consultation: None

Procurement: None

Disability Discrimination Act: None

Legal Implications: None

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**Corporate Issues
Overview and Scrutiny Committee**

10 October 2016



**Quarter One 2016/17
Performance Management Report**

**Report of Corporate Management Team
Lorraine O'Donnell, Director of Transformation and Partnerships
Councillor Simon Henig, Leader**

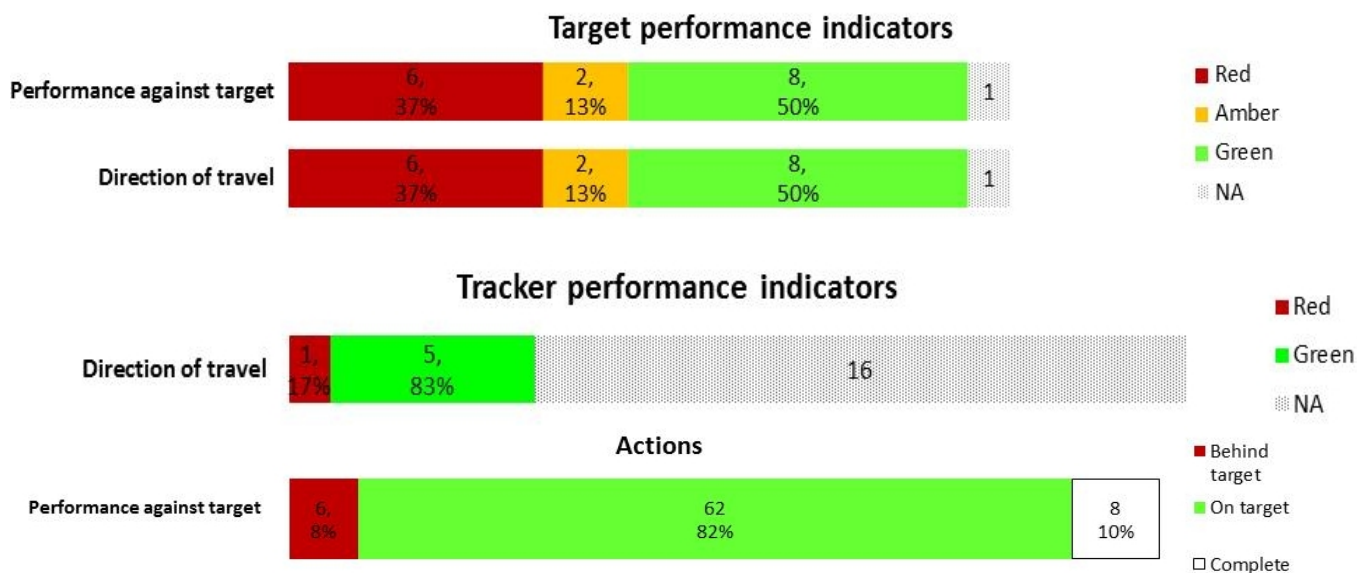
Purpose of the Report

1. To present progress against the council's corporate basket of performance indicators (PIs), Council Plan and service plan actions and report other performance issues for the first quarter of the 2016/17 financial year, covering the period April to June 2016.

Background

2. The report sets out an overview of performance and progress for the Altogether Better Council priority theme. Key performance indicator progress is reported against two indicator types which comprise of:
 - a. Key target indicators – targets are set for indicators where improvements can be measured regularly and where improvement can be actively influenced by the council and its partners (see Appendix 3, table 1); and
 - b. Key tracker indicators – performance will be tracked but no targets are set for indicators which are long-term and/or which the council and its partners only partially influence (see Appendix 3, table 2).
3. Work has been undertaken by all services to develop a revised 2016/17 corporate set of indicators. This set of indicators is based around our Altogether Better Council priority theme and will be used to measure the performance of both the council and the County Durham Partnership.
4. During the year a review will be undertaken to improve performance reporting, including streamlining reports.
5. The corporate performance indicator guide has been updated to provide full details of indicator definitions and data sources for the 2016/17 corporate indicator set. This is available to view either internally from the intranet (at Councillors useful links) or can be requested from the Corporate Planning and Performance Team at performance@durham.gov.uk.

Altogether Better Council: Overview



Council Performance

6. Key achievements this quarter include:

- a. Between April and June 2016, the in-year collection rate for council tax was 29% achieving the quarterly profiled target. This has been achieved through continued automation of the 2016/17 recovery schedule used to target non-payers. The in-year collection for business rates (33.55%) was marginally below the profiled target of 34%. This was due mainly to rate payers exercising their right to extend their instalment payments to March instead of January after a change of legislation in 2014. Take up has steadily increased and this financial year an additional 196 customers have taken advantage of the option which directly impacts upon cashflow.

The collection rate for all years excluding the current year is 99.42% for council tax and 99.14% for business rates. Both are in line with our medium term financial plan forecasts.

- b. In 2015/16, the total of income and savings from solar installations on council owned buildings was £269,581 exceeding the target of £242,000 and the 2014/15 total of £261,210. The 2015/16 income included £194,916 from feed in tariff, £6,449 from exporting energy and £68,215 in electricity cost savings.
- c. Tracker indicators show:
 - i. In the year to 30 June 2016, the average time taken to answer a telephone call was 39 seconds (Appendix 4, Chart 1). 1,004,888 telephone calls were received during this period, 6% of which were abandoned.
 - ii. Footfall in our customer access points has increased from 192,782 in the year to March 2016 to 205,583 in the year to June 2016 (Appendix 4, Chart 2). The introduction of an appointments system for benefits and council tax is reducing repeat visits as customers, at the time of booking

their appointment, are informed of the documentation they need to bring with them. The increase in footfall seen over the last quarter is the result of a review of logging practices within the access points to ensure consistency of approach.

The top reasons for face to face contact over the last quarter were benefits, refuse and recycling, strategic waste, council tax billing queries and children's services following the relocation of the team into Seaham contact centre with Customer Services acting as first point of contact for visitors. Focus moving forward will be the support of self-service online activity within the access point environment following the launch of the new customer relationship management system and Save Time Do It Online campaign.

- iii. In the year to June 2016, there were 82,201 web form requests, 68,046 emails and 2,733 social media contacts recorded. Staff training for handling electronic contact has continued and this increased flexibility is reducing response times. All social media requests continue to be handled in line with the four hour timescale and this approach has influenced increased use as a contact method.

d. Progress has been made with the following Council Plan actions:

- i. Improvements in support to the Advice in County Durham Partnership. The partnership is now firmly established with 93 member organisations and has held several successful network meetings and training events for members. It is currently engaged in reviewing quality of advice provision and governance of member organisations.
- ii. The completion of the open water safety assessment process for all priority, foreseeable risk locations across the county has made excellent progress. Priority continues to be given to those open water locations which are in close proximity of picnic areas, local nature reserves, parks and gardens, play parks, schools and sports fields /grounds. Some 256 sites of specific interest are earmarked for an onsite visit. Phase one of the project was completed in July 2016.

7. The key performance improvement issues for this theme are:

- a. Processing performance for new housing benefit (HB) and new council tax reduction (CTR) claims has missed target this quarter, as has processing HB change of circumstances.
 - i. During quarter one, the average days to process new HB claims was 24.33 days which missed the quarterly profiled target of 23 days. However, throughout quarter one, performance has improved from 25.70 days in April to 24.50 in May and then a further improvement to 23.19 for June.
 - ii. The average days to process new CTR claims was 24.46 days which also missed the quarterly profiled target of 23 days. However, throughout quarter one, performance has improved from 26.11 days in

April to 24.71 in May and then a further improvement to 23.03 for June (Appendix 4, Charts 3 and 4).

- iii. The average days to process HB change of circumstances claims was 11.16 days missing the quarterly profiled target of 10 days. However, processing CTR change of circumstances claims took on average 9.95 days achieving the quarterly profiled target of 10 days (Appendix 4, Charts 5 and 6).

Quarter one processing has been impacted by the following:

- As reported in quarter four 2015/16, the problem with the Department for Work and Pensions (DWP) data which resulted in several thousand records requiring manual calculation resulted in the team moving into 2016/17 with additional volumes of work that would otherwise have been processed in quarter four.
 - In addition to this, the Real Time Information Project that was launched by DWP in 2015/16 as a pilot was confirmed as continuing until further notice. The number of changes received each month has meant that six Assessment Officers are now working full time on this work.
- b. In the year to 30 June 2016 the average days' sickness per full time equivalent (FTE) excluding school based employees was 11.48 days, and 9.39 days including school based employees. Performance improved from that reported at quarter four 2015/16 (11.63 days and 9.44 days respectively). The 11.5 days target (excluding school employees) was achieved.
 - c. Over the same period, 51.35% of posts recorded no sickness absence (excluding schools) and 77.33% of employees took five working days or less sickness absence.

Human Resources (HR) Officers are working with managers to ensure compliance with the Attendance Management Policy and are actively managing sickness absence. Hotspot areas have been identified where the level of sickness absence may necessitate more detailed work to bring about the required improvement to performance.

- d. The percentage of performance appraisals completed at 30 June 2016 stands at 87.11% (see Appendix 4, Chart 7). This is a deterioration compared to quarter four 2015/16 (88.05%) and below the 2016/17 increased target of 92%. However, performance has improved compared to the same period last year (84.54%).

Senior managers now have access to real time information in relation to appraisal activity for their area(s) of responsibility and HR Service links are working closely with Service Management Teams to increase the number of appraisals undertaken.

- e. The percentage of Freedom of Information (FOI) and Environmental Information Regulations (EIR) requests responded to within 20 days was 72% this quarter, a deterioration on the previous quarter (79%) and significantly below the national target of 85% (see Appendix 4, Chart 8).

- f. The proportion of households in fuel poverty (those with both low income and high fuel costs) deteriorated from 11.5% in 2013 to 12.2% in 2014 (most recently published data) and was worse than the national average of 10.6%, although in line with the North East average of 12.2%.
8. The key risks to successfully delivering the objectives of this theme are:
- a. If there was to be slippage in the delivery of the agreed Medium Term Financial Plan (MTFP) savings projects, this will require further savings to be made from other areas, which may result in further service reductions and job losses. Management consider it possible that this risk could occur, which will result in a funding shortfall, damaged reputation and reduced levels of service delivery. To mitigate the risk, a programme management approach for key projects has been established and embedded across the council. Monitoring by Corporate Management Team and Cabinet provides assurance over the implementation of the agreed MTFP savings projects. It should be recognised that this will be a significant risk for at least the next four years.
 - b. Ongoing Government funding cuts which now extend to at least 2019/20 will continue to have an increasing major impact on all council services. Management consider it highly probable that this risk could occur, and to mitigate the risk, sound financial forecasting is in place based on thorough examination of the Government's red book plans. This will also be a significant risk for at least the next four years.
 - c. If we were to fail to comply with Central Government's Public Services Network Code of Connection (PSN CoCo) criteria for our computer applications, this would put some of our core business processes at risk, such as revenues and benefits, which rely on secure transfer of personal data. The Government set criteria for the PSN CoCo compliance has changed again, one of the requirements being the need to submit a risk register in June 2016.

Recommendations and Reasons

- 9. That the Corporate Issues Overview and Scrutiny Committee receive the report and consider any performance issues arising there with.

Contact: Jenny Haworth, Head of Planning and Performance
Tel: 03000 268071 **E-Mail** jenny.haworth@durham.gov.uk

Appendix 1: Implications

Finance - Latest performance information is being used to inform corporate, service and financial planning.

Staffing - Performance against a number of relevant corporate health Performance Indicators (PIs) has been included to monitor staffing issues.

Risk - Reporting of significant risks and their interaction with performance is integrated into the quarterly monitoring report.

Equality and Diversity / Public Sector Equality Duty - Corporate health PIs are monitored as part of the performance monitoring process.

Accommodation - Not applicable

Crime and Disorder - A number of PIs and key actions relating to crime and disorder are continually monitored in partnership with Durham Constabulary.

Human Rights - Not applicable

Consultation - Not applicable

Procurement - Not applicable

Disability Issues - Employees with a disability are monitored as part of the performance monitoring process.

Legal Implications - Not applicable

Appendix 2: Key to symbols used within the report

Where icons appear in this report, they have been applied to the most recently available information.

Performance Indicators:

Direction of travel/benchmarking

Same or better than comparable period/comparator group

GREEN

Worse than comparable period / comparator group (within 2% tolerance)

AMBER

Worse than comparable period / comparator group (greater than 2%)

RED

Performance against target

Meeting/Exceeding target

Getting there - performance approaching target (within 2%)

Performance >2% behind target

National Benchmarking

We compare our performance to all English authorities. The number of authorities varies according to the performance indicator and functions of councils, for example educational attainment is compared to county and unitary councils however waste disposal is compared to district and unitary councils.

North East Benchmarking

The North East figure is the average performance from the authorities within the North East region, i.e. County Durham, Darlington, Gateshead, Hartlepool, Middlesbrough, Newcastle upon Tyne, North Tyneside, Northumberland, Redcar and Cleveland, Stockton-on-Tees, South Tyneside, Sunderland. The number of authorities also varies according to the performance indicator and functions of councils.

Nearest Neighbour Benchmarking:

The nearest neighbour model was developed by the Chartered Institute of Public Finance and Accountancy (CIPFA), one of the professional accountancy bodies in the UK. CIPFA has produced a list of 15 local authorities which Durham is statistically close to when you look at a number of characteristics. The 15 authorities that are in the nearest statistical neighbours group for Durham using the CIPFA model are: Barnsley, Wakefield, Doncaster, Rotherham, Wigan, Kirklees, St Helens, Calderdale, Dudley, Northumberland, Tameside, Sheffield, Gateshead, Stockton-on-Tees and Stoke-on-Trent.

We also use other neighbour groups to compare our performance. More detail of these can be requested from the Corporate Planning and Performance Team at performance@durham.gov.uk.

