



DEMOCRATIC AND ELECTORAL SERVICES

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Dear Councillor

RESOURCES POLICY ADVISORY GROUP

The next meeting of the Resources Policy Advisory Group will be held as follows:

DATE: THURSDAY, 13TH JUNE, 2013
TIME: 6.00 PM
VENUE: ROOM 6, CAPSWOOD, OXFORD ROAD, DENHAM

Please note that this meeting is not open to the public

Yours faithfully

Jim Burness

Director of Resources

To: The Resources Policy Advisory Group

Mr D Smith
Mr Anthony
Mr Chhokar
Mr Hardy
Mr Harding
Mr Hollis
Mr Jones
Mr Kelly

Declarations of Interest

Any Member attending the meeting is reminded of the requirement to declare if he/she has a personal interest in any item of business, as defined in the Code of Conduct. If that interest is a prejudicial interest as defined in the Code the Member should also withdraw from the meeting.

A G E N D A

(Pages)

1. **Apologies for Absence**
2. **Minutes**
To receive the minutes of a meeting of the Policy Advisory Group held on
 - 21 January 2013
 - 21 March 2013

A. REPORTS LIKELY TO LEAD TO PORTFOLIO HOLDER DECISION / RECOMMENDATION
3. **Regulation of Investigatory Powers Act 2000**
To consider report of the Director of Resources. (5 - 8)
Appendix (9 - 32)
4. **Joint Plant Maintenance Contract**
To consider report of the Director of Services. (33 - 36)
5. **Council Tax Support from 1 April 2014**
To consider report of the Director of Resources. (37 - 38)
6. **Council Tax Discount Changes from 1 April 2014**
To consider report of the Director of Resources. (39 - 44)
B. REPORTS FOR INFORMATION / DISCUSSION
7. **Treasury Management Annual Report 2012/2013**
To consider report of the Director of Resources. (45 - 50)
Appendix A (51 - 54)
Appendix B (55 - 58)
Appendix C (59 - 60)
8. **Dropmore Road Depot Update**
To consider report of the Director of Services. (61 - 64)

9.	2011 Census - South Bucks Summary	
	To consider report of the Chief Executive.	(65 - 66)
	<i>Appendix</i>	(67 - 72)
10.	Any other business	
	To consider any other business the Chairman decides is urgent.	
11.	Exempt Information	
	To note the following items contains exempt information, which is not for Publication to the press or public.	
12.	Minutes	
	To receive the Part II minutes of the Resources Policy Advisory Group held 21 March 2013	(73 - 74)
	<i>A. REPORTS LIKELY TO LEAD TO PORTFOLIO HOLDER DECISION / RECOMMENDATION</i>	
13.	Land at rear of toilets Windsor End	
	To consider report of the Director of Services.	(75 - 78)
	<i>Appendix</i>	(79 - 80)
14.	Bath Road Depot	(81 - 84)
	<i>Appendix</i>	(85 - 86)
15.	Stoke Place Farm	
	To consider report of the Director of Services.	(87 - 90)
	<i>Appendix A</i>	(91 - 92)
	<i>Appendix B</i>	(93 - 94)
16.	Land by East Lodge, Manor House, Stoke Poges	
	To consider report of the Director of Services.	(95 - 98)
	<i>Appendix A</i>	(99 - 100)
	<i>Appendix B</i>	(101 - 102)
17.	The Future of the South Bucks District Council Websites	
	To consider report of the Director of Resources.	(103 - 108)

B. ITEM FOR INFORMATION

18. Dropmore Road Depot Update

To consider report of the Director of Services.

(109 - 110)

The next meeting of the PAG is due to take place on Thursday, 12 September 2013

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RESOURCES POLICY ADVISORY GROUP

Meeting - 21 January 2013

Comments received via email: Mr Smith,(Chairman), Mr Anthony, Mr Hollis, Mr Jones, Mr Kelly and Mr Harding

83. TREASURY MANAGEMENT STRATEGY 2013/14

Members of the PAG considered, via email, a report setting out a Treasury Management Strategy and Annual Investment Strategy for adoption in 2013/2014. The following were attached to the report:

- Treasury Management Strategy Document 2013/12
- Appendix A - Treasury Management Policy Statement
- Appendix B - Annual Investment Strategy 2013/14
- Appendix C - Interest Rate Forecasts
- Appendix D - Economic Background
- Appendix E - Prudential Code and Investment Strategy
- Appendix F - Minimum Reserve Provision

The report, after explaining the various legal requirements under the Local Government Act 2003 and the Local Government Finance Act 1992, reminded the PAG that the investment interest target for 2012/13 had been set at £800,000 which was likely to be under - achieved by £25,000 by the end of the year.

The report went on to set a target for investment returns for 2013/14 of £775k as summarised in a table and discussed in more detail in the Treasury Management Strategy 2013/14. This target was based upon a level of capital balances for 2012/13 of £20m, the latest forecasts for interest rates and the assumption that the Council wished to remain debt free. The Strategy also assumed that the current challenging economic situation would continue through 2013/14.

The report referred to the discussion that had taken place with Sector at the meeting on 13 December 2012 concerning the potential for alternative investment approaches for part of the cash portfolio and the options were set out in detail in paragraph 4.7 of the Treasury Management Strategy 2013/14 as follows:

- Corporate Bonds/Bond Funds
- Property Funds
- Equity Funds
- Investment

The risks associated with these options were also set out in paragraph 4.7 which included a proposed counterparty matrix as set out below for 2013/14 based on an approach suggested by the Audit Commission's report on Icelandic Banks.

	Duration	Maximum Amount	Fitch Rating	Comment
UK Institutions	Up to 5 years	£5m	A- or better	
	Up to 3 years	£5m	BBB- or better	
Non UK Institution	Up to 3 years	£2m	A- or better	Sovereignty rating AA or better
Corporate Bonds/Bond Funds	Up to 5 years	£5m	BBB- or better	

A number of comments were received in connection with the Strategy including

- equities/equity funds should not be excluded from consideration
- not in favour of reducing the minimum counterparty rating to BBB

Following consideration of the comments received from members of the PAG, the Portfolio Holder has agreed to **RECOMMEND** to Cabinet that the Treasury Management Strategy for 2013/14 be submitted to Council for approval to include:

1. investigating the diversification of up to £5 million of the investment portfolio into corporate bonds/bond fund or index linked gilts.
2. amending the draft counterparty matrix within the Treasury Management Policy, so that;
 - a. For UK institutions the minimum credit rating for investments up to three years is BBB+
 - b. For Corporate Bonds/Bond Funds the minimum credit rating for investments is A -
3. approving the Appendices to the Strategy covering:
 - a. Policy Statement & Code
 - b. Prudential Indicators
 - c. Minimum Revenue Provision
4. confirming that the authority will continue to remain debt free.

RESOURCES POLICY ADVISORY GROUP

Meeting - 21 March 2013

Present:

Mr D Smith, Mr Anthony, Mr Harding and Mr Kelly

Apologies for absence: Mr Chhokar, Mr Hollis and Mr Jones

84. MINUTES

The minutes of the meeting of the Policy Advisory Group (PAG) held on 13 December 2012 were received.

In connection with minute 76 - HS2:Request for Access to SBDC Owned Land - the PAG noted that a report would be submitted to Cabinet on the outcome of the judicial reviews.

85. LOCAL COUNCIL TAX SUPPORT - DISCRETIONARY ASSISTANCE

Following the decision of the Council on 22 January 2013 to set up a hardship fund of £30k to provide short term assistance through a Discretionary Scheme for those in need as a result of the changes brought about by the introduction of the localised council tax support scheme, the PAG considered a report attaching as an appendix guidance for making payments from the Scheme.

Following a suggestion, the PAG felt that for the avoidance of doubt the Statement of Objectives in the guidance should emphasise that the Scheme is not intended as a means of providing on-going support.

Following the comments of the PAG, which indicated its support for the guidance, the Portfolio Holder has **AGREED** to **RECOMMEND** to the Cabinet that the discretionary assistance scheme be adopted subject to its operation being monitored during the course of the year

86. BAD WRITE-OFF DEBTS

The PAG received a report seeking authorisation to write off a number of business rates debts over £2,500 in accordance with the Council's Bad Write - Off Policy approved in June 2011.

Having considered the advice of the PAG the Portfolio Holder has **AGREED** to **RECOMMEND** to the Cabinet that the bad debts totalling £352, 085.01 be written - off.

87. INVESTMENT PERFORMANCE - QUARTER ENDING DECEMBER 2012 AND UPDATE OF TREASURY MANAGEMENT STRATEGY

The PAG received a report on the investment returns for the quarter ending 31 December 2012 and on the progress made in respect of corporate bond/corporate bond funds.

The report, after detailing the sources for generating investment income for the year, set out:

- The new martrix for in-house investments approved as part of the Council's Treasury Management Strategy 2012/13;
- A summary of the Council's holdings of fixed deposits at 31 December 2012;
- Investments of short term cash with duration of under one year at the end of the quarter;
- Details of new investments made in the long term (in excess of a year) and short term (less than a year); and
- The valuation of the Stoke Poges Memorial Gardens Fund as at 31 December 2012:

The report concluded by providing an economic background and the latest forecast for interest rates as provided by Sector.

The report also provided an update on the investigations that had been carried out into (1) the possibility of diversify up to £5million of the investment portfolio into Corporate Bonds/Corporate Bond Funds or index linked Gilts and (2) investing in equities/equity funds.

The PAG, after noting the issues associated with investing in equities/equity funds, agreed that investing in corporate bonds did have advantages as set out in the report. The PAG therefore supported the proposal that investment in individual corporate bonds should proceed but not at the present time and only when the market conditions were appropriate.

88. EXEMPT INFORMATION

Members noted that the following items contained exempt information which was not available to the press and public:

Part II minutes of the meeting of the PAG held on 13 December 2012

(Schedule 12A part 1 para 3 - because of information relating to the financial and business affairs of any particular individual)

The PAG noted the minutes.

Grazing Land at Stoke Poges

(Schedule 12A part 1 para 3 - because of information relating to the financial and business affairs of any particular individual)

The Portfolio Holder agreed to recommend to the Cabinet that a marketing exercise be carried out.

Bad Debts Write offs

(Schedule 12A part 1 para 1 - because of information relating to any individual)

The PAG noted the list of bad debts.

Stoke Place Farm, Stoke Road, Stoke Poges

(Schedule 12A part 1 para 3 - because of information relating to the financial and business affairs of any particular individual)

Consideration of report deferred pending further information.

Dropmore Road Depot Redevelopment - Update

(Schedule 12A part 1 para 3 - because of information relating to the financial and business affairs of any particular individual)

The PAG noted the report.

The meeting terminated at 7.28 pm

SUBJECT:	Regulation of Investigatory Powers Act 2013
REPORT OF:	Officer Management Team - Director of Resources Prepared by - Head of Legal and Democratic Services

1. Purpose of Report

- 1.1 This report proposes an updated Policy and Procedures Document for use of covert surveillance techniques following changes in legislation and to harmonise with the arrangements and procedures adopted at Chiltern District Council

2. Links to Council Policy Objectives

- 2.1 This is regulatory requirement and has no specific links to Council policy objectives

3. Background

- 3.1 The Regulation of Investigatory Powers Act 2000 (RIPA) governs how public authorities, including local authorities use covert investigation techniques such as taking up observation posts, covert CCTV, undercover operations and acquiring communications data. RIPA ensures that any evidence obtained using covert methods is admissible in Court and complies with common law, the Police and Criminal Evidence Act 1984 and Human Rights Act 1998.
- 3.2 Local authorities can only be authorised to carry out Directed Surveillance (covert surveillance in public places), use Covert Human Intelligence Sources (informants) and acquire less intrusive types of communications data such as service use and subscriber information. Intrusive surveillance and property interference are reserved for the police and certain other agencies, together with data about where communications are made and received. In all cases the use of covert surveillance must be necessary and the intrusion proportionate to the evidence sought, in order to justify interference with an individuals private life.
- 3.3 The Council has a Corporate Policy Manual on how covert investigation techniques are used to ensure it complies with the stringent requirements of RIPA. This was last updated in 2010 following an inspection by the Office of Surveillance Commissioners (OSC). Revisions were made to reflect RIPA orders and codes of practice restricting local authority use of RIPA to the prevention or detection of crime or prevention of disorder, requiring the designation of a senior responsible officer to oversee compliance with RIPA within the Council and provide for Overview and Scrutiny Committee to receive quarterly reports on use of RIPA and an annual review report. As RIPA powers have not been used since 2010, this position has been included in the annual Freedom of Information Report.
- 3.4 Council Officers are encouraged to use overt surveillance whenever possible and use RIPA as a last resort. The majority of evidence can be obtained overtly and if an officer makes their investigation visible this alone can have the desired effect of compliance. In the last 3 years no authorisations have been sought or authorised.

3.5 The RIPA process is overseen nationally by the OSC who undertake regular inspections of all authorities and examine procedures, forms, record keeping and interview relevant officers. Even though the Council makes little use of RIPA it is still required to have up-to-date procedures in place and for relevant staff to be trained in the process and procedures. An inspection by the OSC is due in August 2013.

4. Discussion

4.1 The legal framework comprises not only RIPA but also a number of statutory instruments and statutory codes of practice which flesh out the requirements of RIPA and what the Government considers to be acceptable and responsible use of covert investigation techniques. Provisions introduced by the Protection of Freedoms Act 2012 and amendments to the RIPA statutory instruments, have made 2 significant changes to how local authorities use RIPA.:-

- All authorisations and notices under RIPA for the use of covert techniques must now be approved by a Justice of the Peace before they can take effect. There is still, however, a requirement for authorisation to be granted internally first. The role of the JP is to ensure that the Council has followed correct procedures and taken appropriate factors into account;
- The use of directed surveillance (e.g. covert CCTV, taking up observation posts, following people etc) is confined to cases where the offence under investigation carries a custodial sentence of 6 months or more and a limited number of other offences relating to underage sale of alcohol and tobacco.

4.2 To reflect these statutory changes and to harmonise with RIPA policy and procedures recently adopted at CDC a new Corporate Policy and Procedure Note on RIPA is attached at Appendix 1 (excluding the forms) for recommendation to Cabinet. The list of Authorised Officers has been updated to reflect the new senior management structure. The Director of Resources was previously designated as Senior Responsible Officer at SBDC and it is proposed that this role should now sit with the Head of Legal and Democratic Services, to mirror the position at CDC. The role of RIPA co-ordinator is currently undertaken by the Corporate Information Officer and no change is proposed to this arrangement.

4.3 The oversight of RIPA authorisations on a quarterly basis by the Overview and Scrutiny Committee and an annual review report is no longer considered necessary in view of the new judicial approval process combined with low usage. It is therefore proposed that the Portfolio Holder is informed of any use of RIPA and that Overview and Scrutiny Committee receive information about any usage as part of the annual Freedom of Information Report. It is also recommended that any amendments/updates required to the Procedures Note as a result of changes to legislation, guidance or authorising officers be delegated to the Head of Legal and Democratic Services in consultation with the Chief Executive and Portfolio Holder.

4.4 Officers last received training on RIPA in 2010 and a refresher on the recent statutory changes as well as the revised Corporate Policy and Procedures Note has been arranged for June. This will be sourced externally but costs can be met from within existing resources.

5. Resources, Risk and Other Implications

There are no specific financial or legal risks associated with the recommendations in this report but reputational and evidential risks could be suffered if the RIPA procedures are not correctly followed.

