



Audit Committee

Date: Thursday, 23 March 2017
Time: 7.00 pm
Venue: Committee Room 1
District Council Offices, Queen Victoria Road, High Wycombe Bucks

Membership

Chairman: Councillor M C Appleyard
Vice Chairman: Councillor S Saddique

Councillors: A Lee, Ms C J Oliver, G Peart, N J B Teesdale, M Hanif and G C Hall

Standing Deputies

Councillors: P R Turner, C Whitehead, R J Scott and M Asif

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Agenda

Item		Page
1	Apologies for Absence To receive any apologies for absence.	
2	Declarations of Interest To receive any disclosure of disclosable pecuniary interests by Members relating to items on the agenda. If any Member is uncertain as to whether an interest should be disclosed, he or she is asked if possible to contact the District Solicitor prior to the meeting. Members are reminded that if they are declaring an interest, they should state the nature of that interest whether or not they are required to withdraw from the meeting.	
3	Minutes To confirm the minutes of the meeting held on 19 January 2017.	1 - 4
4	Presentation on the new Annual Governance Statement	

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5	Health and Safety Work Programme 2017/18	5 - 9
6	2016/17 Service Performance: Q3 (October - December)	10 - 20
7	Red Kite Update	21 - 50
8	Regulation of Investigatory Powers Act Annual Report	51 - 74
9	Certification of Grants and Claims	75 - 87
10	Proposed Internal Audit Programme 2017/18	88 - 97
11	Audit Committee Work Programme	98 - 100
12	Information Sheets	101 - 106

Submission of Information Sheets in so far as they affect this Committee. Members are reminded to give 24 hours notice if they wish to ask a question on an Information Sheet to ensure that an answer can be given at the meeting.

The following Information Sheet is attached:

02/2017 • Homelessness – Customer Journey

03/2017 • Revenues and Benefits Information

13 Supplementary Items

If circulated in accordance with the five clear days' notice provision.

14 Urgent Items

Any urgent items of business as agreed by the Chairman.

For further information, please contact Jemma Durkan on 01494 421635, committeeservices@wycombe.gov.uk

Audit Committee Minutes

Date: 19 January 2017

Time: 7.00 - 7.40 pm

PRESENT: Councillor M C Appleyard (in the Chair)

Councillors S Saddique, Ms C J Oliver and N J B Teesdale, P R Turner and R J Scott

Also present: Sue Gill and Preeti Malik (External Auditor, Ernst & Young)

33 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Hall, Councillor Lee, Councillor Peart, Councillor Whitehead and Maria Grindley (Ernst & Young).

34 DECLARATIONS OF INTEREST

There were no declarations of interest.

35 MINUTES

Regarding item 31 Audit Committee Work Programme, it was noted that the Certification of Grants and Claims Annual report had not yet been circulated however this would be made available before the next meeting.

RESOLVED: That the minutes of the meeting held on 17 November 2016 be confirmed as a correct record and signed by the Chairman.

36 RED KITE UPDATE

As the Housing Services Manager was unavailable to attend the meeting the Committee agreed to defer the report to the next meeting in March.

37 DRAFT AUDIT COMMITTEE ANNUAL REPORT

The Committee received a report which presented a draft 2016 Annual Report that reflected the work of the Committee during 2016 and provides information regarding the Committee's work programme for 2017.

The Audit, Risk & Fraud Manager advised that the report was based on best practice as recommended in CIPFA's Audit Committee Practical Guidance for Local Authorities and Police 2013, and if agreed by the Committee would be published on the Council's website.

RESOLVED: That the draft 2016 Annual Report of the Audit Committee be agreed, and published on the Council's website.

38 ANNUAL REVIEW OF THE RISK MANAGEMENT POLICY

The Committee received a report which presented the 2017 Risk Management Policy. The Audit, Risk & Fraud Manager reported that there were no changes to the policy agreed by the Committee in January 2016.

It was noted that training would be offered to Audit Committee members on identified items from the Work Programme.

Regarding Roles and Responsibilities, Cabinet members would be contacted to request details of any training undertaken to meet this expectation. The Audit Risk and Fraud Manager would provide a briefing note to Cabinet members outlining any training requirements.

RESOLVED: That the Risk Management Policy 2017 be approved.

39 TREASURY MANAGEMENT STRATEGY 2017/18

The Financial Services Manager presented the Treasury Management Strategy for 2017/18. In 2012 the Council adopted the CIPFA Treasury Management in the Public Services Code of Practice, which requires the Council to approve a treasury management strategy before the start of each financial year; a mid-year report; and an annual report after the end of each financial year. The Committee was invited to approve the Strategy for 2017/18, including the Treasury Management Indicators, and to note the Treasury Management Policy Statement.

It was noted that the main changes in the Treasury Management Strategy was the increase in investments with existing A- or above credit rated counterparties. This was a direct response to the cut in interest rates and a fall in demand for Local Authority deposits.

In response to a query it was noted that there were a number of options to increase yield; investing in local property combining local regeneration objectives, investing indirectly in a property fund, treasury investments with more risk, or increasing limits with existing counterparties. These were all possible options however it was noted that the option to invest directly in local property and increasing limits with existing counterparties were the preferred methods.

Therefore it was **recommended** to Cabinet that:

- (i) the Treasury Management Strategy for 2017/18, and the Treasury Management Indicators contained therein be approved;
- (ii) the Treasury Management Policy Statement, attached at Appendix A of the report, be noted.

40 EY ANNUAL AUDIT PLAN 2016/17

The Committee received the EY Annual Audit Plan for 2016/17. Sue Gill, Ernst and Young, presented the plan and reported that two significant risks to the opinion on the financial statement had been identified (risk of fraud in revenue and expenditure, and risk of management override). It was noted that these were standard risks and considered at all audits.

In response to a Member query it was noted that the timetable would be changing in the future and officers had taken steps to manage their work programme accordingly.

Regarding the fees it was noted that the total fee was the same as the previous year. Also the fee for certification of claims and returns was based on works undertaken in 2013/14 when extra work had been required and would be adjusted for work actually undertaken.

RESOLVED: That the EY Annual Audit Plan for 2016/17 be noted.

41 EY ANNUAL FEE LETTER 2016/17

The Committee received the Annual Audit and Certification Fees letter for 2016/17.

RESOLVED: That the Annual Audit and Certification Fees letter 2016/17 be noted.

42 AUDIT COMMITTEE WORK PROGRAMME

The Audit Committee work programme as appended to the agenda was reviewed by the Committee.

The Red Kite update would be taken to the next meeting in March.

It was noted that an update report would be provided at the March meeting on the new Annual Governance Statement in line with the new CIPFA guidance.

A progress report from Ernst and Young would be provided at the June meeting.

The Chairman suggested that training be provided in March on the new CIPFA guidance as regards the 2016/17 Annual Governance Statement and the Annual Review of the Anti-Fraud & Corruption Policy in June.

RESOLVED: That the forward work programme be noted and updated as above.

Chairman

The following officers were in attendance at the meeting:

- Jemma Durkan - Senior Democratic Services Officer
- Mike Howard - Audit, Risk and Fraud Manager
- Nisar Visram - Financial Services Manager

Agenda Item 5

AUDIT COMMITTEE

Health & safety corporate work programme for 2017/18

Officer contact:

- Paul Spencer, Shared Support Services Manager - 01494-421107
- Pat Beveridge, Health & Safety Advisor (Bucks CC) - 01494-421973
- Chris Greenaway, Health & Safety Co-ordinator – 01494-421066

Wards affected: All

PROPOSED DECISION

That the health & safety work programme for 2017/18, attached at Appendix A, be noted.

Corporate Implications

The Council has a duty to conform to the requirements of the Health and Safety at Work Act 1974, to ensure, so far as is reasonably practicable, the health, safety and welfare of its employees at work and the health and safety of others affected by its undertakings, and also the general requirements of the Management of Health and Safety at Work regulations 1999.

Executive Summary

1. Every financial year the corporate Health & Safety team leads the development of an annual work programme, which sets out key priority activities to further improve the Council's safety and resilience.
2. The work programme is developed in collaboration with services to reflect their operational risks, and is reported to the Council's Operational Health & Safety Group, and to the Senior Management Board and the Audit Committee. Quarterly progress reports are submitted to the Operational Group, and any exceptions are reported to SMB and the Audit Committee.

Sustainable Community Strategy/Council Priorities - Implications

3. People – the Health and Safety at Work Act recommends that an effective management structure and arrangements are in place delivering the policy, ensuring that all staff are motivated and empowered to work safely and to protect their long term-term health, not simply to avoid accidents.

Background and Issues

Health and Safety Work Programme 2016-17 – progress

4. Progress against the 2016-17 work programme is largely completed.
5. There have been no major Health & Safety issues during the year, and the Council remains a relatively low risk organisation. A final "end of year" report

will be brought to the Audit Committee in June 2017, which will summarise progress against the 2016-17 work programme.

Proposed Health and Safety Work Programme 2017-18

6. The delivery of an agreed corporate work programme is one of the major elements of our Health & Safety service partnership with Bucks CC.
7. Over the last 2 months officers have carried out a series of service compliance reports with the Council's 7 service areas. These have sought to identify what Health & Safety risks each service is facing and to assess what arrangements they have in place to respond.
8. From this baselining work we have been able to pull together a range of improvement areas which need to be addressed in 2017-18. These are set out in the attached proposed corporate work programme for next financial year. Key projects within the proposed corporate work programme are:
 - Reviewing Health & safety management within WDC properties – primarily focussing on ensuring all key risks (eg legionella, asbestos, fire etc) are effectively managed, and that contractors working on remote sites are properly qualified and supervised
 - An expanded training programme – this will make maximum use of the wide range of training provision that Bucks CC provide, which WDC staff can access as part of the service partnership
 - Reviewing our H&S management structures – including reviewing the current Service Level Agreement with Bucks County Council
 - Reviewing the H&S information on the Council's intranet site – following the replacement of the Wospace site with the new Wycopedia site
 - Continuing work to review the Council's health & safety policies – in particular we need to review whether we need new policies to improve security on the QVR site, and for the safe use of drones in the District, or on WDC land
 - Finalising work to streamline reporting processes by starting to use Bucks CC's on-line systems (eg e-learning, on-line accident reporting, and display screen self-assessments).
9. The proposed work programme has been considered by the Council's Health & Safety Operational Group, and has been approved for implementation. Progress will be reviewed on a quarterly basis.
10. Audit Committee is asked to note the Health & Safety work programme for 2017-18.

Health & Safety resourcing

11. With effect from 1 December 2014 the Council has been working with Bucks County Council under a Service Level Agreement. The current agreement runs until 31 March 2018, and will be reviewed during 2017/18. The

agreement means that BCC provide WDC with a strategic Health & Safety service, which has included:

- acting as the Council's "Competent Person" (a legal requirement)
 - providing a part-time advisory presence on site at the QVR offices
 - providing a telephone advice line for managers/staff during office hours
 - giving WDC access to the comprehensive BCC Health & Safety training programme
 - leading the development of H&S improvement work, and working with services to develop and deliver their service action plans
 - and carrying out investigations and audits where necessary.
- 12.** This strategic support package is complemented by a continuing Health & Safety co-ordinator on-site presence at the QVR offices. This role is fulfilled by the current Building Support Services Manager, who is IOSH (Institute of Safety & Health) qualified, and who can therefore ensure immediate support and advice is available on a full-time basis.

Background Papers

None.

HEALTH & SAFETY

PROPOSED CORPORATE WORK PROGRAMME 2017-18

Costs – there are no costs attached to actions other than staff costs unless stated - funding will be from existing budgets.

Activity area	Improvement action	Timescale	Owner	Current RAG Status	Progress update
A - Training Programme Page 8	A1 - Develop 2018 corporate training programme	By end Dec 2017	H&S team		
	A2 - Induction training (as required)	As required	H&S team		
	A3 – Explore potential for e-learning induction module for employees	By end October 2017	H&S team		
B - WDC Health and Safety Policies and Procedures	B1 – Ongoing review and updating of WDC H&S policies	Ongoing	H&S team		
	B2 – Develop new WDC policy for bomb threats and terrorist incidents	By end July 2017	H&S team		
	B3 – Develop new WDC guidance for use of drones (to be linked to emerging national guidance)	By end May 2017	H&S team		
	B4 – Ensure stress risk assessments are being carried out by all WDC service areas	Ongoing	H&S & HR teams		
	B5 – Promote use of job based risk assessments across all WDC service areas	Ongoing	H&S team		
C - Auditing,	C1 – Complete 2 service audits (Community	By end	BCC audit		

Activity area	Improvement action	Timescale	Owner	Current RAG Status	Progress update
monitoring and inspection of services	Services, and HR/ICT/SSS)	September 2017	team		
	C2 – Refresh 7 service action plans, and ensure they are being delivered	By end May 2017 (plus quarterly monitoring)	H&S team		
D – Communic-ations activity	D1 – Monthly H&S communication	Ongoing	H&S team		
	D2 – Review & improve H&S presence on new Council Intranet (Wycopedia)	By end December 2017	H&S team		
E – H&S governance	E1 – Complete full review of Bucks/WDC SLA	By end September 2017	PS/PB		
Page 9	E2 – Review new internal governance structures (following changes made in January 2017)	By end January 2018	PS/PB		
F – Property management	F1 – Review role of property managers with regard to their H&S responsibilities	By end September 2017	H&S & FM teams		
G – Online reporting	G1 – Implement online accident reporting tool (ANT)	By end April 2017	H&S team & Service leads		
	G2 - Develop online DSE self-assessment process	By end April 2017	H&S team		

Agenda Item 6

2016/17 SERVICE PERFORMANCE: Q3 (October – December)

Officer contact: Aisha Bi DDL: 01494 421981, Email: aisha.bi@wycombe.gov.uk

Wards affected: All

PROPOSED DECISION

That the summary of the year to date outturns (October – December) for service performance be received.

Corporate Implications

1. Corporate business planning and monitoring is conducive to the discharge of the Council's various functions and is therefore authorised by Section 111 of the Local Government Act 1972.
2. Quarterly monitoring of performance enables the identification of areas of under-performance and action to be taken on these in 'real time' as appropriate, so that there are no surprises at year end.
3. The quarterly monitoring of the quality of the data also ensures that it is fit for purpose for decision making and complies with the dimensions of good data quality as set out by the Audit Commission and embedded within the Council's performance management framework and data quality policy.

Executive Summary

This report provides an updated of all the corporate performance measures for Q3 (October – December).

Sustainable Community Strategy/Council Priorities - Implications

Performance measures represent additional 'achievement' indicators that link to and support the aims and objectives of the Sustainable Community Strategy and the Council's Priorities (as set out in the Corporate Plan)

Background

The Council corporately reports 41 performance measures. A report providing an update on these performance measures is circulated to Strategic Management Board, Cabinet, and Audit Committee each quarter.

Consultations

Service Performance has been considered by Strategic Management Board (24 January 2017) and Cabinet (13 March 2017).

Executive Summary

Appendix A: 19 Level 1 measures identified by Audit Committee. This includes the base data as appropriate to put the percentage outturns in context.

Appendix A: Level 1 Measures

Leader's Portfolio		2015/16 Actual	2016/17 Targets	Q1	Q2	Q3		Snapshot* / Comments *Q1 2014/15 to present
Code	Measure					Actual	Alert	
DL001	Total number of complaints received	461	NA	89	72	74	Data Only	
	Community	38		6	8	2		Staff training provided to all Leisure Centre staff regarding call handling.
	Democratic, Legal and Policy	4		2	1	0		No complaints this quarter
	Environment	230		43	34	40		<ul style="list-style-type: none"> • 2 Properties were placed on JWT hotspot list for a minimum of 6 weeks. (Waste) • Staff reminded to properly log fouling complaints so it can be dealt with in the proper manner. (Waste) • Meeting held with contractor to ensure that follow up visits are completed (Pest control) • Unable to control rough sleepers despite efforts by housing & homeless agencies & the police. (Parking) • Off Street Parking: Lighting repaired as soon as made aware. Monthly checks undertaken. (Parking) • Parking System issues reported to contractor and resolved. (Parking)



Exceeded target by more than 5%



Met or are within +/- 5% of target



More than 5% away from target

Appendix A: Level 1 Measures

Leader's Portfolio		2015/16 Actual	2016/17 Targets	Q1	Q2	Q3		Snapshot* / Comments *Q1 2014/15 to present
Code	Measure					Actual	Alert	
DL001	Finance	103		26	19	20		<ul style="list-style-type: none"> Coventry customer services call handler provided incorrect information to a caller. This has now been esclated to the superrvisor. Members of the administration team have been provided further training to ensure change of events are logged accurately and in a timely manner.
	Planning	21		11	9	11		No complaints this quarter were upheld as WDC did not fail to provide a service. Complaints were due to recipiant being unhappy with a decision. We are currently working to steer people to submit a formal appeal rather than a complaint when unhappy with a decision.
	HR, ICT and Shared Support Services	65		1	1	1		<p>Switchboard number has now been included in the Aylesbury telephone directory.</p> <p>Higher number of complaints received last year as CSC newly tranferred from Northgate to Capita.Complaints reduced as service bedded in.</p>



Exceeded target by more than 5%









Met or are within +/- 5% of target



More than 5% away from target

Appendix A: Level 1 Measures

Finance and Resources Portfolio		2015/16 Actual	2016/17 Targets	Q1	Q2	Q3		Snapshot* *Q1 2014/15 to present
Code	Measure					Actual	Alert	
BV08	% of invoices paid within 30 days	97%	98%	97.6%	98.7%	99.9%		
	Paid within 30 days	6,520		1,612	1,801	1,753		
	Total paid	6,693		1,652	1,825	1,755		
Comment:	Performance continues to be within target.							
BV78a	Average time taken to process HB / CTR: new claims (days)	22.5	18	26.9	26.6	24.5		
	Total number of days taken	46,067		12,290	24,934	35,367		
	Number of new claims	2,051		457	938	1,441		
BV78b	Average time taken to process HB / CTR: change events (days)	10.1	8	9.3	9.9	9.8		
	Total number of days taken	339,693		73,980	141,808	196,673		
	Number of change events	33,671		7,965	14,275	19,987		
Comment for both measures:	Despite workloads remaining high and extra work caused by Government changes to the benefit cap, workloads are at a lower level at the end of the quarter. This can be seen in the performance Indicators for the month of December which are 18.9 days for new claims, and 8.7 days for changes (reported PI's show cumulative data for the year to date)							



Exceeded target by more than 5%


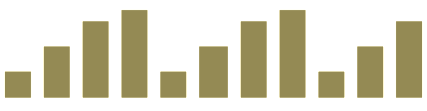




Met or are within +/- 5% of target



More than 5% away from target

Appendix A: Level 1 Measures

Finance and Resources Portfolio		2015/16 Actual	2016/17 Targets	Q1	Q2	Q3 (Cumulative)		Snapshot* *Q1 2014/15 to present
Code	Measure					Actual	Alert	
BV009	% of Council Tax Collected	98%	85.7%	30%	58%	86%		
	Estimated net collectable debit	£98,019,152		£31,613,136	£61,246,933	£ 90,550,097		
	Total receipts (cumulative)	£99,998,737		£105,434,208	£105,518,361	£105,253,000		
Page 14 BV010	% of national non-domestic rates (NDR) Collected	98.5%	82.7%	31.1%	57%	83%		
	Estimated net collectable debit	£72,163,413		£23,635,014	£42,901,257	£ 62,424,919		
	Total receipts (cumulative)	£73,240,650		£76,113,145	£75,730,612	£75,259,171		
Comment for both measures:	Performance continues to be within target.							