Actions:

WHITE

Complete (action achieved by deadline/achieved ahead of deadline)

GREEN

Action on track to be achieved by the deadline

RED

Action not achieved by the deadline/unlikely to be achieved by the deadline

Appendix 3: Summary of Key Performance Indicators

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Table 1: Key Target Indicators

Ref	PI ref	Description	Latest data	Period covered	Period target	Current performance to target	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
Altogether Better Council											
55	NS25	Percentage of customers with an appointment at a customer access point who are seen on time	Available Q3 2016/17	NA	95	NA	New indicator	NA			
56	RES/038	Percentage all ICT service desk incidents resolved on time	95	Apr - Jun 2016	90	GREEN	94	GREEN			
57	RES/NI/181a1	Average time taken to process new housing benefit claims (days)	24.33	Apr - Jun 2016	23.00	RED	22.52	RED	22.00 Not comparable	23** Not comparable	Oct - Dec 2015
58	RES/NI/181a2	Average time taken to process new council tax reduction claims (days)	24.46	Apr - Jun 2016	23.00	RED	23.16	RED			
59	RES/NI/181b1	Average time taken to process change of circumstances for housing benefit claims (days)	11.16	Apr - Jun 2016	10.00	RED	10.01	RED	10.00 Not comparable	11** Not comparable	Oct - Dec 2015
60	RES/NI/181b2	Average time taken to process change of circumstances for council tax reduction claims (days)	9.95	Apr - Jun 2016	10.00	GREEN	8.34	RED			
61	RES/002	Percentage of council tax collected in-year	29.00	Apr - Jun 2016	29.00	GREEN	28.70	GREEN	97.10 Not comparable	95.96* Not comparable	2015/16

Ref	PI ref	Description	Latest data	Period covered	Period target	Current performance to target	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
62	RES/003	Percentage of business rates collected in-year	33.55	Apr - Jun 2016	34.00	AMBER	34.40	RED	98.20 Not comparable	96.56* Not comparable	2015/16
63	RES/129	Percentage of council tax recovered for all years excluding the current year	99.42	Apr - Jun 2016	98.50	GREEN	98.90	GREEN			
64	RES/130	Percentage of business rates recovered for all years excluding the current year	99.14	Apr - Jun 2016	98.50	GREEN	99.39	AMBER			
65	REDPI 49b	Total of income and savings from solar installations on council owned buildings (£)	269,581	2015/16	242,000	GREEN	261,210	GREEN			
66	REDPI68	Average asset rating of Display Energy Certificates in county council buildings	95.0	Apr - Jun 2016	94.0	AMBER	90.2	RED			
67	RES/LPI/010	Percentage of undisputed invoices paid within 30 days to our suppliers	93.7	Apr - Jun 2016	93.0	GREEN	93.7	AMBER			
68	ACE006	Percentage of Freedom of Information (FOI) and Environmental Information Regulations (EIR) requests responded to within statutory deadlines	72	Apr - Jun 2016	85	RED	71	GREEN			
69	RES/LPI/012	Days / shifts lost to sickness absence – all services including school staff	9.39	Jul 2015 - Jun 2016	8.50	RED	9.97	GREEN			

Ref	PI ref	Description	Latest data	Period covered	Period target	Current performance to target	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
70	RES/LPI/012a	Days / shifts lost to sickness absence – all services excluding school staff	11.48	Jul 2015 - Jun 2016	11.50	GREEN	12.3	GREEN			
71	RES/011	Percentage of performance appraisals completed in current post in rolling year period (excluding schools)	87.11	Jul 2015 - Jun 2016	92.00	RED	84.54	GREEN			

Table 2: Key Tracker Indicators

Ref	PI ref	Description	Latest data	Period covered	Previous period data	Performance compared to previous period	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
Altogether Better Council											
175	NS43a	Number of customer contacts - face to face	205,583	Jul 2015 - Jun 2016	192,782	NA	202,511	NA			
176	NS43b	Number of customer contacts -telephone	1,004,888	Jul 2015 - Jun 2016	995,871	NA	1,004,109	NA			
177	NS43c	Number of customer contacts - web forms	82,201	Jul 2015 - Jun 2016	86,034	NA	18,641	NA			
178	NS43d	Number of customer contacts - emails	68,046	Jul 2015 - Jun 2016	65,055	NA	15,775	NA			
179	NS43e	Number of customer contacts - social media	2,733	Jul 2015 - Jun 2016	2,234	NA	351	NA			
180	NS26	Average time taken to answer a telephone call (seconds)	39	Jul 2015 - Jun 2016	41	GREEN	40	GREEN			
181	NS20	Percentage of abandoned calls	6	Jul 2015 - Jun 2016	6	GREEN	6	GREEN			
182	RES/013	Staff aged under 25 as a percentage of post count	5.89	As at Jun 2016	5.77	NA	5.44	NA			
183	RES/014	Staff aged over 50 as a percentage of post count	40.07	As at Jun 2016	40.15	NA	39.27	NA			
184	RES/LPI/011a	Women in the top five percent of earners	53.01	As at Jun 2016	54.03	NA	52.36	NA			

Ref	PI ref	Description	Latest data	Period covered	Previous period data	Performance compared to previous period	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
185	RES/LPI/011bi	Black and minority ethnic (BME) as a percentage of post count	1.61	As at Jun 2016	1.60	NA	1.53	NA			
186	RES/LPI/011ci	Staff with a recorded disability as a percentage of post count	2.78	As at Jun 2016	2.75	NA	2.79	NA			
187	RES028	Discretionary Housing Payments - value (£) for customers affected by social sector size criteria	271,299.90	Apr - Jun 2016	685,921.53	NA	123,019.79	NA			
188	RES029	Discretionary Housing Payments - value (£) for customers affected by local housing allowance reforms	138,802.22	Apr - Jun 2016	291,647.15	NA	38,091.06	NA			
189	ACE016	Percentage of children in poverty (quarterly proxy measure) (Also in Altogether Better for Children and Young People)	22.0	As at Nov 2015	22.3	GREEN	22.7	GREEN	15.7	22.7*	As at Nov 2015
190	ACE019a	Proportion of households in fuel poverty (with both low income and high fuel costs)	12.2	2014	11.5	RED	11.5	RED	10.6	12.2*	2014
191	RES/034b	Staff - total headcount (excluding schools)	8,462	As at Jun 2016	8,538	NA	8,668	NA			
192	RES/035b	Staff - total full time equivalent (excluding schools)	6,958	As at Jun 2016	7,049	NA	7,099	NA			

Ref	PI ref	Description	Latest data	Period covered	Previous period data	Performance compared to previous period	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
193	RES/020	Percentage of time lost to sickness in rolling year (excluding schools)	4.52	Jul 2015 - Jun 2016	4.61	GREEN	4.86	GREEN			
194	RES/052	Percentage of posts with no absence in rolling year (excluding schools)	51.35	Jul 2015 - Jun 2016	50.32	GREEN	47.51	GREEN			
195	RES/053	Percentage of employees having five days or less sickness per 12 month rolling period	77.33	Jul 2015 - Jun 2016	75.56	NA	New indicator	NA			
196	RES/036	Number of RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) incidents reported to the Health and Safety Executive (HSE) [1] [9]	14	Apr - Jun 2016	21	NA	15	NA			

[1] [Data 12 months earlier amended \(final published data\)/refreshed](#)

[9] [Previous period data amended /refreshed / final published data](#)

Appendix 4: Volume Measures

Chart 1 - Telephone calls via customer services

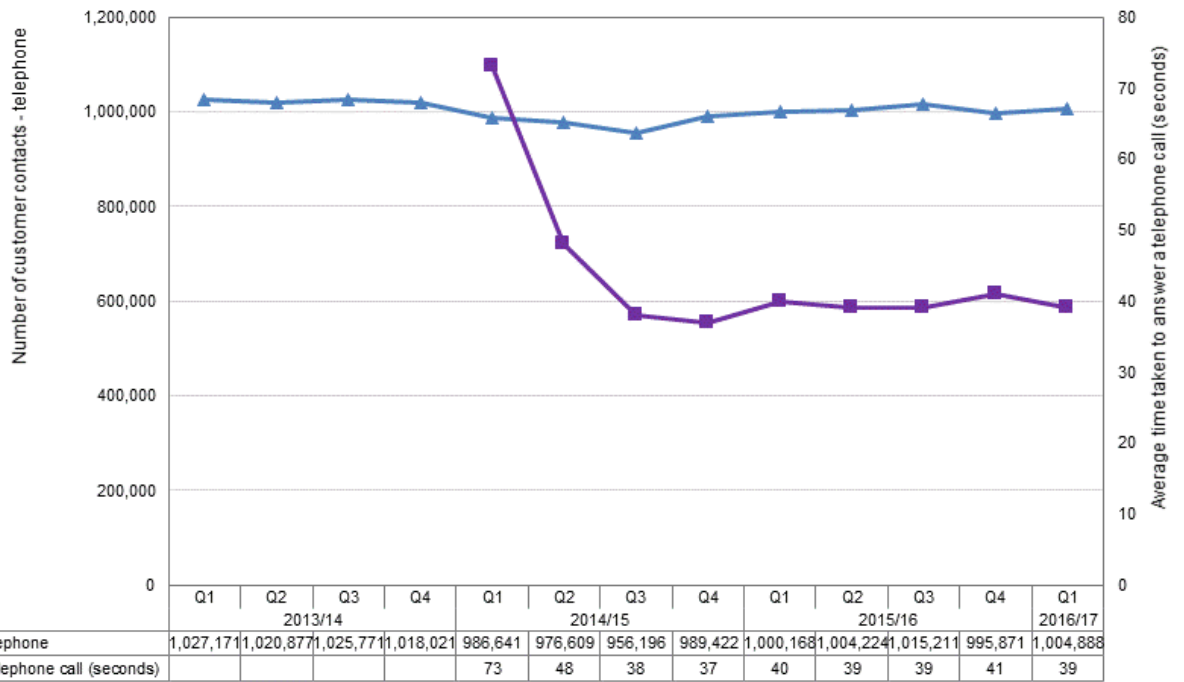


Chart 2 – Face to face contacts via customer access points

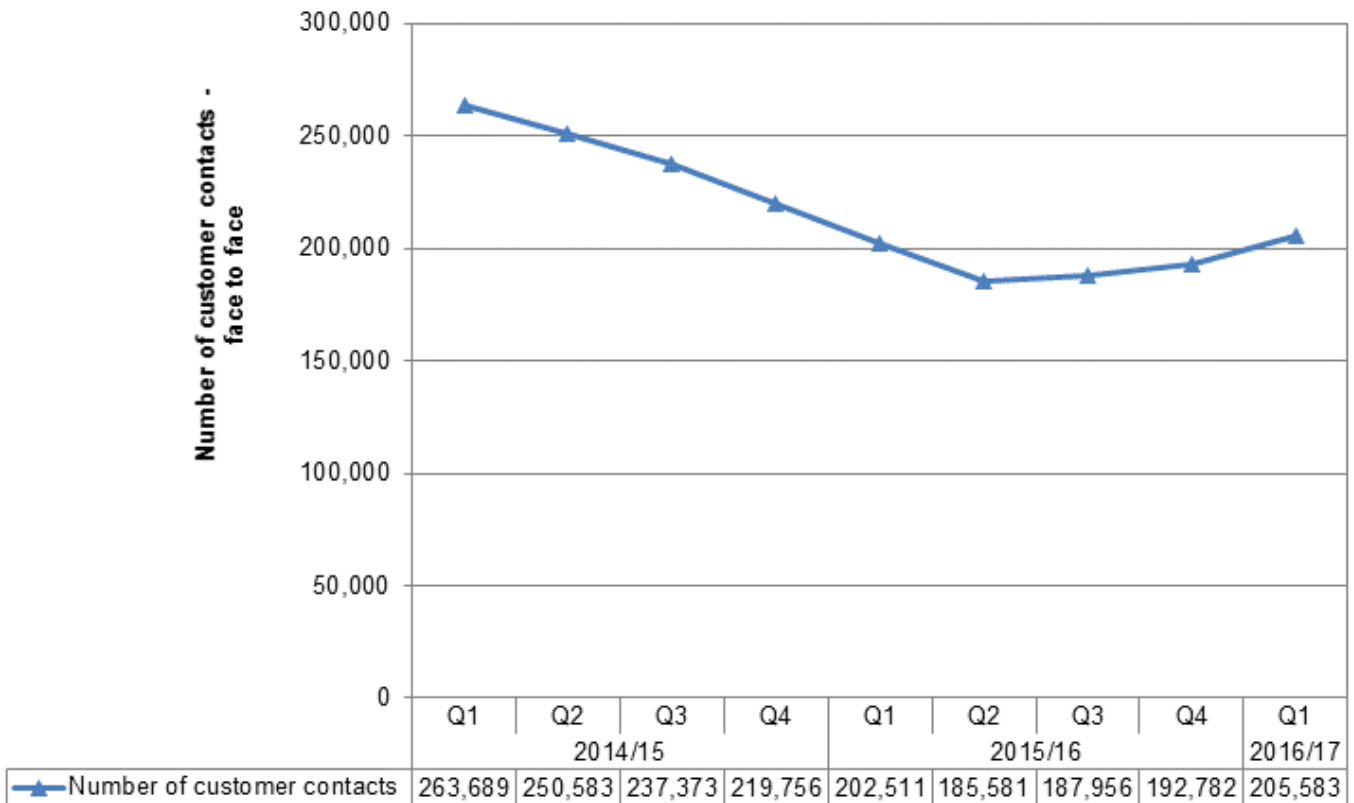
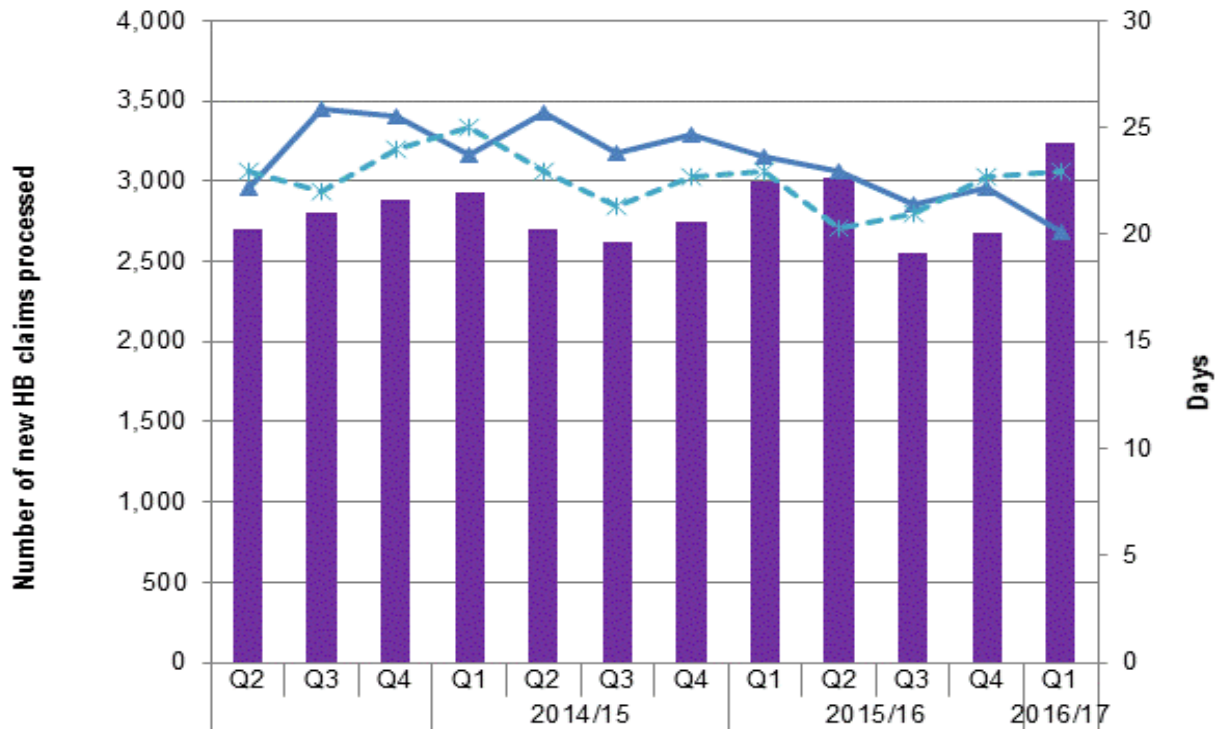
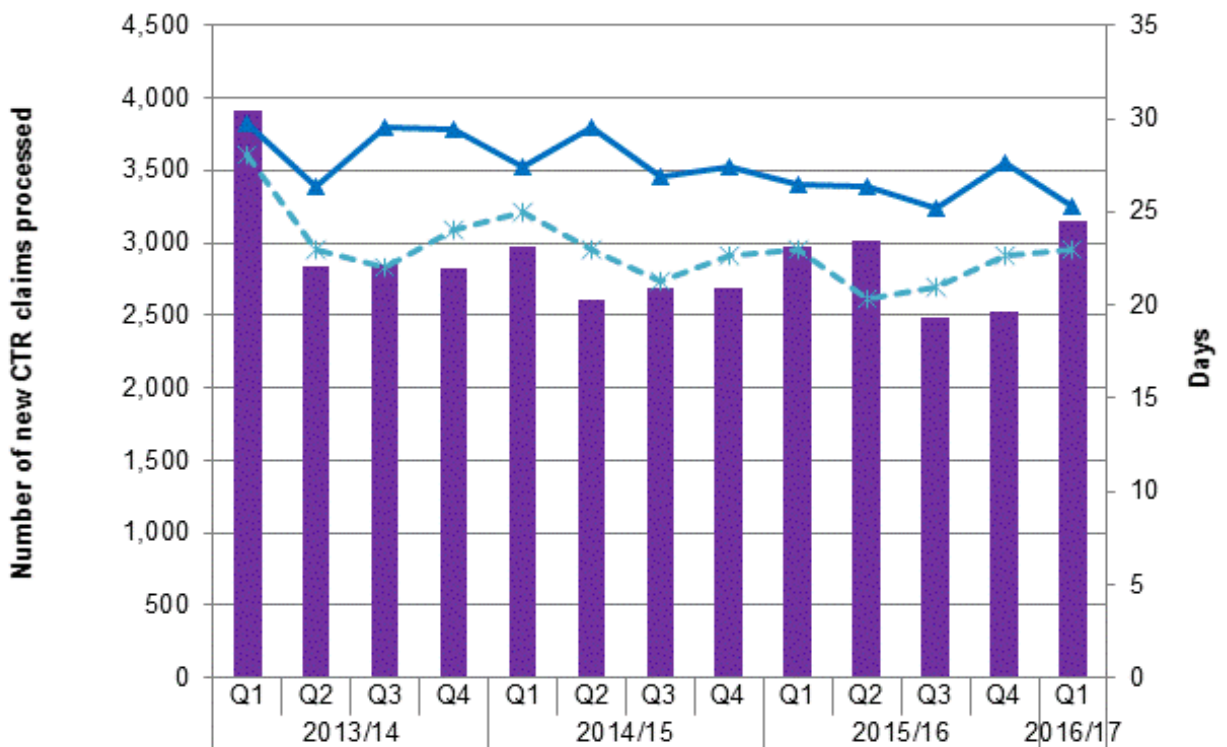


