

**REPORT FOR: Governance, Audit and
Risk Management
Committee**

Date of Meeting: 29th November 2012

Subject: **INFORMATION REPORT –
Risk, Audit & Fraud Division
Activity Update**

Responsible Officer: Julie Alderson, Corporate Director of
Resources

Tom Whiting, Assistant Chief Executive

Exempt: No

Enclosures: Appendix 1 : Olympic C3 operations
activities
Appendix 2: Changes to the Regulation
of Investigatory Powers Act 2000
(RIPA)
Appendix 3: Fighting Fraud Locally
Publication

Section 1 – Summary

This report outlines the current work streams of the Risk, Audit and Fraud group of services.

FOR INFORMATION

Section 2 – Report

- 2.1 This report sets out progress made and future work planned in respect of the Risk, Audit and Fraud group of services, which the GARM Committee is responsible for monitoring as part of its terms of reference.
- 2.2 The focus of this monitoring is quarter 2 in 2012-13, July to September 2012.
- 2.3 This report does not cover the health and safety service or the internal audit service as both these areas are covered in separate mid year progress reports elsewhere on this Committee agenda.

Emergency Planning & Business Continuity Team

- 2.4 In Quarter Two, the Emergency Planning & Business Continuity Team (hereafter Emergency Planning Team) was busy with final planning and preparation for the Olympics. (See appendix 1 setting out a summary of the council's activities during the event)
- 2.5 The Emergency Planning Team had a key role during the Olympic period (Torch Relay, Olympic Games, Paralympics) in co-ordinating the council's activities, to ensure that we helped "Keep London Moving", via sharing relevant information and effective and efficient management of resources, through the identification of events that may have a negative impact on council operations and/or delivery of the Olympic Games.
- 2.6 This co-ordination role is known as 'Olympic C3 Operations' amongst the emergency services and government agencies involved. The team worked in a structured Pan London setting with all 33 local authorities, as well as the police, fire and ambulance services, and other government departments and agencies.
- 2.7 During June, the council took part in a number of Pan London exercises organised by London Fire Brigade to test the Olympic arrangements. The Emergency Planning Team has recruited 20 volunteer staff from within the council to help staff the Borough Olympic Co-ordination Centre (BOCC) and the North Zone Borough Grouping Support Unit (BGSU) during the Olympic Period. Training sessions were arranged for these staff. The BOCC and the BGSU are explained below under 'Olympic C3 Operations'.
- 2.8 The team also took part in the planning for the Olympic Torch Relay by attending the multi-agency Safety Advisory Group (SAG) which was hosted by the council on a fortnightly basis. The SAG enabled security and safety issues to be addressed by the relevant members, e.g. police, fire, ambulance etc.
- 2.9 On 22nd June 2012, Exercise Edenhope was held, to practise the council's Emergency Response Officers (ERO) in the identification of vulnerable

people during a major incident and providing a Humanitarian Assistance Centre (HAC) within Cabinet Office guidelines.

- 2.10 On 5th July 2012, the Emergency Planning Team and some of our Olympic BGSU & BOCC volunteers took part in Exercise Gold Connect, which was a Pan London Olympic C3 communications test exercise.
- 2.11 On 12th July 2012, an annual Rest Centre exercise was held (Exercise Brisbane), to refresh our EROs on the processes and procedures required to run a Rest Centre, to care for displaced residents during a major incident.
- 2.12 During July, there was an increase in the frequency of Olympic related meetings that necessitated our attendance. These included regular attendance at the NHS North West London and Northwick Park Hospital Trust Olympic Planning meetings, North Zone BGSU meetings at Ealing, and Olympic Torch Relay Day Organising Committee Group meetings here at the council.
- 2.13 On 25th July 2012, the team acted as the council's C3 Lead for the Olympic Torch Relay as it passed through the borough. This involved staffing the BOCC and the CCTV Control Room to liaise with the police, fire and ambulance service, to ensure a safe and smooth day for all. The Olympic Torch Relay was judged to be a success with an estimated 99,600 spectators in the borough enjoying a fun and safe event.
- 2.14 During August the team were involved in preparation and planning for the Paralympic Torch Relay. This again involved attending planning meetings and SAG meetings with multi-agency partners. The Paralympic Torch Relay was scheduled to pass through Harrow at approximately 0400 hr. This involved the Emergency Planning Team being deployed at the BOCC from 0100 hr.
- 2.15 During September, the Emergency Planning Team continued to co-ordinate the council's C3 Operations for the Paralympics. The whole Olympic reporting period had run from 16th July to 12th September, with the team working evenings, nights and weekends to help ensure that a 'Safe Games' were delivered.
- 2.16 The rest of September was spent attending various debriefings to identify good practice and lessons learnt from the Olympics. An internal debriefing session was held for all the council service leads involved. The team also hosted a multi-agency borough-wide debrief for our multi-agency partners, such as the police, fire, ambulance, Environment Agency, HPA, MoD, Red Cross and others. We fed into higher level debriefs held by the North Zone BGSU and the Pan London Local Authority Olympic Co-ordination Centre.