Exceeded target by more than 5%



Met or are within +/- 5% of target



More than 5% away from target

Appendix A: Level 1 Measures

Housing Portfolio		2015/16 Actual	2016/17 Targets	Q1	Q2	Q3		Snapshot* *Q1 2014/15 to present
Code	Measure			Actual	Actual	Actual	Alert	
ES006	Number of people in temporary accommodation (TA)	89	N/A	101	109	96	N/A	
	Bed and Breakfast			24	26	21		
	Saunderton Lodge			31	30	29		
	Registered Provider			43	51	43		
	WDC retained properties			3	2	3		
Comment:	<p>This quarter we have recorded the lowest number of people in temporary accommodation this year. The team continue to work in partnership with Registered Providers and Private landlords to meet demand and there has been a reduction in bed and breakfast use due to work undertaken by officers in the period.</p> <p>Wycombe continues to perform better than neighbouring authorities. As at September 2016 (the latest figures from DCLG) Wycombe had 1.58 households in TA per 1,000 households which is lower than the figure for England (3.15); and the figure for neighbouring area such as South Bucks (2.50) and Slough (5.92).</p>							
ES008	Number of homelessness applications agreed for which we have a duty to provide housing	99	N/A	25	22	39	N/A	
Comment:	<p>During this quarter we agreed 39 homelessness applications for which we have a duty to provide housing. The year to date figure is 86.</p>							



Exceeded target by more than 5%



Met or are within +/- 5% of target



More than 5% away from target

Appendix A: Level 1 Measures

Housing Portfolio		2015/16 Actual	2016/17 Targets	Q1	Q2	Q3		Snapshot* *Q1 2014/15 to present
Code	Measure					Actual	Alert	
ES009	Number of households prevented from becoming homeless through WDC advise	232	240 (Qtr: 60)	50	43	55	▲	
Comment:	There is increasing difficulty in assisting households into affordable private rented properties in the district due to market rents rising well above local housing allowance levels making it difficult to meet our quarterly target of 60.							

HR, ICT and Customer Services Portfolio		2015/16 Actual	2016/17 Targets	Q1	Q2	Q3		Snapshot* *Q1 2014/15 to present
Code	Measure			Actual	Actual	Actual	Alert	
BV12	Average number of working days lost to sickness absence per full time employee	6.8	7	5.24	5.15	8.6	▲	
Comment:	Sickness absence at 31/12/16 is a rate per quarter of 3.78% or 8.6 days, the year to date figure is 6.79 days. Typically there tends to be a seasonal increase in sickness absence in quarters 3 and 4 (due to colds, flus and viruses.) The Council continues to support the health and wellbeing of staff through our health and wellbeing strategy, promoting initiatives around physical activity, healthy eating, mental health and equipping managers to support employee health & wellbeing and managing sickness absence.							



Exceeded target by more than 5%





Met or are within +/- 5% of target



More than 5% away from target

Appendix A: Level 1 Measures

HR, ICT and Customer Services Portfolio		2015/16 Actual	2016/17 Targets	Q1 Actual	Q2 Actual	Q3 Actual		Alert	Snapshot* *Q1 2014/15 to present	
HR002	Number answered within 20 seconds	68%	70%	70%	68%	72%				
	Total number of calls answered within 20 seconds	123,908		33,072	30,895	28,252				
	Total number of calls	180,988		47,058	45,521	39,368				
	Breakdown: total number of calls by service area									
	Revenues and Benefits	78,479		19,665	19,518	17,040				
	Electoral Services	1,274		599	102	68				
	Planning and Building Control	14,889		4,108	4,221	3,541				
	Homelessness and Housing Options	1,716		2,127	1,891	1,965				
	Environmental Health	3,300		706	878	635				
	Switchboard	81,330		19,853	18,911	16,119				
Comment:	Satisfaction levels based upon quarterly survey was 86.1% at the end of October 2016 with 92.5% of calls this quarter being resolved at first point of contact.									



Exceeded target by more than 5%






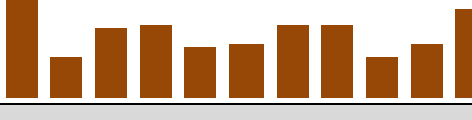


Met or are within +/- 5% of target



More than 5% away from target

Appendix A: Level 1 Measures

Planning Portfolio		2015/16 Actual	2016/17 Targets	Q1	Q2	Q3		Snapshot* *Q1 2014/15 to present
Code	Measure			Actual	Actual	Actual	Alert	
NI157a	% of major applications determined in 13 weeks	72%	60%	83%	73%	64%		
	Determined in 13 weeks	34		5	11	7		
	Number determined	47		6	15	11		
Comment:	Above the government minimum set target of 60% for this quarter.							
NI157b	% of minor applications determined in 13 weeks	77%	65%	80%	83%	77%		
	Determined in 13 weeks	333		87	82	99		
	Number determined	430		109	99	128		
Comment:	We have exceeded target for the second quarter this year.							
BV204	% of section 78 planning appeals allowed	36%	40%	25%	32%	53%		
	Number of appeals allowed	25		6	7	10		
	Total number of appeals	69		24	22	19		
Comment:	Performance has been off target for this quarter but the year to date performance (35.4%) is within target. We expected to be within target at the end of the year.							



Exceeded target by more than 5%





Met or are within +/- 5% of target



More than 5% away from target

Appendix A: Level 1 Measures

Environment Portfolio		2015/16 Actual	2016/17 Targets	Q1	Q2	Q3		Snapshot* *Q1 2014/15 to present
Code	Measure					Actual	Alert	
NI192 (JWS5)	% of household waste reused, recycled and composted	52.6%	55.2%	56.5%	55.6%	51.1%	●	
	Tonnage of household waste reused, recycled and composted	50,416	51,995	14,577	14,187	11,763	●	
Comment:	Q3 data is provisional as still awaiting finalised data from a third party. While the recycling rate for this quarter is lower than it has been for the previous quarters, the overall amount of waste collected was also lower. We are still within target for this measure.							
BV082ai (JWS1)	% of household waste recycled	25.8%	24.1%	22.5%	24.2%	25.7%	●	
BV082aii (JWS3)	Tonnage of household waste recycled	24,755.8	6,446	5,959	6,187	5,906	▲	
Comment:	Q3 data is provisional as still awaiting finalised data from a third party. The distribution of the new annual collection calendars in October was an opportunity to focus on the quality of the material collected, reinforcing which materials are acceptable in an effort to improve quality and reduce contamination. The increase in paper and cardboard tonnages collected in the lead up to Christmas have had a positive effect on the recycling rate, as consumer trends move more towards online shopping. Ongoing work by the Project Officers including further meetings and talks with residents and community groups has continued to help residents understand which items are suitable for recycling.							



Exceeded target by more than 5%



Met or are within +/- 5% of target



More than 5% away from target

Appendix A: Level 1 Measures

Environment Portfolio		2015/16 Actual	2016/17 Targets	Q1	Q2	Q3		Snapshot* *Q1 2014/15 to present
Code	Measure					Actual	Alert	
ES003 (JWS11)	% of calls to the Joint Waste Team which are abandoned	13.7%	N/A	16.2%	17.8%	16.4%	N/A	
	Number of calls abandoned	10,663		2,599	2,571	1,947		
	Total number of calls	77,894		16,049	14,427	11,854		
Comment:	The slower staff turnover in this quarter has helped to improve the service quality, as less time is needed to train new members of staff. The telephony system has also had far fewer technical difficulties over the last couple of months. While there have been a couple of issues they have been resolved promptly and have had a minimal impact upon the service. Some members of staff also received refresher training which has improved the efficiency of call handling.							
ES005	% of programmed food premises interventions carried out	93%	90%	100%	97%	87.7%		
	Number of programmed interventions carried out	452		137	155	107		
	Number of interventions programmed	487		137	159	122		
Comment:	Performance is within target for this quarter.							



Exceeded target by more than 5%



Met or are within +/- 5% of target



More than 5% away from target

Agenda Item 7

RED KITE PERFORMANCE

Officer contact: Brian Daly Ext: 3601 Direct line: 01494 421601
Email: brian_daly@wycombe.gov.uk

Wards affected: All

PROPOSED DECISION

That the report be noted.

Corporate Implications

1. The promises referred to in this report are commitments which were made by the Council in its pre-ballot offer document to the tenants. The offer document was formally issued by the Council to its secure tenants in January 2011 in accordance with Schedule 3A to the Housing Act 1985 before the ballot took place in April 2011.
2. Under the terms of the Transfer Agreement dated 13 December 2011, Red Kite are obliged to comply with the terms of the offer document, which is itself included within the Transfer Agreement. Similar commitments were made to the leaseholders, although this is not a formal requirement of the legislation.

Executive Summary

3. An update report has been requested by Audit Committee relating to Red Kite's performance post housing stock transfer in December 2011.
4. There are 78 promises included in promises tracker relating to Red Kite Promise at transfer in Dec 2011 and a further 31 leaseholder commitments which have been amalgamated with the main promises document during quarter 4.
5. According to information provided by Red Kite, they have completed all of the promises made to tenants and residents prior to the 5 year 'deadline' as per the offer document.

Current Assessment against Promises made at Transfer

6. Using the performance information obtained from Red Kite, they have completed 100% of the target position (as at October 2016) for promises made at transfer.
7. More detailed information is available in the tables below and has been obtained using information available on Red Kite's website (<http://redkitehousing.org.uk/work-to-your-home/the-improvements-we-have-made-so-far>)

Obligations under Transfer

8. As per the transfer agreement, Red Kite agreed to a number of service level agreements relating to various issues including the management of temporary accommodation and the supply of up to 50 temporary accommodation

properties.

9. The provision of up to 50 units of temporary accommodation is ongoing and will continue in line with a percentage of stock having now reduced to 47 due to Right to Buy sales. Service Level agreements relating to Saunderton Lodge and the remaining temporary accommodation stock ended in December 2014 as per the transfer contract and alternate arrangements have been implemented.

Summary

10. Overall, Red Kite have achieved the Promises made in the Transfer Offer and should be commended for achieving so much in the period post transfer.

Challenges

11. The need to make further progress on the redevelopment of Castlefields of which progress has been made, with a full planning application expected in 2017.

Background Papers

The final 'promises' report from Red Kite is attached as Appendix A.



Delivery of our 109 post transfer promises

Red Kite
Community Housing

1. Install new kitchens where existing kitchens are over 15 years old

Post transfer, we carried out a full stock condition survey to identify the actual number requiring replacement, based on the age criteria set in the offer document. The offer made clear that customers were to be offered choice of materials and also on the works being carried out. We have reconciled the original offer document numbers with the data provided by Savills, who carried out the original survey for WDC. The completed works figure, including those properties where customers declined works, have also been reconciled and verified by an independent consultancy - Impart Links, and also through an internal audit carried out by Mazars. This requirement has been fully met and completed.

Our total spend was £12.178m and this consisted of 3,273 installs. The actual original figure required was 3,762 however this included properties, some of which were subsequently sold and 489 customers who declined works.

2. Post promises - Install new kitchens where existing kitchens are over 20 years old

Post promises requirement to change the age criteria which does not occur during the five year promises period. Moving forward, the replacement age for this future requirement will extend the replacement life by an additional five years as part of the response to mitigating against the loss of rent convergence and the four year rent reduction policy of the Government. This action also helped to bring the lifecycle replacement in line with industry standards. We consider that this requirement is fully met.

3. Install new bathrooms where existing bathrooms are over 20 years old

Post transfer, we carried out a full stock condition survey to identify the actual number requiring replacement, based on the age criteria set in the offer document. The offer made clear that customers were to be offered choice of materials and also on the works being carried out. We have reconciled the original offer document numbers with the data provided by Savills, who carried out the original survey for WDC. The completed works figure, including those properties where customers declined works, have also been reconciled and verified by an independent consultancy - Impart Links, and also through an internal audit carried out by Mazars. This requirement has been fully met and completed.

Our total spend was £10.579m and this consisted of 3,604 installs. The actual original figure required was 3,928 however this included properties, some of which were subsequently sold and 534 customers who declined works.

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4. Install new toilets where existing toilets are separate or additional and are over 20 years old

Our asset management system, Keystone, has been updated throughout the delivery of the promises work and provides a comprehensive database of all improvements. Reports showing component renewal dates and quantities are available.

Throughout the process we have undertaken independent audits to verify and test our delivery. This requirement has been fully met and completed.

1,501 have been completed, cost is included in the figures quoted for no. 3.

5. Post promises - Install bathrooms and separate or additional toilets where existing bathrooms are over 25 years

Post promises requirement to change the age criteria which does not occur during the five year promises period. Moving forward, the replacement age for this future requirement will be extended by an additional five years as part of the response to mitigating against the loss of rent convergence and the four year rent reduction policy of the Government. This action also helped to bring the lifecycle replacement in line with industry standards. We consider that this requirement is fully met.

6. Install boilers where they are over 12 years old along with new radiators as identified as necessary by our surveyor

Post transfer, we carried out a full stock condition survey to identify the actual number requiring replacement, based on the age criteria set in the offer document. We have reconciled the original offer document numbers with Savills, who carried out the original survey for WDC and have also reconciled numbers completed and declines with an independent consultancy - Impart Links, and also through an internal audit carried out by Mazars. This requirement has been fully met and completed.

The total spend was £8.029m and this consisted of 3,343 installations. The actual number required in the stock condition survey was 3,098.

7. Insulate homes as far as possible to modern standards, which could include cavity wall and loft insulation

Post transfer, we carried out a full stock condition survey to identify the actual number of homes that would benefit from improved insulation.



We have sought and been successful in obtaining external funding of £785,000 to support our programme and have not only carried out thermal insulation works to roofs and cavities, but also embarked on a wide ranging External Wall Insulation programme costing £4.5 million, bringing forward a number of homes/estates built using non-traditional construction to benefit from full external refurbishment. This requirement has been fully met and completed. Other components which add to increasing insulation values, such as improved windows and doors, have also been installed. We consider that we have fully met this requirement.

8. Post promise - Replace boilers of more than 12 years old, and then every 12 years (sheltered schemes with communal boilers will be looked at separately)

Our business plan has made an ongoing allowance to replace boilers every 12 years, or sooner, in line with this post promise requirement. All boilers requiring replacement according to the set 12 year timescale are scheduled for replacement in our asset management database. We consider that this requirement is fully met.

9. Survey homes every 5 years and carry out necessary external decorations and repairs

Post transfer, we carried out a full stock condition survey to identify the actual number of elements requiring replacement, based on the age criteria set in the offer document. We have also set out the process to complete our recurring 5 year survey. The next survey will commence in the New Year (2017). We have a full programme of cyclical works that operates on a five year cycle - currently we are in year three of this five year cycle. This requirement has been fully met and completed.

10. Undertake painting and repairs to communal areas, halls and corridors every 5 years.

Refer to no. 9 above

11. Introduce programme to repair fences and gates and put up new ones where needed, within budget of £1m

Post transfer, we carried out a full stock condition survey to identify the actual number required. The necessary work has been carried as part of a comprehensive related assets contract, including work to roads and footpaths. This requirement has been fully met and completed.

We have spent £882k which relates to 1,400 homes.



12. Fit double glazing and secure external doors where needed

Post transfer, we carried out a full stock condition survey to identify the actual number required. The necessary work has been carried out as part of the overall promises programme. In total we have installed new windows to 1,318 to homes, at a cost of £3.202m. 3,758 front doors have been installed, costing £1.873m. We have procured and mobilised a comprehensive communal door and video entry programme which will be completed early December 2016. We consider that we meet this requirement.

13. Replace or repair windows and doors where required

Refer to no. 12 above

14. Establish a low cost redecoration programme for elderly and vulnerable people - decorate 2 rooms once every 5 years at a low cost, subject to demand

We implemented a low cost decorating scheme for elderly and vulnerable customers, offering two room decoration in any five year period. The scheme has been published widely and details of how it operates and information on how to apply are available on our website. We therefore consider that we have fully met this requirement.

We have spent £157k based on customer demand.

15. Maintain the safety of electrical systems in all homes, identify problems and respond

A programme of Electrical Installation Condition Reporting (EICR) is in place and progress is monitored monthly. All communal electrical installations have been tested and certified as safe and compliant. Individual domestic properties are subject to an electrical test at the change of tenancy. Works to repair and alteration of electrical installations is restricted to appointed contractors who have the required accreditation. Our Electrical Safety Policy sets out our approach to maintaining safe electrical installations/supplies. We have appointed specialist electrical servicing contractors for electrical works relating to door entry, fire systems and emergency lighting systems, as well as domestic installations etc. Compliance is managed closely on a monthly basis. A programme of mains powered smoke detection also takes place at the change of tenancy or at the time of an electrical test. We also helped lead a campaign for the introduction of CO detectors in social housing. We have installed CO detectors into our homes at a cost of over £275,000 ensuring that we maintain the highest safety standards for our customers. We consider that we have fully met this requirement.

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16. Rewire electrical systems or provide an electrical upgrade to homes where required

We undertook a comprehensive stock condition survey following stock transfer which identified all homes requiring electrical rewiring/upgrading. All homes benefiting from a new kitchen/bathroom were subject to a full house Electrical Installation Condition Report (EICR) and any defects or concerns were addressed. Consumer units, lighting circuits and ring mains to the rooms being upgraded were renewed as part of the wider works. Communal electrical upgrades have taken place as required with enhanced lighting being installed. This requirement has been fully met and completed.

We have spent £1.016m and 3,149 upgrades/rewires have been completed.

17. Reroof homes where needed - estimated 650 homes

We undertook a comprehensive stock condition survey following stock transfer which identified all homes requiring new roofs. We have undertaken all relevant pitched and flat roof renewals required.

At the time of carrying out this work we have taken the opportunity to upgrade loft/flat roof insulation as well as all relevant rainwater goods, fascia and soffits. These works have also necessitated the removal of large quantities of asbestos material, all of which have been dealt with by specialist and licenced contractors as appropriate. We therefore consider that we have fully met this requirement.