5. Recommendations

The advice of the PAG is sought on whether the Portfolio Holder should recommend to Cabinet/Council -

- 5.1 **That a revised RIPA policy and procedures note attached as Appendix 1 be approved**
- 5.2 **That the Head of Legal and Democratic Services be designated as the Senior Responsible Officer for the purposes of RIPA**
- 5.3 **That the Head of Legal and Democratic Services be authorised to keep the RIPA procedures up to date and to amend relevant provisions as necessary after consultation with the Cabinet Member for Resources**

Portfolio Holder	Cllr D Smith
Officer Contact:	Joanna Swift joanna.swift@chiltern.gov.uk

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SOUTH BUCKS DISTRICT COUNCIL
CORPORATE POLICY & PROCEDURES NOTE

THE REGULATION OF INVESTIGATORY
POWERS ACT 2000

**(incorporating updates from the Regulation of Investigatory Powers Orders 2010 and the
Protection of Freedoms Act 2012)**

Document Control:
Adopted for Use June 2013

Version and Date: 1. June 2013

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Appendix 1 - List of Authorised Officer Posts

Appendix 2 - RIPA Flow Chart

Appendix 3 - RIPA A Forms: Directed Surveillance

Appendix 4 - RIPA B Forms: Covert Human Intelligence Source (CHIS)

A. Introduction, Key Roles and Messages
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1. This Corporate Policy & Procedures Note is based upon the requirements of The Regulation of Investigatory Powers Act 2000 ('RIPA'), the Home Office's Codes of Practice on Covert Surveillance and Covert Human Intelligence Sources and the Regulation of Investigatory Powers (Communications Data) and (Directed Surveillance and Covert Human Intelligence Sources) Orders 2010. The Council takes responsibility for ensuring that the RIPA procedures set out herein are applied in practice.
2. The authoritative position on RIPA is the Act itself. Any Officer who is unsure about any aspect of this Procedures Note should seek advice from the Head of Legal and Democratic Services who will also organise appropriate training from time to time. Copies of this Procedures Note and related Forms, together with the Codes of Practice will be placed on the Council's intranet. The Act itself, Explanatory Notes to the Act, relevant statutory instruments and the Codes of Practice are also available on the Home Office web-site (www.gov.uk/government/organisations/home-office/series/ripa-codes)
3. This Document has been approved by Cabinet as it sets the Council's policy on the use of RIPA powers. Overview and Scrutiny Committee will carry out a high level annual review of any authorisations granted or renewed. Members will not, however, be involved in making decisions on specific authorisations.
4. For the purposes of RIPA, the Council's Head of Legal and Democratic Services, Joanna Swift, has been appointed the Council's Senior Responsible Officer (SRO) and the Corporate Information Officer is the RIPA Co-ordinator and will be responsible to the SRO.
5. The SRO is responsible for ensuring that the RIPA process operates properly within the Council and with the support of the RIPA Co-ordinator will:
 - ensure all Authorised Officers are of appropriate seniority and standard
 - address any concerns about the standards of authorising officers
 - ensure the integrity of the process in place for the management of CHIS, directed surveillance authorisations and the acquisition of communications data
 - ensure compliance with RIPA and the Codes
 - have oversight of the reporting of errors to the OSC (and IOCC)
 - engage with the OSC (and IOCC) when they conduct their inspections
 - where necessary have oversight of the implementation of post-inspection action plans approved by the OSC (or IOCC)
6. The RIPA Co-ordinator will have day to day responsibility for RIPA management including the following:
 - Maintaining the Central Record of Authorisations together with collating submitted RIPA documentation;
 - Oversight of the submitted documents and the RIPA process;
 - Organising a training programme and ensuring that relevant officers are fully RIPA trained;
 - Raising RIPA awareness within the Council, and

- Liaising with the administration team at the magistrates' court to arrange a hearing and provide the necessary supporting documents and judicial application to obtain approval from a JP.
7. On 1 November 2012, the following 2 significant changes were made to RIPA:-
- All authorisations now have to **approved by a Justice of the Peace** (either a District Judge or lay magistrate). There is still a requirement, however, for authorisations to be granted internally first and therefore, as far as the Council is concerned, the linchpin role of the Authorised Officer remains undiminished. The role of the JP is to ensure that the correct procedures have been followed and the appropriate factors have been taken into account. This also means that authorisations granted or renewed by Authorised Officers can only be given effect once an order approving the authorisation has been granted by a JP. Once an Authorised Officer has granted or renewed an authorisation, s/he should instruct the applicant to contact the RIPA Co-ordinator so that arrangements can be made to seek judicial approval.
 - The use of **directed** surveillance (i.e. covert CCTV, taking up observation posts, following people etc.) by local authorities is confined to cases where **the offence under investigation carries a custodial sentence of 6 months or more and a limited number of other offences relating to underage sales of alcohol and tobacco.**
8. It is the responsibility of Authorised Officers, to ensure the RIPA Co-ordinator receives **original** RIPA Forms within 1 week of authorisation, review, renewal cancellation or rejection.
9. RIPA and this Procedures Note are important for the effective and efficient operation of the Council's actions with regard to covert surveillance and Covert Human Intelligence Sources. This Procedures Note will, therefore, be kept under regular review by the RIPA Co-ordinator and the SRO. Authorising Officers are asked to bring any suggestions for continuous improvement of this Note to the attention of the RIPA Co-ordinator at the earliest possible opportunity.
10. In terms of monitoring e-mails and internet usage, regard should also be had to the Council's IT Protocol (available on the intranet) and the requirements of the Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000, the Data Protection Act 1998 and The Employment Practices Data Protection Code issued by the Information Commissioner. RIPA forms should be used where **relevant** and they will be only **relevant** where the **criteria** listed on the Forms are fully met.
11. If you are in any doubt on RIPA, this Procedures Note or the related legislative provisions, please consult the Head of Legal and Democratic Services.

B. Council Policy Statement

1. The Council takes its statutory responsibilities seriously its statutory responsibilities and will, at all times, act in accordance with the law and take necessary and proportionate action in authorising, extending and renewing authorisations for these types of matters. In that regard, the SRO is duly authorised by Cabinet to keep this Policy up to date and to amend, delete, add or substitute relevant provisions, as necessary after consultation with the Chief Executive and Cabinet Member for Resources.
2. The Council's Policy on Covert Surveillance reviewed and amended in September 2007 and April 2010. The last inspection by the Office of the Surveillance Commissioner (OSC) was in August 2010 and this Procedures Note incorporates comments made in the OSC's reports following that inspection and the changes introduced by the Protections of Freedoms Act in 2012.

C. Effective Date of Operation and Authorised Officer Responsibilities

1. The amended Corporate Policy, Procedures and the Forms provided in this Procedures Note will become operative with effect from **[to be inserted]** 2013. The existing policy and procedures continue to apply up until that date.
2. It will be the responsibility of Authorised Officers and the RIPA Co-ordinator to ensure that relevant members of staff receive appropriate training as 'Applicants' so as to promote understanding of the circumstances in which an authorisation, review, renewal or cancellation is required and to promote good practice and accuracy in the completion of the relevant forms.
3. Authorised Officers shall also ensure that staff who report to them follow this Policy & Procedures Note and do not undertake or carry out any form of directed surveillance, propose the use of a CHIS or seek to acquire communications data without first obtaining the relevant authorisations in compliance with this Procedures Note.
4. Authorised Officers must also pay particular attention to any health and safety issues that may arise from any proposed surveillance activity. Under no circumstances, should Authorised Officers approve any RIPA Form unless, and until they are satisfied that the health and safety of Council employees/agents are suitably addressed and/or risks minimised, so far as is possible, and proportionate to/with the surveillance being proposed. If an Authorised Officer is in any doubt, s/he should obtain prior guidance from the Council's Health & Safety Advisor.
5. Authorised Officers must also ensure that, when sending original Forms to the RIPA Co-ordinator (or any other relevant person), they are sent in a **sealed** envelope and marked '**Strictly Private & Confidential**'.

D. General Information on RIPA

1. The Human Rights Act 1998 (which brought much of the European Convention on Human Rights and Fundamental Freedoms 1950 into UK domestic law) requires the Council, and organisations working on its behalf, pursuant to Article 8 of the European Convention, to respect the private and family life of citizens, their home and correspondence.
2. The European Convention did not make this an absolute right, but a qualified right. Accordingly, in certain circumstances, the Council may interfere with the citizen's right mentioned above, if such interference is:
 - (a) **in accordance with the law;**
 - (a) **necessary** (as defined in this Procedures Note) **for preventing or detecting crime or of preventing disorder (which in the case of directed surveillance must also satisfy the 'serious crime' test (see below for a definition); and**
 - (b) **proportionate** (as defined in this Procedures Note).
3. RIPA provides a statutory mechanism (i.e. in accordance with the law) for authorising **directed surveillance, intrusive surveillance** and the use of a '**covert human intelligence source**' ('CHIS') It seeks to ensure that any interference with an individual's right under Article 8 of the European Convention is both necessary and proportionate. In doing so, RIPA seeks to ensure both the public interest and the human rights of individuals are suitably balanced.
4. The Council cannot under any circumstances engage in intrusive surveillance and, by definition, directed surveillance is surveillance that is covert but not intrusive. Generally speaking a CHIS means an under cover agent. These definitions are explained in more detail in Section E below.
5. Directly employed Council staff and external agencies working for the Council are covered by the Act for the time they are working for the Council. All external agencies must, therefore, comply with RIPA and the work carried out by agencies on the Council's behalf must be properly authorised by one of the Council's Authorised Officers. Authorised Officers are those who appear in **Appendix 1** to this Procedures Note.
6. If the correct procedures are not followed, evidence may be disallowed by the courts, a complaint of maladministration could be made to the Local Government Ombudsman, and/or the Council could be ordered to pay compensation. Such action would not promote the good reputation of the Council and will, undoubtedly, be the subject of adverse media interest. It is therefore essential that all involved with RIPA comply with this Procedures Notes and any further guidance that may be issued, from time to time, by the RIPA co-ordinator or SRO.
7. A flowchart of the procedures to be followed is set out at **Appendix 2**.

E. What RIPA Does and Does Not Do
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1. **RIPA does:**

- require prior authorisation of directed surveillance.
- prohibit the Council from carrying out intrusive surveillance.
- require authorisation of the conduct and use of a CHIS.
- require safeguards for the conduct and use of a CHIS.
- require prior authorisation for acquisition of communications data

2. **RIPA does not:**

- make unlawful, conduct which is otherwise lawful.
- prejudice or dis-apply any existing powers available to the Council to obtain information by any means not involving conduct that may be authorised under RIPA. For example, it does not affect the Council's current powers to obtain information via the DVLA or to get information from the Land Registry as to the ownership of a property.

If the Authorised Officer or any Applicant is in any doubt, s/he should seek advice from the Head of Legal and Democratic Services BEFORE any directed surveillance and/or CHIS or the acquisition of communications data is authorised, renewed, cancelled or rejected.

F. Types of Surveillance

1. **'Surveillance' includes**

- monitoring, observing, listening to persons, their movements, their conversations or their other activities or communications;
- recording anything mentioned above in the course of authorised surveillance; and
- surveillance, by or with, the assistance of appropriate surveillance device(s).

Surveillance can be overt or covert.

Overt Surveillance

2. Most of the surveillance carried out by the Council will be done overtly - there will be nothing secretive, clandestine or hidden about it (e.g a pre-arranged or pre-notified site inspection. In many cases, officers will be behaving in the same way as a normal member of the public (e.g. in the case of making a test purchases), and/or will be going

about Council business openly (e.g. an environmental health officer visiting food premises). Similarly, surveillance will be overt if the subject has been informed it will happen e.g. where a person alleged to be causing a noise nuisance is warned (preferable in writing) that noise will be recorded if the noise continues, or where a licence is issued subject to conditions and the licensee is informed that Officers may visit without notice or identifying themselves to the owner/proprietor to check that conditions are being met

Covert Surveillance

3. Covert Surveillance is carried out in a manner calculated to ensure that the person subject to the surveillance is unaware of it taking place. (Section 26(9)(a) of RIPA).
4. RIPA regulates two types of covert surveillance, (Directed Surveillance and Intrusive Surveillance); and the conduct and use of Covert Human Intelligence Sources (CHIS).

Directed Surveillance

5. Directed Surveillance is surveillance which:
 - is covert; and
 - is **not intrusive surveillance** (see below - the Council must not carry out any intrusive surveillance);
 - is pre-planned i.e. 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 to be sought (e.g. spotting something suspicious and continuing to observe it);
 - is conducted for the purposes of a specific investigation or operation (which has been interpreted by the Investigatory Powers Tribunal to mean the Council's statutory enforcement functions as opposed to an investigation concerning employee misconduct or a breach of contract by a contractor); and
 - is likely to result in the obtaining of private information about an individual (whether or not that person is specifically targeted for the purposes of the investigation). (*Section 26(10) of RIPA*).
6. Covert surveillance of **premises used for the purpose of legal consultations**, such as the place of business of any professional legal adviser, are now treated as **intrusive** rather than directed surveillance and is therefore prohibited.
7. Private information in relation to a person includes any information relating to his private and family life, his home and his correspondence. The fact that covert surveillance occurs in a public place or on business premises does *not* mean that it cannot result in the obtaining of private information about a person. A person can have an expectation of privacy even in a public place such as a street or on a bus or the virtual world of social networking sites. Prolonged surveillance targeted on a single person will undoubtedly result in the obtaining of private information about him/her and others that s/he comes into contact, or associates, with. What matters therefore is not just the location, or whether the individual has failed to take steps to keep the

information private, but the intention or objective of the investigator, how the information is obtained and recorded, the nature and amount of the information obtained and what use is made of it.

8. Similarly, although overt town centre CCTV cameras do not normally require authorisation, if the camera is tasked for a specific purpose which involves prolonged surveillance on a particular person, authorisation will be required. The way a person runs his/her business may also reveal information about his or her private life and the private lives of others.
9. For the avoidance of doubt, only those Officers designated to be 'Authorised Officers' for the purpose of RIPA can authorise 'Directed Surveillance' if, and only if, the RIPA authorisation procedures detailed in this Procedures Note are followed.

Intrusive Surveillance

10. This is when surveillance:
 - is covert;
 - relates to residential premises and/or private vehicles; and
 - involves the presence of a person in the premises or in the vehicle or is carried out by a surveillance device in the premises/vehicle. Surveillance equipment mounted outside the premises or vehicle will not be intrusive, unless the device consistently provides information of the same quality and detail as might be expected if it were in the premises/vehicle.
11. Covert surveillance of premises used for the purpose of legal consultations, such as the place of business of any professional legal adviser, are now also treated as intrusive surveillance.