Chart 3 – Housing Benefits – new claims



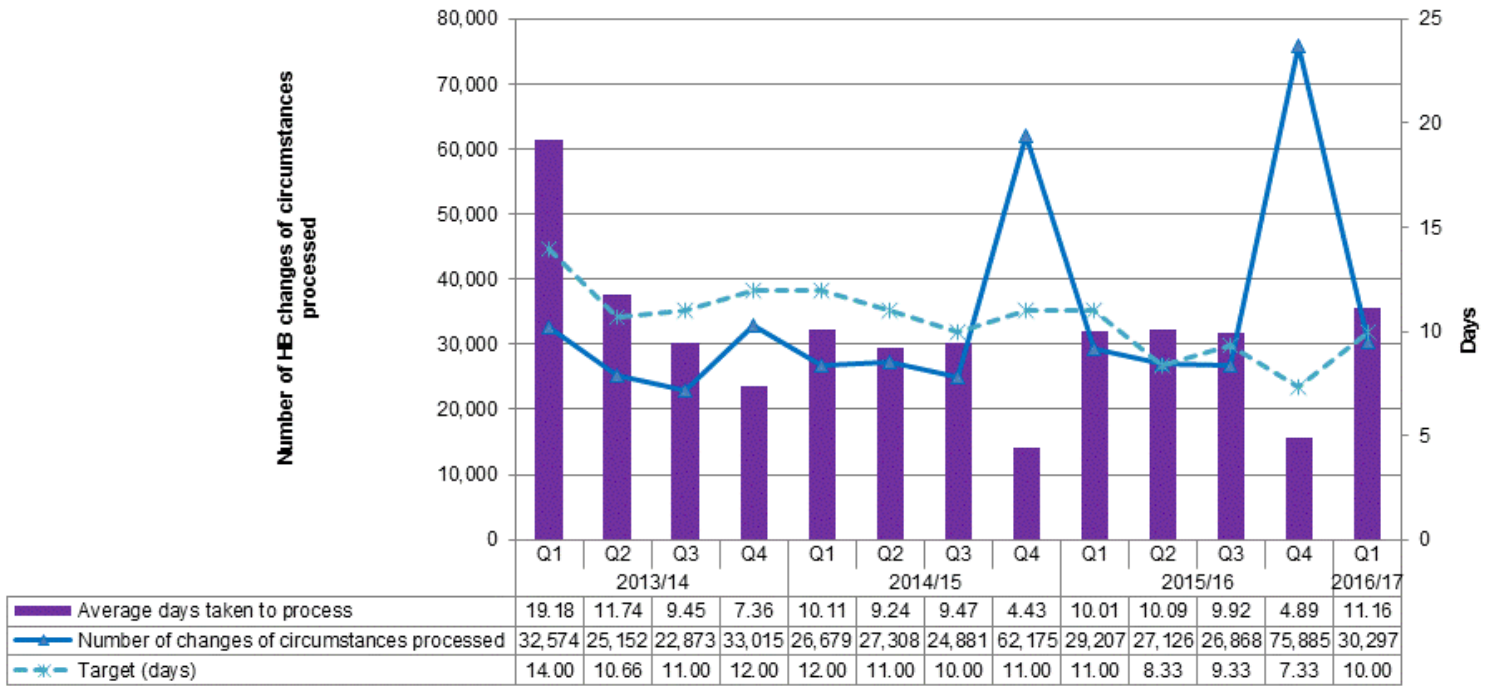
■ Average days taken to process claims	20.23	21.02	21.62	21.93	20.28	19.64	20.60	22.52	22.68	19.16	20.06	24.33
▲ Number of claims processed	2,962	3,453	3,407	3,160	3,429	3,174	3,291	3,149	3,056	2,856	2,956	2,684
-* Target (days)	23.00	22.00	24.00	25.00	23.00	21.33	22.66	23.00	20.33	21.00	22.66	23.00

Chart 4 – Council Tax Reduction – new claims



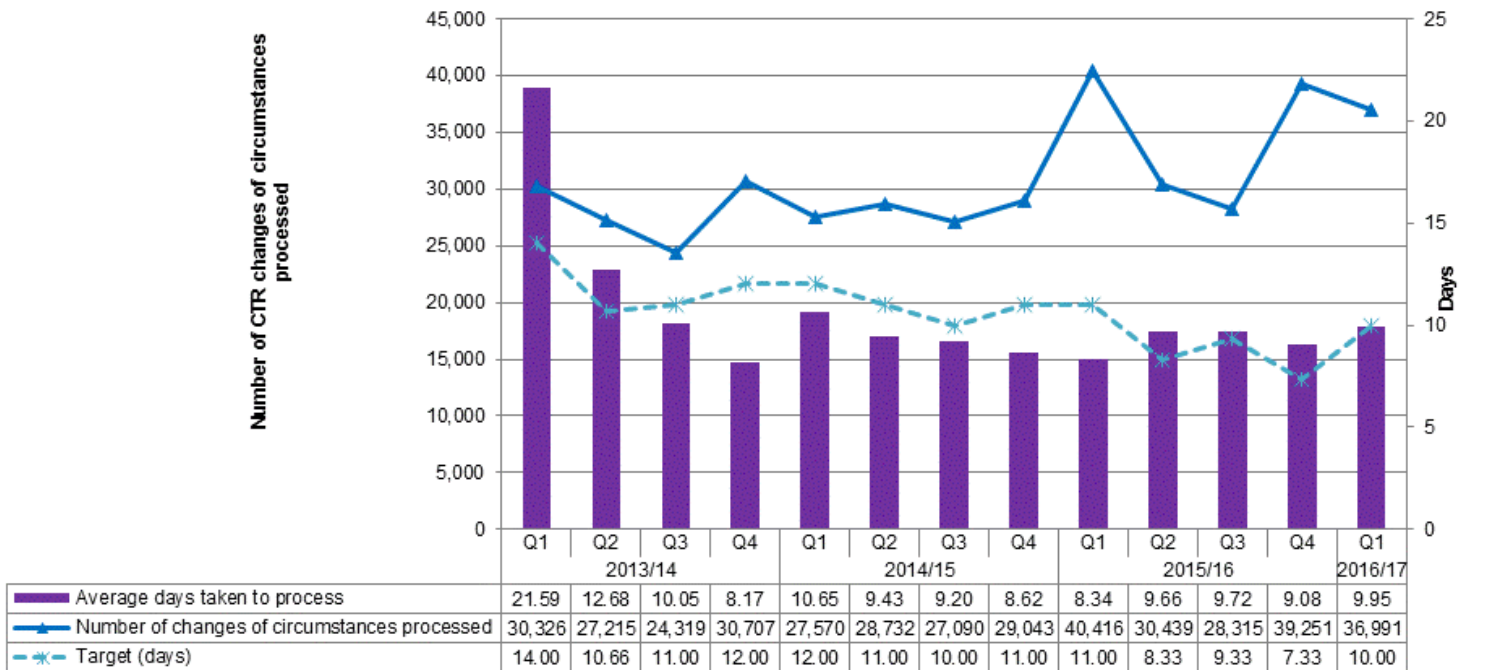
■ Average days taken to process claims	30.46	22.11	22.18	21.93	23.1	20.31	20.9	20.93	23.16	23.47	19.33	19.68	24.46
▲ Number of claims processed	3,822	3,389	3,801	3,787	3,531	3,798	3,453	3,531	3,401	3,385	3,244	3,554	3,257
-* Target (days)	28.00	23.00	22.00	24.00	25.00	23.00	21.33	22.66	23.00	20.33	21.00	22.66	23.00

Chart 5 – Housing Benefits – changes of circumstances



The way in which the change of circumstance is processed changed in quarter one 2015/16, which means that some multi-changes are now counted more than once where previously it would have been counted as just one change. Volume data from 2015/16 is therefore not comparable with previous data.

Chart 6 – Council Tax Reduction – changes of circumstances



The way in which the change of circumstance is processed changed in quarter one 2015/16, which means that some multi-changes are now counted more than once where previously it would have been counted as just one change. Volume data from 2015/16 is therefore not comparable with previous data.