£2.633m has been spent and 699 roofs have been completed.

18. Improve insulation to Wimpey No-Fines properties

Works have been carried out to all Wimpey No-Fines homes as part of a comprehensive External Wall Insulation programme outlined in no. 7 above. Full external refurbishment has been carried out, and a scheme chosen by customers used to improve the warmth and energy performance of their homes. Follow up reviews have determined that the scheme has been extremely successful and has resulted in considerable improvement in thermal performance and satisfaction. Therefore this requirement is fully completed.

The total spend was £2.925m and 246 homes in total benefited from a range of EWI schemes.



19. New parking bays/hard standings - Budget £500,000 to Dec 2016

Our Environmental Improvement Group (who are volunteers) is well established and oversees applications for environmental improvement projects, including parking schemes.

They developed a parking strategy which was approved by our Board and has subsequently been using this to evaluate new bids for parking schemes. This requirement has been fully met and completed.

We have spent £627k

20. Use fittings and materials that improve energy efficiency of homes

Following on from no's 6, 7, 12, 15, 16, 17, 18 above, all of our investment and improvement programmes have been specified to reduce the consumption of energy in our customers' homes. This includes the use of low voltage fittings in electrical rewires and during void repairs, fitting of new condensing boilers and air source heat pumps where gas has not been available, and new energy efficient windows and doors.

The overall impact of these works has increased the average SAP rating of our stock to 70.5 from the transfer level of 67.36.

The current SAP rating of 70.5 is well above the national average which is 56.7. We consider this requirement to be fully met.

21. Ensure improvement work is defect free and finished to the highest possible standard

All improvement work is specified and managed by Red Kite. All work meets industry standards and regulations and is in accordance with the choices and standards set by our customers. All contractors must adhere to our service standards and contractor charter and meet the Red Kite Homes Standard.

Works are fully inspected before being handed over and all customers have the opportunity to provide feedback. Satisfaction levels are recorded and monitored monthly. Results are published throughout the organisation and overall satisfaction with the works is very high currently over 95%. We consider that this requirement is fully met.

22. Seek feedback on every improvement carried out to maintain the highest level of customer service at all times

As per no. 21 above

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23. Enable people to live and stay in their homes longer by providing a budget of £500,000 per year for disabled adaptations.

We have provided the funding promised each and every year and will continue to commit up to this sum moving forward, subject to making the best use of our assets as a priority. Customers have continued to see an improvement in this service area, reducing the average waiting time from 52 weeks to 8 weeks in 2016/17 to date.

We have continued to fund an Occupational Therapist post from Bucks County Council during the promise period to ensure that our customers receive an efficient and flexible service, and we have ensured that customers with emerging needs identified during the major investment programme have also been identified and their needs catered for whilst works have progressed. This has meant that kitchens and bathrooms have been built around customer need to forgo the need for a future adaptation. We have dealt with the demand from customers applying for adaptations and adapted/converted homes helping to ensure that our customers are assisted in their daily living and able to remain in their homes longer. We have fully met this requirement and hence it is complete.

We have spent £2.393M to date, and this equates to approximately 1,100 adaptations.

24. Provide annual budget for each scheme to spend on additional improvements, based on £50 per home per year

We have set aside £50 per sheltered scheme home on an annual basis for customers to agree local projects and spend priorities.

15 schemes have formed their own budget committees and bank accounts to manage the funds, and the other 14 are supported by us to make their own purchases.

We have continued to monitor the spend and a wide variety of items and activities have been funded. We consider that this requirement has been fully met.

We have spent £254k to date.

25. Tailor improvement works to each sheltered scheme seeking customers views on the type and level of improvements

We have carried out an extensive programme of sheltered scheme improvements, including refurbishing many common rooms including decorations, curtains, etc. We have upgraded kitchens and bathrooms and also door entry systems where needed.



We have retained 3 specialist sheltered staff who support social activities and work in conjunction with Connect who have responsibility under the Bucks County Council contract to organise activities. Parking improvements have been carried out via our Environmental Improvement Group; free internet is available and Wi-Fi has recently been upgraded; and we have in place a programme of window cleaning and grounds maintenance at all our schemes. Customer satisfaction with sheltered facilities and environment is high. Customers have been involved in the type and level of improvements and their views have influenced choices such as wall coverings, fabrics and the design of refurbished facilities. We consider that we have fully met this requirement.

26. Continue to provide a warden service for all sheltered housing schemes and a visiting mobile warden service to customers in other older people's accommodation and to assist with providing staffing cover at sheltered schemes

Following Government cuts to Supporting People funding, our support contract with Bucks County Council ended in January 2016. We are no longer the provider of the support service and therefore the warden service does not exist under the new model of support. However, individual support is still available to all customers who qualify through a new contract provided by Connect Floating Support. In addition, we have three sheltered specialists who visit all our schemes regularly and who undertake monthly surgeries with the residents, as well as monitoring other services and working closely with other agencies who provide support in our schemes. We consider that we have met our obligations under this requirement.

27. Continue to provide access to a 24 hour monitoring alarm service for those who do not live in sheltered accommodation

Bucks County Council have now provided the 24 hour monitoring service under a different contract model with one county-wide provider. We no longer directly provide this service in individual homes (but we do still provide this in our sheltered communal areas). A 24 hour alarm service remains available to all sheltered customers who have requested it via Bucks County Council's Telecare service.

For older person's non-sheltered properties such as bungalows, this service can also be provided via the County at a customers' request. As this is a county-wide scheme, we have continued to provide the service that is within our control in the communal areas and therefore we consider that we have met our obligations under this requirement.



28. Continue to provide concessionary TV licences as long as current regulations permit

Concessionary TV licences are provided in our sheltered schemes to eligible customers. We consider that we fully meet this requirement.

29. Deep clean or replace carpets in communal areas of Sheltered schemes or replace if in poor condition

Carpets have been replaced as part of common room upgrades and redecorations where necessary, and a budget is in place if carpets need replacing/cleaning in between scheduled works. We consider that we fully meet this requirement.

30. Upgrade existing communal TV aerial systems to digital in sheltered schemes within 12 months of transfer

We successfully converted 1,636 sheltered homes and 1,361 general need homes to digital TV services before the switchover occurred. All homes have access to a full range of free to air, or subscription services. We have further added free Wi-Fi into all sheltered scheme communal areas for our customers to ensure that they are fully connected to digital services. We consider that we fully meet this requirement.

31. Where redevelopment is planned and it would not be cost effective to carry out repairs and improvement from the transfer matters document, comply with statutory repairing responsibilities

We provide a statutory repairs service to all occupied homes. This requirement has been met.

32. Set up a garden maintenance assistance scheme for older and disabled customers - Budget of £25,000 per year until 2016

We have set up a garden assistance service for customers that are vulnerable or over 60 years old, which is operated through our partner John O'Connor. Customers can order directly for a range of services and this is charged at preferential rates. We consider that we have fully met this requirement.

33. Set up a handyperson service for older and disabled customers at a small charge

We have set up a handyperson service for customers that are vulnerable or over 60 years old - this is operated in partnership with our repairs and maintenance contractor Axis. Customers can order directly for a range of services and this is charged at preferential rates. We publicise the scheme widely and details of how it operates and how to apply are provided on our website. We consider that we have fully met this requirement.

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34. Convert sheltered bedsits. Budget of £3.35m allocated

At transfer there were 108 homes that could not be used as they were either set aside for future bedsit conversion or were uninhabitable. We have carried out a number of schemes aiming to convert these homes into useable quality accommodation, and as a result we have created 66 new homes for the community. We consider that we have fully met this requirement.

We have spent £2.068m on the bedsits to date

35. Red Kite to consult the 58 tenanted and 14 leaseholder units in the Star Blocks in Castlefield (Chairborough Road and Pettifer Way) on the options for their flats' regeneration - Red Kite to invest around £10.5 million to regenerate these blocks

Post transfer, the offer required us to carry out a consultation with the community over the scope and need for regeneration, and to undertake a feasibility study/option appraisal. Subsequently, a programme was started to purchase the leasehold homes on the estate, which took nearly three years and significantly more cost than allowed for in the transfer business plan. The Council were asked to support this process with Compulsory Purchase Orders (CPO) and this was not finally confirmed until early 2016. However, all homes were repurchased without the need to execute the CPO. Planning discussions have been on-going for the past two years, during which time the estate has been fully decanted.

Works to redevelop the Castlefield estate have commenced. We are now progressing to timetable through the pre-planning application process, accommodating recommendations where practical from WDC planners.

A full design team is in place and currently working to deliver a planning application during the first quarter of 2017. A master plan has been produced for the whole project. The original pre-transfer business plan for Castlefield was not sufficient to redevelop the scheme, so the Board at Red Kite have made additional funds available to allow the scheme to be completed. The process of option appraising the scheme, repurchasing the leasehold homes and extensive planning process clearly never allowed for the entire scheme to be completed within the scope of the promises, and the narrative in the offer makes that clear.

The ambition was to commence the scheme and this has been achieved. We consider that we have met our obligations on this requirement.



36. Refurbish garage sites - Budget of £1.16m

Post transfer, we carried out a full stock condition survey to identify the condition of our garage stock and which sites would benefit from refurbishment programmes. We established a comprehensive programme of works based on the garage sites that were considered financially viable and undertook replacement and substantial refurbishment as appropriate. We have consulted with leaseholders extensively where freehold garages are present. We have included ongoing cyclical garage repairs as part of our external painting and repairs programme to ensure future maintenance. As with all of our domestic assets, all garage component replacement has been recorded on our asset management database and resources for renewal are included in our future business plan. We consider that we have fully met this requirement.

We have spent £628k to date

37. Set up repairs appointments on Saturday mornings and early evenings

During the development of our new repairs service, our customers determined that they did not want to activate evening and weekend appointments, however they are in the scope of the current contract and are available if required. Our customers chose this as their preferred option and we therefore consider that we have met our obligations on this requirement.

38. Offer timed and convenient appointments for all non-emergency repairs

We introduced timed appointments in line with our first new repairs contract in October 2012. They are offered to customers at their convenience at the first point of contact when reporting a repair. We consider that we have fully met this requirement.

39. Raise the quality of the repairs service by introducing a "right first time approach" - see "service quality promise" in transfer document and Red Kite standard

We introduced Right First Time as one of our key performance measures for our repairs contract. We sought to ensure that our customer's definition was compatible with that of Housemark. This is monitored by our Repairs and Voids Core Group and as part of our corporate performance framework. We have fully met this requirement.

40. Use high quality and well trained contractors who respect customers and their homes (contractor charter)

Refer to no.21 above.



41. Programme planned maintenance to ensure homes are well maintained including, gas servicing annually, redecorations, lifts and fire safety inspections and inspecting water storage with respect to legionella

We have established a comprehensive programme of planned maintenance, servicing and compliance to ensure that our homes are safe and meet all legal requirements.

As this is a key area of risk for the business, we monitor performance monthly and reconcile all the data we hold to ensure that our customers can be assured of 100% compliance in all of our homes. We employ third party auditors to ensure that our contractors are meeting their legal obligations and that the information we hold is accurate. We consider that we fully comply with this requirement.

42. Implement a five year cyclical external decoration programme of £360,000 per year

Refer to no's 9 and 10 above.

43. Maintain appropriate open spaces (including play areas) and ensure trees and shrubs are trimmed as necessary

Refer to no. 105 below.

44. Implement processes to give customers more opportunities to give feedback and to make improvements based on it

Refer to no's 20, 21, 25, 64, 106, 107, 108

45. Introduce a regular programme of tenancy/property checks

Since transfer, we have developed a Customer Profile Assessment approach, which filters into a programme of home audit visits and remote tenancy check in's. We have identified the frequency that we need to proactively contact each customer and also visit each home, which is established at the point of sign up and then effected based on a range of potential risk factors and customer needs to ensure our customers are able to sustain their tenancies and better their circumstances. We therefore have a programme in place and in addition, all our homes have been visited during our stock condition survey which also picked up on major issues that we followed up on. We consider that we have fully met this requirement.



46. Introduce new timescales for repairs - to "fully complete to satisfaction of tenant"

Our customers agreed new repair timescales during the development of our repairs contract, which have been embedded into the repairs service as 1 hour for emergency, five days for urgent and 20 days. Any repairs that do not meet the satisfaction of our customers or are defective, must be rectified within the same timescale if emergency or within five days for all other repairs. Quality monitoring and surveys are carried out each month on a large sample of repairs to identify satisfaction with the service. We consider that we have met this requirement.

47. Recover full costs of providing services by charging for them, but with a ten year service charge guarantee for existing customers. Consult with customers on right standards to be provided and cost

We have adhered to the ten year service charge guarantee for all existing customers, meeting the standards set out in the offer document and meeting the service expectations subsequent to transfer. Service charge implementation was identified as a major project. New tenancies from April 2014 are set for rent plus service charges and all relevant costs for all homes are identified. The Board oversees and approves service charges for all customers. We consider that we have fully met this requirement.

48. Charge rent at target for all new customers, plus any service charge. For new build homes Red Kite would consult customers and the Council on the rent

Post transfer, new customers had their rent set at target plus service charges. However, the Government terminated rent convergence early and this had an impact on the transfer business plan. Subsequently, new tenancies were let at target rent plus 5%, and 10% in relation to sheltered as permitted by the Homes & Communities Agency.

The Government has now imposed a 4 year reduction on all rents, which has had a significant impact on the business plan totalling £11 million over four years and recurring income reduction thereafter. New build tenancies will be set according to the regulatory framework and after consultation with our customers and WDC. We consider that we have met this requirement.

49. Train staff in arrears management, debt management and welfare benefits so they can give advice to customers, clear policies and a firm but fair approach to arrears

We have a dedicated team of staff dealing with supporting and advising our customers on managing their tenancy accounts, home budgeting and rent arrear collection.

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We have developed our policies and practices around managing this relationship with our customers in line with our ethos and business, which also includes a Welfare and Inclusion Strategy that sets out how we will work with our customers to ensure that the changes stemming from welfare reform can be managed to ensure that we help our customers sustain their tenancies. We consider that we have fully met this requirement.

50. A guarantee to put rents up each year no more than inflation plus 0.5% plus £2 a week for 5 years

We implemented this process until the Government changed the formula that we could increase our rents by and changed to CPI + 1% and removed the ability to converge rents across our homes. Following this, from 2016 - 2020 the Government has set out an annual reduction of 1% per year on all rents.

We consider that we have fully met this requirement. However, we have lost significantly as a business as a result of Government policy change.

51. Introduce an environmental improvement budget to pay for estate based projects - £400,000 per year and involve customers and leaseholders in establishing a list of priorities for each estate

Refer to no's 19 and 59

52. Improve standards and frequency of grass cutting, cleaning and caretaking services - an additional budget having been set aside for this

Refer to no. 105 below

53. Increase staff resources for anti-social behaviour work; enforce tenancy agreements to reduce anti-social behaviour, work in partnership with local agencies to increase people's security in their homes and neighbourhoods; have a budget for equipment to monitor anti-social behaviour

We have increased our resources and have two specialist ASB staff who deal with more complex cases as well as our team of Experience Specialists who prevent and manage lower level anti-social behaviour issues such as pet nuisance.

We work closely with other agencies including the police, probation and social services. We have a budget for equipment which we have spent on security items including CCTV. We consider that we have fully met this requirement.



54. Introduce clauses in the Tenancy Agreement to combat anti-social behaviour and harassment and ensure they are fully explained to new customers before they move in

We have clauses in all our tenancy agreements to combat anti-social behaviour which are explained fully to customers, and we have used these clauses to take robust legal action where appropriate, including possession proceedings and injunctions. We consider that we have fully met this requirement.

55. Carry out security improvements to homes and estates in conjunction with customers providing security doors, window locks, lighting and door entry systems where appropriate

As we invested in our homes, we ensured that windows and doors complied with secure by design standards. Additional security and safety lighting has been installed on external refurbishment projects. Refer to no's 12 and 13 above. We consider that we have fully met this requirement.

56. Use 'starter' tenancies for new customers to help reduce nuisance and anti-social behaviour

New customers get a starter tenancy (exceptions would include mutual exchanges/transfers/assignments), which is for 12 months and can be extended to 18 months if required. These are carefully monitored and include a six week and six month visit and then a nine month review to ensure tenancy conditions are being met and any support needs are identified. We consider that we fully meet this requirement.

57. Provide a new assured tenancy agreement

All transferring customers from Wycombe District Council were provided with a new assured tenancy agreement, other than those who did not qualify (for example due to an outstanding possession order for the property).

We have recently reviewed those who originally did not qualify, and have re-issued agreements where they now meet the necessary criteria. We consider that we have fully met this requirement.

58. Provide lifetime tenancies to existing customers

We provide lifetime tenancies to those who were customers of Wycombe District Council before transfer took place. These tenants have protected rights which are reflected in their tenancy conditions. We consider that we fully meet this requirement.



59. Introduce an environmental improvement budget to pay for estate based projects - £400,000 per year for the next 5 years and involve tenants and leaseholders in establishing a list of priorities for each estate

Our Environmental Improvement Group (who are volunteers and all live in Red Kite homes) oversees applications for environmental improvement projects. A large range of projects have been carried out, including improved external lighting, fencing, communal sheds and mobility scooter stores. Over the period of the promises we have not had the demand for this funding that was anticipated at transfer, however we have continued to publicise the scheme and are looking to extend the opportunity beyond December for a further two years. We consider that we have fully met this requirement.

Our spend to date is £747k

60. Consult customers individually about repair and improvement works to their homes, ensuring if not wanted they will not be pressured to have works, unless a health and safety issue exists

We have been very careful to ensure that a comprehensive consultation programme has been undertaken and communicated throughout the duration of the promises.

Where customers have chosen to decline works and these have been of a non-health and safety nature, we have gone back to customers twice more as the programme progresses to provide an option to re-join the programme if they wish to do so. We ran a series of workshops aimed at allaying any fears or anxiety over having works completed to their homes, which proved to be very successful. After three attempts to encourage customers to have works carried out, we confirmed the decline. Refer to no's 1 and 3 above. We consider that we have fully met this requirement.

61. Participate in national mobility and exchange schemes

Red Kite is a member of Homeswapper (a national mutual exchange scheme) with a view to assisting customers to more easily exchange their homes. In the five years since transfer, we have completed a total of 286 mutual exchanges, helping customers to downsize or avoid overcrowding. 42 of these have taken place over the last 12 months. We have promoted exchanges by holding a number of events over the past few years, including speed dating events where tenants came along to meet each other and find someone to exchange with. We consider that we have fully met this requirement.



62. Protect key rights and entitlements of transferring customers

All transferring customers have an assured non-shorthold protected rights tenancy, which includes key rights such as the Right to Buy and succession in accordance with the transfer agreement. We consider that we fully meet this requirement.