Future planned activities

- 2.17 In the autumn, the Emergency Planning Team will be attending a multi-agency health exercise in Hounslow and will also be promoting Business

Continuity (BC) to local small and medium size businesses at a 'Harrow Means Business' event.

2.18 In addition the team will be embarking on a major review and overhaul of Business Continuity, including:

- Scoping a WLA BC Proposal to share 100 workstations during a disaster
- Furthering IT Disaster Recovery discussions with Capita IT Service
- Reviewing the BT Smartnumbers service for Access Harrow and other key users
- Reviewing our arrangements with the SunGard recovery site
- Reviewing the Corporate and departmental BC plans in the council post restructure

Insurance Service

2.19 A detailed report was previously presented to the GARM Committee providing information on the Council's current insurance arrangements, including self-funding and fund performance, and outlining the main insurable risk exposures faced by the Council.

Key work achieved during the quarter:

- Successfully recruited to the vacant Insurance & Risk Officer post.
- Supported Salvatorian College and Krishna Avanti school in their conversion to Academy status ensuring continuation of insurance cover.
- Liaised with the Council's insurers to ensure adequate insurance cover was in place for the merger of Harrow and Barnet's legal services teams.
- Successfully participated in the Insurance London Consortium (ILC) tender for a panel of solicitors to handle litigated claims where external legal expertise is deemed necessary.
- Procured LACHSweb, an additional module to the Council's insurance claims software, facilitating the online reporting of insurance claims in support of the Insurance Service's e-strategy.
- Completed a mini review of the Council's internal insurance provision in conjunction with the actuary to ensure the ongoing adequacy of the provision.
- Completed an actuarial review of Municipal Mutual Insurance (MMI) accounts, risks and strategies.
- Presented to the Housing Value for Money group on claims trends and insurance issues specific to the Housing department and leaseholders.
- Processed 383 new claims made by and against the Council since the start of the current financial year.

Main tasks for the next period:

- Tendering of the Council's external insurance contracts for Motor, Engineering, Terrorism and Crime insurance as a member of the ILC.
- Renewal of the Council's Property and Liability insurance contracts in line with existing long-term agreements.
- Roll out of the LACHSweb online reporting module to internal departments and schools.
- Completion of the MMI materiality review check with the actuary to assess the potential extent of the Council's future uninsured losses should the Scheme of Arrangement be triggered.
- Completion of an engineering audit in conjunction with the Council's insurers to ensure the accuracy of the Council's engineering inspection schedule.
- Completion of the tree root risk management initiative to identify and recommend proposals for cross-Council working to reduce the cost of tree root claims against the Council.
- Exploration of the option to remove driver age restrictions for the use of Council motor vehicles and identification of the associated cost and risks to the Council.

Corporate Anti-Fraud Service

2.20 The mid year update of service performance is as follows:

High level outcomes

2.21 Benefit fraud

Criteria	Outcome
No. of FTE benefit investigation officers (based on 3FTE x 0.75 of investigation caseload is benefit fraud work)	2.25
No. of referrals received	389
No. of closed investigations (closed after full investigation)	58
No of cautions issued	1
No. of administrative penalties	12
Value of administrative penalties generated	£18,805.64
Value of administrative penalties collected	£18,100
No. of court summons issued	8
No. of successful prosecutions	7
Value of fraud overpayments (in relation to cautions, administrative penalties & prosecution cases)	£215,856.5
DWP and HMRC overpayments related to joint cases	£131,366.28
No. of other cases with a monetary saving/positive outcome (non fraud)	12
Value of monetary saving/positive outcome cases (non fraud)	£66,265.68