Note **This form of surveillance can be carried out only by police and other law enforcement agencies. Council Officers must not carry out intrusive surveillance.**

12. **Examples of different types of Surveillance**

Type of Surveillance	Examples
<u>Overt</u>	<ul style="list-style-type: none"> - Police Officer or Parking Attendant on patrol - Signposted Town Centre CCTV (in normal use) - Recording noise emanating from a premises after the occupier has been warned that this will occur if the noise persists. <p>Measuring levels of noise audible in the complainant's premises is not covert surveillance because the noise has</p>

	<p>been inflicted by the perpetrator who has probably forfeited any claim to privacy. Using equipment calibrated to discern speech or other noisy activity not discernible by the unaided ear is covert, likely to obtain private information and may be intrusive surveillance. The Authorised Officer should consider whether the surveillance equipment is capable of measuring volume only or whether it can identify the perpetrators, mindful that the more sensitive the equipment the greater the potential for intrusive surveillance. Where possible, the intention to monitor noise should be notified to the occupier of the premises being monitored. Where notice is not possible or has not been effective, covert monitoring may be considered necessary and proportionate.</p> <p>If monitoring equipment is used as a means also to assess whether a complaint is vexatious, any consent provided by the complainant to use monitoring equipment on his premises is vitiated if the full capability of the equipment is not explained. This means that monitoring equipment with the facility to pre-record and post-record sound in the complainant's premises should either have that facility disabled or the complainant warned of its operation.</p> <ul style="list-style-type: none"> - Most single transaction test purchases where the officer or volunteer behaves no differently from a normal member of the public (e.g. walking into a shop and purchasing a product over the counter). <p>If, the test purchaser is required to establish or maintain a relationship in a way that encourages familiarity the test purchaser is likely to be a CHIS.</p> <p>If, covert recording equipment is used, or the test purchase is being observed, it will be desirable to obtain an authorisation for directed surveillance.</p> <p>A combined authorisation can be given for a <u>CHIS</u> and also <u>directed surveillance</u>.</p> <p>If a covert test purchase operation is being done at more than one premises and it is felt that an authorisation is required, it is not necessary to construct an authorisation for each premises. Multiple premises may be combined within a single authorisation provided that each is identified at the outset. Each premises must be assessed in terms of necessity, proportionality and collateral intrusion and addressed specifically in the authorisation forms.</p> <ul style="list-style-type: none"> - Environmental Health Officer carrying out a food inspection
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	<ul style="list-style-type: none"> - Conducting a pre-arranged or pre-notified site inspection - Interviewing a benefit claimant at their home - Entering land without prior arrangement or notification to ascertain whether a breach of planning control is occurring or has occurred or whether any condition attached to a planning permission is or has been complied with - Entering land including premises in residential occupation without prior warning or notification to execute a warrant obtained from a Court.
<u>Directed</u> must be RIPA authorised	<ul style="list-style-type: none"> - Officers follow an individual or individuals over a period, to establish whether s/he is working when claiming benefit. - Where an officer has a <u>hidden</u> camera or other recording device to record information which might show that someone is committing an offence. - Mobile CCTV camera targeted on a fly-tipping hot spot to aid identification of offenders
<u>Intrusive</u> – <u>The Council cannot do this!</u>	<ul style="list-style-type: none"> - Planting a listening or other device (bug) in a person's home or in their private vehicle.

G. Conduct and Use of a Covert Human Intelligence Source (CHIS)

Who is a CHIS?

1. Someone who establishes or maintains a personal or other relationship for the covert purpose of using the relationship to obtain information.
2. RIPA does not apply in circumstances where members of the public volunteer information to the Council as part of their normal civic duties, or to contact numbers set up to receive information if it does not involve establishing or maintaining a relationship for the covert purpose of obtaining and disclosing information.

What must be authorised?

3. The conduct or use of a CHIS requires prior authorisation.

- **Conduct** of a CHIS means establishing or maintaining a personal or other relationship with a person for the covert purpose of (or is incidental to) obtaining and passing on information.
 - **Use** of a CHIS means actions inducing, asking, assisting or tasking a person to act as a CHIS and the decision to use a CHIS in the first place.
4. **The Council considers that the circumstances in which it would be necessary to use a CHIS in support of its statutory duties and powers are likely to be extremely limited in practice. However, in the event that the use of a CHIS is considered to be necessary and proportionate, prior authorisation must be obtained from the Head of Legal and Democratic Services in accordance with this Procedures Note, having regard to the guidance in the Home Office Code of Practice on CHIS. CHIS's can use CHIS's if, and only if, RIPA procedures, detailed in this Document are followed.**

Special Cases

5. **Juveniles** - Special safeguards apply to the use or conduct of juvenile (i.e. persons under 18 years old) sources. On no occasion can a child under 16 years of age be authorised to give information against his or her parents or any person who has parental responsibility for him/her. Only the Chief Executive or, in his absence, the person acting as the Head of Paid Service is duly authorised by the Council to use juvenile sources, as there are other onerous requirements for such matters. An authorisation for a juvenile CHIS lasts for one month.
6. **Vulnerable Individuals** – This is a persons who is or may be in need of community care services by reason of mental or other disability, age or illness and who is or may be unable to take care of himself or herself, or unable to protect himself or herself against significant harm or exploitation. A vulnerable individual will only be authorised to act as a source in the most exceptional of circumstances. Only the Chief Executive or, in his absence, the person acting as the Head of Paid Service is duly authorised by the Council to use vulnerable individuals, as there are other onerous requirements for such matters.

Test Purchases and CHIS

7. Carrying out a test purchase will not normally require the purchaser to establish a relationship with the supplier with the covert purpose of obtaining information and, therefore, the purchaser will not be a CHIS. By contract, developing a relationship with a person in a shop to obtain information about the seller or the seller's suppliers will require authorisation as a CHIS. Using mobile hidden recording devices or CCTV cameras to record what is going on in the shop will require authorisation as directed surveillance. If necessary a combined authorisation can be given for a CHIS and also directed surveillance.

Recording anti-social behaviour activities

8. Persons who complain about anti-social behaviour, and are asked to keep a diary, will not normally be a CHIS, as they are not required to establish or maintain a relationship for a covert purpose.

Note - Recording the level of noise (e.g. the decibel level) will not normally capture private information and ,therefore, does not require authorisation. However, recording sound (e.g. with a DAT recorder) on private premises could constitute intrusive surveillance unless it is done overtly. Consequently, it will only be possible to record sound if the subject is warned that this will occur if for example the noise complained of continues.

H. Authorisation Procedures

1. Directed surveillance and the use of a CHIS can only be lawfully carried out if properly authorised, and in strict accordance with the terms of the authorisation. Appendix 2 provides a flow chart of process from application consideration to recording of information.
2. All authorisations now have to **approved by a Justice of the Peace** (a District Judge or lay magistrate). There is still a requirement, however, for authorisations to be granted internally first and therefore as far as the Council is concerned the linchpin role of the Authorised Officer remains undiminished. The role of the JP is to ensure that the correct procedures have been followed and the appropriate factors have been taken account of. This also means that authorisations granted or renewed by Authorised Officers can only be given effect once an order approving the authorisation has been granted by a JP.
3. Once an Authorised Officer has granted or renewed an authorisation, s/he should instruct the Applicant to contact the RIPA Co-Ordinator so that arrangements can be made for seeking judicial approval. The procedure is similar to warrant applications but is subject to its own rules. It is the Applicant and not the Authorised Officer who has to apply for approval.

Authorised Officers

4. Forms can only be signed by Authorised Officers. Authorised posts are listed in **Appendix 1**
5. Authorisations under RIPA are separate from delegated authority to act under the Council's Scheme of Officer Delegations. RIPA authorisations are for specific investigations only, and must be renewed or cancelled once the specific surveillance is complete or about to expire.

Application Forms

6. Only the approved RIPA forms set out in this Document must be used.
7. **'A Forms' (Directed Surveillance) - See Appendix 3**

Form A 1	Application for Authority for Directed Surveillance
Form A 2	Renewal of Directed Surveillance Authority
Form A 3	Review of Directed Surveillance Authority
Form A 4	Cancellation of Directed Surveillance

8. **'B Forms' (CHIS) - See Appendix 4**

Form B 1	Application for Authority for Conduct and Use of a CHIS
Form B 2	Renewal of Conduct and Use of a CHIS
Form B 3	Review of Conduct and Use of a CHIS
Form B 4	Cancellation of Conduct and Use of a CHIS

Note - Any boxes not needed on the Form (s) must be clearly marked as being ‘NOT APPLICABLE’, N/A or a line put through the same. Great care must also be taken to ensure accurate information is used and is inserted in the correct boxes. Reasons for any refusal must also be recorded on the form and the form retained for future audits

Grounds for Authorisation

9. Directed Surveillance (A Forms) or the Conduct and Use of a CHIS (B Forms) can be authorised only for the **prevention or detection of crime**.
10. The use of **directed** surveillance by local authorities is further confined to cases where the offence under investigation carries a **custodial sentence of six months or more and a limited number of other offences relating to underage sales of alcohol and tobacco** (i.e. would constitute an offence under sections 146, 147 or 147A of the Licensing Act 2003 or section 7 of the Children and Young Persons Act 1933). This is referred to in this Procedures Note as the **‘serious crime test’**.

Assessing the Application Form

11. Before Authorised Officers sign a Form, **they must**:
 - (a) Have regard to this Procedures Note, the training provided on RIPA and any other guidance issued, from time to time, by the SRO or RIPA Co-Ordinator on such matters;
 - (b) Be satisfied that the RIPA authorisation is:
 - (i) **in accordance with the law**;
 - (ii) **necessary** which requires a consideration of the reasons why covert surveillance is considered necessary to the operations, for the purpose of preventing or detecting crime or preventing disorder. The conduct identified which is aimed to be prevented or detected must be identified and clearly described. In respect of directed surveillance, the **‘serious crime test’** must also be satisfied; and
 - (iii) **proportionate** which requires a consideration of whether the proposed use of covert surveillance (a) is proportional to the mischief being investigated and (b) is proportional to the degree of intrusion likely on the target and others, and (c) is the only means of obtaining the evidence, other overt means having been considered and discounted.

Proportionality is a key concept in a RIPA context requires balancing the intrusiveness of the surveillance activity on the target and others who might be

affected by it against the need for the activity in operational terms. You need to consider the following: whether the need for the surveillance is sufficiently important; whether the surveillance activity is excessive / over-broad in the circumstances and whether the effect of the surveillance on the target and others who might be affected by it is too severe.

If surveillance is very intrusive then it must be very important in operational term. If the need for the surveillance is not sufficiently important it will not be proportionate. If the surveillance activity is excessive or if its effect is too severe, the surveillance again will not be proportionate.

If the objectives of the surveillance can be achieved by using a less intrusive alternative, not only will the surveillance be disproportionate but also unnecessary

- Make clear that the following elements of proportionality have been fully considered:
 - Balancing the size and scope of the operation against the gravity and extent of the perceived mischief.
 - Explaining how and why the methods to be adopted will cause the least possible intrusion on the target and others.
 - That the activity is an appropriate use of the legislation and the only reasonable way, having considered all others, of obtaining the necessary result.
 - Evidence of other methods considered and why they were not implemented.
- (c) Take into account the risk of intrusion into the privacy of persons other than the specified subject of the surveillance (**Collateral Intrusion**). Measures must be taken wherever practicable to avoid or minimise (so far as is possible) collateral intrusion and the matter may be an aspect of determining proportionality;
- (d) Set a date for review of the authorisation and ensure the review takes place on that date. It is particularly important to review authorisations frequently where surveillance provides access to ‘**confidential information**’ (see below) or involves collateral intrusion;
- (e) Allocate an Operation Reference Number (ORN) for the application as follows:-.

Year / Department / Number of Application

Example of ORN

2013/CS/01 – is the first RIPA operation authorised in Customer Services in 2013

- (f) Ensure that any RIPA Departmental Register is duly completed, and that **original** RIPA Forms (and any review/cancellation of the application) are forwarded to the RIPA Co-ordinator, **within 1 week of the relevant authorisation, review, renewal, cancellation or rejection.**

12. The Authorised Officer must state explicitly what is being authorised and hand-written signatures are required.

Additional Safeguards for ‘confidential information’

13. The Codes of Practice provide additional safeguards for ‘confidential information’. Confidential information consists of matters subject to **legal privilege**; **confidential personal information** (for example, the Codes refer to discussions between a minister of religion and an individual relating to the latter’s spiritual welfare, matters of medical confidentiality and other information held in confidence concerning an individual and relating to his/her physical or mental health); **confidential constituent information** (e.g. communications between a Member of Parliament and another person on constituency matters) or **confidential journalistic material**. Further details about these categories of confidential information are set out in the Codes themselves.
14. Special care should be taken if there is a likelihood of acquiring any confidential information. Such authorisations should only be granted in exceptional and compelling circumstances with full regard to the proportionality issues such surveillance raises.
15. In accordance with the provisions of the Code, in cases where through the use of the surveillance it is likely that knowledge of confidential information will be obtained, the use of surveillance must be authorised by the **Chief Executive or, in his absence, the person acting as the Head of Paid Service**.
16. If, exceptionally, any Council investigation is likely to result in the acquisition of confidential material, officers are required to obtain the approval of the SRO or the RIPA Co-Ordinator before applying for an authorisation.
17. If confidential material is acquired during the course of an investigation, the following general principles apply:
- confidential material should not be retained or copied unless it is necessary for a lawful purpose;
 - confidential material should be disseminated only where an officer (having sought advice from the Head of Legal and Democratic Services) is satisfied that it is necessary for a lawful purpose;
 - the retention or dissemination of such information should be accompanied by a clear warning of its confidential nature. It should be safeguarded by taking reasonable steps to ensure that there is no possibility of it becoming available, or its content being known, to any person whose possession of it might prejudice any criminal or civil proceedings related to the information; and
 - confidential material should be destroyed as soon as it is no longer necessary to retain it for a specified purpose.

Additional Safeguards when Authorising a CHIS

18. When authorising the conduct or use of a CHIS, the Authorised Officer **must also**:
- (a) be satisfied that the **conduct** and/or **use** of the CHIS is proportionate to what is sought to be achieved;

- (b) be satisfied that **appropriate arrangements** are in place for the management and oversight of the CHIS and this must address health and safety and welfare and security issues through a risk assessment (see Chapter 6 of the CHIS Code of Practice which provides practical and valuable guidance);
- (c) Members have no need to know the identity of a CHIS nor have access to the product of the use of a CHIS nor know the detail of conduct authorisations. Reports can be provided, redacted, if necessary.
- (d) consider the likely degree of intrusion of all those potentially affected;
- (e) consider any adverse impact on community confidence that may result from the use or conduct or the information obtained; and
- (f) ensure **records** contain the particulars set out in *The Regulation of Investigatory Powers (Source Records) Regulations 2000 (SI No. 2725)* and are not available except on a need to know basis.

Urgent Authorisations

- 19. Urgent authorisations should not be necessary. In exceptional circumstances, however, urgent authorisations may be given orally, if the time that would elapse before a written authorisation can be granted would be likely to endanger life or jeopardise the investigation or operation for which the authorisation was being given. That said, as an authorisation **cannot** take effect until it has been approved by a magistrate, in practice, it is difficult to see how reliance on an oral authorisation could be justified.
- 20. It will not be urgent where the need for authorisation has been neglected or is of the Officer's own making.
- 21. Urgent authorisations last for no more than 72 hours. They must be recorded in writing on the standard form as soon as practicable and the extra boxes on the form completed to explain why the authorisation was urgent.

Duration

- 22. The Form **must be reviewed in the time stated and cancelled** once it is no longer needed. The authorisation to carry out/conduct the surveillance lasts for a maximum of 3 months for Directed Surveillance, and 12 months for a CHIS other than a juvenile CHIS which lasts for 1 month only. In each case the time limit starts from the date of the grant of the JP's approval. Every authorisation must be for the maximum period. Thus a directed surveillance authorisation granted at 14:10 hours on 9 June will expire on 8 September at 23:59 hours. The fact that the operation to which authorisation relates is only expected to last for a short time, e.g. two weeks, cannot affect the authorisation period. However, whether the surveillance is carried out/conducted or not, in the relevant period, does not mean the authorisation is spent. In other words, **the Forms do not expire!** The forms have to be reviewed and/or cancelled (once they are no longer required).