63. Involve tenants and leaseholders in all aspects of the service - budget an additional £40,000 per year, encouraging supporting tenants and leaseholders to get involved at a level that suits them best

We offer a menu of opportunities for our tenants and leaseholders to be involved. These range from strategic decision making to checking that we're doing things properly. Examples include Procurement Group, Major Works Group, Compliance Group, Champions, Environmental Improvement Group, Virtual Leasehold Interest Group, Repairs and Empty Homes Group, driving our minibus, carrying out customer feedback surveys, estate inspections, Customer and Community Insight Group (CCIG) and recruitment interviews. We created an additional post within our community investment team to support this process. We consider that we fully meet this requirement.

64. Involve tenants and leaseholders in scrutinising performance and service quality and changing what Red Kite does in response to this

The Customer and Community Insight Group (CCIG) was set up to act as our scrutiny function and they help us to deliver the promises that we made. They monitor what we are doing by keeping a close eye on aspects such as customer satisfaction, Key Performance Indicators, our value for money and people strategies, our approach to customer profiling and social impact.

They identify project areas, develop a project brief and work with a team of volunteers to deliver the project, making change happen.

Our governance structure also provides for customer Board members who, along with other Board members, approve business plans, financial plans and budgets and then monitor the organisation's performance in relation to those plans, budgets and decisions. We consider that we fully meet this requirement.

65. Provide an experienced Tenant and Leaseholder participation team to provide advice and support to enable customers to be involved in running the service and provide a tenant and leaseholder participation agreement

Refer to no. 109 below



66. Carry out regular customer satisfaction surveys and use the feedback to improve the service and respond to needs and priorities

An average of 5,500 customers respond to our surveys each year, which are carried out by an independent survey company. We also have an average of 1,800 customers a year responding to telephone surveys carried out by our volunteers. We receive an average of 60 pieces of un-solicited feedback every month, about things we could do better, and things we've done well. The results of all this feedback are regularly shared within the organisation, and learning is taken and implemented when appropriate. We consider that we fully meet this requirement.

67. Develop a customer resource centre, provide training, provide funding and support for new customer associations

We have established a fully equipped and supported customer resource centre/facility within Red Kite offices. Our customers and volunteers are able to make use of this facility to carry out research, mystery shopping, hold meetings and receive training. As part our ethos, we ensure that customers are able to undertake relevant training with our own staff and where we identify developmental needs or appropriate training for the community, this is carried out within our offices. We support and encourage the creation of new customer associations within the community and will provide help and support for those who wish to set up a new one (at this stage this has not been necessary, with numerous opportunities to be actively involved and engaged). We encourage volunteers to take part in the wider groups within our volunteer structure, with the purpose of bringing forward talent and capacity to help ensure that we constantly reinforce and improve the influence that customers have over the key decisions of the business. We consider that we fully meet this requirement.

68. Involve tenants and leaseholders in influencing choice of kitchen and bathroom materials and design

Our customers have been central to all decisions made for choice and design for our investment and improvement works. Groups of customers have decided on the products and choice of materials for improvement works, determining the quality, style and colour etc. that was used on our projects. Customers have been involved in ongoing review of all products and requested change where appropriate. We consider that this requirement has been fully met.



69. Involve tenants and leaseholder in selecting contractors

Our customers have been the key decision makers on the procurement of contracts and the selection of partners and contractors. All major investment and repair contracts have been set up, evaluated and awarded by our customers. Following this success through our Procurement Group, they have gone on to be responsible for selecting grounds maintenance contractors, new cleaning contractors, IT systems, out of hours service providers and a host of other contracts on behalf of Red Kite customers.

Not only do they select, but they monitor contractors and annually assess them. We believe this has been a key strength to the business, and this was recognised by GO Procure, who twice nominated the Procurement Group as national finalists for their procurement endeavours. We consider that we have fully met this requirement.

70. Support the development of area groups to discuss local issues

Refer to no. 67 above

71. Provide dedicated office space and IT facilities for involved tenants and leaseholders

Refer to no. 67 above

72. Make customer groups more representative

We have an on-going campaign to find new volunteers in the community that help represent the different demographic and racial profile of our customers and the wider community. Post transfer, we carried out a survey of our customers to identify the areas where we need to focus on representation. It has proved to be difficult to find enough people with the right skills to be truly representative of our customer base, however we have been successful in bringing more people in as volunteers from minority backgrounds as well as a younger demographic in some areas. We continue to find new ways of balancing the availability of volunteers and the opportunities that our customers have to be involved. We consider that we are meeting this requirement.

73. Publish good quality information about services and proposals including delivering a newsletter at least three times a year and supporting customer associations who want to develop their own newsletters

Our newsletter is written to update customers on service changes, latest improvement programmes, information about organisations that can support them in different ways and to share good news about how we are working in our communities.

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Having established an Editorial Panel made up of customers, the group has evolved to an online consultation group so that we continue to provide useful information in an easy-to-read format. All stories are linked to our website and offer anyone the opportunity to comment and contact us for more info. We consider that we have fully met this requirement

74. Produce a handbook setting out the services available and major contract points, information about tenancy and policies

In place of a traditional Tenant's Handbook, we designed a digital Tenant Information Pack, split into clear service area sections, that is permanently available on our website, with hard copies available for those who choose to access information in this way. The handbook sets out customer responsibilities, and ours, so that tenancies can be managed in line with our policies. We consider that we fully meet this requirement.

75. Produce an annual report including performance information each year and accounts, being honest and transparent in all activities

Each year, we have produced an annual report in partnership with our customers, which is available on our website. Having established working groups with our volunteers, they highlighted the areas that were most important to them, and alongside this information and that of our accounts and key performance, the report was produced in a format that customers approved – the first year as a totally tenant-led video, and after that through a dedicated microsite that allows users to read the level of detail that they are comfortable with. All content was approved and agreed with customers, with explanations and future plans for areas that needed improvement. We consider that we fully meet this requirement.

76. Provide equal access for all so services can be accessed easily, adopting an equal opportunities policy to ensure equality in delivery of service and access, and opportunity in employment. Keep this under review and to ensure this policy refers to the promises made in the "transfer matters" document

Post transfer, we carried out a tenant profile exercise to understand more about our customers and their needs.

From this we have adopted an approach which aims to tailor services to individual needs rather than group customers together, so we support methods of communication and support that work for each of our customers. We have also added and extended our digital services (alongside traditional methods) from email to other channels such as webchat, Facebook, Twitter, LinkedIn, Instagram, a new easy to navigate website, as well as an app, underpinned by a higher performing contact centre managing inbound telephone calls, face to face interactions through reception and our various customer facing teams out in the community.

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We have developed a relationship management approach which recognises the need to work with customers in ways which suit them, including having guidelines on vulnerable customers. We have also developed our own quality assessments for contact centre interactions which have a focus on ensuring that whoever we engage with is treated with respect and given equal opportunity to discuss any services requests with us. We consider that we fully meet this requirement.

77. A Community Fund of £100,000 per year for the next 5 years (until Dec 2016) to be used for Community Projects

We have made available and have implemented a Community Fund of £100,000 per year which has been used for a range of community projects, including fitness classes in our sheltered schemes, part funding a community minibus, fitting out an education centre at the Lady Ryder Memorial Garden, and running business start-up courses. We have committed expenditure over this period of £421,000. The social value attributed to the range of projects and facilities we have supported over the life of the funding using the HACT formula is in excess of £8 million. We consider that we have fully met this requirement.

78. Involve young people and young families in decisions made about their homes and neighbourhood, providing family friendly events with childcare provision

Our tenant-led ethos means that we are inclusive about how we involve the community. We are mindful of the barriers that may prevent people with families and caring responsibilities from being involved or being volunteers. We are therefore flexible in our approach to involvement, making use of virtual groups for people who may not come along to our events, changing the time of day that events are held to maximise participation and even providing child friendly events, so that parents can bring their children with them. This extends to events that we hold in the community which are all geared towards being family friendly and in locations that families can get to, so that they can be fully engaged. Our offices also provide a children's play area, so that customers can visit us knowing that their children will be welcomed. We consider that we fully meet this requirement.

79. Red Kite would be bound by the terms of existing leases

The lease is a legal contract that cannot be varied without the consent of both parties. We've not sought to vary the terms of any leases. We consider that we meet this requirement.



80. The right of collective enfranchisement would still be available

Collective enfranchisement is a right, subject to qualification, for the owners of flats in a building, and sometimes part of a building, to join together and buy the freehold of that building. The relevant Act is the Leasehold Reform Housing & Urban Development Act 1993 (as amended). We fully meet this requirement.

81. Leaseholders will be consulted prior to any improvements or repair works which would affect the service charge by more than £250 (per Commonhold and Leaseholder Reform Act 2002)

We have carried out an extensive programme of statutory consultation on projects where leaseholders' contribution is more than £250.

Projects include external decorations, door entry system renewal, balcony replacement and soffit, fascia and gutter renewal. We developed a consultation procedure and employed a Homeownership Advisor to ensure that we met our statutory obligation to consult. We consider that we fully meet this requirement.

82. Consult leaseholders annually about leaseholder charges

Refer to no. 81 above. We did introduce extended opening hours for a period after issuing annual invoices and statements. This ensured that we were available to discuss queries with leaseholders at a time convenient to them. We have held budget consultation meetings, but in reality very few leaseholders attended. We provide comprehensive detail of our service charges in line with statutory obligations. We consider that we fully meet this requirement.

83. Have two leaseholder representatives on the TLC to provide independent review of service and improvements

We have moved to a formal Customer and Community Insight Group (formerly the TLC) which provides scrutiny functionality as well as shadowing the work of the Board. The current Chair of this group is a leaseholder. We have encouraged wider representation on this group, including members of the local community with relevant skills as well as our leaseholders and tenants. Our customers have agreed this approach as a more relevant mechanism to influence the direction of the business and to advise the Board. We consider that we meet this requirement.



84. Consult about proposed housing management changes which would affect leaseholders

We have been careful to ensure that our leaseholders are aware of service developments as and when they are planned. Consultation has been undertaken when service changes have a direct impact, such as grounds maintenance or cleaning contracts. We have also been mindful to talk through changes that affect how we operate as a business, for instance as we change our structures. Leaseholders are always clear on what they are being charged for in terms of the service we provide and we are transparent in terms of how we allocate costs, so that they understand which changes are purely operational and which ones would have a financial impact on them individually. We consider that we have fully met this requirement.

85. Discuss with leaseholders the option to buy into planned internal works at competitive prices when refurbishment is being carried out on tenanted properties in the area - just prior to the works being carried out in their area

In developing our investment and improvement programme and implementing contracts and appointing contractors, we specified our requirements for leaseholders to have the ability to be able to buy into works during the programme.

During the consultation phase before works commence, leaseholders are made aware of their opportunity to buy into the works with our selected partners. We consider that we have fully met this requirement.

86. Carry out an audit of external doors within 12 months of transfer, replacing doors of all tenanted properties that did not comply with Fire Safety order. Replacement front door offered at no cost, provided work was completed within 12 months of transfer. Leaseholder then responsible for door after defects period expires

Independent fire risk assessments have been undertaken by accredited industry specialists of all sheltered and general need housing blocks. Checks of all individual flat entrance doors and communal partition/fire breaks etc. have been completed. Fire door replacement has been undertaken as required to ensure full compliance with the recommendations of the Regulatory Reform (Fire Safety) Order 2005. Fire door replacement was offered to leaseholders at no cost where the existing door was non-compliant. Regular checks are undertaken by internal staff to ensure operability of all fire doors. A Fire Safety Plan has been introduced, setting out actions and timescales for regular servicing and maintenance. Fire safety is publicised on our website and information on how to report a defective fire door is available. We consider that we have fully met this requirement.

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87. Leaseholders on the repairs and maintenance group to monitor delivery of service and recommend or decide changes

We have established a Repairs and Empty Homes Core Group who monitor the repairs service, its performance and its contractors. We have encouraged leaseholder membership and this has been integrated into the group from the start of Red Kite. Leaseholders are able to influence and help steer the service. We consider that we have met this requirement.

88. Current leaseholder issue group would continue to participate in: monitoring performance, advise on communications, selection and monitoring of contractors, estate walkabouts

Refer to no.77 above

89. Integrate energy savings into planned improvements

Refer to no's 6, 7, 12, 15, 16, 17, 18 and 20.

90. Involve leaseholder in prioritising and programming estate improvements

Following transfer, we carried out a full stock condition survey and set out proposals for a full ten year programme of works. We provided leaseholders with a consultation document highlighting when works would be carried out which would directly affect them. We consulted with them over the sequencing of the works, which was carried out independently by Savills based on need, to ensure that customers could identify the works which would fall within the £5,000 cap in the first five years and those that would follow in subsequent years. We consider that we fully meet this requirement.

91. Ensure work is effectively supervised and monitored to achieve the required standard

Refer to no.21

92. Consult leaseholders to develop a regeneration scheme to provide suitable alternative accommodations and additional housing re Star Blocks in Castlefield (15 leaseholders there)

We set up a regeneration panel in the community for Castlefield residents, which consisted of both tenants and leaseholders affected by the proposed regeneration scheme. Once the option appraisal process and feasibility study had been concluded, negotiations commenced with leaseholders regarding the repurchase of their homes.



Several consultation events were held, which also included representatives of our Board. A menu of options was agreed with leaseholders that included being able to temporarily decant into one of our rented homes whilst the works were being undertaken before being able to buy back into the new scheme, as well as other options including our right to buy back. We provided funding for leaseholders to get their own independent advice and valuations. Ultimately, we were able to buy back the leasehold homes on the estate, however this took a considerable period of time, and at significant cost. We consider that we fully meet this requirement.

93. Service charges continue to occur once a year unless a new service is introduced following consultation

Refer to No's 81 and 82 above

94. Cap charges recoverable from residential leaseholders for works identified in the stock condition survey at £5,000 for the first five years of transfer, except for the Star blocks where more comprehensive regeneration is needed

The cost of major works for most leaseholders has been under £5,000. To date, the £5,000 cap has been applied to just 4 leaseholders who all live at Ebenezer House. Only 3 non-resident leaseholders (again at Ebenezer House) have been required to pay bills of more than £5,000. We have developed a database to help us capture aggregate contributions spread across multiple projects. We consider that we have fully met this requirement.

95. Red Kite to consider agreeing flexible repayments on an individual basis if resident leaseholders face financial difficulties meeting costs of major work and improvement

Our Board has approved the Major Works Payment Policy which offers flexible payment in limited circumstances. We consider that we fully meet this requirement.

96. Consult on any long term arrangements (over 12 months) where individual contributions are likely to be more than £100 per year

Refer to no. 81 above. We have carried out an extensive programme of statutory consultation on contracts where leaseholders' contribution is more than £100 in a financial year. Contracts include responsive repairs, grounds maintenance, cleaning, and door entry. We developed a consultation procedure and employed a Homeownership Advisor to ensure that we met our statutory obligation to consult. We consider that we fully meet this requirement.



97. Update the leaseholder handbook re services and contact points, policies and information about the lease

We have developed a new leasehold handbook, which was written and approved by the Leasehold Interest Group. We consider that we have fully met this requirement.

98. Involve the Leaseholder issue group to monitor the standards of service received and value for money for the services

Refer to no's 87 and 88 above.

99. Employ a dedicated and trained Leaseholder officer

Post transfer we set up our Commercial Stem which took over the leadership and management of leasehold homes. Within the team, we employ a dedicated Leasehold Officer to provide support and guidance to our leaseholders. We consider that we have fully met this requirement.

100. Ensure there are knowledgeable and trained finance staff to deal with service charge queries

A Project Manager was appointed to develop and lead the services that we deliver to leaseholders. A project plan was developed to ensure that systems and process were in place across the organisation to ensure that service charges were calculated accurately and in a timely manner and that Red Kite complied with its statutory obligation to consult leaseholders. We created the Commercial Team to act as a one stop shop for leasehold management, statutory consultation and service charge issues. Procedures were developed to ensure a consistent approach and the team is a good balance of experience and they have a hunger to learn and improve. We have subsequently integrated the procurement and contract management functions into the team to enhance the knowledge of contracts, pricing and services to help answer service charge enquiries. We consider that we have fully met this requirement.

101. Identify the Neighbourhood officers responsible for service delivery in each neighbourhood or area

We have a team of staff who deliver a housing service to our homes and throughout our neighbourhoods; they are responsible both for tenancy management and also the wider customer experience of our housing service, from estate inspections to home audits. They are fully mobile and provide an expert and responsive service throughout our estates. They are bookable on demand by our customers and we manage that demand digitally so that we always make best use of our staff and that we are able to serve our customers as swiftly as possible. We consider that we fully meet this requirement.

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102. Investigating the establishment of a sinking fund for leaseholders where paying into it would be optional, unless the lease required it

In line with our obligations to consult and agree changes with our leaseholders, the concept of setting up a sinking funding was put forward, debated and rejected by leaseholders. The requirement to offer this to leaseholders has therefore been completed.

103. Provide training in customer care to all staff within one year of transfer and a rolling programme of customer care training thereafter

Externally facilitated Customer Care and behaviour training was carried out immediately on transfer and has subsequently been followed up with additional externally provided training in 2013. We are also currently running a new customer care programme. The offer requirement was satisfied and has been followed up to ensure that we continue to meet high customer care standards, therefore this is complete.

104. Provide leaseholders with information via a regular newsletter

Information is provided regular to our leaseholders via an online publication, as well as detailed information relating to proposed investment works and repairs. Leaseholders receive comprehensive information about the obligations of their lease in respect of annual service charges and costs associated with managing leasehold homes. We consider that we have fully met this requirement.

105. Improve standards in and around blocks of flats - caretaking and cleaning services

Services are reviewed with customers and restructured to provide more flexible and responsive services that are also managed and monitored by our customers. New grounds maintenance and cleaning contracts have been put into place. Restructuring of resources as part of the formation of the Experience Pod provides comprehensive mobile on demand estate services. Satisfaction with estates is consistently over 90%, therefore this requirement is completed.

106. Have a published complaints policy and be a member of the housing ombudsman scheme

We developed our feedback policy and attained membership of the Housing Ombudsman Service prior to transfer, and subsequently we have reviewed how we manage feedback from customers and have refined our policy further and provided more opportunity to learn from valuable insight of our customers. We have an established review panel to respond to appeals alongside our customers. We consider that we have fully met this requirement.

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107. Improve service by listening to feedback from leaseholders and conducting regular surveys, including a comprehensive leaseholder satisfaction survey every three years

A survey of leaseholders was carried out between April and June 2013 with an overall satisfaction score of 54%. Since January 2016 we have moved away from STAR surveys being carried out corporately and now both tenants and leaseholders are surveyed on a rolling monthly basis about the services they receive. We consider that we have fully met this requirement.