Chart 7 – Durham County Council Appraisal Performance 2012 to Date

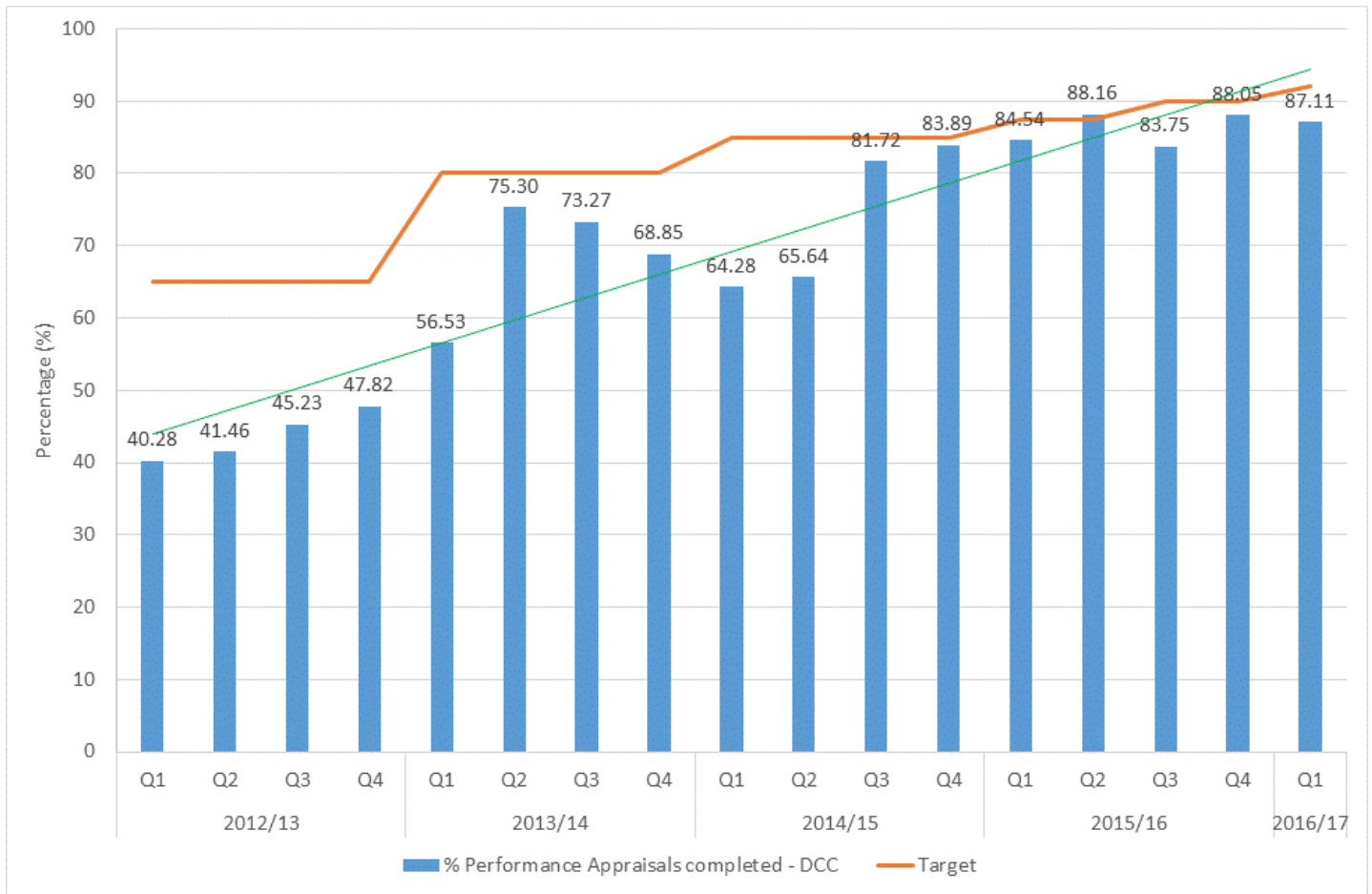
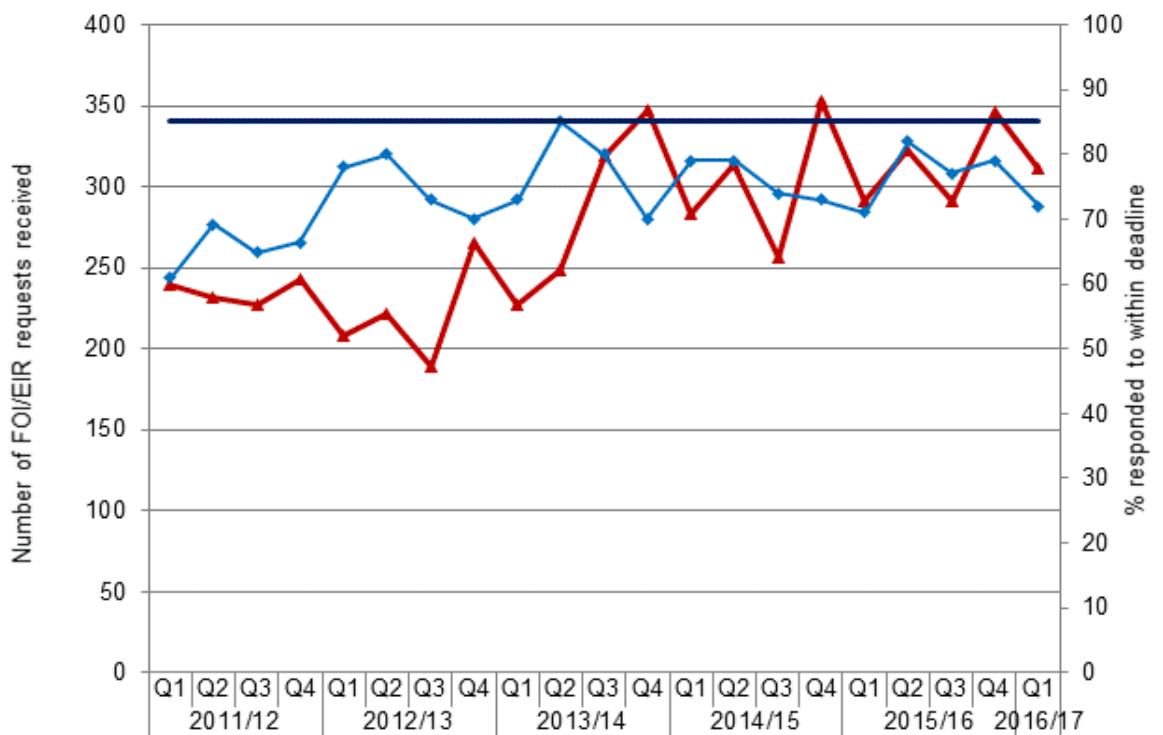


Chart 8 – Freedom of Information (FOI) and Environmental Information Regulations (EIR) requests



Number of FOI/EIR requests received	240	232	227	243	208	221	189	265	227	249	319	347	283	313	256	353	291	322	291	346	311
FOI/EIR requests responded to within statutory deadlines (%)	61	69	65	66	78	80	73	70	73	85	80	70	79	79	74	73	71	82	77	79	72
Target (%)	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85

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**Corporate Issues Overview and
Scrutiny Committee**

10 October 2016



**Customer Feedback: Complaints
Compliments and Suggestions
2016/17 – Quarter 1**

**Report of Ian Thompson, Corporate Director of Regeneration
and Local Services**

Purpose of the Report

- 1 To present to Corporate Issues Overview and Scrutiny Committee (CIOSC) the Customer Feedback: Complaints, Compliments and Suggestions report for 2016/17 Quarter 1 (Full report attached at Appendix 2).

Background

- 2 The report in relation to the Council's performance and key issues regarding complaints, compliments and suggestions is aligned to the performance reporting mechanisms, so the implications of this customer feedback can inform scrutiny of Council performance.

Quarter 1, 2016/17

- 3 The full report at Appendix 2 provides a breakdown of all corporate complaints received by the Council during 2016/17 quarter 1. It summarises the Council's performance in dealing with corporate complaints, explores the themes and identifies the action we will take to not only put things right for an individual but to improve wider service provision
- 4 The report includes an overview of complaints made to the Local Government Ombudsman (LGO), as well as compliments and suggestions, and also the LGO's Annual Review Letter 2016 for the year ended 31 March 2016. This is an annual summary of statistics on complaints, and is attached at appendix 3.

Recommendations

- 5 Members are asked to note the information in the report.

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Tel. 03000 268161

Appendix 1: Implications

Finance

Financial settlements relating to LGO decisions are included in the report

Staffing

Where there is an issue regarding a complaint in relation to staff misconduct or behaviour, this is handled in accordance with the appropriate HR policies

Risk

Not applicable

Equality and Diversity

Customer feedback data is monitored in relation to equality and diversity

Accommodation

Not applicable

Crime and Disorder

Not applicable

Human Rights

Not applicable

Consultation

Not applicable

Procurement

Not applicable

Disability Discrimination Act

Customer feedback data is monitored in relation to disability

Legal Implications

Legal support is provided in appropriate cases

Putting our Customers first

Customer Feedback Report

Complaints, compliments and suggestions

Quarter 1
2016/17

Altogether better

Background information

1. Customer feedback is a valuable tool. It not only helps us understand what is important to service users and what we are doing well, it can also indicate widespread issues and offer us the opportunity to put things right and improve our services.
2. This report covers a range of customer feedback received by the Council during quarter one, 2016/17 (1 April 2016 to 30 June 2016). It highlights the main themes throughout quarter one, summarises our performance in dealing with complaints, identifies any lessons learned and states what remedial action we have taken, or plan to take, to put things right and ensure similar mistakes are avoided in the future. As feedback can also highlight opportunities for operational improvement even when the service is delivered properly, the report also includes a selection of resident suggestions and their outcomes, and an overview of comments relating to our policies and procedures.

Complaints

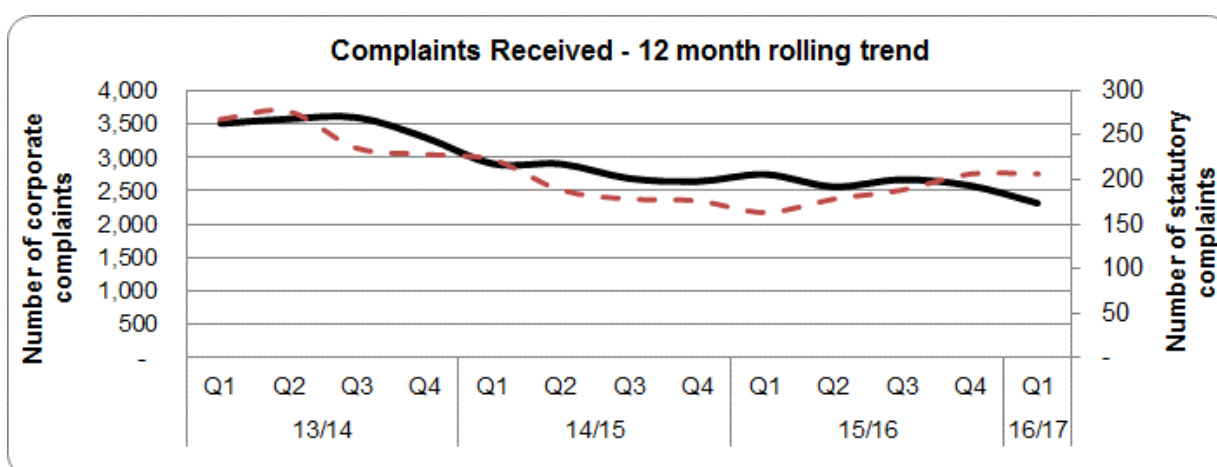
3. Within this document, there are two types of complaint. Complaints which arise from our duties as a provider of social care services and corporate complaints which cover all other complaints. The two complaint types have their own processes, timescales and policy and are therefore reported separately.
4. The responsible service area deals wholly with corporate complaints in the first instance, completing the initial service review and, as far as possible, contacting customers by telephone to ensure a more personal approach.
5. Should the customer remain dissatisfied with the service response to a corporate complaint, the complaint can be forwarded to the Customer Feedback Team, to make an assessment on the escalation of that complaint. If the team feels there is no value in progressing with an independent investigation, the service user is advised to contact the Local Government Ombudsman (LGO) should they wish to pursue their complaint.
6. Independent investigation of statutory complaints is arranged by the Complaints Team within the former Children and Adults Services, who commission independent investigators in line with the statutory regulations.
7. Broadly speaking a complaint is an 'expression of dissatisfaction about an organisation's action or lack of action, or about the standard of service provided by or on behalf of the organisation'. However, analysis of complaints received over the last 12 months has shown that a proportion of complaints are objecting to a policy, appealing against a decision or requesting a service for the first time. From this point forward, in line with the Corporate Complaints Policy, this type of feedback will be recorded and included within this report; however, it will be identified separately to recorded corporate complaints data.

Summary

8. During quarter 1, we received 504 complaints; 45 statutory complaints and 459 corporate complaints.

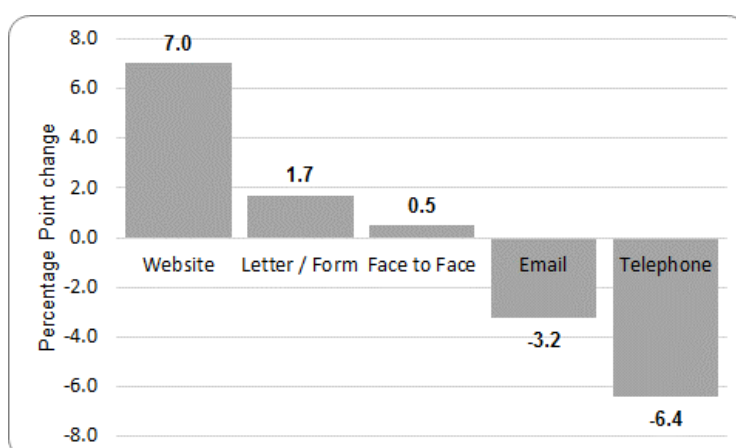
	Q1 15/16	Q1 16/17	Change since Q1 last year	
number received	766	504	↓ -262	-34%
- Statutory complaints	45	45	↔ 0	0%
- corporate complaints	721	459	↓ -262	-36%

9. Analysis of complaints received has shown that although corporate complaints continue to maintain the downward trend of the last three years, this trend has reversed for statutory complaints which are now showing an upward trend.



10. Further analysis has been able to identify the channels used to report complaints during quarter 1. Although the telephone remains the preferred method with almost 44% of complaints reported this way, there has been shift to other channels most noticeably our website, as shown below;

	Proportion of all complaints received	
	Q1 15/16	Q1 16/17
Website	32.5%	39.5%
Letter / Form	2.3%	4.0%
Face to Face	2.9%	3.4%
Email	12.7%	9.5%
Telephone	49.9%	43.5%



11. 96% of statutory complaints received during quarter 1 were acknowledged within 2 working days of receipt and 85% were resolved within the agreed timescale.
12. The average time to close a corporate complaint at initial service review is now seven days and 24 days for an independent investigation.
13. Following initial service review, 33 corporate complainants remained dissatisfied and requested their complaint progress to independent investigation. During quarter 1, the Customer Feedback Team completed investigations into 31 complaints, of which 16% (5 complaints) were upheld. Two statutory complaints progressed to independent investigation, both of which are in the process of being investigated
14. Of the complaints handled during quarter 1, approximately half were upheld (partially or fully).

	Q1 15/16	Q1 16/17	Change since Q1 last year
% upheld (fully or part)	64%	52%	↓ -12 pp
- Statutory complaints	52%	47%	↓ -5 pp
- corporate complaints (service response)	65%	52%	↓ -13 pp
- corporate complaints (independent review)	28%	16%	↓ -12 pp

15. During quarter 1, the Local Government Ombudsman delivered decisions into 21 matters. Of these, five were upheld.
16. In addition to complaints, we also received 286 compliments, 88 suggestions and 64 comments on our policies and procedures.

Statutory Complaints

17. During quarter 1, we received 45 statutory complaints; 51% related to Children's Services and 49% to Adult Care.

Children's Services

18. 23 statutory complaints were received by Children's Services during quarter 1, a 46% decrease (20 fewer) compared to quarter 4 and a 21% decrease (six fewer) on the same period last year. 22 of the 23 complaints were acknowledged within 2 working days of receipt.
19. In addition, two complaints from previous quarters progressed to independent investigation. Both are in the process of being investigated.