23. RIPA explicitly requires the Authorised Officer who granted or last renewed the authorisation to cancel it. It is a statutory requirement that authorisations are cancelled as soon as they are no longer required. Where the Authorised Officer is no longer available, this duty will fall on the person who has taken over the role of Authorised Officer or the person who is acting as Authorised Officer (*see the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Source) Order 2010*).
24. Urgent oral authorisation, if not already ratified in a written authorisation, will cease to have effect after 72 hours, beginning with the time when the authorisation was granted.
25. If at any time before an authorisation would cease to have effect, the Authorised Officer considers it necessary for the authorisation to continue for the purpose for which it was given, he may renew it in writing **for a further period of three months** using the appropriate **Renewal Form** set out in this document. But it will not take effect until it has been approved by a JP.
26. The same conditions attach to a renewal of surveillance as to the original authorisation. However, before renewing an authorisation for the use or conduct of a CHIS, officers are required to carry out a review of the use made of that source, the tasks given to that source and the information so obtained and consider any risk to the CHIS in continuing the surveillance.
27. When deciding whether to renew, the Authorised Officer must consider the matter afresh, including taking into account the benefits of the surveillance to date, and any collateral intrusion that has occurred.
28. Renewals can only be granted before the expiry of the existing authorisation and take effect from the time of that expiry. In exceptional circumstances, renewals may be granted orally in urgent cases and last for a period of 72 hours.

I. Working With / Through Other Agencies

1. When some other agency has been instructed on behalf of the Council to undertake any action under RIPA, this Procedures Notes and the Forms in it must be used (as per normal procedure) and the agency advised or kept informed, as necessary, of the various requirements. They must be made aware explicitly what they are authorised to do.
2. When another agency (e.g. Police, Customs & Excise, Inland Revenue etc):
 - (a) wish to use the Council's resources (e.g. CCTV surveillance systems), that agency must use its own RIPA procedures and, before an Officer agrees to allow the Council's resources to be used for the other agency's purposes, he/she must obtain written confirmation that the use is authorised under RIPA. The written confirmation, a copy of which must be passed to the RIPA Co-ordinator for the Central Register, should include the name and address of the agency; the purpose of the surveillance (e.g. crime prevention/detection); a brief description of the surveillance activity to be undertaken and the date and time the RIPA authorisation commences and expires;

(b) wish to use the Council's premises for their own RIPA action, the Officer should, normally, co-operate with the agency, unless there are security or other good operational or managerial reasons as to why the Council's premises should not be used for the agency's activities. Suitable insurance or other appropriate indemnities may be sought, if necessary, from the other agency for the Council's co-operation in the agent's RIPA operation. In such cases, however, the Council's own RIPA forms should not be used as the Council is only assisting not being involved in the RIPA activity of the external agency.

3. If in doubt, please consult with the Head of Legal and Democratic Services at the earliest opportunity.

J. Records Management

1. The Council must keep a detailed record of all authorisations, reviews, renewals, cancellations and rejections in Departments and a Central Register of all Forms will be maintained and monitored by the RIPA Co-ordinator.

Records maintained in the Department

2. The following documents must be retained by those Officers applying for authorisation:-
 - a copy of the Forms together with any supplementary documentation and notification of the approval given by the Authorised Officer;
 - a record of the period over which the surveillance has taken place;
 - the frequency of reviews prescribed by the Authorised Officer;
 - a record of the result of each review of the authorisation;
 - a copy of any renewal of an authorisation, together with the supporting documentation submitted when the renewal was requested;
 - the date and time when any instruction was given by the Authorised Officer;
 - the Operation Reference Number for the authorisation (ORN).
3. Where the above documents and the product of surveillance could be relevant to pending or future criminal or civil proceedings, it should be retained in accordance with established disclosure requirements for a suitable period of time. Particular attention is drawn to the requirements of the code of practice issued under the Criminal Procedure and Investigations Act 1996. This requires that material which is obtained in the course of a criminal investigation and which may be relevant to the investigation must be recorded and retained.
4. Departments must also ensure that arrangements are in place for the handling, storage and destruction of material obtained through the use of covert surveillance. Authorised Officers must ensure compliance with the appropriate data protection requirements relating to the handling and storage of material.

Central Register maintained by the RIPA Co-ordinator

5. Authorised Officers must forward a copy of each Form to the RIPA Co-ordinator for the Central Register, within 1 week of the authorisation. review, renewal, cancellation or rejection. The Head of Legal and Democratic Services will monitor the forms and give appropriate guidance, from time to time, or amend this Procedures Note, as necessary after consultation with the Cabinet Member for Financial & Resource Management.
6. The Council will retain the Forms in its Central Register for a period of at least 3 years from the ending of the authorisation. The OSC can audit/review the Council's policies and procedures, and individual authorisations.

APPENDIX 1

LIST OF AUTHORISED OFFICERS

Alan Goodrum, Chief Executive

Jim Burness, Director of Resources

Bob Smith, Director of Services

Joanna Swift, Head of Legal and Democratic Services

Note

Only the Head of Legal and Democratic Services is authorised to sign Forms relating to the use of a CHIS (see Section G of this Procedures Note)

Designated Senior Responsible Officer

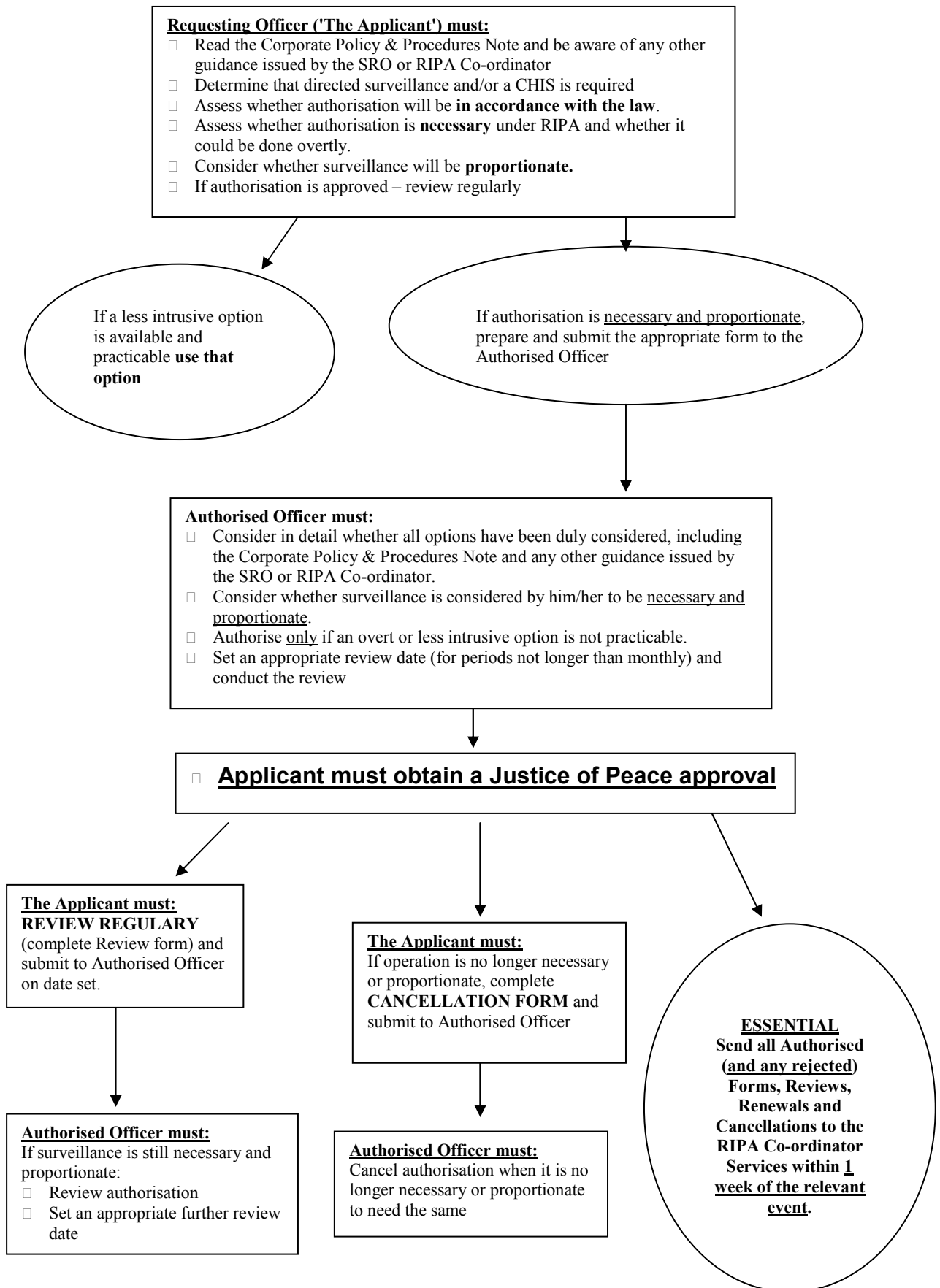
Head of Legal and Democratic Services

RIPA Co-ordinator

Corporate Information Officer

APPENDIX 2

RIPA FLOW CHART



APPENDIX 3

RIPA A FORMS: DIRECTED SURVEILLANCE

Form A1 : **Application** for authorisation to carry out directed surveillance.

Form A2 : Application for Renewal of Form A1.

Form A3 : Review of Form A1.

Form A4 : Cancellation of Form A1.

NB: If in doubt, ask the Head of Legal and Democratic Services BEFORE any directed surveillance is authorised, renewed, cancelled or rejected

APPENDIX 4

**RIPA B FORMS: COVERT HUMAN INTELLIGENCE SOURCE
(CHIS)**

- Form B1 : **Application** for authorisation for the conduct or use of a covert human intelligence source (CHIS).
- Form B2 : Application for Renewal of Form B1.
- Form B3 : Review of Form B1.
- Form B4 : Cancellation of Form B1.

NB: If in doubt, ask the Head of Legal and Democratic Services BEFORE any CHIS is authorised, renewed, cancelled or rejected

SUBJECT:	Joint Plant Maintenance Procurement
REPORT OF:	Officer Management Team - Director of Services Prepared by - Head of Environment

1. Purpose of Report

- 1.1 To seek agreement to undertake joint procurement with Chiltern District Council for a plant maintenance contract.

2. Links to Council Policy Objectives

- 2.1 This matter contributes to the Council's aim to deliver value for money services.

3. Background

- 3.1 South Bucks District Council and Chiltern District Council have established Joint Arrangements to work together to share a senior management team and examine opportunities for further savings by joining together of services, assets, officer posts and officer teams.

- 3.2 SBDC has started a procurement process for a plant maintenance contract. The contract will include electrical, gas and plumbing maintenance work, as well as specialised services such as lift maintenance and security systems. The maintenance work is both planned and reactive. The present value of this for both councils is £112,000 pa.

- 3.3 At present we are holding over from previous contracts. It is intended that the new contract will start in early 2014 with a duration of three years and an extension clause for an additional two years.

4. Discussion

- 4.1 CDC has similar facilities management requirements to SBDC. At present these requirements are met via nine separate contracts. A joint procurement covering both councils may therefore be more attractive to potential suppliers than carrying this out separately for each council. Officers believe this could lead to savings through a supplier being granted similar contracts for both councils as well as a more efficient approach given the similar size and close proximity of the two councils.

- 4.2 Possible advantages of a joint procurement include:

- ✓ Potential savings for both parties as a larger contract
- ✓ Increase efficiency and minimise management effort by having fewer small contracts
- ✓ Assist towards closer working and potential future management changes
- ✓ Simplify arrangements with one point of contact for all such work at both Councils.

- 4.3 Separate specifications would be prepared for each council based on their particular requirements but with common terms and conditions of contract. Each council would only be billed for work done specifically for that council.
- 4.4 This approach would not pre-judge the outcomes of the facilities and property management service review which will take place later this year.
- 4.5 A similar approach might be taken for other opportunities as they arise such as tendering for minor building works.
- 4.6 Members' views are therefore sought regarding the principle of joint procurement and for SBDC being the lead authority for the plant maintenance contract.

5. Risks and financial implications

- 5.1 There will be the usual risks associated with a procurement exercise, although there will be no TUPE transfers involved for the plant maintenance contract. Additional effort will be required in writing the contract documents in a way that is satisfactory for both councils while being easy for potential suppliers to understand.
- 5.2 A similar report will be presented to Members of CDC.

6. Recommendations

- 6.1 The advice of the PAG is sought on whether the Portfolio Holder should be asked to recommend to Cabinet that, subject to the agreement of CDC, a joint procurement exercise should be carried out for plant maintenance contracts with SBDC being the lead authority.

Portfolio Holder:	Councillor D Smith
Officer Contact:	Chris Marchant 01895 837360

	<p>Chris.marchant@southbucks.gov.uk Andrew Crow 01895 837259 andrew.crow@southbucks.gov.uk</p>
<p>Background Papers:</p>	<p>None</p>

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SUBJECT:	Council Tax Support from 1 April 2014
REPORT OF:	Officer Management Team - Director of Resources Prepared by N Berry - Revenues and Benefits Client Manager

1. Purpose of Report

- 1.1 To inform members of the first few months of operation of the localised Council Tax Support Scheme, which was introduced in April 2013.
- 1.2 To consider the merits of changing the scheme from April 2014

2. Links to Council Policy Objectives

- 2.1 The local scheme for Council Tax Support balances the need for prudent and sustainable use of resources with the need to support the local community.

3. Background

- 3.1 At its meeting on xx January 2013, members agreed to adopt a localised Council Tax Support Scheme. This followed various consultation exercises.
- 3.2 Following a cut in central government funding, the scheme adopted reduced the level of support given to working age claimants by 20%.
- 3.3 Certain groups were protected from such a reduction in support. These were claims where the claimant, partner or any dependant within the household was in receipt of :-
 - Disability Living Allowance (DLA).
 - Personal Independence Payment (PIP).
 - Incapacity Benefit (long term rate).
 - Employment and Support Allowance (ESA), support component.
 - Severe Disability Allowance.
 - Is registered or certified blind.
 - Is in receipt of a war pension or a war disablement pension.
- 3.4 In addition to the 20% cut, the other change introduced was that the capital cut off level was reduced from £16,000 to £6,000 meaning that anyone with capital over £6,000 could no longer qualify for support.

4. The Current Position (April 2013 to March 2014)

- 4.1 Initially there were just over 1000 affected claimants within South Bucks and all were notified of the changes in February 2013 in advance of a new year council tax bill being sent.
- 4.2 Early communication enabled identification of additional claimants who should have been in one of the protected groups and the number affected then reduced to just under 900.

- 4.3 Whilst it is still very early within the financial year to reach a definitive conclusion, early signs are that there appears to be a general acceptance of the need to contribute to council tax and payment rates for initial instalments appear to be good. Collection rates have varied very little from previous years and the number of reminders issued in April actually fell slightly. The national publicity around changes to the welfare system has ensured that the implementation of changes to Council Tax Support did not come as a shock to many.
- 4.4 Additional notices have been built into the recovery process this year for the 'new' taxpayers, which hopefully will reduce the number who will be subject to recovery action through the courts. As court action will not commence for a couple of months it is impossible at this stage to estimate the impact although staff have all been instructed to deal with these customers in an understanding manner to encourage payment without the need for any further action.
- 4.5 A number of cases have been identified where the claimant has exceptional circumstances which warrant additional help and these claimants have been helped through the Discretionary Council Tax Support Scheme which was agreed by members in March. Again it is too early to estimate the numbers and level of support required through this scheme however it is proposed that a report will be brought back to members later this year to report on both this scheme and the Discretionary Housing Payments Scheme. At this point members will wish to consider if a Discretionary Scheme should be agreed for 2014/15

5. Timescale for changing the scheme from April 2014

- 5.1 Should the council wish to change any aspect of the scheme preparatory work must commence very shortly due to the requirements to carry out consultation on the proposals.
- 5.2 As the new scheme is still in its formative stage, to propose changes to it now would be to do so on a basis of very little evidence of its actual operation and it may therefore be prudent to see how the scheme beds in over a longer period.
- 5.3 By the spring of 2014 the scheme will have been in operation for a full year and by then evidence will be available of whether there have been issues with collection and whether any specific groups have been particularly adversely affected by the changes implemented. Based on this actual information, decisions can then be made on revising the scheme, if necessary, for April 2015.