108. Develop knowledge and understanding of what leaseholders want via the involvement groups and TLIC

We established our Leaseholder Interest Group prior to transfer, which has subsequently moved to become a virtual group to engage with more leaseholders. Currently membership of this group has increased to 25 leaseholders, who meet virtually bi-monthly.

In addition to statutory consultation about individual matters affecting leaseholders, we talk to the virtual group about wide ranging subjects that impact on all leaseholders or relate to Red Kite as an organisation. We receive regular feedback from the group and we respond to this to ensure that leaseholders are aware that we have understood their needs. We consider that we have fully met this requirement.

109. New participation strategy and committing extra resources to involve tenants and leaseholders in running the service and responding to needs and priorities

Our approach to participation has evolved significantly during the promises period, moving from the traditional structures and mechanisms towards volunteering.

This enables us to focus on the development of our volunteers and to ensure that we have the right skills in our community to support our tenant-led ethos. Our volunteers are embedded into our business as influencers and decision makers. They have made all of the key and critical decisions around investment and the delivery of our promises and have taken an active role in helping to make sure that our partners have delivered and completed them.

We are now in the process of moving to a Community Investment strategy over the next 5 years. In line with stretching our ambitions, it will be focussing on 'Building Thriving Communities' and 'Inspiring People'. As a first step in this process a new Community Investment Manager has been recruited. We consider that we have fully met this requirement.

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Agenda Item 8

Regulation of Investigatory Powers Act Annual Report

Officer contact: Contact: Catherine Herries-Smith Ext: 3257 DDI: HW: 421257

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Wards affected:

PROPOSED DECISION

Members are asked to consider and approve the proposed amendments to the Council's RIPA Policy and Procedures highlighted in Appendix B and the present position with the use of RIPA.

Corporate Implications

The Regulation of Investigatory Powers Act 2000 ("RIPA") was designed to regulate the use of investigatory powers and to satisfy the requirements of the European Convention on Human Rights on its incorporation into UK law by the Human Rights Act 1998. RIPA regulates the use of a number of covert investigatory techniques, not all of which are available to local authorities. The three types of technique available to local authorities are: the acquisition and disclosure of communications data (such as telephone billing information or subscriber details); directed surveillance (covert surveillance of individuals in public places); and covert human intelligence sources ("CHIS")(such as the deployment of undercover officers). Local authorities sometimes need to use covert techniques in support of their statutory functions. They, not the police, are responsible for enforcing the law in areas such as: environmental crime, taxi cab regulation; underage sale of knives, alcohol, solvents and tobacco and the employment of minors. The communications data powers are primarily used by local authorities to target rogue traders (where a mobile phone number can be the only intelligence lead). Directed surveillance powers are used in benefit fraud cases, to tackle anti-social behaviour (in partnership with the police) and flytipping, while CHIS and directed surveillance are used in test purchase operations to investigate the sale of tobacco, alcohol and other age-restricted products.

Wycombe District Council uses the power under RIPA , the Regulation of Investigatory Powers Act 2000, to conduct authorised directed surveillance (DI) in connection with the conduct of criminal investigations. Although the Council is also permitted under RIPA to authorise the interception of communications data and the use of Covert Human Intelligence Sources it has not done so since RIPA came into force in 2000.

2. Executive Summary

The Council's compliance arrangements, for the use of covert surveillance under the Regulation of Investigatory Powers Act 2000 ("RIPA"), were inspected on 28th November 2016, by His Honour Brian Barker of the Office of Surveillance Commissioners. Although it was noted that hardly any use is

made of the statutory powers the inspection report was satisfied that positive initiatives are taken to minimise the vulnerabilities which would normally arise. Our training and policy documents were viewed favourably with a suggestion being made that further face to face training might be provided to relevant staff in 2017. In addition it is recommended that further guidance is provided to staff on the use of social networking sites and potential dangers of officers, while investigating, arriving in potential RIPA territory without sufficient

3. Background and Issues

There has been no covert surveillance carried out by Wycombe District Council since April 2014.

4. The Council's Policy and Procedures

The OSC inspection highlighted in our RIPA Policy and Procedures that a reader might benefit from references or hyperlinks to the 2014 Home Office and the OSC Procedures at the conclusion of section 4, 'General Information on RIPA'. This has been done at 4.9.

In addition the RIPA inspection cautions about the rise in general use of social media and the potential dangers of officers while investigating arriving into potential RIPA territory without sufficient realisation and that this justifies a heading of its own and somewhat more explanation. This has been incorporated at 6.15

Finally, the inspection notes that it is better to maintain the independent supervisory role for the Senior Responsible Officer not to authorise. Given the lack of use in recent times, it would be quite sufficient to retain the Chief Executive for any specialised and vulnerable matters, and the other three heads as Authorising Officers. Appendix A of the RIPA Policy and Procedures has been amended to remove the SRO as one of the Authorising Officers.

Background Papers

RIPA Policy and Procedures 2017

Appendix B

1. The following positions within the Council are those deemed 'Authorised Officers' within the terms of RIPA:
 - **Chief Executive**
 - ~~Corporate Director~~
 - **Head of Environment**
 - **Head of Community Services**
 - **Head of Finance**

IMPORTANT NOTES

- A. Even if a post is identified in the above list the persons currently employed in such posts are not authorised to sign RIPA Forms (including a renewal or cancellation) unless they have been certified by the District Solicitor to do so.
- B. Only the Chief Executive is authorised to sign Forms relating to Juvenile Sources and Vulnerable Individuals (see section 7 of this Document).
- C. If a Strategic Director wishes to add, delete or substitute a post, they must refer such requests to the District Solicitor for consideration, as necessary.
- D. In the absence of the regular authorised officer for a section/directorate any other authorised officer can duly sign a request for surveillance.
- E. If in doubt, ask the District Solicitor of the Head of Finance BEFORE any directed surveillance and/or CHIS is authorised, renewed, rejected or cancelled.

Version March 2017



Wycombe District Council
The Regulation of Investigatory Powers Act 2000 (RIPA) Policy and Procedures



people place pounds
getting our priorities right

Current version:

March 201

Next review:

March 2018

Author:

Catherine Herries-Smith

Principal Solicitor/Information Officer

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NB: The Regulation of Investigatory Powers Act 2000 ('RIPA') refers to 'Designated Officers'. For ease of understanding and application within Wycombe District Council, this Policy & Procedures Document refers to 'Authorising Officers'. Furthermore, such Officers can only act under RIPA if they have been duly certified by the Council's Senior Responsible Officer (SRO). For the avoidance of doubt, therefore, all references to duly certified Authorising Officers refer to 'Designated Officers' under RIPA.

INTRODUCTION AND KEY MESSAGES

1. STATUS AND REVIEW OF COVERT SURVEILLANCE

- 1.1. This Policy is based upon the requirements of The Regulation of Investigatory Powers Act 2000 ('RIPA') and the Home Office's Revised Codes of Practice on 'Covert Surveillance and Property Interference' and 'Covert Human Intelligence Sources' (covert surveillance will be used only rarely and in exceptional circumstances) and the non-statutory Home Office Guidance to local authorities in England and Wales on the judicial approval process for RIPA and the crime threshold for directed surveillance (October 2012). Reports will be made regularly to the Audit Committee via the Cabinet Member for Performance and Finance. The Audit Committee will report any concerns to the Cabinet. An annual report will be made directly to the Cabinet and will concern RIPA policy and overall RIPA performance of the Council. Elected Members will not, however, be involved in decision making in individual cases, and should not receive details of individual cases or properties subject to surveillance (Code of Practice for Covert Surveillance (3:30)).
- 1.2. A Senior Responsible Officer (SRO), who is a member of the corporate leadership team, will have overall responsibility for RIPA within the Council, and will be responsible for ensuring the integrity of the process, compliance with RIPA, engagement with Office of Surveillance (OSC) Commissioners or Inspectors at Inspections and for overseeing the implementation of any recommendations made by an Inspection. In addition s/he is required to ensure the standard of Authorising Officers. This means that s/he exercises ultimate oversight over the RIPA process.
- 1.3. A RIPA Co-ordinating Officer (RCO) will be at the heart of day to day management of RIPA, with the SRO as the officer with overall responsibility. The RIPA Co-ordinating Officer should undertake four functions:
 - 1.3.1 Maintenance of a Central Record of Authorisations and collation of all original RIPA documentation;
 - 1.3.2 Day to day oversight of the RIPA process, particularly of the submitted documentation;
 - 1.3.3 Organising corporate training for RIPA;
 - 1.3.4 Raising RIPA awareness within the Council.
- 1.4. The authoritative position on RIPA is, of course, the Act itself and any Officer who is unsure about any aspect of this Document should contact, at the earliest possible opportunity, the RIPA Co-ordinating Officer, for advice and assistance. Appropriate training and development will be organised and training given to relevant Authorising Officers, other senior managers and all likely applicants.

- 1.5. All original RIPA authorization documentation will immediately following creation be passed to the RCO to be included within a Central Record. The Head of Environment, Head of Community Services and the Head of Finance shall retain copies of all RIPA authorisations, reviews, renewals, cancellations and rejections for their own services.
- 1.6. For any other service that may need to carry out surveillance the relevant Authorising Officer will be the Head Of Finance (for example Ad Hoc CCTV surveillance requests) and the relevant officers will need to ensure that agreement is sought before any surveillance is carried out. Original authorisations shall be passed to the RCO for inclusion on the Central Record and copies will be held within the Finance Division on an 'ad hoc' authorisations file.
- 1.7. RIPA and this document are important for the effective and efficient operation of the Council's actions with regard to covert surveillance and Covert Human Intelligence Sources. Such actions can only be carried out for the purposes of preventing crime and disorder.
- 1.8. In terms of monitoring e-mails and internet usage, it is important to recognise the important interplay and overlaps with the Councils e-mail and internet policies and guidance and the Data Protection Act 1998. RIPA forms should be used where relevant and they will be only relevant where the criteria listed on the Forms are fully met.
- 1.9. If you are in any doubt on RIPA, this Document or the related legislative provisions, please consult the RIPA Co-ordinating Officer at the earliest possible opportunity.

POLICY

2. COUNCIL POLICY STATEMENT

- 2.1. The Council takes seriously its statutory responsibilities and will, at all times, act in accordance with the law and take necessary and proportionate action in these types of matters.
- 2.2. The Council has resolved that:
 - all covert surveillance exercises conducted by the Council should comply with the requirements of RIPA;
 - only the named officers shall be permitted to authorise a covert surveillance exercise; and
 - this Report will be referred to all those Advisory Teams which may carry out covert surveillance.

AUTHORISING OFFICER RESPONSIBILITIES

3. AUTHORISING OFFICER RESPONSIBILITIES

- 3.1. The Corporate Policy, Procedures and the Forms provided in this Document must be used for Covert Surveillance. Authorising Officers will take personal responsibility for the effective and efficient operation of this policy.
- 3.2. Authorising Officers will undertake suitable training on this policy and RIPA and be duly certified to take action under this Document.
- 3.3. It will be the responsibility of Authorising Officers who have been duly certified to ensure their relevant members of staff are also suitably trained as 'Applicants' so as to avoid common mistakes appearing on Forms for RIPA authorisations.
- 3.4. Authorising Officers will also ensure that staff who report to them follow this Corporate Policy & Procedures Document and do not undertake or carry out any form of surveillance without first obtaining the relevant authorisations in compliance with this Document.
- 3.5. Authorising Officers must also pay particular attention to Health and Safety issues that may be raised by any proposed surveillance activity. Under no circumstances, should an Authorising Officer approve any RIPA form unless, and until, they are satisfied the health and safety of Council employees/agents is suitably addressed and/or risks minimised, so far as is possible, and proportionate to/with the surveillance being proposed.
- 3.6. If an Authorising Officer is in any doubt, they should obtain prior guidance on the same from the RIPA Co-ordinating Officer.
- 3.7. Authorising Officers should pass original authorization documentation to the RCO. They must also ensure that they keep copies of all necessary documentation to undertake any necessary reviews.

DEFINITIONS AND GENERAL INFORMATION

4. GENERAL INFORMATION ON RIPA

- 4.1. 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.
- 4.2. The European Convention did not, however, make this an absolute right, but a qualified right. Accordingly, in certain circumstances, the Council may interfere in the citizen's right mentioned above, if such interference is:-
 - a) in accordance with the law;

- b) necessary (as defined in this Document); and
 - c) proportionate (as defined in this Document).
- 4.3. The Regulation of Investigatory Powers Act 2000 ('RIPA') provides a statutory mechanism (i.e. 'in accordance with the law') for authorising covert surveillance and the use of a 'covert human intelligence source' ('CHIS') – e.g. undercover agents. It seeks to ensure that any interference with an individual's right under Article 8 of the European Convention is necessary and proportionate. In doing so, RIPA seeks to ensure both the public interest and the human rights of individuals are suitably balanced.
- 4.4. At the start of an investigation, Council officers will need to satisfy themselves that what they are investigating is a criminal offence. Directed surveillance is an invasive technique and at the point it is decided whether or not to authorise its use it must be clear that the threshold is met and that it is necessary and proportionate to use it. This involves balancing the seriousness of the intrusion into the privacy of the subject of the operation (or any other person who may be affected) against the need for the activity in investigative or operational terms;
- 4.5. The authorization will not be proportionate if it is excessive in the overall circumstances of the case. Each action authorized should bring an expected benefit to the investigation or operation and should not be disproportionate or arbitrary. An offence may be so minor that any deployment of covert techniques would be disproportionate. No activity should be considered proportionate if the information which is sought could reasonably be obtained by other less intrusive means.
- 4.6. The following elements of proportionality should therefore be considered:
- balancing the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence
 - explaining how and why the methods to be adopted will cause the least possible intrusion on the subject and others
 - considering whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the necessary result;
 - evidencing as far as reasonably practicable, what other methods had been considered and why they were not implemented.
 - ensuring that the perceived crime or offence satisfies the crime threshold for Directed surveillance.
- 4.7. 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 designated Authorising Officers. Authorising Officers are those whose posts appear in Appendix 1 to this Document and, duly added to or substituted by the Senior Responsible Officer.

- 4.8. If the correct procedures are not followed, evidence may be disallowed by the courts, a complaint of maladministration could be made to the Ombudsman, and/or the Council could be ordered to pay compensation. Such action would not, of course, promote the good reputation of the Council and will, undoubtedly, be the subject of adverse press and media interest. It is essential, therefore, that all involved with RIPA comply with this Document and any further guidance that may be issued, from time to time, by the RIPA Co-ordinating Officer.
- 4.9. A flowchart of the procedures to be followed appears at Appendix 2 [and below are links to Home Office and Office of Surveillance Commissioners Codes of Practice:](#)

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/384975/Covert_Surveillance_Property_Interference_web_2_.pdf

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/384976/Covert_Human_Intelligence_web.pdf

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/384975/Covert_Surveillance_Property_Interference_web_2_.pdf

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/384976/Covert_Human_Intelligence_web.pdf

5. WHAT RIPA DOES AND DOES NOT DO

5.1. RIPA does:

- require prior authorisation and judicial approval 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.

5.2. 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 this Act. For example, it does not affect the Council's current powers to obtain information via the DVLA or information from the Land Registry as to the ownership of a property.

- 5.3. If the Authorising Officer or any Applicant is in any doubt, they should ask the RIPA Co-ordinating Officer BEFORE any directed surveillance and/or CHIS is authorised, renewed, cancelled or rejected.

6. TYPES OF SURVEILLANCE

- 6.1. 'Surveillance' includes:

- monitoring, observing, listening to persons, watching or following their movements, listening to their conversations and other such activities or communications.
- recording anything mentioned above in the course of authorised surveillance.
- surveillance, by or with, the assistance of appropriate surveillance device(s).
- Surveillance can be overt or covert.

Overt Surveillance

- 6.2. Most of the surveillance carried out by the Council will be done overtly – there will be nothing secretive, clandestine or hidden about it. In many cases, Officers will be behaving in the same way as a normal member of the public (e.g. in the case of test purchases which do not give rise to a 'relationship' being established, and where no covert technical equipment is worn), and/or will be going about Council business openly (e.g. a market inspector walking through markets).
- 6.3. Similarly, surveillance will be overt if the subject has been told it will happen (e.g. where a noisemaker is warned (preferably in writing) that noise will be recorded if the noise continues, or where an entertainment licence issued subject to conditions, and the licensee is told that officers may visit without notice or identifying themselves to the owner/proprietor to check that the conditions are being met).

Covert Surveillance

- 6.4. 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).
- 6.5. RIPA regulates two types of covert surveillance, (Directed Surveillance and Intrusive Surveillance) and the use of Covert Human Intelligence Sources (CHIS).

Directed Surveillance

- 6.6. Directed Surveillance is surveillance that is:-
- covert; and
 - not intrusive surveillance (see definition below – the Council must not carry out any intrusive surveillance);

- not carried out in an immediate response to events which would otherwise make seeking authorisation under the Act unreasonable, e.g. spotting something suspicious and continuing to observe it; and it is undertaken for the purpose of a specific investigation or operation in a manner likely to obtain private information about an individual (whether or not that person is specifically targeted for purposes of an investigation). (Section 26(10) of RIPA).
- 6.7. Private information in relation to a person includes any information relating to their private and family life, home and 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. Prolonged surveillance targeted on a single person will undoubtedly result in the obtaining of private information about them and others that they come into contact, or associate, with.
- 6.8. Similarly, although overt town centre CCTV cameras do not normally require authorisation, if the camera is tasked for a specific purpose, that involves prolonged surveillance on a particular person, authorisation will be required. The way a person runs their business may also reveal information about their private life and the private lives of others.
- 6.9. Confidential information is information held in confidence relating to the physical or mental health or spiritual counseling concerning an individual (whether living or dead) who can be identified from it. Such information, which can include both oral and written communications, is held in confidence if it is held subject to an express or implied undertaking to hold it in confidence or is subject to a restriction on disclosure or an obligation of confidentiality contained in existing legislation. Examples might include consultations between a legal adviser and client (covered by legal privilege), between health professional and a patient, or information from a patient's records. Only the CEO or his/her Deputy can authorize covert surveillance involving confidential information.
- 6.10. For the avoidance of doubt, only those Officers designated and certified to be 'Authorising Officers' for the purpose of RIPA can authorise 'Directed Surveillance' IF, AND ONLY IF, the RIPA authorisation procedures detailed in this Document, are followed. If an Authorising Officer has not been 'certified' for the purposes of RIPA, they CANNOT carry out or approve/reject any action set out in this Policy.
- 6.11. Amendments to the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 ("the 2010 Order") mean that a local authority can now only grant an authorisation under RIPA for the use of directed surveillance where the local authority is investigating particular types of criminal offences. These are criminal offences which attract a minimum custodial sentence of six months or more or criminal offences relating to the underage sale of alcohol or tobacco.

6.12. Any covert operation in which confidential information might be required requires authorization by the Chief Executive or his/her Deputy.