20. 19 of the 23 complaints received (83%) were resolved during the quarter. Of these, six were resolved within 10 working days and a further nine within the prescribed timescale of 20 working days. Four complaints were resolved outside the 20 working day target. Investigations into the remaining four complaints are continuing.
21. Of the 19 resolved complaints, 11 were not upheld (58%), three were upheld (16%) and five partly upheld (26%).
22. 2 complaints were declined during quarter 1; One due to the complainant not providing information which was specific enough for the case to be investigated, and one as the complainant did not have the child's parents' permission to complain and was not deemed to be a person with sufficient interest, given the subject matter of the complaint.
23. A number of actions were taken in response to complaints, including;
- Following a complaint about a Viability Assessment, inaccuracies have been corrected and details entered on the appropriate case file. Issues from the same complaint led to a reminder being sent to managers regarding the importance of a professional approach to email correspondence.
 - Following a complaint where a mother had not received copies of supervised contact reports, she was reassured that she would receive copies of all reports. The complainant subsequently received these.
 - A kinship carer disputed the contents of notes of a Looked After Review meeting and although the Independent Investigating Officer, who chaired the meeting, said the notes were accurate, it was agreed to add the complainant's comments to the case notes (for transparency).
 - Following a complaint about various issues in a case, teams were reminded that information for DBS checks should be thoroughly checked prior to submission; an apology was given regarding a gap in social work visits; staff were informed that if Finance Panels are to be cancelled, they can discuss the potential implications on individual cases with an Operations Manager if necessary; and where a social worker is to be changed, families should be informed in writing and a formal handover process should take place.

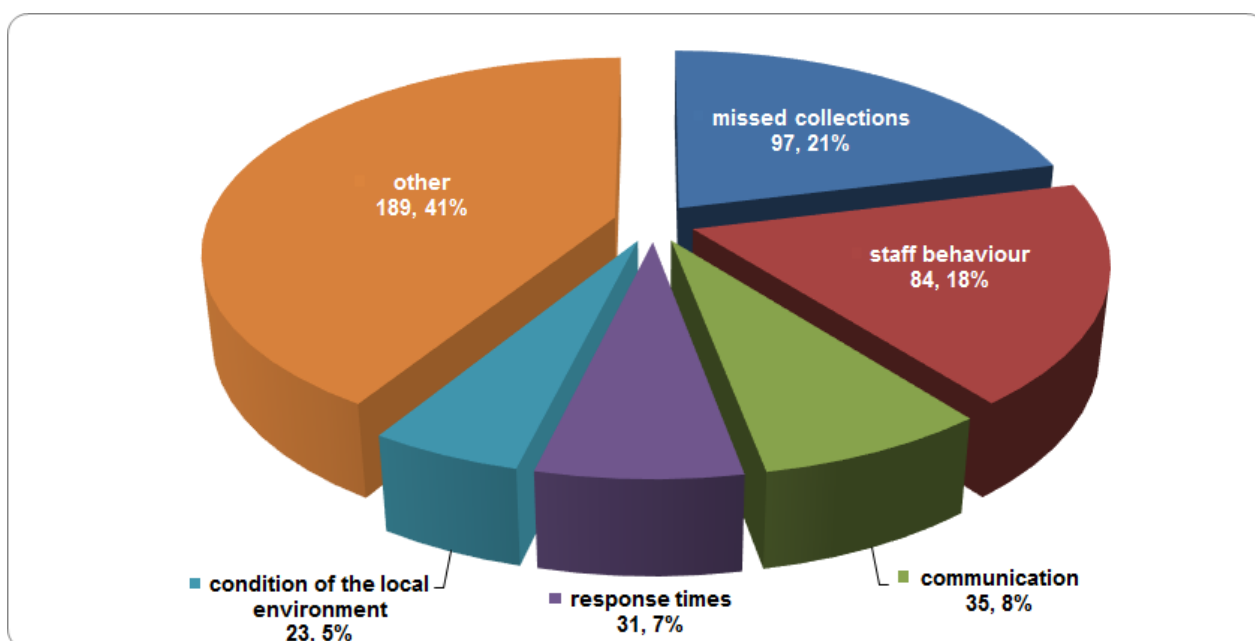
Adult Care Services

24. 22 statutory complaints were received by Adult Services during quarter 1, a 10 % increase (two more) compared to quarter 4 and a 38% increase (six more) on the same period last year. 21 of the 22 complaints were acknowledged within 2 working days of receipt.

25. Of the 22 complaints investigated by the service area, 15 (68%) were resolved during the quarter. Of the 15 resolved complaints, 14 were resolved within the agreed timescale. Investigations are continuing into the remaining seven complaints.
26. Of the 15 resolved complaints, seven were not upheld (47%), five were upheld (33%) and three partly upheld (20%).
27. Two complaints were declined during quarter 1; one as it related to events which had occurred more than one year ago (in 2012/13), and one as it related to a care provider who had not been given an opportunity to investigate and respond in the first instance.
28. A number of actions were taken in response to complaints, including;
 - In a case where colleagues of a social worker who was absent did not tell the service user that the worker could be away from work for some time, so messages were left which were then not returned, apologies were given within the complaints response and the new Team Manager has addressed this within her team and given admin staff clear instructions. The Team Manager is reviewing communications practice within the team and making clear the expectations in this regard.
 - Following the annual update of financial assessments, a letter was incorrectly issued advising a service user of revised contribution towards any care services received from April 2016. An apology and full explanation was provided.

Corporate Complaints

29. Analysis of the 459 corporate complaints received during quarter 1 has highlighted five key topics which collectively make up 59% of all complaints received.



Missed Collections

30. 97 complaints, 21% of the total received, related to missed collections; 43 kerbside refuse and recycling, 42 garden waste, eight bulky collections and four trade waste.
31. A cross-service working group, comprising representatives from refuse and recycling, business support and customer services has been established to reduce missed collections by reviewing operational practices, contact handling, software systems, policy and service standards as well as benchmarking.
32. When considering the number of complaints due to missed collections, it is important to note that our crews complete more than 3.2 million refuse and recycling collections, 400,000 garden waste collections and 8,000 bulky collections each quarter.

Staff Behaviour

33. Staff behaviour accounted for 84 complaints, 18% of the total received during quarter 1. The most frequent reason (39 instances) was the attitude of our staff, most of which was general unhelpfulness but some related to staff being rude or abusive.
34. During quarter 1, 19 complaints were received concerning the standard of driving by staff using council vehicles; inconsiderate parking (five alleged instances), speeding (five), driving over lawns (three), using a mobile phone whilst driving (two), colliding with complainant's property / car (three) or driving along a footpath (one). We take these complaints very seriously and drivers are reminded of their responsibilities and the subsequent action that can be taken against any employee who fails to comply with our procedures. In some cases, refresher training is undertaken.
35. 18 complaints were directed at our refuse and recycling crews; 11 objected that crews did not clear up dropped refuse / recycling from roads and pavements as they completed their collection rounds and seven residents were unhappy that their bins were not being returned to their collection point.
36. Six residents complained our staff had damaged their property whilst undertaking their duties; two related to our use of weed killer, two alleged damage to cars (one due to tarmac / road chippings and one due to being hit by a bin), one complained their bin was crushed in a refuse vehicle and one stated we entered their property to remove a contaminated bin and caused damage.
37. The remaining complaints related to staff not clearing sawdust from a grave after removing a tree and a school crossing patrol not accompanying children across the road
38. The Council expects the highest standards from all employees and deals with any alleged shortcomings through our HR policies and procedures. All complaints relating to

non-DCC employees are passed to the appropriate contractor to be dealt with under their procedures. The contractor feeds back the results of their investigations to DCC.

Communication

39. 35 complaints related to communication; 8% of all complaints received in quarter 1.
40. 'Insufficient, inaccurate or unclear information' accounted for the majority of communication complaints (26 instances) and there were 2 main themes: information given at the initial point of contact and the wording of letters.
41. All 18 cases involving 'information given at the initial point of contact' have been investigated, fed back to the relevant team manager and discussed with the team.
42. During quarter 1, the Revenues and Benefits Service sent out more than 30,000 letters in addition to benefit notification letters and council tax bills, and during this same period, we received eight complaints about the quality of those letters. The majority related to the wording but we also received a very small number of complaints about omissions and poor grammar. Any complaint relating to data omissions or poor grammar is discussed with the author, who is reminded of the need for accuracy.
43. 'Lack of communication' accounted for 9 complaints, the majority of which were from residents who had received no response to their concern. Three complaints related to consultation; one resident felt that consultation sessions for a housing development site were not correctly advertised, another felt there had been no meaningful consultation regarding transport and contract services and a third followed notification of an upcoming consultation which wasn't clear that it would not be available until its publication date.

Response Times

44. 31 complaints, 7% of the total received, were from customers who felt that our response times were inadequate. The vast majority (27 instances) complained there had been no response to their request / concern whilst the remaining four instances complained we had taken too long to action their request / resolve their issue.
45. There were 11 instances where there was a perceived lack of action in response to the resident's concern about their local environment, for example, not clearing fly-tips, time taken to cut hedges / trees / grass or resolving anti-social behaviour issues.
46. The second most frequent topic, each with four instances, related to the non-delivery of a new or replacement bin or the sticker for subscription to the garden waste scheme.
47. Other complaints related to time taken to repair street lights, completion of works to the highway, the issuing of bus passes and the receipt of requested documentation.

Condition of the local environment

48. During quarter 1, our Clean and Green Service received 23 complaints (accounting for 5% of all complaints). The majority (18 complaints) related to grounds maintenance, half to the standard of grass cutting and half to overgrown vegetation, hedges and trees. Five complaints related to local environmental cleanliness. The remaining 41% of corporate complaints related to a wide variety of issues received in smaller volumes.

Corporate complaints subjected to independent investigation

49. During quarter 1, 33 complainants requested their complaint be escalated to the next stage. During the same period, we completed investigations into 31 complaints, of which 5 (16%) were upheld (fully or partly). The table provides detail of upheld complaints:

Outcome	Complaint	Action to be taken
Upheld	Council's failure to obtain permission before entering a private property to remove a recycling bin following a third contamination.	The service is reviewing the wording of letters to avoid any confusion in the future. The current procedure used by the service to collect bins after a third contamination has been suspended and a revised policy is being considered.
	Missed collection	The complainant's experience has been brought to the attention of refuse and recycling management to prevent a similar situation re- occurring; issues with the Bin Collection Point should have been explained sooner.
Partly upheld	Council's failure to adequately maintain a pathway and its surrounding area	We have undertaken a number of remedial actions to improve the appearance of this area, including removal of graffiti and replacement of trees. A more regular litter pick has been scheduled and the Clean and Green Team are monitoring the area for further action, e.g. dog fouling, grounds maintenance, footpath maintenance
	Complainant unhappy with service received from our Building Control Team	Although no fault was found with the detail provided to the complainant, the need for a more robust process to manage complaints about builders was acknowledged. In relation to staff attitude, relevant training and development is to be administered.
	Council informed complainant, incorrectly, that temporary closure orders were in place for two unregistered footpaths	Even if temporary closure orders had been in place, the outcome would have remained the same. Council has apologised for the distress and inconvenience caused.

Complaints to the Local Government Ombudsman (LGO)

50. During quarter 1, the LGO delivered decisions in relation to 21 complaints. Conclusions were reached based on details supplied by complainants and supplemented in some instances with contextual information from Council officers.
51. The 21 complaints related to a number of service areas including planning, highways, revenues and benefits, and adult care. Two cases were found to be outside the LGO's jurisdiction, two cases were reported prematurely to the LGO so were referred back to the council to deal with under our complaints procedure and in 12 cases no further action was proposed. The LGO upheld five complaints as detailed in the following table;

Category	Complaint	Action to be taken
Maladministration and Injustice	Council failed to undertake an audit of Direct Payment Account regarding personal contribution towards the cost of care.	Council to apologise and pay £100 in recognition that its failure caused additional unnecessary distress.
	Council's failure to consider the hardship caused by deductions from housing benefit.	Council had already taken action to remedy the issues before the LGO's decision and to the LGO's satisfaction
	Council's failure to inform a community of its intention to remove headstones for health and safety reasons, thereby denying the community the opportunity to take action beforehand	Financial settlement of £100 and various other actions to be taken within three months of the decision
Maladministration. No injustice	Council wrongly advised complainant of council tax charges in relation to a House of Multiple Occupation (HMO) for which the landlord is liable.	Council had already apologised prior to the LGO decision. No further action
	Council's failure to properly consider the impact of approving an application for a double garage in 2011 and its failure to properly investigate and respond to the complainant.	Council to apologise and pay £100 for lack of clarity through the complaint process. Review handling of non-material applications to ensure multiple issues are dealt with thoroughly in the decision notice.

52. In July, the LGO published its review of Local Government complaints for 2015/16. This report highlighted that although the overall number of complaints and enquiries it received during 2015/16 was broadly in line with the number received the previous year, there was a 13% increase in those relating to education and children's services. In addition, the percentage of detailed investigations upheld increased from 46% to 51%. These trends are reflected across DCC; a consistent number of LGO complaints and

enquiries, a 7% increase in those relating to education and children's services, and an increase in the percentage upheld from 31% to 43%

53. The LGO's Annual Review letter is attached as Appendix 1 to this report for information.

Feedback relating to our policies and procedures

54. Our service provision is reflected in our policies and procedures, and during quarter 1 we received 51 comments as a direct consequence of carrying out actions in line with those policies and procedures.
55. Almost a quarter of these comments related to our fees and charges, which are reviewed annually and allow us to provide local services which might not otherwise be possible. Eight were objections to the £20 administration and delivery charge to replace a bin lost, stolen or damaged beyond repair; four to the standard £15 charge for the removal of 6 items of domestic / non-DIY items; one to the £20 subscription for the garden waste collection scheme; one to the standard £40 charge by our pest control service which covers visits and materials; and one to library fees and charges.
56. We received 12 objections to our household waste policies and procedures. The majority (nine) were from residents whose bin had not been emptied / permanently removed due to contamination. Two residents were unhappy with the Garden Waste Collection Scheme, one because they were unable to transfer their subscription to a new property, and one because we would not collect their bin until the soil and rubble it contained was removed. The final comment in relation to household waste policies related to the operational procedures of our Household Waste Recycling Centres (HWRCs).
57. Seven comments were connected to the policies and procedures of our revenues and benefits service; the majority (five) were in relation to housing benefit and enforcement regulations. The remaining comments were objections to having to pay council tax for a property situated on a development not yet complete, and our policy that all unoccupied properties are subject to 100% council tax for the first 2 years, and then 150% of they remain unfurnished. In each instance the policy and/or regulations were correctly followed.
58. Four comments were from residents unhappy that they had received an enforcement notice, e.g. Fixed Penalty Notice or litter clearance notice, from our Neighbourhood Wardens.
59. We also received comments about our street lighting policy, woodland management procedures, street naming and numbering policy, and our decision to close leisure centres on bank holidays. In relation to leisure centres, the service area is considering bank holiday provision and is looking to carry out a pilot during the Easter 2017 holidays.