6. Recommendation

- 6.1 The advice of the PAG is sought on whether the Portfolio Holder should be asked to recommend to the Cabinet that the Council Tax Support Scheme for 2014/15 remains unchanged and that a report is brought back to members in Spring 2014 to consider any changes required from April 2015.

Officer Contact:	Nicola Ellis Nicola.ellis@southbucks.gov.uk
Background Papers:	None

SUBJECT:	Council Tax Discounts from 1 April 2014
REPORT OF:	Officer Management Team - Director of Resources Prepared by N Berry - Revenues and Benefits Client Manager

1. Purpose of Report

- 1.1 To outline the options available to the Council in varying the level of discounts awarded in respect of empty properties and second homes.
- 1.2 To provide estimates of the levels of additional income that could be generated by differing levels of change and the associated implications

2. Links to Council Policy Objectives

- 2.1 Using the powers created by revised legislation to maximise income to the Council, whilst adopting an equitable scheme of discounts, demonstrates the Council's management principles of prudent use of resources.

3. Background

- 3.1 Members will recall a report to Cabinet on 5 February 2013 regarding the levels of discounts to be awarded in respect of various classes of empty property for 2013/14.
- 3.2 A decision was required because certain Council Tax exemptions were abolished from April 2013 and replaced by locally determined discounts. It was agreed at the meeting that the level of discounts adopted for 2013/14 would mirror the previous levels of exemption.
- 3.3 It was agreed that this decision was an interim measure and that the issue would be brought back to Cabinet to enable consideration of various changes from April 2014.

4. The Current Position (April 2013 to March 2014)

- 4.1 There are a variety of types of property where the level of discount can vary. The current position on each of these is shown below:

Class C Discounts - These apply to all properties which are empty and unfurnished for up to 6 months. The discount is currently 100% for the first 6 months as agreed by Cabinet in February 2013. This mirrored the previous exemption (Class C);

Class D Discounts - These apply to properties which are undergoing structural repairs and can apply for a period up to 12 months. The discount is currently 100% for up to 12 months as agreed by Cabinet in February 2013. Again this mirrored the previous exemption (Class A);

Long Term Empty Properties - Currently once a Class C discount has been in place for 6 months, if the property remains unoccupied, it becomes a 'long term empty' and it is a decision of the council what discount should apply at this stage. Currently no discount is given and a full charge is due. This is the situation that has been in place for a number of years since local authorities were given the discretion over this phase (i.e. once a property had been empty for 6 months); and

Second Homes - Discretion was previously given to local authorities to charge anything up to 90% in respect of second homes (discount of 10%). In the case of South Bucks the charge is currently set at 90%.

4.2 In addition there are various other classes of empty property where statutory exemptions still apply and which won't be affected by any local changes. These are for example where:-

- The property was last occupied by a resident of a hospital or care home
- The person living there before has died and the will has not yet been settled or was settled less than 6 months ago
- The owner is living elsewhere to provide or receive care
- The previous occupier is in prison
- Planning restrictions do not allow anyone to live there.

5. What changes are permitted?

5.1 The legislation brought into force in April 2013 permits local authorities to locally determine certain discounts in respect of the four types of property shown in para 4.1 above.

Class C Discounts - The Council can exercise complete discretion over the percentage discount offered and the length of time a discount can apply.

Class D Discounts - The length of time a discount can apply must stay at 12 months however the level of discount can be amended.

Long Term Empty Properties - These will now be defined as properties which have been empty in excess of 2 years (rather than the current 6 months). Provision has been made in the regulations to allow local authorities to charge a supplement of 50% on such properties (150% of the standard council tax).

Second Homes - The Council now has the discretion to charge up to 100% on second homes.

6. The financial benefits of changes

6.1 Any changes which reduce the levels of discount awarded have the effect of increasing the total tax base within the district. This increases the tax raising abilities of both this council and the preceptors.

6.2 Increased revenue raised would be shared across all preceptors and this council would retain a share of approximately 10%.

- 6.3 Various options for change and the estimated financial benefits of each are given in the tables below:

Class C Discounts

	Estimated cost of Discounts	Potential additional revenue	Potential additional revenue to SBDC
Maintain the current position - 100% discount for up to 6 months	£587,112	Nil	Nil
Reduce the discount period to 3 months	£457,346	£129,765	£12,976
Reduce the discount period to 1 month	£229,392	£357,719	£35,771
Allow no discount	Nil	£587,112	£58,711

Class D Discounts (time period must remain 12 months)

	Estimated cost of Discounts	Potential additional revenue	Potential additional revenue to SBDC
Maintain the current position - 100% discount for 12 months	£102,975	Nil	Nil
Reduce discount to 50%	£51,487	£51,487	£5,149
Reduce discount to 0%	Nil	£102,975	£10,297

Second Homes

	Estimated cost of Discounts	Potential additional revenue	Potential additional revenue to SBDC
Maintain the current position - 10% discount	£31,433	Nil	Nil
Reduce the discount to nil	Nil	£31,433	£3,143

Long Term Empty Properties (Empty for over 2 Years)

	Potential additional revenue	Potential additional revenue to SBDC
Maintain the current position - 100% charge	Nil	Nil
Apply a 50% premium	£121,215	£12,121

7. Non Financial Implications

- 7.1 On the face of it, it would appear attractive to adopt the changes which could achieve the highest level of possible increased revenue, however there are other factors that need to be considered.
- 7.2 The figures given in the tables above are based on modelling against the current Council Tax database and provide an estimate of the effects of change. Once such changes are implemented taxpayers may change behaviour to avoid incurring additional costs.
- 7.3 In addition, implementing some of the changes could result in a change to the costs of administering the discounts. Depending on the change, this could lead to an increase or a reduction in costs.
- 7.4 Details of some of the specific implications for each type of empty property are given below:

Class C Discounts -Class C Discounts generally apply in the period between the sale of a property and the new owner moving in or in the case of a rented property when there is a change of tenancy. In a large number of cases this relates to a very short period of time. If no discount were allowed there would be numerous bills required for very short periods of Council Tax liability. Along with the increased administration costs these small amounts may prove uneconomic to bill and collect. It is therefore recommended that the discount period is not completely removed. In addition, to prevent abuse in the claiming of multiple class C discounts a minimum occupation period of 6 weeks is recommended before a further discount can apply. If the discount period were to be reduced from 6 months to 3 months, approximately 100 taxpayers would be affected based on the position in May 2013.

Class D Discounts - currently a discount of 100% is granted. However ensuring that these discounts are claimed legitimately does involve significant costs in terms of resources. Evidence is required of the ongoing work taking place and physical inspections are completed. If Class D Discounts were removed (reduced to 0%) and Class C Discounts of 100% granted for 3 months this would mean all empty properties were treated the same irrespective of what work was required. This would therefore reduce administration and associated costs. A maximum of 32 taxpayers would be affected based on the position in May 2013.

Second Homes - removing the 10% discount on second homes leaves taxpayers with no incentive to report these properties. Such changes may result in an increase in claims that the property is occupied by a single person in order to attract a 25% single occupier discount i.e. a husband and wife might decide for Council Tax purposes that they live in separate properties. Administration costs may well increase to try to prevent this. This however could have been the case when the discount was originally reduced to 10% and such fears were generally unfounded. Currently there are 175 second homes.

Long Term Empty Properties - the table at paragraph 6 shows potential additional income in respect of such properties as £121,000. However it is very unlikely that such revenue would actually be generated as there are various means of avoidance which could be easily utilised by taxpayers. The main reason the Council may wish to introduce a premium would be to encourage properties being brought back into use. Experience from authorities that have already introduced the premium has shown that it has in practice identified properties that are occupied or furnished. In the past because the maximum charge was only 100% there was no incentive for owners to inform of changes. A maximum of 200 properties could be subject to the premium if introduced.

8 What are the other Bucks Authorities charging?

	Aylesbury Vale DC	Wycombe DC	Chiltern DC
Class C Discounts	100% Discount for 1 month	100% Discount for 60 days	100% Discount for 3 months
Class D Discounts	50% Discount for 12 months	100% Discount for 12 months	Discount removed
Second Homes	Discount removed	10% Discount retained	Discount removed
Long Term Empty - Premium Applied?	Yes	Yes	No

9 Recommendation

9.1 The advice of the PAG is sought on whether the Portfolio Holder should be asked to recommend to the Cabinet the following amendments to council tax discounts and exemptions to take effect from April 2014:

1. The Class C discount period is reduced to 3 months with a minimum occupation period of 6 weeks between discounts
2. The discount for Class D discounts is removed (0%)
3. The second home discount of 10% is removed
4. A premium of 50% is applied to properties empty for over 2 years

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Background Papers:	None

SUBJECT:	Treasury Management - Annual Report 2012/13
REPORT OF:	Officer Management Team - Director of Resources Prepared by - Principal Accountant

1. Purpose of Report

1.1 To report to Members on the Treasury Management performance of the Council for 2012/13.

2. Links to Council Policies & Plans

2.1 The Council's Treasury Management function is a key element to the Financial Strategy, which in turn feeds into the prudent use of Resources, one of the Council's Management Principles.

3. Background

3.1 In December 2001, the Chartered Institute of Public Finance and Accountancy (CIPFA) published a Revised Code of Practice on Treasury Management which CIPFA amended in 2009 in light of the situation with the Icelandic banks. This Council adopted the code in June 2002 and the amended code in February 2010. The Council fully complies with the requirements of the amended code.

The primary requirements of the code are the: -

- (i) Creation and maintenance of a Treasury Management Policy Statement, which sets out the policies, and objectives of the Council's treasury management activities.
- (ii) Creation and maintenance of Treasury Management Practices, which sets out the manner in which the Council will achieve those policies and objectives.
- (iii) Receipt by the Cabinet and Council of an annual strategy report for the year ahead and an annual review report of the previous year.
- (iv) The delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.

3.2 In addition the Department for Communities and Local Government (DCLG) requires each local authority to approve an annual Investment Strategy from 2004/05 onwards.

3.3 Treasury management in this context is defined as:

The management of the local authority's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

3.4 This report represents the annual report 2012/13.

4. Annual Report on Treasury Management 2012/13.

- 4.1 As a debt free authority the treasury management activities of the Council are exclusively concerned with the investment of its reserves, as the Council does not undertake any borrowing.
- 4.2 The Council’s Treasury Management Strategy 2012/13 details the following sources for generating investment income for the year:
 - Set an estimated return on investment income for the year of £800,000.
 - Set the sources for generating investment income for the year as follows:

	£'000
Fixed Deposits	657
Short Term Cash Flow and Other Investments	77
Stoke Poges Memorial Gardens Fund	66
Total	800

- 4.3 Officers invest cash flow surpluses with approved counter parties. Members approved a new matrix for in house investments as part of the Treasury Management Strategy 2013/14 as follows.

	Duration	Maximum Amount	Fitch Rating	Comment
UK Institutions	Up to 5 years	£5m	A- or better	
	Up to 3 years	£5m	BBB+ or better	
Non UK Institution	Up to 3 years	£2m	A- or better	Sovereignty rating AA or better
Corporate Bonds/Bond Funds	Up to 5 years	£5m	A- or better	

Details of the Councils fixed and callable investments at the end of the financial year and how they met this matrix are shown in 4.7 of this report.

- 4.4 In addition Sector Treasury Services Ltd is engaged by the Council as its Treasury Management consultants providing advice on investment, performance and regulations where necessary.
- 4.5 A summary of the movements in the year is as follows: -

	Fund Balance 1.4.2012 £,000	Fund Withdrawals £'000	Added to Fund £'000	Fund Balance 31.3.2013 £,000
Temp in house cash balances	3,454		1,197	4,651
Fixed Deposits	21,000	(16,000)	14,000	19,000
Stoke Poges Memorial Gardens Fund	1,558	(210)	41	1,389
Total	26,012	(16,210)	15,238	25,040

- 4.6 A comparison of returns to budget for the year is shown within the Resources, Risk and Other Implications section later in this report.
- 4.7 In House Investments: Decisions on investing in callable and fixed deposits are taken by Officers in the light of advice from the Council's treasury consultants and brokers acting in the local authority money market, combined with general intelligence available from market briefings made available to the authority.

A summary of the Council's holdings of callable and fixed deposits at 31st March 2013 is shown below:-

UK Institutions	Fitch Credit Rating	Principal £	Interest Rate	Invested	Matures	Notes
Royal Bank of Scotland	A					
Fixed Deposit		5,000,000	4.25%	08/02/12	08/02/17	(1)
Fixed Deposit		2,000,000	3 Month Libor	02/06/11	02/06/14	(2)
Total RBS		7,000,000				
Cater Allen	A					
Fixed Deposit		1,000,000	3.50%	21/07/10	21/07/13	
Fixed Deposit		2,000,000	3.20%	30/09/10	30/09/13	
Total CA		3,000,000				
Lloyds Bank	A					
Fixed Deposit		1,000,000	3 Month Libor, Floor 2.85%, Cap 5.85%	11/05/10	12/05/15	
Fixed Deposit		1,000,000	3 Month Libor, Floor 3.07%, Cap 5.00%	19/05/10	19/05/15	
Total Lloyds Group		2,000,000				
Barclays	A					
Fixed Deposit		1,000,000	3 Month Libor, Floor 3.05%, Cap 5.00%	24/05/10	26/05/15	
Total Barclays		1,000,000				
Close Brothers	A					
Fixed Deposit		1,000,000	2.80%	04/10/12	04/10/13	
Fixed Deposit		1,000,000	2.70%	22/02/13	22/08/14	
Total Close Brothers		2,000,000				
Total Deposits		15,000,000				

(1) RBS have the option to switch to 3 month LIBOR¹ in years 3, 4&5.

(2) RBS have exercised their option to switch to 3 month LIBOR in year 2.

In addition the Council held the following investments of short term cash with a duration of less than one year at 31st March 2013.

	Fitch	Amount £	Interest Rate	Notes
Nat West Bank	A	1,651,000	Base + 28 Basis Points	Instant Access
Nat West Bank	A	3,000,000	Base + 47 Basis Points	30 Day Notice Account
Bank of	A	3,000,000	3%	16/7/12 to 4/7/13

¹ LIBOR - London Inter Bank Offered Rate

	Fitch	Amount £	Interest Rate	Notes
Scotland				
Bank of Scotland	A	1,000,000	3%	23/4/12 to 11/4/13
Total		8,651,000		

4.8 Investments in the first quarter of 2013/14

The Funding for Lending Scheme resulting in cheap credit becoming available to the banks has had an impact in the money market where rates have fallen significantly. As a result Nat West has reduced their rates for the investment of short term cash from May 2013 from bank rate plus 47 basis points (0.97%) for 30 day notice money and bank rate plus 28 basis points (0.78%) for overnight money to the bank rate only (0.50%). Officers have therefore invested an element of short term cash in 95 day notice accounts with Nat West paying 0.80% and in Lloyds/Bank of Scotland paying 0.75%.

4.9 The £1 million invested with the Bank of Scotland paying 3% that matured on 11th April 2013 was invested with Close Brothers from 12th April 2013 for 18 months until 13th October 2014 at 1.50%.

4.10 At the March meeting of this PAG Members agreed to diversify up to £5 million of the Council's investment portfolio into individual corporate bonds, but not until it was felt that market conditions were appropriate. Appendix C shows a number of corporate bonds that would meet the Council's counterparty criteria, and which offer an effective yield of 1.75% or better. Members can consider whether the time may be right to make some limited investment in this area, or whether to hold off for a period in anticipation of bond yields improving.