Intrusive Surveillance

6.13. This is when surveillance:-

- is covert;
- relates to residential premises and 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 will not be intrusive, unless the device consistently provides information of the same quality and detail as might be expected if they were in the premises/vehicle.

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

Social Media

6.15. Where social media sites (SMS) are used for investigatory purposes officers should be mindful of Office of Surveillance Commissioners' 2014 Guidance. In particular, where access controls are applied the author is deemed to have a reasonable expectation of privacy. Where data is "open source" repeated viewing may constitute directed surveillance on a case by case basis and should be borne in mind. In addition, an authorisation for the use and conduct of a CHIS is necessary if a relationship is established or maintained by a public authority or someone acting on its behalf (i.e. the activity is more than mere reading the site's content).

A member of the public authority should not adopt the identity of a person known, or likely to be known, to the subject of interest or users of the site without authorization, and without the consent (explicit) of the person whose identity is used, and without considering the protection of that person

Examples of types of Surveillance

6.16. Examples of different types of Surveillance

Type of Surveillance	Examples
Overt	<ul style="list-style-type: none"> • Police Officer or Parks Warden on patrol • Signposted Town Centre CCTV cameras (in normal use)

	<ul style="list-style-type: none"> Recording noise coming from outside the premises after the occupier has been warned that this will occur if the noise persists.
Covert but not requiring prior authorisation	<ul style="list-style-type: none"> CCTV cameras providing general traffic, crime or public safety information. when conducted 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 authorization under Part II of the 2000 Act to be sought (i.e. an officer chances to observe conduct relevant to a criminal or law and order offence)
Directed 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 or off long term sick from employment. Test purchases where the officer has a hidden camera or other recording device to record information which might include information about the private life of a shop-owner, e.g. where s/he is suspected of running his business in an unlawful manner. (Test purchases can also amount to a CHIS. Whether or not a 'relationship' exists depends on all the circumstances including the length of time of the contact between seller and buyer and the nature of any covert activity.)
Intrusive – Council cannot do this	<ul style="list-style-type: none"> Planting a listening or other device (bug) in a person's home or in their private vehicle.

7. CONDUCT AND USE OF A COVERT HUMAN INTELLIGENCE SOURCE (CHIS)

Who is a CHIS?

- 7.1. Someone who establishes or maintains a personal or other relationship for the covert purpose of helping to obtain information.
- 7.2. 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.

What must be authorised?

- 7.3. Under the 2000 Act, a person is a CHIS if:

- a) he establishes or maintains a personal or other relationship with a person for the covert purpose of facilitating the doing of anything falling within paragraph b) or c);
 - b) he covertly uses such a relationship to obtain information or to provide access to any information or to provide access to any information to another person; or
 - c) he covertly discloses information obtained by the use of such a relationship or as a consequence of the existence of such a relationship. The Conduct or Use of a CHIS requires prior authorisation.
- Conduct of a CHIS = 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 = Actions inducing, asking or assisting a person to act as a CHIS and the decision to use a CHIS in the first place.

7.4. The Council can use CHIS's IF, AND ONLY IF, RIPA procedures, detailed in this Document are followed.

Juvenile Sources

7.5. Special safeguards apply to the use or conduct of juvenile sources (i.e. under the age of 18). On no occasion can a child under 16 years of age be authorised to give information against their parents. Only the Chief Executive or in her/her absence his/her Deputy is duly authorised by the Council to use Juvenile Sources, as there are other onerous requirements for such matters.

Vulnerable Individuals

7.6. A Vulnerable Individual is a person 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 themselves, or unable to protect themselves against significant harm or exploitation.

7.7. 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 or his/her Deputy is authorised by the Council to use Vulnerable Individuals, as there are other onerous requirements for such matters.

Test Purchases

7.8. In the context of CHIS, the word “establishes” when applied to a relationship means “set up”. It does not require, as “maintains” does, endurance over any particular period. For example, a relationship of seller and buyer may exist between a shopkeeper and a customer even if only a single transaction takes place: repetition is not necessary to give rise to a relationship, but whether or not a relationship exists depends on all the circumstances including the length of time

of the contact between seller and buyer. There is no obligation to authorize as a CHIS everyone who is within the definition of a CHIS; this is matter for judgement according to all the circumstances of the case.

- 7.9. When an adult or young person, pursuant to an arrangement with an officer of a public authority, carries out a test purchase at a shop, he may be a CHIS. It does not follow that there must be a CHIS authorization because designated public authorities are empowered but not obliged to authorize a CHIS. But if covert equipment is worn by the test purchaser, or an adult is observing the test purchase, there can be no doubt that authorization for Directed Surveillance is required and such authorization must identify the premises involved. In all cases a prior risk assessment is essential in relation to a young person and desirable in relation to an adult.

Anti-Social Behaviour Activities (e.g. noise, violence, race etc)

- 7.10. 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. Recording the level of noise (e.g. the decibel level) will not normally capture private information and, therefore, does not require authorisation.
- 7.11. Recording sound (with a DAT recorder or other similar device) on private premises could constitute intrusive surveillance, unless it is done overtly. For example, it will be possible to record if the noisemaker is warned that this will occur if the level of noise continues. For the avoidance of doubt no machine should be used which pre or post records without the complainant being informed. This may otherwise constitute intrusive surveillance. Placing a stationary or mobile video camera outside a building to record anti social behaviour on residential estates will require prior authorisation.

PROCEDURES

8. AUTHORISATION PROCEDURES

- 8.1. 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.
- 8.2. Appendix 2 provides a flow chart of process from application consideration to recording of information.

Authorising Officers

- 8.3. Forms can only be signed by Authorising Officers who hold a Certificate from the Senior Responsible Officer. Authorised posts are listed in Appendix 1. This Appendix will be kept up to date by the RIPA Co-ordinating Officer, and added to as needs require. The RIPA Co-ordinating Officer on the authority of the Senior Responsible Officer is duly authorised to add, delete or substitute posts listed in Appendix 1.
- 8.4. Authorisations under RIPA are separate from delegated authority to act under the Council's Scheme of Delegation and internal departmental Schemes of Management. RIPA authorisations are for specific investigations only, and **MUST** be renewed or cancelled once the specific surveillance is complete or about to expire. The authorisations do not lapse with time.

Training Records

- 8.5. Proper training will be given, or approved by the RIPA Co-ordinating Officer before Authorising Officers are certified to sign any RIPA Forms. A certificate of training will be provided to the individual and a Central Register of all those individuals who have undergone training or a one-to-one meeting with the RIPA Co-ordinating Officer on such matters will be kept by the RIPA Co-ordinating Officer.
- 8.6. If the Senior Responsible Officer feels that an Authorising Officer has not complied fully with the requirements of this Document, or the training provided, the Senior Responsible Officer is duly authorised to retract that Officer's certificate and authorisation until they have undertaken further approved training or a one-to-one meeting with the RIPA Co-ordinating Officer.

Application Forms

- 8.7. Only the approved RIPA forms set out in this Document must be used. Any other forms used will be rejected by the Authorising Officer and/or the RIPA Co-ordinating Officer. To assist an Authorising Officer to reach a proper judgement the provenance of data, information or intelligence on which the application is made should be clear.
- 8.8. '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

8.9. '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

Grounds for Authorisation

8.10. Directed Surveillance (A Forms) or the Conduct and Use of the CHIS (B Forms) can be authorised by the Council only one of ground:-

- For the prevention or detection of crime or of preventing disorder. Local authorities can only authorise the use of directed surveillance under RIPA to prevent or detect criminal offences that are punishable whether on summary conviction or indictment by a minimum term of at least 6 months' imprisonment or are related to the underage sale of alcohol or tobacco.

Assessing the Application Form

8.11. Before an Authorising Officer signs a Form, they must:-

- (a) Be mindful of this Policy & Procedures Document, the Training provided externally or by the RIPA Co-ordinating Officer and any other guidance issued, from time to time, by the RIPA Co-ordinating Officer on such matters;
- (b) Satisfy themselves that the RIPA authorisation is:-
 - (i) in accordance with the law;
 - (ii) necessary in the circumstances of the particular case on one of the grounds mentioned in paragraph 8.10 above; and
 - (iii) proportionate to what it seeks to achieve.
- (c) In assessing whether or not the proposed surveillance is proportionate, consider other appropriate means of gathering the information. This involves balancing the intrusiveness of the use of the source on the target and others who might be affected by it against the need for the source to be used in operational terms. The use of a source will not be proportionate if it is excessive in the circumstances of the case or if the information which is sought could reasonably be obtained by other less intrusive means. The use of a source should be carefully managed to meet the objective in question and sources must not be used in an arbitrary or unfair way.

- (d) 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;
- (e) Set a date for review of the authorisation and review on only that date;
- (f) All authorizations should be cancelled before their expiry date unless subject to renewal;
- (g) All original RIPA documentation should be submitted to the RIPA Co-ordinating Officer to enter details on a Central Record of authorizations, allocating a Unique Reference Number (URN) for the application, with copies being retained in the applying Business Unit.
- (h) In order that the authorisation meets the crime threshold for judicial approval the Authorising Officer must be satisfied that the requisite crime threshold is satisfied. Examples of cases where the offence being investigated attracts a minimum custodial sentence of 6 months or more could include more serious criminal damage, dangerous waste dumping and serious or serial benefit fraud.

Additional Safeguards when Authorising a CHIS

8.12. When authorising the conduct or use of a CHIS, the Authorising 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 issues through a risk assessment;
- (c) consider the likely degree of intrusion of all those potentially affected;
- (d) consider any adverse impact on community confidence that may result from the use or conduct or the information obtained; and
- (e) ensure records contain particulars and are not available except on a need to know basis.

Urgent Authorisations

8.13

- 8.13. The power to make urgent oral authorisations has been removed, because section 43(1)(a) of RIPA no longer applies to authorisations requiring a magistrate's approval. All authorisations, even if urgent, must be made in writing.

Duration

- 8.14. 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 3 months (from authorization unless cancelled) for Directed Surveillance, and 12 months (from authorisation) for a CHIS. In both cases renewals must be granted before an authorization expires.
- 8.15. 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). On Cancellation forms, Authorising Officers should provide directions for where and how the intelligence/evidence gleaned will be stored and managed.
- 8.16. Authorisations can be renewed in writing before the maximum period has expired. The Authorising Officer must consider the matter afresh, including taking into account the benefits of the surveillance to date, and any collateral intrusion that has occurred.
- 8.17. The renewal will begin on the day when the authorisation would have expired. If during an investigation which has been authorized it becomes clear that the activity being investigated does not amount to a criminal offence or that it would be a less serious offence that does not meet the crime threshold the use of directed surveillance should cease. If a directed surveillance authorisation is in force it should be cancelled.

Judicial approval

- 8.18. From 1 November 2012 a local authority who wishes to authorise the use of directed surveillance, acquisition of communications data and the use of a CHIS under RIPA will need to obtain an order approving the grant or renewal of an authorization or notice from a JP (a District Judge or lay magistrate) before it can take effect. If the JP is satisfied that the statutory tests have been met and that the use of the technique is necessary and proportionate s/he will issue an order approving the grant or renewal for the use of the technique as described in the application. The flowchart at Appendix 5 outlines the procedure for applying for judicial approval
- 8.19. Following approval by the Authorising Officer the first stage of the process is for the investigating officer to contact Her Majesty's Courts and Tribunals Service (HMCTS) administration team at the Magistrates' Court to arrange a hearing. The Office of Surveillance Commissioners considers that the best officer to apply to the magistrate for approval of directed surveillance or CHIS is the Authorising Officer, though they recognize that this is not always practicable. Only s/he can

answer questions about his/her reasoning on necessity, proportionality, collateral intrusion and risk. The relevant Officer will provide the JP with a copy of the original RIPA authorisation and the supporting documents setting out the case. This forms the basis of the application to the JP and should contain all information that is relied upon.

- 8.20. The original RIPA authorisation should be shown to the JP but will be retained by the local authority so that it is available for inspection by the Commissioners' office and in the event of any legal challenge or investigation by the Investigatory Powers Tribunal (IPT). The Court may wish to take a copy. In addition, the Investigating Officer will provide the JP with a partially completed Judicial application/order (at Appendix 5).
- 8.21. The order section of this form will be completed by the JP and will be the official record of the JP's decision. The relevant Officer will need to obtain judicial approval for all initial RIPA authorisations/applications and renewals and the Council will need to retain a copy of the judicial application/order form after it has been signed by the JP. There is no requirement for the JP to consider either cancellations or internal reviews.
- 8.22. On the rare occasions where out of hours access to a JP is required local arrangements should be made with the relevant HMCTS staff. In these cases the Investigating Officer will need to provide two partially completed judicial application/order forms so that one can be retained by the JP. The Council should provide the Court with a copy of the signed judicial application/order form the next working day.
- 8.23. The hearing is a legal proceeding and therefore local authority officers need to be formally designated under standing orders (under s.223 Local Government Act 1972) to appear, be sworn in and present evidence or provide information as required by the JP.
- 8.24. The hearing will be conducted in private and heard by a single JP who will read and consider the RIPA authorisation and the judicial application. S/he may have questions to clarify parts, or require additional assistance.
- 8.25. The JP will consider whether s/he is satisfied that at the time the authorisation was granted or renewed there were reasonable grounds for believing that the authorisation or notice was necessary and proportionate. They will also consider whether there continue to be reasonable grounds. In addition, they must be satisfied that the person who granted the authority or gave the notice was an appropriate designated person within the authority and the authorisation was made in accordance with any applicable legal restrictions, for example that the crime threshold for directed surveillance has been met.
- 8.26. Following their consideration of the case the JP will complete the order section of the Judicial application/order form recording their decision. The JP may decide to 1) approve the grant or renewal of an authorisation or notice, 2) refuse to approve

the grant or renewal of an authorisation or notice or 3) refuse to approve the grant or renewal and quash the authorisation or notice.

- 8.27. There is no complaint route for a judicial decision unless it was made in bad faith. Any complaints should be addressed to the Magistrates' Advisory Committee. A local authority may only appeal a JP decision on a point of law by judicial review.

9. WORKING WITH / THROUGH OTHER AGENCIES

- 9.1. When some other agency has been instructed on behalf of the Council to undertake any action under RIPA, this Document 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.
- 9.2. When some other 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 any Officer agrees to allow the Council's resources to be used for the other agency's purposes, they must obtain a copy of that agency's RIPA form for the record (a copy of which must be put on the Central Record of Authorisations);
 - (b) wish to use the Council's premises for their own RIPA action, the Officer should, normally, co-operate with the same, 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.
- 9.3. In terms of 9.2 (a), if the Police or other Agency wish to use Council resources for general surveillance, as opposed to specific RIPA operations, an appropriate letter requesting the proposed use, extent of remit, duration, who will be undertaking the general surveillance and the purpose of it must be obtained from the Police or other Agency before any Council resources are made available for the proposed use.
- 9.4. If in doubt, please consult with the RIPA Co-ordinating Officer at the earliest opportunity.

10. RECORD MANAGEMENT

- 10.1. The Council's Central Register of all authorisation forms will be maintained by the RIPA Co-ordinating Officer with the support of the PA to the Head of Democratic, Legal and Policy Services.

Records maintained in the Department

10.2. The following original documents must be passed to the RIPA Co-ordinating Officer immediately to retain and record details on a Central Record of Authorisations:

- the original Forms together with any supplementary documentation and notification of the approval given by the Authorising Officer;
- a record must include reference to all covert activities authorized by an Authorising Officer;
- a record of the period over which the surveillance has taken place;
- the frequency of reviews prescribed by the Authorising 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 Authorising Officer;
- details of any magistrate's approval under s.32(a) of RIPA.

10.3. Each form will have a URN. The Departmental Co-ordinators will retain copies of original documents in connection with any authorisation.

Central Register maintained by RIPA Co-ordinating Officer but delegated to PA to Head of Democratic, Legal and Policy Services.

10.4. Authorising Officers must forward details of each Form to the RIPA Co-ordinating Officer immediately following creation of any authorisation, review, renewal, cancellation or rejection for the Central Record of Authorisations. The RIPA Co-ordinating Officer will monitor these and give appropriate guidance, from time to time, or amend this Document, as necessary.

10.5. The Council will retain records for a period of at least three years from the ending of the authorisation. The Office of the Surveillance Commissioners (OSC) can audit/review the Council's policies and procedures, and individual authorisations.

CONCLUSION

11. CONCLUDING REMARKS

11.1. Where there is an interference with the right to respect for private life and family guaranteed under Article 8 of the European Convention on Human Rights, and where there is no other source of lawful authority for the interference, or if it is held not to be necessary or proportionate to the circumstances, the consequences of not obtaining or following the correct authorisation procedure set out in RIPA and this Document, may be that the action (and the evidence

obtained) will be held to be unlawful by the Courts pursuant to Section 6 of the Human Rights Act 1998.

- 11.2. Obtaining an authorisation under RIPA and following this Document, will ensure, therefore, that the action is carried out in accordance with the law and subject to stringent safeguards against abuse of anyone's human rights.
- 11.3. Authorising Officers will be suitably trained and they must exercise their minds every time they are asked to sign a Form. They must never sign or rubber stamp Form(s) without thinking about their personal and the Council's responsibilities.
- 11.4. 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 of an application must also be kept on the form and the form retained for future audits.
- 11.5. For further advice and assistance on RIPA, please contact the RIPA Co-ordinating Officer.

Version March 2017

Agenda Item 9

Certification of grants and claims

Officer contact: Andy Green

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email: andy.green@wycombe.gov.uk

Wards affected: All

PROPOSED DECISION

That the Certification of Claims and Returns Annual Report 2015-16 be noted.

Corporate Implications

1. The audit fee for this work has been budgeted for within the cost of corporate management for 2016/17

Executive Summary

2. The Annual Report covering the work of the External Audit team in assessing the Council's various statutory grant claims is attached at Appendix A.
3. Context is given to the work of the benefit section, and outlines plans in place to minimise the future risk of subsidy loss
4. There are no recommendations for action in the report.

Sustainable Community Strategy/Council Priorities - Implications

5. None

Background and Issues

6. The outcome from the 2015/16 audit is broadly similar to the previous year. The value of errors found was £5,300 (0.01% total expenditure) out of the total subsidy claim for £48m.
7. Thresholds are set by DWP for LA errors. These are made up of two elements: admin delay (where a LA does not process claims as quickly as DWP would like) which represents approximately 40% of the overall total for WDC; and LA error (e.g. where the Council incorrectly overpay benefit as a result of an error, e.g. income on a claim is input incorrectly. If DWP thresholds are exceeded, subsidy is reduced.
8. Although in overall terms the value of the errors found in this year's audit is relatively small, audit certification guidelines require auditors to "extrapolate" the value of the errors. The extrapolation process increases the risk of subsidy reductions. In this latest audit this £5,300 resulted in an extrapolated value of £204,270 (0.04% total benefit awarded). This year the extrapolated value has tipped Wycombe over the DWP threshold of £215,472. The DWP will determine the precise amount of the reduction, but this is expected to be between £215,472 and £412,000 against the overall grant claim of £48m. Reductions in subsidy are

offset against past years surpluses through an appropriation fund, that is currently in surplus (£1.2m). An element of the subsidy loss will also be recovered over time through the usual recovery processes that are in place for housing benefit overpayments.