Suggestions

60. We believe suggestions are essential to the ongoing development and improvement of our services, and carefully consider all received.
61. During quarter 1, we received 88 suggestions which covered a wide range of topics.
62. 5 of these suggestions related to the new library in Stanley's Louisa Centre. The suggestions centred around the library's shelving system which was configured so that the top shelf was a display shelf and the remaining shelves held the books. However, library users found the bottom shelf difficult to access so we have reversed the shelving configuration. Books now occupy the top shelves and the bottom shelf is now the display shelf, a configuration which library users much prefer.
63. Suggestions are frequently received which propose changes to our road system. However, when looked at in the context of countywide traffic flows, many would have knock on effects to the traffic flows elsewhere if they were to be implemented. During quarter 1, we received 16 such suggestions, some of which related to easing congestion through Durham City during current road works.
64. A couple of suggestions were received in relation to parking. One suggested the Council provides additional car parking space for residential streets with limited capacity, thereby enabling residents to park close to their homes. The other suggestion was to remove the parking restrictions associated with Seaham School once the school closes: plans are already in place for the lines within the vicinity of Seaham School to be removed.

Compliments

65. We also receive many positive comments about our staff and the services we provide, and we believe that understanding what is working well and valued is as important as knowing what is not working as well.
66. During quarter 1, we received 286 compliments, 81 in relation to social services and 205 in relation to other services. These compliments recognise not only the motivation, dedication and hard-work of our staff but also the high standard and value of the services we provide. The majority of the compliments related to satisfaction with service provision but a number of compliments conveyed thanks to specific individuals. As far as we are able, we have passed these thanks onto the individuals concerned.

21 July 2016

By email

Terry Collins
Chief Executive
Durham County Council

Dear Terry Collins,

Annual Review letter 2016

I write to you with our annual summary of statistics on the complaints made to the Local Government Ombudsman (LGO) about your authority for the year ended 31 March 2016.

The enclosed tables present the number of complaints and enquiries received and the decisions we made about your authority during the period. I hope that this information will prove helpful in assessing your authority's performance in handling complaints.

Last year we provided information on the number of complaints upheld and not upheld for the first time. In response to council feedback, this year we are providing additional information to focus the statistics more on the outcome from complaints rather than just the amounts received.

We provide a breakdown of the upheld investigations to show how they were remedied. This includes the number of cases where our recommendations remedied the fault and the number of cases where we decided your authority had offered a satisfactory remedy during the local complaints process. In these latter cases we provide reassurance that your authority had satisfactorily attempted to resolve the complaint before the person came to us. In addition, we provide a compliance rate for implementing our recommendations to remedy a fault.

I want to emphasise that these statistics comprise the data we hold, and may not necessarily align with the data your authority holds. For example, our numbers include enquiries from people we signpost back to the authority, but who may never contact you.

In line with usual practice, we are publishing our annual data for all authorities on our website, alongside an annual review of local government complaints. The aim of this is to be transparent and provide information that aids the scrutiny of local services.

During the year we published a public interest report about a planning and building control matter. A building control officer had improperly used knowledge gained through his employment for his personal advantage and to the complainant's detriment and had broken the Council's code of conduct. The Council then failed to properly investigate the complainant's allegations. This raised concerns about the way the Council deals with serious allegations about improper conduct by its officers and about public perception of its integrity.

The Council has apologised, reviewed its procedure for investigating complaints about officer's conduct and offered to make a payment, in recognition of the complainant's distress and uncertainty, to a charity of his choice. The complainant has however refused to nominate a charity. We consider the Council has implemented the remedy recommended as far as it is able.

Effective accountability for devolved authorities

Local government is going through perhaps some of the biggest changes since the LGO was set up more than 40 years ago. The creation of combined authorities and an increase in the number of elected mayors will hugely affect the way local services are held to account. We have already started working with the early combined authorities to help develop principles for effective and accessible complaints systems.

We have also reviewed how we structure our casework teams to provide insight across the emerging combined authority structures. Responding to council feedback, this included reconfirming the Assistant Ombudsman responsible for relationship management with each authority, which we recently communicated to Link Officers through distribution of our manual for working with the LGO.

Supporting local scrutiny

Our corporate strategy is based upon the twin pillars of remedying injustice and improving local public services. The numbers in our annual report demonstrate that we continue to improve the quality of our service in achieving swift redress.

To measure our progress against the objective to improve local services, in March we issued a survey to all councils. I was encouraged to find that 98% of respondents believed that our investigations have had an impact on improving local public services. I am confident that the continued publication of our decisions (alongside an improved facility to browse for them on our website), focus reports on key themes and the data in these annual review letters is helping the sector to learn from its mistakes and support better services for citizens.

The survey also demonstrated a significant proportion of councils are sharing the information we provide with elected members and scrutiny committees. I welcome this approach, and want to take this opportunity to encourage others to do so.

Complaint handling training

We recently refreshed our Effective Complaint Handling courses for local authorities and introduced a new course for independent care providers. We trained over 700 people last year and feedback shows a 96% increase in the number of participants who felt confident in dealing with complaints following the course. To find out more, visit www.lgo.org.uk/training.

Ombudsman reform

You will no doubt be aware that the government has announced the intention to produce draft legislation for the creation of a single ombudsman for public services in England. This is something we support, as it will provide the public with a clearer route to redress in an increasingly complex environment of public service delivery.

We will continue to support government in the realisation of the public service ombudsman, and are advising on the importance of maintaining our 40 years plus experience of working with local government and our understanding its unique accountability structures.

This will also be the last time I write with your annual review. My seven-year term of office as Local Government Ombudsman comes to an end in January 2017. The LGO has gone through extensive change since I took up post in 2010, becoming a much leaner and more focused organisation, and I am confident that it is well prepared for the challenges ahead.

Yours sincerely

A handwritten signature in black ink that reads "Jane Martin". The signature is written in a cursive style with a long horizontal flourish at the end.

Dr Jane Martin
Local Government Ombudsman
Chair, Commission for Local Administration in England

For further information on how to interpret our statistics, please visit our website:
<http://www.lgo.org.uk/information-centre/reports/annual-review-reports/interpreting-local-authority-statistics>

Complaints and enquiries received

Adult Care Services	Benefits and Tax	Corporate and Other Services	Education and Children's Services	Environment Services	Highways and Transport	Housing	Planning and Development	Other	Total
32	23	9	28	26	17	9	38	1	183

Decisions made

Decisions made				Detailed Investigations			
Incomplete or Invalid	Advice Given	Referred back for Local Resolution	Closed After Initial Enquiries	Not Upheld	Upheld	Uphold Rate	Total
10	3	48	74	33	25	43%	193

Notes

Our uphold rate is calculated in relation to the total number of detailed investigations.

The number of remedied complaints may not equal the number of upheld complaints. This is because, while we may uphold a complaint because we find fault, we may not always find grounds to say that fault caused injustice that ought to be remedied.

The compliance rate is the proportion of remedied complaints where our recommendations are believed to have been implemented.

Complaints Remedied

by LGO	Satisfactorily by Authority before LGO Involvement	Compliance Rate
16	2	100%

Corporate Issues Overview and Scrutiny Committee

10 October 2016

Resources – Revenue and Capital Outturn 2015/16



Report of Corporate Director Resources

Purpose of the Report

1. To provide details of the outturn budget position for the Resources service grouping highlighting major variances in comparison with the budget based on the outturn position at the end of March 2016.

Background

2. County Council approved the Revenue and Capital budgets for 2015/16 at its meeting on 25 February 2015. These budgets were subsequently revised in year to account for grant additions/reductions, corporate savings/adjustments, budget transfers between service groupings and budget profiling between years. This report covers the financial position for the following major accounts maintained by the Resources service grouping:

- *Revenue Budget - £17.846 million (original £15.855 million)*
- *Capital Programme – £11.616 million (original £13.422 million)*

3. The original Resources General Fund budget was revised in year to incorporate a number of budget adjustments as follows:

- Funding for HR Recruitment Function from CAS +£9,000
- ICT costs funded from New Burdens CAS grant +£20,000
- Transfer to Corporate Contingency - Energy Costs -£1,000
- Transfer from Corporate Contingency – Carbon Reduction Commitment +£16,000
- Direct Revenue funding of ICT Capital Investment in year -£270,000
- Transfer of Tribal Software from CAS +£50,000
- Transfer of Adults Financial Services Team +£1,347,000
- Corporate Saving – Car Allowances +£45,000
- Contribution from MTFP ER/VR Reserve +£676,000
- Net contribution to/from specific reserves used to support service expenditure +£137,000
- Transfer from Neighbourhoods – Depot Storage +£6,000
- Transfer to ACE – Performance Function -£28,000
- Adjustment to Marriage License Income -£25,000
- Adjustment for Irrecoverable VAT +£9,000

The revised General Fund Budget now stands at £17.846 million. This was fixed at Quarter 3.

4. The summary financial statements contained in the report cover the financial year 2015/16 and show: -
- The approved annual budget;
 - The actual income and expenditure as recorded in the Council's financial management system;
 - The variance between the annual budget and the forecast outturn;
 - For the Resources revenue budget, adjustments for items outside of the cash limit to take into account such items as redundancies met from the strategic reserve, capital charges not controlled by services and use of / or contributions to earmarked reserves.

Revenue

5. The service is reporting a cash limit variance (underspend) of **£1.419 million** against a revised budget of **£17.846 million**. This compares with an underspend of £1.442 million that was reported at Quarter 3.
6. The tables below compare the actual expenditure with the budget. The first table is analysed by Subjective Analysis (i.e. type of expense), and the second by Head of Service.

Subjective Analysis (£000's)

Category	Annual Budget	Actual Outturn	Variance	Items Outside Cash Limit	Final Cash Limit Variance
Employees	41,675	42,222	547	(1,374)	(827)
Premises	5,788	8,746	2,958	(2,988)	(30)
Transport	1,049	783	(266)	(1)	(267)
Supplies and Services	15,941	16,127	186	210	396
Transfer Payments	0	0	0	0	0
Third Party Payments	19	7	(12)	0	(12)
Central Support and Capital	10,066	22,262	12,196	(12,181)	15
Gross Expenditure	74,538	90,147	15,609	(16,334)	(725)
Income	(56,433)	(74,723)	(18,290)	17,596	(694)
Net Expenditure	18,105	15,424	(2,681)	1,262	(1,419)
HB Transfer payments	190,359	178,278	(12,081)	12,081	0
HB Central Support/Capital	400	487	87	(87)	0
HB Income	(191,017)	(178,767)	12,249	(12,249)	0
HB Net Expenditure	(258)	(2)	256	(256)	0
Total Net Expenditure	17,847	15,422	(2,425)	1,006	(1,419)

By Head of Service (£000's)

Category	Annual Budget	Actual Outturn	Variance	Items Outside Cash Limit	Final Cash Limit Variance
Central Estab.Recharges	(15,442)	(25,414)	(9,972)	9,919	(53)
Corporate Finance	2,404	2,858	454	(592)	(138)
Financial Services	9,496	12,860	3,364	(3,716)	(352)
Human Resources	2,704	2,629	(75)	46	(29)
I.C.T. Services	9,595	11,021	1,426	(1,503)	(77)
Internal Audit and Insurance	1,429	1,390	(39)	(113)	(152)
Legal & Dem.Services	7,654	9,871	2,217	(2,795)	(578)
Management/ Performance	265	209	(56)	16	(40)
Net Expenditure Excl HB	18,105	15,424	(2,681)	1,262	(1,419)
Housing Benefit	(258)	(2)	256	(256)	0
NET EXPENDITURE	17,847	15,422	(2,425)	1,006	(1,419)

7. The table below provides a brief commentary on the variances against the revised budget analysed by Head of Service. The table identifies variances in the core budget only and excludes items outside of the cash limit (e.g. redundancy costs) and technical accounting adjustments (e.g. capital charges):

Head of Service	Service Area	Description	Year End (Under) / overbudget £000's	Year End (Under) / overbudget £000's
Central Establishment Recharges	Central Establishment Recharges	No variance	-	-
Corporate Finance	Management	£50,000 underbudget against employees £5,000 underbudget on supplies and services	(55)	(138)
	Financial Systems	£67,000 underbudget on pay as a result of holding a vacancy £5,000 over budget on supplies and services	(62)	
	Procurement	£8,000 underbudget on employees due to restructure £1,000 overbudget on transport £17,000 underbudget on supplies and services £45,000 overachieved Income	(69)	
	Pensions	£18,000 overbudget on employees (for agency staff) £9,000 overbudget on supplies	27	
	Strategic Finance	£7,000 overbudget on employees £56,000 overbudget on supplies and services- additional VAT advice £42,000 overachieved income	21	
Financial Services	Management	£105,000 managed underbudget for employees and £6,000 on supplies, reflecting early achievement of 2016/17 MTFP savings	(111)	(7)
	Operations & Data	£20,000 underbudget on employees £22,000 overbudget on staff travel (disturbance) £20,000 overbudget on supplies and services £29,000 overachieved income	(7)	

Head of Service	Service Area	Description	Year End (Under) / overbudget £000's	Year End (Under) / overbudget £000's
	Financial Support & Assessments (CAS)	£63,000 managed underbudget for employees £14,000 underbudget on transport £44,000 over budget on supplies and services £74,000 over recovery of income	(107)	
	Financial Management	£52,000 underbudget on employees due to early MTFP savings £3,000 underbudget on transport £10,000 underbudget on supplies and services £74,000 over recovery of SLA income	(139)	
	Revenues and Benefits	£135,000 underbudget on employees. £124,000 underbudget on transport. £310,000 overbudget on supplies and services. £92,000 over recovery of income.	(41)	
				(405)
Human Resources	Occupational Health	£6,000 overbudget on employees £1,000 overbudget on transport £19,000 underbudget on supplies and services £11,000 underbudget on transfer payments £40,000 overachieved income	(63)	
	Health and Safety	£4,000 underbudget on employees £8,000 overbudget on transport £4,000 overbudget on supplies and services £4,000k overachieved income	(33)	
	Human Resources	£32,000 underbudget on employees £4,000 overbudget on Supplies and Services £30,000 underachieved income £65,000 transferred to the HR Reserve.	67	
				(29)
ICT	ICT Services	£137,000 underbudget on transport £40,000 underbudget on supplies and services £102,000 underachieved income	(77)	(77)
Internal Audit and Risk	Insurance and Risk	£7,000 overbudget on employees (fully staffed) £2,000 overbudget on supplies and services £14,000 over recovery in income	(5)	
	Internal Audit	£83,000 underbudget on employees through close management and control of vacancies £3,000 underbudget on staff mileage £10,000 underbudget on supplies and services £43,000 over recovery of income	(139)	
	Corporate Fraud	£6,000 underbudget on employees £4,000 underbudget on staff travel £5,000 overbudget on supplies and services £3,000 unbudgeted income	(8)	
				(152)
Legal and Democratic Services	Corporate and Democratic Core	£49,000 underbudget on employees £18,000 underbudget on transport £127,000 underbudget on supplies and services £6,000 over achieved income	(200)	
	Legal Services	£220,000 underbudget on employees due to restructure on 1st July to achieve MTFP savings £28,000 underbudget on premises £3,000 overbudget on transport £20,000 overbudget on supplies and services £153,000 overachieved income	(378)	
				(578)
Service Management	Service Management	Unbudgeted income from SLA with Northumberland for HR support	(40)	(40)
TOTAL				(1,419)

8. The final outturn position was £23,000 more overbudget than the forecast prepared at Quarter 3 and reported to Cabinet in March. The £1.419 million under budget will be carried forward under the 'cash limit' regime.