4.11 Stoke Poges Memorial Gardens Fund: The next maturity from the fund takes place in April 2014. The current market value of the fund at 31st March 2013 was £1,389,512.01.

5. Investment Policy & Procedures

- 5.1 As detailed in 3.1 above the Council has adopted the CIPFA Code of Practice on Treasury Management.
- 5.2 The Code recommends the creation & maintenance of Treasury Management Policy & Procedures. These are already in place and were last reported to Members in October 2012.
- 5.3 It is not expected that the procedures will need to be revised very often and any changes have therefore been delegated down to the Chief Finance Officer. However it is the intention that a copy of the document is brought to Members attention on an annual basis and will be reported to the September meeting of this PAG.

6. Economic Background & Interest Rate Forecast

6.1 During the quarter ended 31st March 2013:

- Indicators suggest that the economy was very near to a second consecutive quarter of negative growth in GDP;
- Household spending strengthened, both on and off the high-street;
- Unemployment rose for the first time for a year;
- Inflation remained stubbornly above the MPC's 2% target;
- Three members of the MPC voted for further QE;
- UK equity prices rose and sterling fell;
- The US economic recovery gathered pace.

6.2 The original expectation for 2012/13 was that Bank Rate would not rise in 2012/13 or 2013/14 and for it to start gently rising from quarter 4 2014. This forecast rise has now been pushed back to start in quarter 1 2015 at the earliest. Economic growth (GDP) in the UK was virtually flat during 2012/13, due to the UK austerity programme, subdued domestic consumer expenditure, a lack of rebalancing of the UK economy to exporting and weak growth in our biggest export market - the European Union (EU). The weak UK growth resulted in the Monetary Policy Committee increasing quantitative easing by £50bn in July to a total of £375bn. Bank Rate, therefore, ended the year unchanged at 0.5%, while CPI inflation has remained stubbornly high and above the 2% target, starting the year at 3.0% and still being at 2.87% in March; however it is forecast to fall to 2% in three years time. The EU sovereign debt crisis was an ongoing saga during the year, with an eventual very protracted agreement of a second bailout for Greece in December followed by a second major crisis, this time over Cyprus, towards the end of the year.

6.3 Gilt yields oscillated during the year as events in the ongoing Eurozone debt crisis ebbed and flowed, causing corresponding fluctuations in safe haven flows into/out of UK gilts. This, together with a further £50bn of QE in July and widely expected further QE still to come, combined to keep PwLB rates depressed for much of the year at historically low levels.

6.4 The Funding for Lending Scheme, announced in July, has resulted in a flood of cheap credit being made available to banks and this has resulted in money market investment rates falling drastically in the second half of the year. However, perceptions of counterparty risk have improved after the ECB statement in July that it would do "whatever it takes" to support struggling Eurozone countries. This has resulted in some return of confidence to move away from only very short term investing.

6.5 The UK coalition Government maintained its tight fiscal policy stance against a background of warnings from two credit rating agencies that the UK could lose its AAA credit rating. Moody's followed up this warning by actually downgrading the rating to AA+ in February 2013 and Fitch then placed their rating on negative watch after the Budget in March and subsequently downgraded their rating to AA+.

6.6 A more detailed assessment of the economic background provided by Sector is shown at appendix A.

6.7 The prospect for future interest rate rises is illustrated in the latest Sector forecast for interest rates shown in the table below:

	<u>Jun 13</u>	<u>Sep 13</u>	<u>Dec 13</u>	<u>Mar 14</u>	<u>Jun 14</u>	<u>Sep 14</u>	<u>Dec 14</u>	<u>Mar 15</u>
Bank Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%

The Sector central forecast is for a March 2015 first increase in Bank Rate.

6.8 Sector undertook a review of its interest rate forecasts following the issue of the latest Bank of England Inflation Report in February 2013. Sector has left unchanged its forecast for the first increase in Bank Rate to be in March 2015. However, forecasts for PwLB

rates have been increased as a result of the marked recovery in confidence in equity markets, anticipating stronger economic recovery in America, supported by growth in the Far East. The rise in equity prices has, conversely, resulted in a selloff in bonds and some diminution of the UK as a safe haven from more risky assets. However, towards the end of March, the Cyprus crisis has partially reversed these general trends during the quarter, although this is likely to be a temporary phase - at least, until the next Eurozone crisis.

6.9 A summary outlook from Sector and forward view is shown at Appendix B.

7. Resources, Risk & Other Implications

7.1 A comparison between the actual returns for 2012/13 and the budget is shown in the table below:

	Budget 2012/13 £'000	Actual 2012/13 £'000	Variance 2012/13 £'000
Fixed Deposits	657	678	21
Short Term officer Investments	53	76	23
Paper Sort Loan ²	24	24	0
Other Miscellaneous Interest ³	0	7	7
Less Other Interest ⁴	0	(9)	(9)
Stoke Poges Memorial Gardens Fund	66	66	0
Total Returns	800	842	42

7.2 There was an achievement of £42K over the budget during 2012/13 mainly resulting from fixed and short term deposits.

7.3 Meeting the interest target of £775,000 for 2013/14 will be challenging in the current low interest rate environment. The first half of the year is partly underpinned by some investments that are running at 3% and above however when these mature it will be interesting to see what is on offer particularly in respect of corporate bonds for the reinvestment of these maturities. The risk is therefore to the downside.

8. Recommendation

8.1 The PAG is requested to, note the investment performance for 2012/13, and consider whether to make any investment in corporate bonds at this time.

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Background Papers:	None

² The Council is a partner with Chiltern DC and Wycombe DC in a scheme that provides paper sort facilities. As part of the set up arrangements the Council made a loan of £300K to the facility, which is repayable over a period of 20 years at an interest rate of 8%. This arrangement ceases after 31/03/13.

³ Miscellaneous interest includes interest from car loans, Swan Road, and in respect of transferred debt from the reorganisation of Local Government in 1974.

⁴ Interest is credited separately to a number of the Council's earmarked funds but mainly the monies from the section 106 agreements.

Economic background:

- During the quarter ended 31 March: -
 - Indicators suggest that the economy was very near to a second consecutive quarter of negative growth in GDP;
 - Household spending strengthened, both on and off the high-street;
 - Unemployment rose for the first time for a year;
 - Inflation remained stubbornly above the MPC's 2% target;
 - Three members of the MPC voted for further QE;
 - UK equity prices rose and sterling fell;
 - The US economic recovery gathered pace.
- It remains touch-and-go whether the UK economy contracted again in the first quarter: if so, it would result in a triple-dip recession. On the basis of past form, the CIPS/Markit business surveys point to next to no growth in the first quarter of 2013 and the first official sets of output data have been fairly disappointing. Although the index of services rose by a monthly 0.3% in January, this did not fully reverse its drop in December. Meanwhile, industrial production posted a 1.2% monthly fall in January. This was partly driven by lower output in the volatile energy sector, but manufacturing output was down 1.5% on the month too. Note also that unusually bad weather at the end of the quarter may have depressed activity in certain sectors, such as retail and construction.
- Household spending appears to have started the year on a stronger footing. The 2.1% monthly rise in retail sales in February more than offset January's 0.7% fall. Non-high street spending has been robust too, with new car registrations up by 7.9% in the year to February.
- The latest data tentatively suggested that the labour market's recent resilience is coming to an end. Employment continued to grow, by 131,000 in the three months to January, but this was slower than the 175,000 gain seen in the fourth quarter. The unemployment data was also softer, with the ILO measure showing a 7,000 rise in unemployment in the three months to January, the first increase in a year.

Admittedly, the timelier claimant count measure still fell in February, albeit by a trivial 1,500. Meanwhile, pay growth remained subdued, with the headline (3m average of the annual rate) measure of earnings falling to 1.2% in January.

- Elsewhere, the housing market has been revived a bit by the Bank of England's Funding for Lending Scheme (FLS) which helped to bring down some mortgage rates, primarily on fixed products. The quoted interest rate on a 2-year fixed mortgage at a 90% loan-to-value ratio has fallen around 80 basis-points since the introduction of the FLS back in August.
- This is helping to support house prices. Both the Halifax and Nationwide measures reported monthly gains in February, rising by 0.5% and 0.2% respectively. The Halifax measure rose by 1.9% on a 3-month-on-3-month basis, the fastest pace since the beginning of 2010. But there were some early signs of weakness in the housing market in the first quarter. Mortgage approvals as measured by the BBA fell in both January and February, and are now 8% lower compared with the end of last year. But this may be overstating the fall, as smaller lenders, not measured by the BBA figures, have been gaining market share recently. The broader Bank of England data, which also includes non-bank lenders, showed that approvals fell by just 1.6% in January.
- On the fiscal front, the public borrowing figures for this year have been flattered by a number of one-offs, including the transfer of the Royal Mail pension fund and the revenues of interest generated by the Bank of England's Asset Purchase Facility. On an underlying basis, however, the OBR forecast net borrowing of £121.9bn in 2012/13, is basically unchanged from the outturn seen in the last financial year. Underlying borrowing is now not forecast to fall substantially until 2014/15.
- This year's Budget contained many good individual measures, but they were on a small scale and their overall effect was fiscally neutral. The further 1p cut in corporation tax and the "employment allowance", which helps to reduce employers' national insurance contributions, were welcome moves that should help business. But giveaways were matched by further cuts, including a further 1% reduction in departmental spending in the next two fiscal years.
- The Budget also contained a reaffirmation of the MPC's 2% inflation target along with some minor tweaks to the MPC's remit, which will allow the MPC more flexibility in the

communication of its policy. This fell short of speculation that the government could suspend, or even scrap entirely, the 2% inflation target.

- Inflation, meanwhile, remained high, with the CPI measure rising from 2.7% to 2.8% in February. The latest rises have been driven, mainly, by higher energy prices. This reflected a sharp rise in sterling oil prices as well as the final price rise from a “big six” utility company filtering through.
- The MPC has said that it would “look through” the latest energy driven price rises when setting monetary policy. Indeed, the minutes of February’s meeting showed that three members of the MPC, including Governor, Mervyn King, voted for further quantitative easing. The size of the Bank’s asset purchase programme has remained at £375bn since November.
- Turning to the markets, both UK and global equity prices have rallied since the start of the year, with the FTSE 100 rising from 5,897 to 6,400. Gilt prices were volatile over the quarter, with the yield on 10-year gilts hitting 2.2% in early March, before falling back to 1.72% at the end of the quarter, similar to the level seen at the start of the year. Meanwhile, the pound has fallen sharply against the dollar, from \$1.63 to \$1.51. Sterling was slightly weaker against the euro, too, slipping from €1.23 to €1.19.
- Internationally, the economic recovery in the US appeared to gather momentum over the first quarter. A weighted average of the ISM indices is consistent with annualised GDP growth of close to 3%. What is more, the growth in private payrolls accelerated to a 3-month average of 200,000 in February. While the expiry of the payroll tax cut at the start of the year will hit real incomes, the 0.4% rise in underlying retail sales in February looks consistent with consumption growth of 2% annualised.
- The Eurozone crisis flared up again at the end of the quarter, after it was agreed that bank deposits could be subject to a “haircut” as part of an international bail-out package for Cyprus. While a bailout package agreed by European Finance Ministers should avert disaster, the episode has raised fears about the safety of bank deposits in other periphery countries. Meanwhile, the underlying Eurozone economy looks weak. On past form the composite Eurozone PMI points to a 0.3% quarterly contraction of GDP in Q1.

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SUMMARY OUTLOOK

UK economy

As has become usual, the Bank of England February Inflation Report downgraded its forecasts for growth and pushed back the timing of economic recovery. In addition, it also raised its forecasts for inflation (peaking at 3.2% in Q3 this year) and pushed back the timing of when inflation would fall back to the 2% target rate by eighteen months, to Q1 2016. The Bank has, therefore, continued its trend of correcting its repeated over optimism on the speed and strength of recovery and it is now forecasting growth reaching about 1.9% in two years time.

In both the Chancellor's Autumn Statement, and then his March budget, he again extended the timetable for reducing the annual budget deficit and total outstanding debt due to weak growth depressing tax revenues and increasing benefit payments. The one slightly more optimistic area has been the housing market, as the Funding for Lending Scheme looks to be having a positive effect in improving the supply of credit via mortgages.

In summary, our concerns around a slowdown in prospects for GDP growth in the western world are as follows: -

UK

- The Bank of England February 2013 Inflation Report has again pushed back the timing of a return to trend growth and the rate at which inflation will fall back towards the target rate of 2%. If quarter 1 2013 results in negative growth, this would be the first triple dip recession since records began in 1955. Over the year to Q4 2012, total growth came in at only 0.2%.
- A fair proportion of UK GDP is dependent on overseas trade; the high correlation of UK growth to US and EU GDP growth means that the UK economy is likely to register weak growth over both 2013 and 2014.
- Consumers are likely to remain focused on paying down debt. Weak consumer sentiment and job fears will all act to keep consumer expenditure suppressed; this will be compounded by inflation being higher than increases in average earnings i.e. disposable income will continue to be eroded.
- The Coalition government is hampered in promoting growth by the need to tackle the budget deficit. However, the March budget did contain measures to boost house building and the supply of mortgages, and brought forward, by one year to April 2014, the start of a £10,000 tax free allowance for incomes.
- Little sign of a co-ordinated strategy for the private sector to finance a major expansion of infrastructure investment to boost UK growth.

- There is a limited potential for more QE in 2013, which would help to keep gilt yields lower than they would be without further QE.
- In February 2013 Moody's downgraded the UK's AAA credit rating one notch to AA+. There was little reaction in financial markets, as this had been widely anticipated. Fitch put its AAA rating on negative watch in March.

Eurozone

- Most Eurozone countries are now battling against negative economic growth in 2013, although Germany is experiencing a resurgence of business confidence and surveys are pointing towards a resumption of growth. Growth prospects, for many Eurozone countries, are poor due to the need to adopt austerity programmes to bring government deficits under control.
- Although market anxiety about Greece has subsided after the agreement to a further major financial support package amounting to nearly €50bn, in December, concerns still remain that the eventual end game could be that Greece is eventually forced to exit (dubbed "Grexit") the Eurozone and to return to the drachma.
- There is also increasing concern that the contraction in Spain's economy and the very high level of unemployment of 25%, similar to Greece's level, could mean that both countries could get into a downward deflationary spiral, which makes achieving fiscal correction increasingly difficult and possibly unachievable. The ECB's pledge to provide unlimited bond buying support for countries that request an official bailout means that market anxiety about Spain and Greece is likely to be subdued in the immediate future. However, the poor economic fundamentals and outlook for both economies could well mean that a storm in financial markets has only been delayed, not cancelled. Spain has resisted asking for an official national bailout, although it has received financial support to recapitalise its four largest banks.
- The general election in Italy has created a highly unstable political situation where no party can form a viable coalition to govern without the support of the new upstart Five Star anti-austerity party. Five Star has won a blocking vote 25% of seats and has refused to enter a coalition agreement. It looks increasingly likely that there will be another general election - which could have been as inconclusive a result as the first!

- There could therefore be volatility in Spanish and Italian bond yields over the next year, depending on political and economic developments.
- A general election is due in Germany in the autumn of 2013. It currently looks likely that this will lead to little change in current policy on the Euro and support for peripheral countries. However, polls are indicating that 25% of the electorate now favour Germany leaving the Euro and stopping the flow of money from Germany to profligate southern countries. Any further disasters in the Eurozone could see this sentiment increase significantly.
- A bailout for Cyprus was eventually agreed in the last week of March after a traumatic first proposal was resoundingly rejected by the Cypriot Parliament. Financial markets remained largely calm after the final agreement and there has been little evidence to date, of potential contagion to other peripheral Eurozone countries. Slovenia, however, looks increasingly likely to be the next in line for a bailout, so their bond yields have risen. However, huge damage will be done to the Cypriot economy by the fallout from this bailout and many commentators consider it is only a matter of time before another bailout will be needed - or exit from the Euro.