9. Government funding for benefit administration has fallen sharply in recent years, yet workloads have increased and work has become more complex due to changes to welfare benefits and an increase in electronic data transfer from DWP to local authorities, putting more pressure on staff. In contrast administration subsidy has fallen from £944,000 in 2013/14 to £574,000 in the current year.
10. Staff sickness has played a factor on the team's ability to consistently process work within set targets. 183 days were lost in 2015/16 due to sickness & 179 to date in 2016/17. Sickness is being managed in line with the WDC sickness procedures.
11. Following the 2014/15 subsidy audit last year a dedicated checking officer was appointed to reduce the risk of future subsidy loss. This post took effect at the start of the 2016/17 year. This has been particularly successful in highlighting and rectifying potential errors at an early stage in 2016/17, which minimises the financial impact as it avoids audit extrapolation mentioned above. However, due to the retrospective nature of the subsidy certification process and timescales involved the change was too late to impact on the 2015/16 grant claim.
12. To further strengthen and support the administrative process and reduce the risk of subsidy loss in 2017/18 and beyond, a twofold approach has been taken to tackle both contributory factors. A rigorous system for checking of benefit assessments is in place, backed up by significant amount of dedicated support and training for staff to ensure that both current and revisions to regulations are properly understood. This will reduce the LA error element. To minimise Admin delay a contract is in place for external processing support that is triggered when workloads rise above certain levels. This is funded by extra Government grant awarded when legislative changes are made.
13. Subsidy levels are difficult to predict. Errors identified via the subsidy audit, result in additional audit checking in subsequent years, raising the risk of greater loss. It is important to exit from this cycle, hence the actions in place as outlined in this report. Staffing resources are currently being reviewed to ensure available resource is sufficient to minimise the risk of subsidy loss moving forward
14. Grant claims are held within Financial Services.

15. **Summary of actions:**

Action	Timescale
Dedicated Checking regime (Full Time Quality Officer) – previously staff were responsible for reviewing and checking work on a peer to peer basis.	In place from April 2016
Remote processing resources for peak periods with 3 external providers ensuring sufficient quick access to manage peaks and internal resourcing constraints such as sickness.	In place from January 2017
Additional training (1-1 & team training) this will supplement the current training being provided to staff to help support the ever increasing complexity and frequency of changes in benefit rules.	From March 2017
Continue management of sickness levels in line with WDC procedures to address long term sickness absences.	Ongoing since April 2016
Review resourcing levels	30 th April 2017

Certification of claims and returns annual report 2015-16

Wycombe District Council

8 February 2017

Ernst & Young LLP



Building a better
working world

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HP11 1BB

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Dear Members

Certification of claims and returns annual report 2015-16 Wycombe District Council

We are pleased to report on our certification work on Wycombe District Council's 2015-16 claims, which we summarise here.

Scope of work

Local authorities claim large sums of public money in grants and subsidies from central government and other grant-paying bodies and must complete returns providing financial information to government departments. In some cases these grant-paying bodies and government departments require appropriately qualified auditors to certify the claims and returns submitted to them.

From 1 April 2015, the duty to make arrangements for the certification of relevant claims and returns and to prescribe scales of fees for this work was delegated to the Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government.

For 2015-16, these arrangements required only the certification of the housing benefits subsidy claim. In certifying this we followed a methodology determined by the Department for Work and Pensions and did not undertake an audit of the claim.

Summary

Section 1 of this report outlines the results of our 2015-16 certification work and highlights the main findings.

We checked and certified the housing benefits subsidy claim with a total value of £48,133,608. We met the submission deadline. We issued a qualification letter; details of the qualification matters are included in section 1. Our certification work found errors which the Council corrected. The amendments had a marginal effect on the grant due: it decreased by £205.

Fees for certification and other returns work are summarised in section 3. The housing benefits subsidy claim fees for 2015-16 were published by the Public Sector Audit Appointments Ltd (PSAA) in March 2015 and are now available on the PSAA's website (www.psaa.co.uk).

We welcome the opportunity to discuss the contents of this report with you at the Audit Committee on 23 March 2017.



We would like to thank the Council's officers, especially Housing Benefits staff, for their help. The certification process requires considerable input from them to be carried out efficiently and we are most grateful for their professionalism and assistance.

Yours faithfully

Maria Grindley
Director
Ernst & Young LLP
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1. Housing benefits subsidy claim

Scope of work	Results
Value of claim presented for certification	£48,133,813
Amended/Not amended	Amended – subsidy decreased by £205
Qualification letter	Yes
Fee – 2015-16	£16,833
Fee – 2014-15	£33,230

Recommendations from 2014-15	None
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Findings in 2015-16

Non-HRA rebate cases:

1 case where a rental increase had not been updated.

1 case where eligible deductions had been ignored.

As both of these errors could only result in underpayments, no further work was carried out.

Rent allowance cases:

1 case of overpayment by incorrect assessment of occupational pension.

1 case of overpayment by incorrect assessment of self-employed income.

2 cases of underpayment through failure to update weekly rent and incorrect assessment of no of bedrooms re LHA rate.

2 cases of overpayment by incorrect assessment of earnings.

1 case of overpayment by incorrect assessment of self-employed income.

1 case of overpayment misclassified as eligible when it was ineligible.

As we also identified errors in benefit resulting from the miscalculation of tax credits and non-dependents in the previous year, an additional sample of 40 was selected from the relevant sub-populations to test in 2015-16.

(Earnings, self-employed income, occupational pension and eligible overpayment misclassification gave rise to errors in both years).

Modified schemes:

2 cases of underpayment because War Disablement Pensions had not been updated

1 case of overpayment because of a failure to correct a specific case for issues identified in 2014-15. We checked all remaining valid cases and there was no further impact on the claim.

Local Government administers the Government's housing benefits scheme for tenants and can claim subsidies from the Department for Work and Pensions (DWP) towards the cost of benefits paid.

The certification guidance requires auditors to complete more extensive '40+' or extended testing if initial testing identifies errors in the calculation of benefit or compilation of the claim. 40+ testing may also be carried out as a result of errors that have been identified in the audit of previous years claims. We found errors and carried out extended testing in several areas.

Extended and other testing identified errors which the Council amended had a small net impact on the claim. We have reported underpayments, uncertainties and the extrapolated

value of other errors in a qualification letter. The DWP will decide whether to ask the Council to carry out further work to quantify the error or to claw back the benefit subsidy paid. These are the main issues we reported:

Testing of the initial sample and 40+ identified (2015-16):

Incorrect employed earnings calculation

Initial testing identified two cases where benefit was overpaid as a result of incorrectly assessing weekly earned income. There was also a prior year qualification for this type of error, so the Authority was required to complete testing in line with DWP requirements.

Testing of the additional sample of 40 cases identified:

- 7 cases where the Authority had overpaid benefit as a result of incorrectly assessing and inputting earned income.
- 2 cases where the Authority had both overpaid and underpaid benefit as a result of incorrectly assessing and inputting earned income.
- 1 case where the Authority underpaid benefit as a result of incorrectly assessing earned income.

Incorrect assessment of LHA rate

Initial testing identified one case where the Authority had underpaid benefit as a result of failing to uprate the weekly rent and another case with underpaid benefit as a result of incorrectly assessing the required number of bedrooms and applying an incorrect LHA rate.

Testing of the additional sample of 40 cases identified one case where the Authority had underpaid benefit as a result of failing to update the weekly rent amount.

Incorrect assessment of occupational pension

Initial testing identified one case where the Authority had overpaid benefit as a result of incorrectly assessing occupational pension.

Testing of the additional sample of 40 cases identified six cases where the Authority had overpaid benefit as a result of incorrectly inputting/failing to update increased occupational pension amounts.

Incorrect assessment of self-employed earnings

Initial testing identified one case where the Authority had overpaid benefit as a result of incorrectly assessing self-employed income. There was also a prior year qualification for this type of error, so the Authority was required to complete testing in line with DWP requirements.

Testing of the additional sample of 40 cases identified six cases where the Authority had underpaid benefit as a result of incorrectly assessing/inputting self-employed earnings, and six cases where benefit had been overpaid.

Incorrect classification of eligible overpayments

Initial testing identified one case where the Authority had misclassified expenditure related to cases not requiring referral to the rent officer as eligible overpayments, and another case where expenditure was misclassified as claimant error when it should have been LA error.

There was also a prior year qualification for this type of error, so the Authority was required to complete testing in line with DWP requirements.

Testing of the additional sample of 40 cases identified two further cases where claimant error had been misclassified as LA error.

Testing of the errors identified in 2014-15:

- Initial testing did not identify any errors relating to non-dependants. However, there was a prior year qualification within this cell or related cells relating to this type of error, so the authority was required to complete testing. We found one underpayment and three overpayments in the calculation of these cases.
- Initial testing did not identify any errors relating to tax credits. However, there was a prior year qualification within this cell or related cells relating to this type of error, so the authority was required to complete testing. We found one underpayment and two overpayments.

The net impact on the claim was to decrease it by £205.

Upper threshold for total local authority error and administrative delay overpayments

The Council currently receives 100% subsidy for "Local Authority error and administrative delay" overpayments (total value of £207,888 on the 2015-16 claim). If the DWP choose to apply the extrapolations arising from the errors identified above (total extrapolated value £204,270), the Council would breach the upper threshold set for total "local Authority error and administrative delay" overpayments of £251,702. In this event, the Council loses all subsidy for this type of overpayment, i.e. the amount of subsidy previously received would be repayable to the DWP.

2. 2015-16 certification fees

The PSAA determine a scale fee each year for the audit of claims and returns. For 2015-16, these scale fees were published by the Public Sector Audit Appointments Ltd (PSAA's) in March 2015 and are now available on the PSAA's website (www.psa.co.uk).

Claim or return	2015-16	2015-16	2014-15
	Actual fee £	Indicative fee £	Actual fee £
Housing benefits subsidy claim	16,833	16,833	33,230

No changes to the 2015-16 fees are being proposed.

The fee level is set by referring to the actual fee for two years previously, adjusted for the 25% "discount" arising from the last of the savings made through the final Audit Commission regime negotiations. The level of work has reduced from that undertaken in 2013-14.

In 2014-15 we also charged an additional fee for extra work required.

3. Looking forward

From 1 April 2015, the duty to make arrangements for the certification of relevant claims and returns and to prescribe scales of fees for this work was delegated to (PSAA) by the Secretary of State for Communities and Local Government.

The Council's indicative certification fee for 2016-17 is £29,145. This was prescribed by PSAA in March 2016, based on no changes to the work programme for 2015-16. Indicative fees for 2016-17 housing benefit subsidy certification work are based on final 2014-15 certification fees. PSAA reduced scale audit fees and indicative certification fees for most audited bodies by 25 per cent based on the fees applicable for 2014-15.

Details of individual indicative fees are available at the following web address:
<http://www.psa.co.uk/audit-and-certification-fees/201617-work-programme-and-scales-of-fees/individual-indicative-certification-fees/>

We must seek the agreement of PSAA to any proposed variations to these indicative certification fees. We will inform the Head of Finance before seeking any such variation.

PSAA is currently consulting on the 2017-18 work programme. There are no changes planned to the work required and the arrangements for certification of housing benefit subsidy claims remain in the work programme. However, this is the final year in which these certification arrangements will apply. From 2018-19, the Council will be responsible for appointing its own auditor and this is likely to include making its own arrangements for the certification of the housing benefit subsidy claim in accordance with the requirements that will be established by the DWP.

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Agenda Item 10

PROPOSED INTERNAL AUDIT PROGRAMME 2017/18

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PROPOSED DECISION

That:

- (i) The Internal Audit programme for 2017/18 as attached at Appendix A is agreed; and that
- (ii) The audit programme be reviewed half-yearly and reported as part of the Audit, Risk Fraud Manager's half yearly report.

Corporate Implications

1. The provision of an Internal Audit service is a statutory function as defined by S151 of the Local Government Act 1972 which places a duty on the Council to make arrangements for the proper administration of its financial affairs. The work of Internal Audit is an essential component providing an assurance to Management and to those charged with governance, that sound systems of internal control are present and are working effectively.

Executive Summary

2. The annual audit programme is presented to the Audit Committee each year and is compiled after taking into consideration the following contributions:
 - Areas of interest from the Chief Executive, the Corporate Director, the Council's S151 Officer and the Heads of Service.
 - Areas of interest as determined by the Audit, Risk and Fraud Manager.
 - The contribution from Members of the Audit Committee.
 - The Strategic Risk Register is used as this provides a useful reference point as regards risk and control.
3. The programme for 2017/18 makes provision to perform 9 Core financial reviews (75 days) and 10 Non-Core financial reviews (55 days).
4. The Council's Internal Audit Service will continue to undertake the core financial audits necessary to provide Management with an assurance as regards the effectiveness of the internal control framework.
5. To deliver the audit programme the following resources will be used:
 - External call off contract. We have engaged Moore Stephens to provide internal audit services and deliver the audit programme for 2017/18. The Audit, Risk & Fraud Manager oversees the delivery of the audit programme and works closely with Moore Stephens, ensuring that a timely and effective service is provided.

6. In addition to the role of overseeing the delivery of the Councils' Audit programme, the Audit, Risk and Fraud Manager has:
- Direct management responsibility for the Corporate Investigations Team,
 - Involved in the quarterly reporting of the strategic risk register and implementing service based operational risk registers,
 - Involved in the Council's corporate governance arrangements through developments in the annual service-based planning process, the internal annual assurance statement process the externally published annual governance statement as well as oversight of the annual contract review framework.
7. The proposed 2017/18 audit programme has been compiled on the principle of business as usual and does not reflect any impacts of the decision as regards Modernising Local Government (MLG). Therefore, any changes in Council service provision, following a decision on MLG will be reflected in a revised audit programme which will be presented for consideration and approval by both the Strategic Management Board and the Audit Committee.

Agenda Item 10

PROPOSED INTERNAL AUDIT PROGRAMME 2017/18

BACKGROUND AND VISION

This document sets out the approach for the delivery of Internal Audit for 2017/18.

As with previous years, the Service will continue to use an external resource to assist in the delivery of individual audit assignments drawn from the annual programme. The overall management of the Service rests with the Audit, Risk and Fraud Manager.

Through the combined work of the external service and the work undertaken by the Audit Risk and Fraud Manager it is possible to provide an independent opinion to Management, the Strategic Management Board (SMB) and the Audit Committee as to the effectiveness of the internal control frameworks as determined in the annual programme.

The continual vision for Internal Audit is to provide a high quality cost effective service, which is capable of adapting and responding to the changing environment in which the Council operates. This will be demonstrated through compliance with its own service standards as contained in its Internal Audit Charter.

LEGAL STANDING

The Council has a statutory responsibility under the Accounts and Audit (England) Regulations 2015, which states that a local authority must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with proper practices in relation to internal control.

It is also responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of its functions and includes arrangements for the management of risk.

From April 2013, Internal Audit has been governed by the Public Sector Internal Audit Standards (PSIAS) which further defined “internal audit assurance and consulting services” under the definition of Internal Auditing as:

“An independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”.

This report has been compiled on the basis as business as usual; however it is cognisant that there may be changes in the way in which the audit programme is structured following the decision on Modernising Local Government. However where amendments are required, this will be reported to both the Strategic Management Board and the Audit Committee.

AUDIT COVERAGE

As in previous years the annual Internal Audit programme has been compiled on the basis of internal knowledge of service provision, requests from members of the Audit Committee, requests from individual Heads of Service and the review of key financial systems, with an element of the total budget set aside for corporate work. We also intend to provide an assurance type role and offer a range of services that provide a wider assurance remit. The audit programme has been compiled on the following basis:

Core financial Audits

For 2017/18, we have allocated 75 days to undertake the 9 core financial audits. Table A – Part A - Core Financial Audits provides a brief summary as to the reviews that are planned.

Non-core financial audits,

For 2017/18, we have allocated 55 days to undertake 10 non-core financial audits Table A – Part B provides further details of the 10 reviews.

Table A provides a brief summary as to the work that is planned under this heading.

SUPPORTING CORPORATE INITIATIVES

Detailed below is a summary of the work that the Service will directly provide or will work with other services to deliver in 2017/18.

Corporate Governance / Assurance frameworks

The Council has adopted CIPFA's Good Governance in Local Government Framework 2016 and during 2017/18 work will be undertaken to ensure that the required assurances are in place and operating effectively as there is a direct link between the output from the Annual Assurance statement (AAS) framework which in turns contributes to the Annual Governance Statement (AGS) which is included in the annual accounts publication.

We are using a three line model of categorising assurance as follows:

Level 1 - Management - as this comes directly from those who have responsibility for managing and controlling the activity and are accountable for successful delivery. They also set the tone from the top, develop and implement policies & procedures, establish controls and seek to demonstrate compliance.

Level 2 - Corporate functions and third parties - this comes from inspection and/ or other assurance functions of the Council e.g. Audit /Scrutiny function, Risk Management, Performance Management, Health and Safety, Programme Management.

Level 3 - Internal and External Audit - as they provide independent assurance on the Councils service delivery arrangements, management of risk, design and operation of internal controls.

Project Assurance

For 2017/18, we have allocated 10 days to assist in the implementation of the Councils corporate project management framework which is aligned to the principles of Prince 2. In addition, upon request, to provide a project assurance role for major projects.

Counter Fraud and Corruption

The risk of fraud and corruption both committed internally by staff or externally by third parties continues to be issue for the whole of the public sector.

Following the creation of the Corporate Investigations function we have developed an approach that involves reviewing our existing arrangements covering policy, procedures and training provision in light of CIPFA's best practice guidance - Managing the Risk of Fraud and Corruption.

For 2017/18 we have allocated 15 days to undertake and formalise the Council's corporate fraud and corruption arrangements. This will involve the:

- Submission of a report to the Audit Committee "Tackling Fraud and Corruption" for its consideration and approval. The report sets out the approach that the Council intends to follow when addressing the risk of fraud and corruption.
- Reviewing service based fraud risk registers and providing an assessment as to their adequacy in the prevention of fraud.

Contract Management

For 2017/18 we have allocated 10 days to support the embedding of the Annual Contract Review Framework the results of which are to be overseen by the Councils Strategic Management Board.