2.22 Corporate fraud

Criteria	Outcome
No. of FTE corporate investigation officers (based on 1 FTE on housing fraud and 3FTE x 0.25 of investigation caseload is other corporate fraud work)	1.75
No. of referrals received	67
No. of closed investigations (closed after full investigation)	52
No. of cautions issued (with a fine of £150 attached to each caution)	7
Value of caution fines generated	£1050
Value of caution fines collected	£950
No. of court summons issued	1
No. of successful prosecutions	1
No. of cases where council services refused/withdrawn*	9
Value of cases in 1.29 above	£77,894.37
No. of cases where employee dismissed/disciplined linked to fraud investigation	2

* No of cases where council services refused/withdrawn is 4 x council tenancies, 2 x DFG's applications rejected, 2 x insurance claims rejected and 1 x disabled blue badge withheld. Based on figures provided by the Audit Commission a reclaimed tenancy = £18,000 and a withheld blue badge = £500. The DFG = £50,000 and Insurance claims = £4000 represent real savings for the council

Progress update against fraud delivery plan objectives 2012/13

Deliver 40 Housing/Council Tax Benefit sanctions including 15 successful prosecutions

2.23 At the half way mark the team had achieved 20 sanctions including 7 successful prosecutions so was on target to meet this objective. However, one investigation officer has recently resigned and there is a risk that this objective will not be met due to the vacant position pending recruitment of a replacement.

Identification of 15 housing tenancies subject to misuse and targeted for possession action

2.24 A total of 4 tenancies had been recovered as a result of investigation work carried out by the dedicated officer working on housing fraud in the first part of the year. There were a further 28 live housing fraud investigations, many at advanced stages including 5 cases where a tenancy termination form had been signed by the tenant and housing were awaiting return of the keys. Therefore shortly, it is expected that 9 tenancies would have been recovered subject to fraud and misuse so this objective was on target to be delivered.

2.25 This work continues to be implemented in a partnership arrangement with housing management funding the post 100%, although the post is positioned within the CAFT structure where the officer benefits from the investigation resources and expertise on the CAFT.

A blue badge proactive fraud drive delivered in each quarter

- 2.26 1 blue badge drive had been executed in May 2012 to date. Operation 'Jack in the box' resulted in 6 badges being seized on Greenhill Way, Harrow through misuse and 5 of these cases resulted in a caution and a fine being administered to the offender. In addition to these cases, a further case was dealt with by way of a caution and fine following good intelligence received in relation to badge misuse from a member of public via a Councillor. There was no operation in qtr 2 due to a lack of police resources to support the team with the London Olympics taking place. Efforts will be made to organise and implement more drives in the latter part of the year, although this will be difficult with the reduced resources available.

Fraud risk audit of Direct Payment cases

- 2.27 This area of work has continued to prove challenging due to the general lack of information held about how clients and nominated budget holders are spending allocated council money. Joint work is also ongoing with Internal Audit who are looking into the systems surrounding the cash personal budget element with CAFT case study work feeding into the IA report. This is work in progress.
- 2.28 Currently the officer responsible for delivering this fraud risk audit has 3 live cases under investigation with a number of other audit checks underway, but a combination of a lack of information and resources on the CAFT is proving difficult to meet this objective fully.
- 2.29 Despite this however, the CAFT has fed into a new Direct Payment contract and procedure recently introduced and co-designed a new DP monitoring form that captures better quality financial information on how the budget is spent. There is also an intention to deliver some joint training with Personalisation on the new process and fraud awareness for social workers and back office monitoring staff so that cases that do not reach a required level of verification can then be earmarked for closer scrutiny.

Fraud risk audit of Disabled Facility Grant cases (DFG)

- 2.30 Good progress has been made in this area of work with changes already made to the DFG application process with a more robust '*fair collection and data processing notice*' being introduced on the application form based on best practice guidelines issued by the Information Commissioners Office. This clearly sets out how client information will be collected, used and stored and for what purposes and asks for the client consent to undertake verification checks for the purposes of preventing and detection fraud. The rationale behind the introduction of this notice is that it provides the CAFT with consent to make enquiries where there is a lack of statutory authority to make enquiries with 3rd party agencies.
- 2.31 In addition to this, 2 investigations have been undertaken and concluded and savings achieved amounting to £50,000 where had it not been for CAFT intervention fraudulent DFG grants would have been paid out. This

represents a real saving to the Council and these funds can now be diverted towards genuine applications in this area.