US

- There has been a strong resurgence of confidence in US financial markets as the “fiscal cliff” has been largely averted or postponed. Confidence has bolstered recovery in employment and the housing market and has provided the wider economy with a solid base for optimism looking forward. This is reflected by US equities reaching all time highs.
- The Federal Reserve is unlikely to increase the central rate until 2015, as it has now set a specific target of first reducing unemployment to 6.5% (currently 7.7% at the end of March).
- The housing market is showing signs of having turned a corner, both in price rises and the volume of house sales.

China

- Efforts to stimulate the economy appear to be succeeding. However, there are still concerns around an unbalanced economy, heavily dependent on new investment expenditure, and for a potential bubble in the property sector to burst, as it did in Japan in the 1990s, with its consequent impact on the financial health of the banking sector. There are also increasing concerns around the potential size, and dubious creditworthiness, of some lending to local government organisations and major corporates during the Government promoted expansion of credit, aimed at protecting the overall rate of growth in the economy since the Lehmans crisis.

Sector's forward view

Economic forecasting remains difficult with so many external influences weighing on the UK. Major volatility in bond yields is likely during 2013/14 as investor fears and confidence, ebb and flow, between favouring more risky assets i.e., equities, and safer bonds. Equity prices have staged an ongoing rise since mid 2012. Correspondingly, there had been a trend of a fall in bond prices and a rise in bond yields, until the Cyprus crisis reversed this trend in late February. Key areas of uncertainty include:

- The potential for a significant increase in negative reactions of populaces in Eurozone countries against austerity programmes, especially in countries with very high unemployment rates e.g. Greece and Spain, which face huge challenges in engineering economic growth to correct their budget deficits on a sustainable basis.
- Failure of Italian political parties to form a viable coalition after the general election due to the blocking vote of the Five Star anti-austerity party, which has refused co-operation with any major party.
- The impact of the Eurozone crisis on financial markets and the banking sector.
- Monetary policy action failing to stimulate growth in western economies.
- The impact of the UK Government's austerity plan on confidence and growth.
- Further downgrading by credit rating agencies of the creditworthiness and credit rating of UK Government debt, consequent upon repeated failure to achieve fiscal correction targets and recovery of economic growth.
- The potential for weak growth or recession in the UK's main trading partners - the EU and US;

The overall balance of risks to economic recovery in the UK remains weighted to the downside. Sector believes that the longer run trend is for gilt yields and PwLB rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. However, near-term, the prospect of further QE is likely to keep gilt yields lower than they would otherwise be. However, any concerns that central banks are getting to the point where they are likely to view the beneficial effects of further QE as being exhausted, could lead to the reversal of this effect.

Given the weak outlook for economic growth, Sector sees the prospects for any increase in Bank Rate before 2015 as very limited indeed, and the first increase could be even further delayed if growth disappoints.

CORPORATE BONDS RATED A- or better, and Effective yield =>1.75%

APPENDIX C

Short Name	Coupon	Bid Price	Years to Maturity	Bid Yield To Maturity	Maturity	Fitch Rating	Country Full Name	Amount Issued	Collateral Type
CLOSE BROS GRP	6.5	109.195	3.75	3.83	10/02/2017	A	BRITAIN	200,000,000	SR UNSECURED
NORTHERN TRST CO	5.375	104.429	1.82	2.83	11/03/2015	A+	UNITED STATES	150,000,000	SUBORDINATED
STANDARD CHART	7.75	123.808	4.89	2.50	03/04/2018	A+	BRITAIN	700,000,000	SUBORDINATED
MERRILL LYNCH	7.75	126.041	4.96	2.15	30/04/2018	A	UNITED STATES	850,000,000	SR UNSECURED
ALLIANC&LEIC GRP	6.5	109.727	2.32	2.14	09/09/2015	A	BRITAIN	75,000,000	SR UNSECURED
UBS AG JERSEY	2.15	100	0.01	2.10	17/05/2013	A	SWITZERLAND	1,070,000	SR UNSECURED
LLOYDS TSB BANK	5.5	111.372	3.37	1.98	25/09/2016	A	BRITAIN	150,000,000	SR UNSECURED
MORGAN STANLEY	5.75	113.495	3.76	1.98	14/02/2017	A	UNITED STATES	400,000,000	SR UNSECURED
LLOYDS TSB BANK	5.375	107.64	2.32	1.97	07/09/2015	A	BRITAIN	75,000,000	SR UNSECURED
CITIGROUP INC	7.625	126.065	4.89	1.97	03/04/2018	A	UNITED STATES	750,000,000	SR UNSECURED
SCOTTISH POWER	8.375	122.977	3.77	1.97	20/02/2017	A-	BRITAIN	200,000,000	SR UNSECURED
PRINC FIN GLOBAL	6	102.707	0.70	1.95	23/01/2014	AA-	CAYMAN ISLS	150,000,000	SR SECURED
ROYAL BK SCOTLND	6	115.541	4.01	1.93	17/05/2017	A	BRITAIN	519,943,000	SR UNSECURED
BUPA FINANCE PLC	7.5	116.902	3.14	1.91	04/07/2016	A-	BRITAIN	350,000,000	COMPANY GUARNT
GOLDMAN SACHS GP	6.125	115.169	3.76	1.89	14/02/2017	A	UNITED STATES	300,000,000	SR UNSECURED
LA POSTE	5.625	112.845	3.60	1.89	19/12/2016	AA	FRANCE	200,000,000	SR UNSECURED
SLOUGH ESTATES	6.25	110.03	2.38	1.88	30/09/2015	A-	BRITAIN	150,000,000	SR UNSECURED
ABBAY NATL TREAS	4.125	109.309	4.34	1.86	14/09/2017	A	BRITAIN	400,000,000	BANK GUARANTEED
SEGRE PLC	5.25	108.008	2.44	1.86	21/10/2015	A-	BRITAIN	150,000,000	SR UNSECURED
LLOYDS TSB BANK	4	107.591	3.73	1.86	03/02/2017	A	BRITAIN	10,000,000	SR UNSECURED
BAA FUNDING LTD	12.45	129.545	2.88	1.84	31/03/2016	A-	JERSEY	299,930,000	SR SECURED
LLOYDS TSB BANK	4	107.511	3.62	1.83	28/12/2016	A	BRITAIN	10,000,000	SR UNSECURED
HUT WHAM FIN UK	5.625	116.361	4.53	1.82	24/11/2017	A-	BRITAIN	300,000,000	COMPANY GUARNT
HAMMERSON PLC	5.25	111.917	3.59	1.78	15/12/2016	A-	BRITAIN	300,000,000	SR UNSECURED
UBS AG LONDON	6.625	122.618	4.91	1.77	11/04/2018	A	SWITZERLAND	900,000,000	SR UNSECURED
REED ELSV INVEST	7	122.836	4.58	1.75	11/12/2017	A-	BRITAIN	300,000,000	COMPANY GUARNT

Appendix C

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Part I

SUBJECT:	Dropmore Road Depot Update
REPORT OF:	Officer Management Team - Director of Services Prepared by - Head of Environment

Purpose of Report

- 1.1 To provide an update for Members on the project to redevelop the Council's depot on Dropmore Road.

Links to Council Policy Objectives

- 2.1 This matter is related to the following local and national policy objectives:
- South Bucks Sustainable Community Strategy and Corporate Plan Key Theme - Sustainable Environment - protecting our heritage, protecting our future.
 - Council priority to continue to improve the street scene and cleanliness of the district as a key public services coordinator
 - The current Joint Waste Management Strategy for Bucks policies, including "to secure a long-term strategy for the management of wastes for which the member authorities are collectively responsible".
 - The Council's recycling/composting target of 60% by 2025 as part of the Joint Waste Management Strategy for Bucks. The national target of 45% by 2015 and 50% by 2020. There are no longer District specific targets.

Background.

- 3.1 The Council's refuse and recycling collection and street cleansing contractor Biffa Municipal Ltd moved into our depot on Dropmore Road in Burnham after being asked to vacate the CDC-owned site occupied since 2007. This was because CDC and WDC jointly tendered their waste services contract and wanted to use the whole of the site for their new contract with their new contractor Serco.
- 3.2 Aside from some IT-related teething problems, the move went smoothly and services operated without disruption.
- 3.3 Recycling collected from households and bring sites is still being tipped at the London Road site under a short term arrangement with Serco for which a gate fee is being paid. Serco are happy to continue this arrangement until construction at Dropmore Road depot is complete.
- 3.4 Planning permission to redevelop the Dropmore Road site was granted on 26th March 2013 following previous refusal on 8th August 2012. Prior to this, the capital and revenue budgets required to undertake this project were approved by the Cabinet on 3rd July 2012.
- 3.5 The decision to recommend the award of the redevelopment contract to the preferred bidder was made by Cabinet on 16th October 2012. This decision was made some time before the contract could be awarded, and the final decision to enter into the contract

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was therefore delegated to the Portfolio Holder for Resources in consultation with the Environment Portfolio Holder, Director of Services and the Head of Environment.

Discussion.

- 4.1 There are a number of planning conditions that must be discharged prior to construction. To date the following aspects of the project have been progressed:
- ❖ An English Nature licence application has been applied for. This is due to the presence of bats being found in one of the buildings and demolition of this building cannot take place without it;
 - ❖ A planning application for the temporary relocation of services to Bath Rd depot during construction has been submitted;
 - ❖ Site plans have been re-drawn following the approval of 7 extra car parking spaces;
 - ❖ The application for the EA permit is underway, but a more expensive bespoke permit is unfortunately required due to the named exclusion of food waste in the planning conditions;
 - ❖ Pre-commencement sampling and landscaping/drainage drawing preparation is underway
- 4.2 Procurement of a construction company to rebuild the depot was undertaken last year under the premise that construction would begin had permission been granted in August 2012. Additional costs of 4% have been incurred due to the delay to the start of the project. Budgets will continue to be monitored and it is not envisaged at this stage that the capital budget permitted will be exceeded.
- 4.3 The contract for demolition and construction works has been finalised by Legal and is due to be signed on 1st July with works due to commence within 2 weeks of this date. Contract costs are contained in Part II of this report.

Resource and Wider Policy Implications.

- 5.1 This project is being managed in line with the Council's project management guidelines and as such the project risks, including those around the construction contract are being monitored and managed accordingly.

Conclusion.

- 6.1 Despite planning delays, the project to redevelop Dropmore Rd Depot is currently progressing as planned. If this changes once construction begins the Portfolio Holder will be updated as required.

Summary.

- 7.1 Members are asked to note the content of this report.

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Background Papers:	Planning Permissions 10/01185/FUL and 11/00864/VC and Planning Application 12/00797/FUL

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Subject	2011 Census - South Bucks Summary
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1 Purpose of this Report

- 1.1 To provide an overview of the 2011 Census results which have been released so far for South Bucks.

2 Background

- 2.1 The 2011 Census in England and Wales was undertaken by the Office for National Statistics. Separate censuses also took place in Scotland and Northern Ireland and all three censuses took place on 27th March 2011.
- 2.2 Census statistics help to provide up to date valuable information for public and private organisations to deliver services nationally and in the community. It provides a wide variety of information on housing and population that can be used by local authorities, other public bodies, businesses and voluntary organisations to develop policies and deliver tailored services in the community.
- 2.3 The first phase of Census data for local areas was released between November 2012 and February 2013 and more detailed data is being released in stages in 2013.

3 Headline Results

- 3.1 Some of the headline results from the 2011 Census can be found below.
 - 3.1.1 The population of South Bucks based on the 2011 census results was 66,867, an increase of 7.9% from 2001 when it was 61,945.
 - 3.1.2 12,951 people within South Bucks were aged 65 and over, an increase of 19.4% from 2001 when there was 10,848. This age group accounts for 19.4% of the population of South Bucks, higher than the England average of 16.4% for this age group.
 - 3.1.3 There were 26,514 households within South Bucks, an increase of 7% from 2001 when there were 24,781 households.
 - 3.1.4 6,595 households had all household members aged 65 and over, this accounts for almost a quarter of all households in South Bucks and is higher than England average of 20.8%.
 - 3.1.5 There were 8,098 households with dependent children which accounted for 30.5% of all households in South Bucks.
 - 3.1.6 There were 1,195 lone parent households (where the lone parent is aged 16 to 74), this is an increase of 45.9% from 2001 when there were 819 households. This accounts for 4.5% of all households in South Bucks compared to 3.3% in 2001.
 - 3.1.7 10,502 people fell within a Black & Minority Ethnic (BME) group in 2011 which accounted for 15.7% of the population, this compares to 4,097 people in 2001 which accounted for 6.6% of the population.
 - 3.1.8 256 people declared their ethnicity as Gypsy or Irish Traveller which accounted for 0.4% of the population of South Bucks. South Bucks is ranked 7 out of 348 authorities for the percentage of the population who stated this as their ethnicity, so falls within the highest 5% of authorities.
 - 3.1.9 There were 41,637 people in South Bucks who stated their religion as Christian which accounted for 62.3% of the population. This has decreased from 46,815 people in 2001 (75.6% of the population).

- 3.1.10 There were 3,163 people who declared their religion as Sikh in 2011 which accounted for 4.7% of the population of South Bucks. This compares to 2001 when there were 977 people who declared their religion as Sikh (1.6%). South Bucks is ranked 11 out of 348 authorities for the percentage of the population who stated Sikh as their religion, so falls within the highest 5% of authorities.
- 3.1.11 There were 2,251 households which had different ethnic groups within partnerships which accounted for 8.5% of households in 2011, this compares to 6.9% of households for Buckinghamshire and 4.6% of households in England.
- 3.1.12 84.5% of people living in South Bucks were born in the UK, this is lower than the Bucks average of 87.1% and 86.2% for England.
- 3.1.13 There were 9,300 people in South Bucks who stated that their day to day activities were limited due to long-term health problems or disability which accounts for 13.9% of the population of South Bucks.
- 3.1.14 6,893 people stated that they provided some form of unpaid care (10.4%) of the population; this is slightly higher than the Buckinghamshire average of 9.8% and the England average of 10.3%.
- 3.1.15 There were 467 caravans or other mobile or temporary structures within South Bucks which accounted for 1.7% of dwelling types within the District. South Bucks was ranked 17 out of 348 authorities for the percentage of this type of dwelling within the district meaning it falls within the highest 5% of authorities.
- 3.1.16 In South Bucks there is an average of 6.4 rooms per household and 3.2 bedrooms per household. South Bucks is ranked 1 out of 348 meaning it ranks the highest for the number of rooms and bedrooms per household compared to all other authorities.
- 3.1.17 There were 2,711 households in South Bucks which had no cars or vans which accounted for 10.2% of all households
- 3.1.18 South Bucks has 2,966 households (11.2%) with 3 cars and 1,401 households (5.3%) with 4 cars and is ranked 1 out of 348 for both these categories meaning it ranks the highest for the number of households with 3 or 4 cars or vans.
- 3.1.19 There were 435 people who were long-term unemployed in 2011.
- 3.1.20 The highest occupation group that people fell within was the professional occupation group which accounted for 20.9% (6,914 people).
- 3.1.21 Out of the usual residents aged 16 to 74 in employment the week before the census there were 18.8% (6,241 people) who stated their occupation as Managers, directors and senior officials.
- 3.1.22 Out of the 33,117 usual residents aged 16 to 74 in employment the week before the census the largest industry category for South Bucks that people said they worked in was Wholesale and retail trade; repair of motor vehicles and motor cycles – 4,819 people stated they worked in this industry which accounted for 14.6%.
- 3.1.23 45.3% of the populations' method of travelling to work was by driving a car or van. 3410 people (7.1%) travel to work either by train or via the underground, metro, light rail or tram which is an increase of 61% from 2001 (2,123 people).