Table A - Internal Audit programme 2017/18

Set out in the table below is the Internal Audit programme for 2017/18

SERVICE AREA	Proposed frequency	Type of Review	(Days)
Part A - CORE FINANCIAL AUDITS			
Corporate Debt Management To provide an assurance that income generating activities are identified and accurately invoiced; that all invoices are paid and the income is accounted for and reflected in the Councils account: the extent of debt is minimised and overdue accounts are promptly followed up.	Annual	System	6
Creditors To provide an assurance that creditor payments are valid, authorised, accurate and timely and are in respect of goods and services ordered and received by the Council.	Annual	System	6
Payroll To provide an assurance that only bona fide, authorised and accurate payments are made in timely manner, also to ensure that all payroll transactions are accurately reflected in the accounting system (Efin).	Annual	System	6
Parking Services (carried forward from 2016/17) To provide an assurance that all income due to the Council for parking related activity is accounted for in a timely and accurate manner.	Annual	System	7
Commercial Leases (carried forward from 2016/17) To provide an assurance that the Council is correctly and accurately accounting for all of its income in relation to its Commercial property portfolio.	Annual	System	6
Main Accounting & Budgetary Control To provide assurances over the budget setting process and that budgetary control is accurate and reliable at all levels of the Council.	Annual	System	7
Council Tax & NNDR To provide an assurance that all income due to the Council in respect of CTax and NNDR liabilities are identified and accurately billed, that all demands are paid and the income is accounted for and reflected in the Councils accounts, the extent of debt is minimised and overdue accounts are promptly followed up.	Annual	System	15

SERVICE AREA	Proposed frequency	Type of Review	(Days)
Council Tax Support and Housing Benefits To provide an assurance that all payments are made to bona fide claimants, in line with current legislation and that they are accurate and timely.	Annual	System	15
Income Systems To provide an assurance that income management is managed throughout the Council which is also consistent with EFin working practices and financial regulations.	Annual	System	7
Total			75
PART B - NON CORE FINANCIAL REVIEWS			
Fixed Assets and Inventories	3 year cycle	System	6
High level VAT review	2 year cycle	System	4
High level Cyber security review	2 year cycle	System	5
Use of Agency and Consultants including IR35	De minimus	System	6
Rent Deposits	3 year cycle	System	5
Premise Alcohol Licences	3 year cycle	System	6
Homeless	3 year cycle	System	7
Local Lottery scheme - review of governance arrangements	3 year cycle	System	5
Planning Enforcement – including Planning Performance Agreements	3 year cycle	System	6
Strategic Risk Register - Control/ Mitigation review	De minimus	Controls	5
Total			55

SERVICE AREA	Proposed frequency	Type of Review	(Days)
SUPPORTING CORPORATE INITIATIVES:			
Corporate Governance/Assurance Mapping Developing the link between the output from the Annual Assurance statement (AAS) and key assurances that are required to ensure we can demonstrate the operational effectiveness of the internal control framework in place within each Service.			10
Project Assurance To assist colleagues from the Policy Team in the implementation of the Councils corporate project management framework that is to be aligned to the principles of Prince 2. In addition, upon request, to provide a project assurance role for major projects.			10
Counter Fraud and Corruption Develop an approach that involves reviewing the Councils existing arrangements covering policy, procedures and training provision in light of CIPFA's best practice guidance - Managing the Risk of Fraud and Corruption.			15
Contract Management To support the implementation of the Annual Contract Review Framework which is overseen by the Councils Corporate Governance Group			10
Audit Committee/SMB Providing the reporting function to the Audit Committee and the Strategic Management Board in terms of the work of Internal Audit, Risk and Corporate Fraud.			20
National Fraud initiative (NFI) To act as the key contact for all exercises undertaken by the NFI.			10
Follow-ups (core and non- core audits)			5
Risk Management (Strategic and Operational risk registers) To provide oversight and support for the Strategic Risk Register process and to input into the development of Operational Risk Registers.			20
Contingency To be used to cover any requests from Management as regards internal control advice, internal investigations and complaints.			15
Total			115
Grand Total			245

NB we have made the following budgetary provision £42,250 to provide Core (75 days), and Non-Core reviews (55 days)

Agenda Item 11

Wycombe District Council

DRAFT AUDIT COMMITTEE WORKPLAN

Work Programme – June 2017 – March 2018

Title & Subject Matter	Contact Officer	Training
June 2017		
<p>2016/17 Q4 and End of Year Service Performance Report</p> <p>Report providing information on specific performance indicator from January to March 2017.</p>	Corporate Policy Team Leader	
<p>Health and Safety Annual Report</p> <p>Report providing an update on health and safety issues and key health and safety statistics for 2016/17</p>	Shared Services Support Manager	
<p>Annual Review of Anti-Fraud and Anti-Corruption Policy</p> <p>Review of the Anti-Fraud and Corruption Policy for 2017</p>	Audit, Risk and Fraud Manager	<p style="text-align: center;">✓</p> <p>To take place during the meeting</p>
<p>Draft Annual Governance Statement</p> <p>To consider the draft Annual Governance Statement for 2017/18</p>	Head of Democratic, Legal and Policy Services	
<p>Audit Committee Terms of Reference – Self-Assessment of Good Practice</p> <p>Report considering the annual review of the terms of reference in accordance with CIPFA</p>	Audit, Risk and Fraud Manager	
September 2017		
<p>Approval of 2016/17 Statement of Accounts</p> <p>Report to approve the 2016/17 Statement of Accounts</p>	Head of Finance and Commercial	
<p>External Auditor's ISA 260 Audit Results Report</p> <p>To consider Ernst & Young's Audit Results Report and findings from the 2016/17 audit.</p>	External Auditor	
<p>Implementation of Internal Audit Recommendations</p> <p>Report providing an update on the progress of the implementation of recommendations that had arisen from the final reports issued during 2016/17.</p>	Audit, Risk & Fraud Manager	
<p>Treasury Management Annual Report</p>	Financial Services	

Title & Subject Matter	Contact Officer	Training
2017/18 & Prudential Indicators Report setting out the treasury management activities for the first six months of 2017/18, including prudential indicators, investment and borrowing.	Manager	
2017/18 Q1 Service Performance Report Report providing information on specific performance indicators from April to June	Corporate Policy Team Leader	
November 2017		
2017/18 Q2 Service Performance Report Report providing information on specific performance indicator from July to September	Corporate Policy Team Leader	
Audit, Risk & Fraud Manager's Half Yearly Report Report setting out the first six months of activity for 2017/18.	Audit, Risk and Fraud Manager	
Treasury Management Mid-Year Report 2017/18 Report setting out the treasury management activities for the first six months of 2017/18, including prudential indicators, investment and borrowing.	Financial Services Manager	
Health & Safety Mid-Year Report 2017/18 Review of activities completed against the Annual Health and Safety Action plan and reportable incidents.	Shared Services Support Manager	
2017/18 Q2 Services Performance Report Report providing information on specific performance indicators from July to September.	Corporate Policy Team Leader	
January 2018		
Draft Audit Committee Annual Report	Audit, Risk and Fraud Manager	
Annual Review of the Risk Management Policy	Audit, Risk and Fraud Manager	
Treasury Management Strategy 2018/19	Head of Finance and Commercial	
Ernst & Young Annual Audit Plan & Annual Fee Letter	External Auditor	

Title & Subject Matter	Contact Officer	Training
March 2018		
Certification of Grants and Claims Annual Report	External Auditor	
Health & Safety Work Programme 2018/19	Shared Services Support Manager	
Regulation of Investigatory Powers Act Annual Report	Principal Solicitor	
Internal Audit Plan	Audit, Risk and Fraud Manager	
2017/18 Q3 Services Performance Report	Corporate Policy Team Leader	

Agenda Item 12



INFORMATION SHEET

Audit Committee

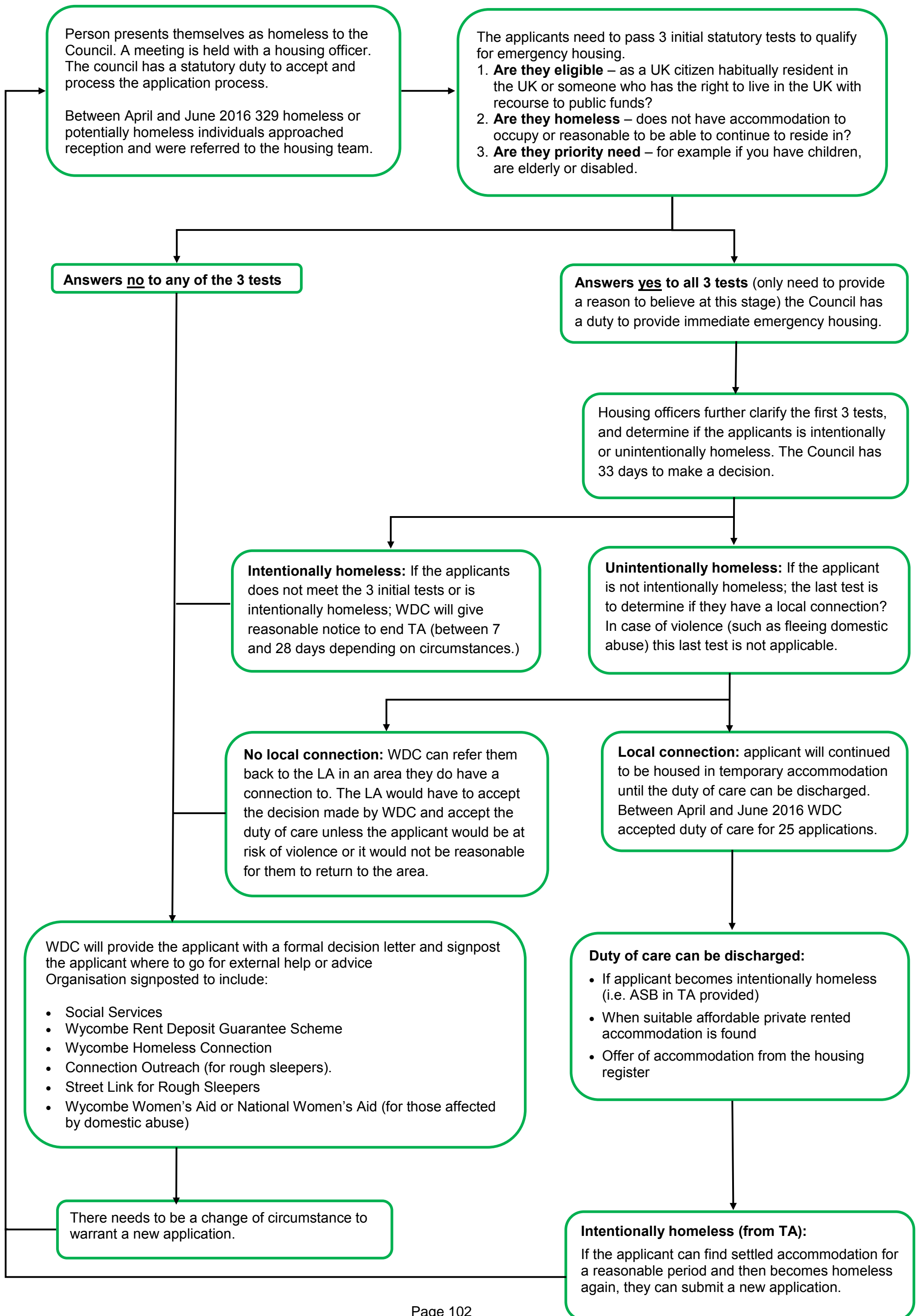
Issue No: 02/2017

Date Issued: 13 March 2017

Homelessness - Customer Journey

Officer contact: Aisha Bi – Policy Officer – aisha.bi@wycombe.co.uk Ext 3981

As requested at a previous Audit Committee meeting, information on a customer journey regarding homelessness is attached.



Agenda Item 12



INFORMATION SHEET

Audit Committee

Issue No: 03/2017

Date Issued: 13 March 2017

Revenues and Benefits Information

Officer contact: Aisha Bi – Policy Officer – aisha.bi@wycombe.co.uk Ext 3981

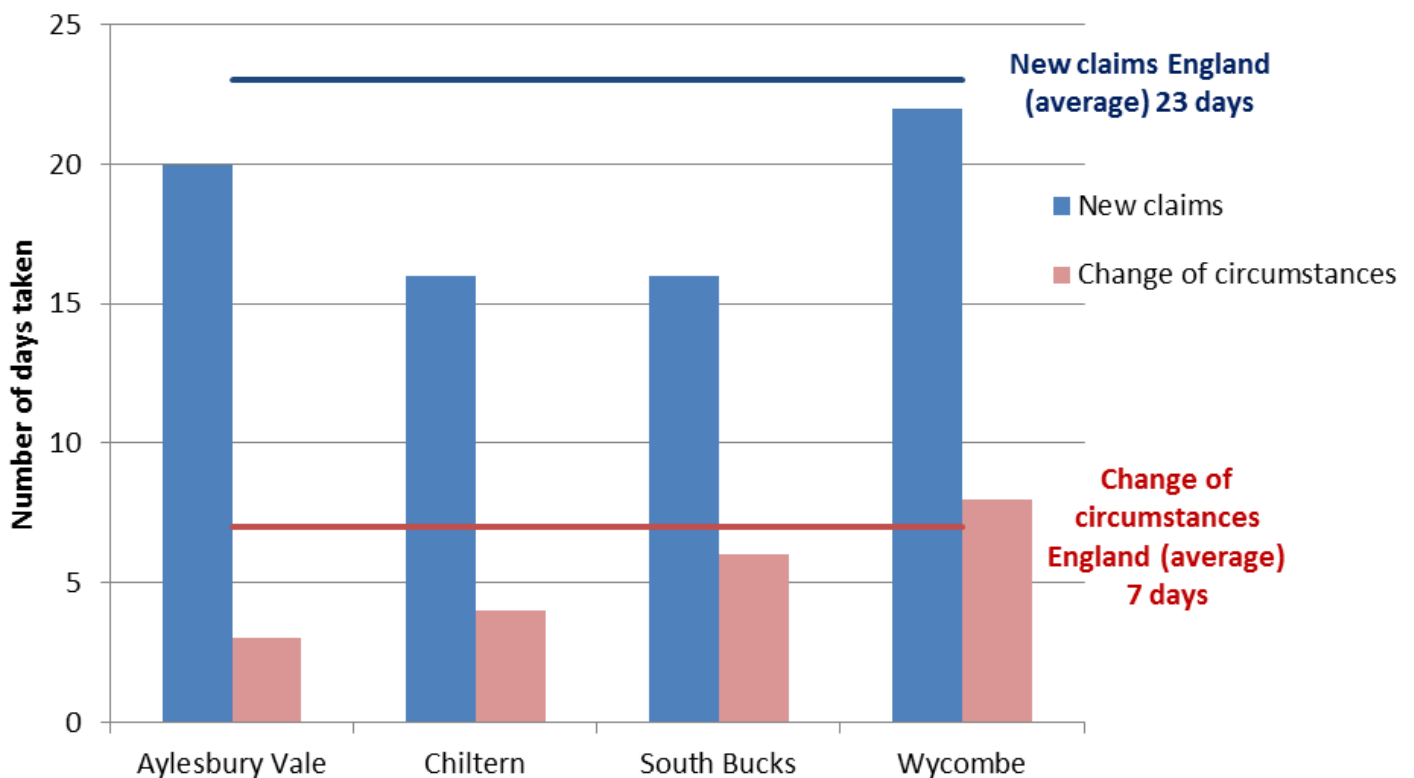
Processing Housing / Council Tax Reduction benefit claims

The graph and table below show the amount of days taken to process new claims or change of events for housing benefit or council tax reduction benefit claims. Days are calculated from the date the claim is received to the date the claim is assessed, which includes time taken by claimants to supply required documentary evidence (and weekends). New applications tend to take longer to process as data has to be processed and verified from several sources.

District Council	2015/16		August 2016
	Days taken to process new claims	Days taken to process changes of events	Number of claimants
Aylesbury Vale	20	3	8,395
Chiltern	16	4	3,347
South Bucks	16	6	2,498
Wycombe	22	8	7,744
England (average)	23	7	-

The growing complexity of benefit assessment due to continued legislative changes including Government changes to the benefit cap has increased workload for the team. This coupled with checking of work (to increase accuracy levels) has impacted on output levels. The benefits team has a core in-house team which processes benefit applications. The team also has arrangements in place to use external services such as LGSS to process benefit applications when necessary. The current in month figures for December 2016 are 18.9 days for new claims and 8.7 days for change of circumstances.

These factors should be measured against the significant cuts in Government funding. In 2013/14 the administration subsidy for administration of housing benefits



was £896,000. This has fallen to £574,000 in the current year, which effectively means WDC is subsidising this prescribed service. The total cost of the service is £1.5m (including administration of council tax reduction which is a local cost).

Council Tax and National non domestic rate

The graph and table below show the amount of Council tax (CT) and national non domestic rate (NNDR) collected by Wycombe District Council and neighbouring Buckinghamshire authorities; as well as the average for England.

The amount of CT and NNDR collected by WDC during 2015/16 is similar to neighbouring district and above the national average in England.

District Council	2015/16	
	% of CT Collected	% of NNDR collected
Aylesbury Vale	98.2	99.4
Chiltern	99.3	98.3
South Bucks	97.9	98.8
Wycombe (Actual)	98.0 (Target 98.4)	98.5 (Target 98.8)
England (average)	97.1	98.2



As at 31 March 2016 the value of arrears for National non domestic collection rate was £1,000,000 (1.4%); the value of arrears for Council Tax was £2,000,000 (2%). Arrears are calculated by subtracting the amount collected from the total net collectable debt for that year. It should be noted that in some cases payments can carry over into the next financial year.

The key reasons that we are unable to collect 100% in both categories are:

- Customers with low income requiring additional time to pay
- Absconders (those who have vacated a property without leaving a forwarding address) can be difficult and time consuming to trace.
- Bankruptcies and liquidations

A summary of the recovery process is outlined below.

Step 1: A bill is sent out to the customer (14 days before first instalment is due)

Step 2: A reminder is sent out to the customer if payment is not received by the due date. A maximum of two reminders will be issued within a financial year.

Step 3: A final notice is sent out to the customer; which requires the customer to pay the full outstanding amount

Step 4: If customer does not make payment a court summons is issued to the customer (14 days before Court date)

Step 5: Action taken to recover the amount due (preferably a payment arrangement but can include attachment to earnings or enforcement agents)

Reminder notices are usually sent out monthly.

Increasing our recovery rates

The best way to increase recovery rates would be to encourage more customers to use the self-serve facilities. This will reduce the workloads and allow processing staff to concentrate on collecting hard to collect debts (more frequent chasing, follow up and policing of outstanding debts).

To encourage residents to use the self-serve facilities we will be sending out more information with the council tax bills this year; steering them towards our website to pay their bills i.e. we are no longer sending direct debit mandates direct to residents but asking for them to completed online.