- 2.32 Further work on a fraud risk audit sample of applications will be undertaken in the second part of the year capacity permitting.

Fraud risk audit of Insurance cases

- 2.33 The progress made in this new area for the CAFT has been promising since the start of the year. A decision was taken between the CAFT and Insurance Service Managers that a sample of claims involving Council property contents insurance claims and any other adhoc claims would be passed to the officer allocated in the CAFT responsible for this work. To date, 2 investigations have been undertaken and concluded with a combined saving to the Council of just under £4000. This represents a real saving to the Council and had the CAFT not intervened then these payments may have been made. There are a further 2 investigations in progress involving apparent damage claims to property by a Harrow Council vehicle and by apparent damp in a Council property.
- 2.34 Unfortunately the officer dealing with this area of work is the officer that has left the authority so there is a risk of this objective progressing no further due to capacity issues.

Identify and pursue 8 cases suitable for Proceeds of Crime Act 2002 (POCA) action and recover £10K

- 2.35 No income has been recovered through this route so far. To date 3 cases have been referred to Brent Council Trading Standards for potential POCA enforcement action in 2012/13 and the confiscation outcomes may arrive sometime after conviction (usually within 6 months).
- 2.36 In one of the cases, both suspects have recently been convicted in Harrow Crown Court of a £23,000 benefit fraud and the POCA timetable has been set for a confiscation hearing in April 2013. In this particular case, 3 undeclared properties have been identified during the fraud investigation and there is sufficient equity held that is being targeted for recovery of losses plus any other sum of money considered as criminal benefit.
- 2.37 In addition to the above cases there are a further 7 cases currently active pending confiscation and recovery that were commenced in 10/11 and more recently in Nov 2012. These are all being led by other authorities or the DWP Financial Investigation Unit.
- 2.38 As Harrow Council does not employ a financial investigation officer, it cannot undertake POCA investigation work and has to rely upon other agencies such as the above mentioned or the police to take this form of action.
- 2.39 This procuring of the service results in the proceeds of any confiscation amount awarded being somewhat reduced as this service has to be funded using the proceeds of any confiscation award.

2.40 Again this target of identifying and pursuing 8 cases and recovering £10K is at risk due to capacity issues.

NFI data matching exercise preparation work

2.41 This objective has been met. The National Fraud Initiative is a 2 yearly nationwide public sector data matching exercise co-ordinated by the Audit Commission in which contributing organisations submit bulk data for services such as housing rents, benefits, blue badge, payroll, creditors and insurance for fraud and error matching. Prior to the submission of the data in a specified format, preparation work needs to be undertaken to ensure that all data subjects are informed that their data is being used for these purposes. This is so that there is compliance with data matching guidelines issued by the Information Commissioners Office.

2.42 The compliance work commenced early in 2012 with CAFT working closely with each of the 11 separate service areas providing data, ensuring that their fair data collection and processing notices met the required standard. The compliance certificate was signed off on time allowing the data to be extracted from key systems and uploaded securely to the Audit Commission through an encrypted process on deadline day.

2.43 The matched data for each of the areas is expected back into the authority in February 2013 for processing and grading into high, medium and low fraud risks.

Identification of £10K income through administrative penalties, fines and HB overpayment recovery through fraud work

2.44 This objective has been exceeded. To date a total of £19,050 has been collected from a combination of administrative penalties and caution fines paid by those subjects guilty of fraud. The CAFT will continue to maximise this income stream on fraud cases where it is appropriate, in the public interest and consistent with the sanction and prosecution policy.

LEAN review of fraud investigation processes

2.45 Some data analysis work has been undertaken in the first part of the year around a few of the work streams identified in CAFT processes that were causing blockages.

Reducing processing bottlenecks at fraud referral stage & improving the fraud referral risk assessment matrix

2.46 Risk assessing referrals and processing subject access requests (SAR's) is undertaken in the main by 1FTE, the Intelligence Officer. Some analysis of incoming referral and subject access request data has been undertaken over a 12 week period.