4 Further information

4.1 More detailed Census information for South Bucks can be found in Appendix A and is available on the Council's KnowledgeSource system and the full reference tables can be found on the Census website at:

<http://www.ons.gov.uk/ons/guide-method/census/2011/index.html>

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Background Papers:	None

Appendix A: South Bucks Census 2011 Summary

Usual Resident Population

- The population of South Bucks based on the 2011 census results was 66,867, an increase of 7.9% from 2001 when it was 61,945. 48.5% of the population are male and 51.5% of the population are female.
- There are 14,128 hectares in South Bucks and the density of people per hectare in 2011 was 4.7, an increase of 7.3% from 2001 when it was 4.38.

Age Structure

- There were 12,666 people aged 0-15 years in South Bucks an increase of 2.3% from 2001 when there was 12,382. This age group accounts for 18.9% of the population of South Bucks, this is slightly lower than for 2001 when it accounted for 20% of the population, but is the same as the England average.
- 41,250 people were aged 16-64 years (working age) in South Bucks, an increase of 6.5% from 2001 when there was 38,715 people within this age group.
- There were 12,951 people within South Bucks aged 65 and over, an increase of 19.4% from 2001 when there was 10,848. This age group accounts for 19.4% of the population of South Bucks; this is higher than the Buckinghamshire average of 16.6% and the England average of 16.4% for this age group.
- There were 1,921 people aged 85 and over, an increase of 32.6% from 2001 when there was 1,449 people within this age group. This age group accounts for 2.8% of the population compared to 2.3% in 2001. The average for Bucks is 2.2% and the England average is 2.3% for this age group.

Married and civil partnership status

- Out of the population who were aged 16 and over in South Bucks there were 30,069 who recorded their marital status as married in 2011, which account for 55.5% of the population compared to 51.2% (25,399 people) in 2001. South Bucks is ranked 18 out of 348 authorities for the percentage of the population who said they were married, so falls within the highest 10% of authorities.
- 90 people recorded their status as in a registered same-sex civil partnership.
- 7.7% of the population aged 16 and over is divorced or formerly in a same-sex civil partnership which is now legally dissolved, an increase from 6.7% in 2001. This is lower than the England average of 9.0%.

Lone parent households with dependent children

- There were 1,195 lone parent households (where the lone parent is aged 16 to 74), this is an increase of 45.9% from 2001 when there were 819 households. This accounts for 4.5% of all households in South Bucks compared to 3.3% in 2001.
- Of this number there were 390 lone parents who were not in employment which accounted for 32.6% of the total number of lone parents. In 2001 there were 321 lone parents who were not in employment which accounted for 39.2% of all lone parents. This is lower than the England average of 40.5% for 2011.
- 161 lone parents were male (13.5%) and 86.5% of lone parents were female (1,034 people) in 2011, this compares to 76 male (9.3%) and 743 female lone parents (90.7%) in 2001.

Living arrangements

- There were 33,918 people living in a couple; married couples or those in a registered same-sex civil partnership made up 54.5% (29,048 people) of all living arrangements. Cohabiting couples made up 9.1% (4,870 people).

Appendix

Household composition

- There were 26,514 households within South Bucks which is an increase of 7% from 2001 when there were 24,781.
- There were 3,708 one person households where the person was 65 and over which accounted for 14% of the households in South Bucks, this is higher than the average for Buckinghamshire of 11.8% and England average of 12.4%. This is an increase of 4.7% households from 2001 when there were 3,543 but accounts for a slightly lower percentage of all households (14.3% in 2001).
- Altogether there were 6,595 households where all household members were aged 65 and over, this accounts for 24.9% of all households in South Bucks, this is higher than the average for Buckinghamshire of 21.4% and for England of 20.8%.
- There were 1,198 lone parents households with dependent children (all households) in South Bucks which accounted for 4.5% of households, this is a 46.3% increase in the number of households from 2001 when there were 819 lone parent households with dependent children which at the time accounted for 3.3% of households¹.

Dwellings, household spaces and accommodation type

- 40.7% of the dwellings in the district are detached houses or bungalows (11,290).
- 13.8% of the dwellings in the district were terraced houses. South Bucks is ranked 318 out of 348 authorities for the percentage of dwellings that are made up of terraced houses so falls within the lowest 5% of authorities for having this type of accommodation.
- There were 467 caravans or other mobile or temporary structures within South Bucks which accounted for 1.7% of dwelling types within the District. South Bucks was ranked 17 out of 348 authorities for the percentage of this type of dwelling within the district meaning it falls within the highest 5% of authorities.

Tenure

- There were 10,099 dwellings which were owned outright which accounted for 38.1% of all households within the district, this compares to 9,086 (36.7%) in 2001. Altogether there were 19,453 dwellings owned outright or with a mortgage or a loan (73.4% of dwellings), this is 10% higher than the England average of 63.4%.
- There were 402 dwellings which were shared ownership properties (part owned and part rented) which accounts for 1.5% of dwellings within the district. South Bucks were ranked 16 out of 348 authorities meaning it falls within the highest 5% of authorities for the percentage shared ownership properties make up of the dwellings in the district.

Rooms, bedrooms and central heating

- Out of 26,514 households within the district there were 308 households (1.2%) which did not have central heating a decrease of 50.6% from 2001. In 2001 there were 623 households (3.4%) which did not have central heating. The average for England of households without central heating was 2.7% in 2011.
- In South Bucks there is an average of 6.4 rooms per household and 3.2 bedrooms per household. South Bucks is ranked 1 out of 348 meaning it ranks the highest for the number of rooms and bedrooms per household compared to all other authorities.

¹ This lone parent is slightly different to the lone parent table (this may be due to rounding or due to the fact that its all households with dependent children as opposed to households aged 16-64 with dependent children).

Ethnic group

- There were 56,365 people who declared their ethnicity as white in 2011 (84.3% of the population), this is a decrease of 2.6% from 2001 when 57,848 people declared their ethnicity as white (93.4% of the population).
- 256 people declared their ethnicity as Gypsy or Irish Traveller which accounted for 0.4% of the population of South Bucks (England average 0.1%). South Bucks is ranked 7 out of 348 authorities for the percentage of the population who stated this as their ethnicity, so falls within the highest 5% of authorities.
- 10,502 people fell within a non-white ethnicity group in 2011 which accounted for 15.7% of the population, this compares to 4,097 people in 2001 which accounted for 6.6% of the population. The largest grouping within the non-white ethnicity group is Asian or Asian British which accounts for 7,533 people (11.3% of the population); this compares to 2,782 people 4.5% of the population in 2001.

Country of birth

- There were 53,982 people in South Bucks who stated that their country of birth was England which accounted for 80.7% of the population. The average for England is 83.5%.
- 2,349 people declared their country of birth as other EU which accounted for 3.6% of the population of South Bucks; 1,443 of these were from member countries in March 2001 and 906 were from accession countries from April 2001 to March 2011.
- 7,174 (10.7% of the population) stated their country of birth as another country outside the UK, Ireland and countries classed as other EU.

Household language

- 24,525 households within South Bucks had all people aged 16 and over with English as a main language which accounted for 92.5% of households.
- There were 1,263 households where at least one but not all people aged 16 and over in the household had English as a main language.
- There were 148 households which had no person aged 16 and over in the household but at least one aged 3 to 15 with English as their main language.
- 578 households said they had no people in the household for whom English was the main language which accounts for 2.2% of all the households in South Bucks. This is lower than the England average of 4.4%.

Religion

- There were 41,637 people in South Bucks who stated their religion as Christian which accounted for 62.3% of the population. This has decreased from 46,815 people in 2001 (75.6% of the population). This is a decrease of 11.1% in the actual number of people who stated their religion as Christian.
- The highest increases in religion are in the groups who declared their religion as Muslim or Sikh. There were 1,665 people who declared their religion as Muslim in 2011 which accounted for 2.5% of the population, this compares to 700 people in 2001 (1.1%). This is an increase of 137.9% from 2001 to 2011 in the actual number of people who stated their religion as Muslim.
- There were 3,163 people who declared their religion as Sikh in 2011 which accounted for 4.7% of the population of South Bucks. This compares to 2001 when there were 977 people who declared their religion as Sikh (1.6%). This is an increase of 223.7% from 2001 to 2011 of the actual number of people who stated their religion as Sikh. South Bucks is ranked 11 out of 348 authorities for the percentage of the population who stated Sikh as their religion, so falls within the highest 5% of authorities.

Appendix

Multiple Ethnic Groups

- Within South Bucks there were 575 households which had different ethnic groups between the generations only (2.2% of households), this compares to 315 households in 2001 (1.3% of households).
- There were 2,251 households which had different ethnic groups within partnerships which accounted for 8.5% of households in 2011, this compares to 6.9% of households for Buckinghamshire and 4.6% of households in England. In 2001 there were 1,670 households with different ethnic groups within partnerships which accounted for 6.7% of households.

Year of arrival in UK

(New topic for 2011 census)

- 84.5% of people living in South Bucks were born in the UK, this is lower than the Bucks average of 87.1% and 86.2% for England.
- Of the 10,387 people who were born outside of the UK, 34.7% (3,598 people) arrived from 2001 onwards.

Age of arrival in UK

(New topic for 2011 census)

- Of the people born outside of the UK who are resident in South Bucks 4.9% were aged 20-29, higher than the Buckinghamshire average of 4.4%.
- There were 3,602 people (5.4%) who were aged 15 and under when they arrived in the UK, this is higher than the average for England of 3.9%.

Length of residence

(New topic for 2011 census)

- 84.5% of usual residents in South Bucks were born in the UK (56,480 people).
- 2,094 people (3.1%) have been resident in the UK for less than 5 years.
- 10.3% of South Bucks residents have been resident in the UK for 10 years or more but were not born in the UK.

Health & Provision of Unpaid Work

- There were 9,300 people in South Bucks who stated that their day to day activities were limited due to long-term health problems or disability which accounts for 13.9% of the population of South Bucks. In 2001 8,136 people stated that their day to day activities were limited which accounted for 13.1% of the population. This is a 14.3% increase from 2001 to 2011 in the actual number of people with limitations on their activities due to health or disability reasons.
- Of the 9,300 people who stated they had limitations on their day to day activities, 3,965 people (5.9% of the population of South Bucks) said their activities were limited a lot. Of this figure 1,202 people were aged 16 to 64.
- 57,322 people stated that their health was good or very good which accounted for 85.7% of the population.
- 2,520 people stated that they had bad or very bad health in 2011 (3.7% of the population).
- 6,893 people stated that they provided some form of unpaid care (10.4%) of the population, this is slightly higher than the Buckinghamshire average of 9.8% and the England average of 10.3%. In 2001 there were 6,004 people providing unpaid care (9.7% of the population).
- Of the people who provided unpaid care there were 1,174 who provided 50 or more hours of unpaid care a week.

Adults not in employment and dependent children and persons

- Altogether there were 7,932 households in South Bucks (30% of households) with no adults in employment in the household. This is an increase of 7.2% from 2001 (7,548 households) but overall accounted for a similar percentage of all households (30.4%).
- There were 8,098 households with dependent children which accounted for 30.5% of all households in South Bucks, slightly higher than the England average of 29%. This is an increase of 10% from 2001 when there were 7,361 households with dependent children but overall accounted for a similar percentage of all households (29.7%).
- 5,766 households (21.8% of all households) had a person with a long-term health problem or disability, 972 of these households had dependent children.

Method of travel to work

- 45.3% of all usual residents aged 16 to 74 method of travel to work is driving a car or van which is a similar percentage to 2001 (44.0%)
- 3,138 people work mainly at or from home (6.6%) a decrease of over 26% from 2001 when 3,960 people worked mainly at or from home which accounted for 8.9% of usual residents.
- 3,410 people (7.1%) method of travel to work is via the train or the underground, metro, light rail or tram which is an increase of 61% from 2001 when 2,123 people used this method of travel (4.8%).

Car or Van availability

- There were 2,711 households in South Bucks which had no cars or vans which accounted for 10.2% of all households, this compares to 2001 when there were 2,753 households (11.1%) with no cars or vans.
- South Bucks has 2,966 households (11.2%) with 3 cars and 1,401 households (5.3%) with 4 cars and is ranked 1 out of 348 for both these categories meaning it ranks the highest for the number of households with 3 or 4 cars or vans.
- Altogether there were 44,527 cars or vans in the district an increase of 11.2% from 2001 when there were 40,052.

Qualifications and students

- There were 8,954 people without qualifications in South Bucks which accounted for 16.5% of usual residents aged 16 and over. 19,977 residents had level 4 qualifications and above (degree/higher degree etc) this accounted for 36.9% of the population. Higher than the Bucks average is 34.8% and the England average is 27.4%.

Economic Activity

- In 2011 there were 34,581 usual residents aged 16 to 74 who were economically active which accounted for 72.3%. 27.7% (13,221) residents were economically inactive.
- In South Bucks of usual residents aged 16 to 74 there were 19,666 full time employees (41.1%), 5,643 part-time employees (11.8%), 6,850 residents who were self-employed (14.3%) and 1,267 residents who were unemployed (2.7%).
- There were 435 people who were long-term unemployed in 2011 (0.9%). The Bucks average is 1.1% and England average is 1.7%. A person is defined as long-term unemployed in the census if they were unemployed and the year they last worked was 2009 or earlier.

Appendix

Hours worked

- Out of the 33,117 usual residents aged 16 to 74 in employment the week before the census, 6,340 people (19.1%) stated that they worked 49 or more hours a week. This is slightly lower than in 2001 when 6,720 stated they worked 49 or more hours a week (22.3%).
- Females working 49 or more hours a week accounted for 4.4% in 2011 compared to 4.3% in 2001. However males working 49 or more hours a week made up 14.8% in 2011 which has decreased compared to 2001 when it was 18.0%.

Industry

- Out of the 33,117 usual residents aged 16 to 74 in employment the week before the census the largest industry category for South Bucks that people said they worked in was Wholesale and retail trade; repair of motor vehicles and motor cycles – 4,819 people stated they worked in this industry which accounted for 14.6%.
- The next highest industry sector for South Bucks was the professional, scientific and technical activities and 3,419 people said they worked in this industry which accounted for 10.3% of the usual residents in employment, the England average was 6.7%.

Occupation

- Out of the usual residents aged 16 to 74 in employment the week before the census there were 18.8% (6,241 people) who stated their occupation as Managers, directors and senior officials.
- The highest occupation group that people fell within was the professional occupation group which accounted for 20.9% (6,914 people). This is an increase in the number of people in this occupation group of 69.8%.

NS-SeC

- Of usual residents aged 16-74 in South Bucks the Socio-Economic Classification which had the highest percentage of people in was the 'Lower managerial, administrative and professional occupations' group which accounted for 27.1% of usual residents (12,967 people).
- 17.4% of usual residents fell into the 'Higher managerial, administrative and professional occupations' group which accounted for 8,339 people. South Bucks is ranked 20 out of 348 authorities for the percentage this group makes up of the population meaning it falls in the top 10% of authorities.
- 14.8% of usual residents fell within the semi-routine occupations and the routine occupations group in 2011, which is lower than the Buckinghamshire average at 18%, South East at 21.6% and England at 25%.

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