Capital Programme

9. The Resources capital programme comprises 21 schemes, 19 of which are managed within ICT.
10. The original Resources capital programme was £13.422 million and this has been revised for additions/reductions, budget transfers and budget profiling. The revised budget now stands at £11.616 million
11. Summary financial performance to the end of March 2016 is shown below.

Service	Original Annual Budget 2015/16 £'000	Final Budget 2015/16 £'000	Actual Spend to 31 March 2016 £'000	Spend %
ICT	13,257	11,406	9,210	81
Legal and Democratic	100	40	40	100
Financial Services	0	0	15	-
Corporate Finance	65	170	120	71
Total	13,422	11,616	9,385	81

12. The final Resources capital budget is £11.616 million, with total expenditure in 2015/16 of £9.385 million (81%). A full breakdown of schemes and actual expenditure to March 2016 is given in Appendix 2. The remainder of the capital budget will be reprofiled into 2016/17.

Recommendations:

12. Corporate Issues Overview and Scrutiny Committee is requested to note the contents of this report.

Contact: Azhar Rafiq, Finance Manager, Finance Manager RED/RES/ACE
Tel: 03000 263 480 E-mail: azhar.rafiq@durham.gov.uk

Appendix 1: Implications

Finance

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital outturn position.

Staffing

None.

Risk

None.

Equality and Diversity / Public Sector Equality Duty

None.

Accommodation

None.

Crime and disorder

None.

Human rights

None.

Consultation

None.

Procurement

None.

Disability Issues

None.

Legal Implications

None.

Appendix 2: Resources Capital Programme 2015/16

	Revised Annual Budget 2015/16	Final Outturn	
		Actual Spend	Spend %
Big Data	20,000	800	4
Business Continuity	-	(7,450)	-
Councillor Replacement of ICT Equipment	3,856	1,907	49
Dark Fibre Installations and Circuit/Microwave Upgrades	450,524	435,087	97
Desktop Mailing	66,811	62,895	94
Desktop Replacement	1,004,292	978,344	97
Digital Durham	8,761,200	7,274,409	83
Forensic investigation hard & software replace	25,000	-	0
Homeworking	120,000	138,032	115
ICT Mobile/Field Workforce System	80,000	-	0
Infrastructure Environment Monitoring	73,894	(1)	0
Ongoing Server Replacement	200,956	154,662	77
Payment Card Industry (PCI) Code of Compliance	10,000	-	0
SharePoint Upgrade	50,000	-	0
Tanfield Datacentre Core Switching Replacement	63,790	27,837	44
Tanfield Datacentre LAN Switching Replacement	265,427	57,597	22
Telephony and Telephony Replacement	-	(300)	-
Upgrade of ISP Provision	85,000	-	0
Wireless Network Replacement	125,000	86,537	69
ICT Services Total	11,405,750	9,210,356	81
RES Electronic Voting Equipment	40,000	40,000	100
Legal and Democratic Total	40,000	40,000	100
Migration of HR/Payroll Functionality	-	14,634	-
Financial Services Total	-	14,634	-
Civica Pension Fund Administration System	170,150	120,237	71
Corporate Finance Total	170,150	120,237	71
GRAND TOTAL	11,615,900	9,385,227	81

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Corporate Issues Overview and Scrutiny Committee

10 October 2016

Resources – Quarter 1 June 2016: Forecast of Revenue and Capital Outturn 2016/17



Report of Corporate Director Resources

Purpose of the Report

1. To provide details of the forecast outturn budget position for the Resources service grouping, highlighting major variances in comparison with the budget based on the position to the end of June 2016.

Background

2. County Council approved the Revenue and Capital budgets for 2016/17 at its meeting on 24 February 2016. These budgets have subsequently been revised to account for grant additions/reductions, corporate savings/adjustments, budget transfers between service groupings and budget profiling between years. This report covers the financial position for the following major accounts maintained by the Resources service grouping:
 - *Revenue Budget - £16.514 million (original £16.282 million)*
 - *Capital Programme – £12.217 million (original £11.868 million)*
3. The original Resources General Fund budget has been revised in year to incorporate a number of budget adjustments as follows:
 - APT & C 2016/17 Pay Award from Contingency +£368,000
 - Local Council Tax Admin Grant -£46,000
 - Budget transfer to ACE - inspire people -£95,000
 - Transport adjustment +£5,000

The revised General Fund Budget now stands at £16.514 million.

4. The summary financial statements contained in the report cover the financial year 2016/17 and show: -
 - The approved annual budget;
 - The actual income and expenditure as recorded in the Council's financial management system;
 - The variance between the annual budget and the forecast outturn;
 - For the Resources revenue budget, adjustments for items outside of the cash limit to take into account such items as redundancies met from the

strategic reserve, capital charges not controlled by services and use of / or contributions to earmarked reserves.

5. The service is reporting a cash limit variance (underspend) of **£0.913 million** against a revised budget of **£16.514 million**.
6. The tables below compare the actual expenditure with the budget. The first table is analysed by Subjective Analysis (i.e. type of expense), and the second by Head of Service.

Subjective Analysis (£000's)

Category	Full Year Current Budget	Year To Date - Actual	Forecast Outturn	Variance	Total Items Outside Cash Limit	Cash Limit Variance
Employees	41,489	12,883	40,781	(708)	(265)	(973)
Premises	6,209	55	6,197	(12)	0	(12)
Transport	713	121	691	(21)	0	(21)
Supplies and Services	15,944	6,229	16,904	961	(410)	551
Transfer Payments	0	0	0	0	0	0
Third Party Payments	19	(41)	19	0	0	0
Central Support and Capital	9,975	22	9,977	1	0	1
Gross Expenditure	74,349	19,269	74,569	221	(675)	(454)
Income	(57,577)	(11,568)	(57,978)	(402)	(57)	(459)
Net Expenditure	16,772	7,701	16,591	(181)	(732)	(913)
HB Transfer payments	173,100	54,981	173,100	0	0	0
HB Central Support and Capital	400	0	400	0	0	0
HB Income	(173,758)	(790)	(173,758)	0	0	0
HB Net Expenditure	(258)	54,191	(258)	0	0	0
Total Net Expenditure	16,514	61,892	16,333	(181)	(732)	(913)

By Head of Service (£000's)

Category	Full Year Current Budget	Year To Date - Actual	Forecast Outturn	Variance	Total Items Outside Cash Limit	Cash Limit Variance
Central Establishment Recharges	(16,471)	0	(16,471)	0	0	0
Corporate Finance	4,540	1,746	4,916	375	(412)	(37)
Financial Services	10,608	1,639	10,209	(398)	(2)	(400)
I.C.T. Services	9,412	1,849	9,704	293	(318)	(25)
Internal Audit and Insurance	1,231	305	1,159	(73)	0	(73)
Legal & Democratic Services	7,292	2,105	6,917	(375)	0	(375)
Service Management	160	57	157	(3)	0	(3)
Net Expenditure Excluding HB	16,772	7,701	16,591	(181)	(732)	(913)
Housing Benefit	(258)	54,191	(258)	0	0	0
Net Expenditure	16,514	61,892	16,333	(181)	(732)	(913)

7. The table below provides a brief commentary on the variances against the revised budget analysed by Head of Service. The table identifies variances in

the core budget only and excludes items outside of the cash limit (e.g. redundancy costs) and technical accounting adjustments (e.g. capital charges):

Head of Service	Service Area	Description	Year End (Under) / overbudget £000's	Year End (Under) / overbudget £000's
Central Establishment Recharges	Central Establishment Recharges		0	0
Corporate Finance	Management	£33k underbudget on employees £5k underbudget on supplies	(38)	(37)
	Financial Systems	£44k underbudget on employees from managing vacancies	(44)	
	Procurement	£16k overbudget on employees (3% staff turnover not met) £9k underbudget on supplies £13k overachieved income	(6)	
	Pensions	£39k overbudget on employees(3% Staff turnover not met & temporary arrangements) £8k overbudget on supplies £47k overachieved income	0	
	Strategic Finance	£14k overbudget on employees(3% Staff turnover savings not met) £12k overbudget on supplies (professional fees) £7k overachieved income from Police SLA	19	
	Occupational Health	£9k overbudget on employees (3% staff turnover not met) £2k overbudget on supplies and services £4k underachieved income	15	
	Health and Safety	£7k underbudget on employees from management of vacancies £2k overachieved income	(9)	
	Human Resources	£9k overbudget on employees £13k overbudget on supplies and services £4k underachieved income	26	
Financial Services	Management	£72 underbudget on employees	(72)	
	Operations & Data	£20k overbudget on employees (3% staff turnover savings not met) £31k overbudget on car allowances (Disturbance) £19k overbudget on supplies and services relating to printing and postages £14k additional SLA income	56	
	Financial Assessments (CAS)	£12k overbudget on supplies and services £4k over achieved income	8	
	Financial Management	£50k overbudget on employees (3% Staff turnover savings not met) £10k underbudget on supplies and services £143k additional SLA Income	(103)	

Head of Service	Service Area	Description	Year End (Under) / overbudget £000's	Year End (Under) / overbudget £000's
	Revenues and Benefits	£601k underbudget on employees from managing vacancies in advance of restructure £42k underbudget on transport £142k overbudget on supplies and services mainly due to postages, printing and telephones £350k overbudget on agency (packages) costs £138k additional grant income	(289)	(400)
ICT	ICT Services	£94k underbudget on employees £4k underbudget on premises £8k underbudget on transport £141k overbudget on supplies and services £60k overachieved income	(25)	(25)
Internal Audit and Risk	Insurance and Risk	£7k overbudget on employees (3% staff turnover savings not met)	7	(73)
	Internal Audit	£77k underbudget on employees through close management and control of vacancies £10k overachieved income from schools SLA	(87)	
	Corporate Fraud	£7k overbudget on employees (3% staff turnover savings not met)	7	
Legal and Democratic Services	Corporate and Democratic Core	£202k underbudget on employees from vacancies and future MTFP savings £8k underbudget on premises £9k underbudget on transport £31k underbudget on supplies and services £66k overachieved income from Electoral Registration Grant	(316)	(375)
	Legal Services	£12k underbudget on employees £7k overbudget on transport £93k underbudget on supplies and services identified as future years MTFP savings £39k underachieved income	(59)	
Service Management	Service Management	No material variances	(3)	(3)
Benefits Payments and Subsidy	Benefits			0
TOTAL				(913)

7. In summary, the service grouping is on track to maintain spending within its cash limit. It should also be noted that the estimated outturn position incorporates the net MTFP savings required in 2016/17 which amount to £1.493 Million and early achievement of a number of MTFP savings in 2017/18.

Capital Programme

8. The Resources capital programme currently comprises 21 schemes, 19 of which are managed within ICT.
9. The original Resources capital programme was £11.868 million and this has been revised for additions/reductions, budget transfers and budget profiling. The revised budget now stands at £12.217 million

10. Summary financial performance to the end of June 2016 is shown below.

	Original Annual Budget 2016/17	Revised Annual Budget 2016/17	Profiled Budget 2016/17	Actual Spend 30/06/16	Remaining Budget 2016/17
	£000	£000	£000	£000	£000
ICT Services Include Design and Print	11,162	11,511	1,211	679	10,832
Legal and Democratic	60	60	6	-	60
RES - Financing Resources	646	646	5	59	587
Total	11,868	12,217	1,222	738	11,479

11. The revised Resources capital budget is £12.217 million with a total expenditure to 30 June 2016 of £0.738 million (6%). The profiled budget for this period is £1.222 million, therefore spend is below profiled / expected spend in the year to date. A full breakdown of schemes and actual expenditure to 30 June 2016 is given in **Appendix 2**.

12. At year end the actual outturn performance will be compared against the revised budgets and at that time service and project managers will need to account for any budget variance.

Recommendations:

13. Corporate Issues Overview and Scrutiny Committee is requested to note the contents of this report.

Contact: Azhar Rafiq, Finance Manager, Finance Manager RED/RES/ACE
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Appendix 1: Implications

Finance

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital projected outturn.

Staffing

None.

Risk

None.

Equality and Diversity / Public Sector Equality Duty

None.

Accommodation

None.

Crime and disorder

None.

Human rights

None.

Consultation

None.

Procurement

None.

Disability Issues

None.

Legal Implications

None.

Appendix 2: Resources Capital Programme 2016/17

	Revised Annual Budget 2016/17 £000	Profiled Budget 2016/17 £000	Actual Spend 30/06/16 £000	Remaining Budget 2016/17 £000
Archiving of obsolete systems based on non-supported hardware.	200	20	-	200
Big Data	149	15	-	149
Broadband / Digital Durham	7,703	770	355	7,348
Code of Connection Compliance	20	2	-	20
Corporate Mail Fulfilment	4	-	-	4
Dark Fibre installations and Circuit/Microwave Upgrades	190	19	63	127
Email Upgrade	155	16	-	155
Homeworking	62	6	2	60
Learning Gateway	74	7	-	74
Mobile Device Management	360	36	-	360
Ongoing Server replacement	201	20	-	201
Replacement of Desktop ICT Equipment	1,453	145	227	1,226
SharePoint Architecture	50	5	-	50
Tanfield Datacentre Core Switching Replacement	36	4	-	36
Tanfield Datacentre LAN Switching Replacement	408	41	23	385
Tanfield Power Upgrade	250	25	-	250
Applications and Development	25	3	-	25
Wireless Network Replacement	171	17	9	162
ICT Services Include Design and Print Total	11,511	1,151	679	10,832
RES Electronic Voting Equipment	60	6	-	60
Legal and Democratic Total	60	6	-	60
Migration of HR/Payroll functionality	596	60	85	511
Civica Pension Fund Administration System	50	5	(26)	76
RES - Financing Resources Total	646	65	59	587
Grand Totals	12,217	1,222	738	11,479

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Corporate Issues Overview and Scrutiny Committee

10 October 2016



Assistant Chief Executives – Revenue and Capital Outturn 2015/16

Joint Report of Corporate Director Resources and Assistant Chief Executive

Purpose of the Report

1. To provide details of the outturn budget position for the Assistant Chief Executive's (ACE) service grouping highlighting major variances in comparison with the budget.