2.47 In addition to this work, the actual risk assessment matrix has been reviewed and changes made to make it more generic and applicable to both benefit and corporate fraud referrals. It is too early to assess whether

this has made any significant change to the time taken to risk assess and make a decision to either accept or reject a referral.

Reviewing case closure categories so as to achieve recognition not currently being identified.

2.48 The CAFT investigation case closure categories have been reduced from 78 to 17 with effect from July 2012. Given the number of categories, errors were being made by officers unsure of what each case should be closed as and as a result many positive outcomes achieved by the team (proven as error not fraud) were not being recognised. This meant that whilst an overpayment may have been created as a result of CAFT work, if it was not proven as a fraud, it was not being identified as such.

Improved channel migration of customer contact to the web

2.49 The CAFT web pages and online fraud referral form is currently undergoing amendments to make it more user friendly and once this piece of work is complete the majority of customer contact will be pushed through this route. A disproportionate amount of officer time is spent in Access Harrow taking information from members of the public that could just as easily be captured through an electronic solution. Officers can spend up to an hour on occasions taking information from the public that is sometimes poor quality and not sufficient to launch an investigation. This is vital officer time lost on undertaking productive investigation work.

Increased automation of CAFT processes (technology integration and scanning)

2.50 This is still in process and if appropriate will be subject to approval of an invest to save business case of additional software and a scanner bolted to the fraud case management system. Currently investigations are undertaken part electronic and part paper based given the nature of evidence gathering. The CAFT cannot easily scan evidence gathered onto the electronic case management system as the technology is not capable of this currently.

2.51 This proposed change in process would allow incoming post and evidence gathered to be scanned automatically onto the relevant case via a feeder with originals held for a period of weeks before being destroyed. This would improve security and integrity of the investigation, reduce the risk of data loss and would also provide a reduction in Iron Mountain storage costs.

2.52 Reducing management review times of potential sanctionable cases and a separate project looking at reducing prosecution timescales working alongside Legal Services on a further LEAN review will be progressed in the latter part of the year

Review, shape and implement Corporate fraud e-learning tool

2.53 Work on this objective is underway and with the assistance of L&D the fraud awareness e-learning course should appear in the learning pool

environment in the 3rd quarter. A decision to roll out the training on a phased approach will need to be made and to ensure that all new recruits undertake the training within a set period of commencing employment with the authority.

Assess counter fraud and corruption arrangements against *Fighting Fraud Locally* strategy checklist and implement an improvement action plan (see

2.54 No progress has been made on this objective and will be picked up in the second part of the year.

Update on the Single Fraud Investigation Service (SFIS)

2.55 A joint DWP/HMRC Fraud and Error strategy was launched in October 2010 and refreshed in February 2012 in a joint report with HMRC and the Cabinet Office - *Tackling Fraud and Error in Government: A Report of the Fraud, Error and Debt Taskforce*. This set out the Government's plans to tackle fraud and error in the tax credit and benefit systems and reduce fraud and error overpayments in the welfare system by one quarter (£1.4 billion) by March 2015.

2.56 One area of the strategy proposed the launch of a Single Fraud Investigation Service (SFIS) covering the totality of welfare benefit fraud.

2.57 SFIS :

- will operate under a single policy and one set of operational procedures for investigating all welfare benefit fraud.
- will conduct single investigations covering the totality of the fraud.
- aims to rationalise existing investigations and prosecution policies in order to create a more coherent investigation service that is joined up, efficient and operates in a more consistent and fair manner, taking into account the totality of offences that are committed.
- enhances closer working between DWP, HMRC and Local Authorities.
- will bring together the combined expertise of all 3 services drawing on the best practices of each.
- supports the fraud and error integrated strategy of preventing fraud and error getting into the benefit system by detecting and correcting fraud and punishing and deterring those who have committed fraud.

2.58 Whilst the overarching responsibility to design and implement SFIS is managed by the DWP, all other partners are key to its successful design and delivery.

First steps

2.59 In November 2011 following consultation with Local Authority (LA) partners it was agreed that initially LA investigators would remain employed by their LA but operate under SFIS powers, policies, processes

and priorities, SFIS will be a partnership of staff from DWP, LAs and HMRC rather than a singly owned entity.

2.60 Workshops then took place earlier this year, and in April the high level design for SFIS was published and comments welcomed.