Background

2. County Council approved the Revenue and Capital budgets for 2015/16 at its meeting on 25 February 2015. These budgets have subsequently been revised to account for grant additions/reductions, budget transfers between service groupings and budget reprofiling between years. This report covers the financial position for the following major accounts maintained by the ACE service grouping:
 - ACE Revenue Budget - £9.730 million (original £10.163 million)
 - ACE Capital Programme – £3.991 million (original £3.776 million)
3. The original ACE General Fund budget has been revised to incorporate a number of budget adjustments as follows:
 - Energy Reduction -£1,000
 - Car Mileage outside cash limit +£4,000
 - To Transformation Challenge Reserve -£1,205,000
 - Use of AAP Reserve +£514,000
 - Use of Modern Ways of Working Reserve +£46,000
 - Use of Customer Focus Reserve +£2,000
 - Use of Disabled Go Reserve +£8,000
 - To Flood Coordinator Reserve -£88,000
 - Use of Community Reserve +£15,000
 - Budget Transfer Performance +29,000
 - Outside the Cash Limit – NECA Poll +£230,000
 - Outside the Cash Limit – VAT +£13,000
4. The revised General Fund Budget now stands at £9.730 million.

5. The summary financial statements contained in the report cover the financial year 2015/16 and show:-
- The approved annual budget;
 - The actual income and expenditure as recorded in the Council's financial management system;
 - The variance between the annual budget and the outturn;
 - For the ACE revenue budget, adjustments for items outside of the cash limit to take into account such items as redundancies met from the strategic reserve, capital charges not controlled by services and use of / or contributions to earmarked reserves.

Revenue - General Fund Services

6. The Assistant Chief Executive Service is reporting a cash limit spend of **£0.258m** under budget against a revised annual budget of **£9.730 million**. The forecast outturn position at Quarter 3 was for a cash limit spend of £0.222 million under budget, a variance of £36,000 against the previous forecast.
7. The tables below compare the actual expenditure with the budget. The first table is analysed by Subjective Analysis (i.e. type of expense), and the second by Head of Service.

Subjective Analysis

£'000	Annual Budget	Actual Outturn	Variance	Items Outside Cash Limit	Final Variance
Employees	6,638	6,721	83	(132)	(49)
Premises	247	416	169	(159)	10
Transport	48	51	3	0	3
Supplies and Services	1,886	1,504	(382)	369	(13)
Agency and Contracted	0	0	0	0	0
Transfer Payments	2,345	2,441	96	(67)	29
Central Costs	2,239	3,737	1,498	(1,496)	2
GROSS EXPENDITURE	13,403	14,870	1,467	(1,485)	(18)
INCOME	(3,673)	(4,669)	(996)	756	(240)
NET EXPENDITURE	9,730	10,201	471	(729)	(258)

Analysis by Head of Service

£'000	Annual Budget	Actual Outturn	Variance	Items Outside Cash Limit	Final Variance
Partnership and Community Engagement	7,367	8,475	1,108	(1,216)	(108)
Planning and Performance	1,534	1,500	(34)	(3)	(37)
Policy and Communications	1,407	(929)	(2,336)	2,223	(113)
Central	(578)	1,155	1,733	(1,733)	0
NET EXPENDITURE	9,730	10,201	471	(729)	(258)

8. Attached in the table below is a brief commentary of the variances with the revised budget analysed into Head of Service groupings. The table identifies variances in the core budget only and excludes items outside of the cash limit (e.g. central repairs and maintenance) and technical accounting adjustments (e.g. capital charges):

Head of Service	Service Area	Description	(Under) / overbudget £'000s
Partnership and Community Engagement (PACE)	Area Action Partnerships, Community Buildings, PACE	£10,000 managed under budget on employees. £10,000 managed over budget on premises. £7,000 managed over budget on staff travel. £70,000 managed under budget on a range of supplies and services. £45,000 managed under budget on donations and community grants	(108)
Planning and Performance	Planning, Performance, Overview and Scrutiny, County Records	£20,000 managed under budget on employees. £14,000 managed under budget on supplies and services. £3,000 over recovery of income.	(37)
Policy and Communications	Policy, Communications Public relations, CCU and Programme Office	£76,000 managed under budget on employees. £37,000 under budget on a range of supplies and services.	(113)
Central	Central Costs	No material variances.	0
TOTAL			(258)

9. The net underspend of £0.258 million will be carried forward under the “cash limit” regime and will be available to support the ACE service grouping priorities over the medium term. It should also be noted that the outturn position incorporates the MTFP savings required in 2015/16 which amount to £0.278 million.

Members Neighbourhoods Revenue Budget

10. During 2015/16 each elected member received an annual allocation of £20,000; £6,000 revenue and £14,000 capital. The revenue budget allocation for 2015/16 was £0.756 million. Previous years unspent allocations totalling £1.159 million are held in an earmarked reserve. During 2015/16 £0.549 million was spent and £0.079 million transferred to capital resulting in a balance of £0.128 million being transferred to the reserve leaving a closing balance of £1.287million.
11. The Members Initiative Fund element of this budget equates to £252,000 based on £2,000 per elected member. The 2015/16 outturn expenditure amounted to £235,000 with the unspent balance of £17,000 being transferred to the Members Initiative Fund reserve resulting in a closing balance on the reserve of £106,000.

AAP Area Budgets

12. Each of the 14 Area Action Partnerships (AAP) has an annual allocation of £120,000; £96,000 revenue and £24,000 capital. The revenue budget allocation for the current year is £1.344 million. Combined with revenue budgets carried forward from previous years of £2.417 million and £0.349 million of contributions from Welfare Assistance and Wellbeing and Commissioning the total revenue budget available is £4.111 million to develop agreed AAP priorities. Actual spend of £2.022 million was incurred during 2015/16 and £0.091 million was transferred to capital leaving a balance on the reserve of £1.198 million.

Capital Programme

13. The ACE capital programme comprises four main schemes, Assets in the Community, Area Action Partnerships Capital, Members Neighbourhoods Capital and Community Facilities in Crook.
14. The Assistant Chief Executive capital programme was revised at Outturn for budget rephased from 2014/15. This increased the 2015/16 budget to £3.776 million. Further reports to the MOWG in 2015/16 detailed further revisions, for grant additions/reductions, budget transfers and budget reprofiling into later years. The revised budget at the end of the year was **£3.991 million.**
15. Summary financial performance to the end of March 2016 is shown below.

Service	Original Annual Budget 2015/16 £000	Revised Annual Budget 2015/16 £000	Actual Spend to 31 March 2016 £000	Spend % £000
Assets in the Community	1,163	777	384	49
Area Action Partnership	336	409	260	64
Members Neighbourhoods	1,764	2,805	807	29
Community Facilities Crook	513	0	4	N/A
Total	3,776	3,991	1,455	36

16. £1.445 million of capital expenditure has been incurred during 2015/16. This is 36% of the revised capital budget. The remainder of the capital budget will be reprofiled to 2016/17.

Recommendations:

17. The Corporate Issues and Scrutiny Committee is requested to note the contents of this report.

Contact: Azhar Rafiq – Finance Manager

Tel: 03000 263 480

Appendix 1: Implications

Finance

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital outturn position.

Staffing

None.

Risk

None.

Equality and Diversity / Public Sector Equality Duty

None.

Accommodation

None.

Crime and disorder

None.

Human rights

None.

Consultation

None.

Procurement

None.

Disability Issues

None.

Legal Implications

None.

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Corporate Issues Overview and Scrutiny Committee

10 October 2016



Assistant Chief Executives – Quarter 1 June 2016: Forecast of Revenue and Capital Outturn 2016/17

Joint Report of Corporate Director Resources and Assistant Chief Executive

Purpose of the Report

1. To provide details of the forecast outturn budget position for the Assistant Chief Executive's (ACE) service grouping highlighting major variances in comparison with the budget based on the position to the end of June 2016.

Background

2. County Council approved the Revenue and Capital budgets for 2016/17 at its meeting on 24 February 2016. These budgets have subsequently been revised to account for grant additions/reductions, budget transfers between service groupings and budget reprofiling between years. This report covers the financial position for the following major accounts maintained by the ACE service grouping:
 - ACE Revenue Budget - £9.597 million (original £9.447 million)
 - ACE Capital Programme – £5.636 million (original £3.758 million)
3. The original ACE General Fund budget has been revised to incorporate a number of budget adjustments as follows:
 - Budget increase for the pay award +£60,000
 - Budget transfer from HR – inspire people +95,000
 - Transport adjustment -£5,000

The revised General Fund Budget now stands at £9.597 million.

4. The summary financial statements contained in the report cover the financial year 2016/17 and show:-
 - The approved annual budget;
 - The actual income and expenditure as recorded in the Council's financial management system;
 - The variance between the annual budget and the forecast outturn;

- For the ACE revenue budget, adjustments for items outside of the cash limit to take into account such items as redundancies met from the strategic reserve, capital charges not controlled by services and use of / or contributions to earmarked reserves.

Revenue - General Fund Services

5. The service is reporting a cash limit underspend of **£10,000** against a revised budget of **£9.597 million**.
6. The tables below compare the actual expenditure with the budget. The first table is analysed by Subjective Analysis (i.e. type of expense), and the second by Head of Service.

Subjective Analysis

£'000	Annual Budget	YTD Actual	Forecast Outturn	Variance	Items Outside Cash Limit	Cash Limit Variance
Employees	6,908	2,042	6,937	29	(28)	1
Premises	268	30	271	3	(5)	(2)
Transport	50	8	50	0	0	0
Supplies and Services	1,628	308	1,784	156	(76)	80
Agency and Contracted	78	0	78	0	0	0
Transfer Payments	1,196	683	2,112	916	(916)	0
Central Costs	2,485	75	2,485	0	0	0
GROSS EXPENDITURE	12,613	3,146	13,717	1,104	(1,025)	79
INCOME	(3,016)	(373)	(3,105)	(89)	0	(89)
NET EXPENDITURE	9,597	2,773	10,612	1,015	(1,025)	(10)

Analysis by Head of Service

£'000	Annual Budget	YTD Actual	Forecast Outturn	Variance	Items Outside Cash Limit	Cash Limit Variance
Partnership and Community Engagement	6,862	1,752	7,807	945	(937)	8
Planning and Performance	1,495	408	1,555	60	(8)	52
Policy and Communications	2,429	613	2,439	10	(80)	(70)
Central	(1,189)	0	(1,189)	0	0	0
NET EXPENDITURE	9,597	2,773	10,612	1,015	(1,025)	(10)

7. Attached in the table below is a brief commentary of the variances with the revised budget analysed into Head of Service groupings. The table identifies variances in the core budget only and excludes items outside of the cash limit (e.g. central repairs and maintenance) and technical accounting adjustments (e.g. capital charges):

Head of Service	Service Area	Description	(Under) / overbudget £'000s
Partnership and Community Engagement (PACE)	Area Action Partnerships, Community Buildings, PACE	£8,000 managed over budget on employees.	8
Planning and Performance	Planning, Performance, Overview and Scrutiny, County Records	£51,000 managed over budget the majority of which is employee related.	52
Policy and Communications	Policy, Communications Public relations, CCU and Programme Office	£65,000 managed under budget on employees. £5,000 managed under budget across a range of other areas.	(70)
Central	Central Costs	No material variances.	0
TOTAL			(10)

8. In summary, the service grouping is on track to maintain spending within its cash limit. It should also be noted that the estimated outturn position incorporates the MTFP savings required in 2016/17 which amount to £0.832 million.

Members Neighbourhoods Revenue Budget

9. Each elected member receives an annual allocation of £20,000; £6,000 revenue and £14,000 capital. The revenue budget allocation for the current year is £0.756 million. Previous years unspent allocations totalling £1.287 million are held in an earmarked reserve. At present £0.712 million of the total budget allocation of £2.043 million has been either spent or committed.
10. The members Initiative Fund Element of this budget equates to £0.252 million based on £2,000 per elected member. At this stage of the year it is expected that this will be fully expended.

AAP Area Budgets

11. Each of the 14 Area Action Partnerships (AAP) has an annual allocation of £100,000; £76,000 revenue and £24,000 capital. The revenue budget allocation for the current year is £1.064 million develop projects to meet the agreed AAP priorities. Previous years unspent allocations totalling £1.997 million are held in an earmarked reserve. At this stage in the year a total of £1.745 million has either been committed.

Capital Programme

12. The ACE capital programme comprises four main schemes, Assets in the Community, Area Action Partnerships Capital, Members Neighbourhoods Capital and Community Facilities in Crook.
13. The Assistant Chief Executive capital programme was revised at Outturn for budget rephased from 2015/16. This increased the 2016/17 budget to £5.622m. Further reports to the MOWG in 2016/17 detailed further revisions, for grant additions/reductions, budget transfers and budget reprofiling into later years. The revised budget now stands at **£5.636m**.
14. Summary financial performance to the end of September is shown below.

Service	Original Annual Budget 2016/17 £000	Revised Annual Budget 2016/17 £000	Actual Spend to 30 June £000	Remaining Budget £000
Assets in the Community	1,151	1,151	39	1,112
Area Action Partnership	434	505	126	379
Members Neighbourhoods	3,530	3,473	180	3,293
Community Facilities Crook	507	507	0	507
Total	5,622	5,636	345	5,291

15. Officers continue to carefully monitor capital expenditure on a monthly basis. £345,000 of actual expenditure has been incurred to date. This is 6% of the total estimated spend in the year.
16. At year end the actual outturn performance will be compared against the revised budgets and service and project managers will need to account for any budget variance.

Recommendations:

17. The Corporate Issues Overview and Scrutiny Committee is requested to note the contents of this report.

Contact: Azhar Rafiq – Finance Manager

Tel: 03000 263 480

Appendix 1: Implications

Finance

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital projected outturn position.

Staffing

None.

Risk

None.

Equality and Diversity / Public Sector Equality Duty

None.

Accommodation

None.

Crime and disorder

None.

Human rights

None.

Consultation

None.

Procurement

None.

Disability Issues

None.

Legal Implications

None.