2.61 The project also asked for LA volunteers to pilot the service and a number of expressions of interest were received.

Pilots

2.62 The Fraud and Error programme board agreed that piloting work should start with an initial 4 pilots. This is expected to be increased at a later stage once emerging findings are known. From the piloting activities the lower level design of SFIS will be drawn out.

2.63 The SFIS programme is working with the following LAs as well as other partners;

- Corby Borough Council
- Glasgow City Council
- London Borough of Hillingdon
- Wrexham Council

2.64 On 25/26 July the SFIS programme team met with representatives from the four Local Authorities, the corresponding DWP teams, HMRC and the Crown Prosecution Service. It is anticipated that representatives from the Crown Office in Scotland will be able to join in the future.

2.65 The group looked at the SFIS process followed by identifying activities that would need to be undertaken by either themselves or the programme to commence the pilots.

2.66 The pilots will test the design of SFIS (including new powers to conduct single investigations under the Welfare Reform Act) and identify any issues or changes which need to be considered for national roll out. Whilst it is intended to have one single policy and procedure by national roll out the programme will be using the pilot phase to test and measure some alternatives and then select the most effective. The pilots will also test the two organisational design models outlined in the High level Design paper to consider the advantages and disadvantages of each.

2.67 SFIS pilots are intended to drive out some of the lower level requirements for future IT systems. In the short term the pilots will make use of existing IT systems which all parties agreed may initially be “clunky” and this will be reflected in the pilot evaluation.

2.68 In 2013/14 it is thought that it will be business as usual for LA's investigating benefit fraud and there will be no immediate funding changes. It is envisaged that there will be some policy changes affecting LA's depending upon the findings emerging out of the pilots.

***Fighting Fraud Locally* (for information only Appendix 3)**

- 2.69 The cost of fraud to local government is estimated at £2.2 billion a year. This is money that could be used for local services. In April 2012, the *Fighting Fraud Locally Strategy* was launched as a strategic approach developed by local government, for local government and addresses the need for greater prevention and smarter enforcement of fraud affecting local services. Fighting Fraud Locally outlines a strategic approach that, if adopted across local government, will not only enable local authorities to become better protected from fraud but also contribute to the nation's ability to detect and punish fraudsters.
- 2.70 The CAFT is responsible for reviewing and updating the Council's Corporate Anti-Fraud Policy and will ensure that the key themes running through this strategy are adopted and embedded in the culture of the authority where possible, and support for the changes are received from senior management in the organisation and this committee. The committee is asked to note the contents of the report

Changes to the Regulation of Investigatory Powers Act 2000 (RIPA) following the Protection of Freedoms Act 2012

- 2.71 New sections in RIPA (ss.23A and 32A) require that with effect from 1 November 2012 a local authority cannot carry out any of the following with approval of its authorisation by a magistrate:
- Directed Surveillance;
 - Deployment of Covert Human Intelligence Source (CHIS); and
 - Access to communications data
- 2.72 The legislation changes will require a change to Harrow's RIPA 2000 policy and procedures. Legal Services is currently reviewing these and the committee is asked to note this.
- 2.73 Harrow Council does not routinely undertake any of the above activities and has seldom used the legislation to gather evidence in criminal investigations. In 2012/13, however the CAFT has undertaken two separate directed surveillance operations involving employee and benefit fraud allegations. Both investigations are currently live and disclosure of the details would be prejudicial to the ongoing criminal proceedings. Further information will be provided to the committee upon conclusion of the cases.
- 2.74 See attached briefing note provided by Legal Services (Appendix 2).

Inspection by the Office of Surveillance Commissioners (OSC)

- 2.75 The authority will be inspected by the OSC on 04/12/12 where Sir David Clarke, Assistant Surveillance Commissioner will review the policies and procedures the Council has in place to comply with the Regulation of Investigatory Powers Act (RIPA) and the use which the Council makes of its powers under the Act.

Risk Management

- 2.76 Work has continued during Q2 on developing the corporate risk register as a tool for capturing and driving management of the key and emerging business-critical risks of the Council, particularly during the current period of financial austerity, of developing new alternative models for service delivery and of implementing organisational change at the Council.
- 2.77 Work has also continued to develop the register so as it better meets the reporting requirements/needs of CSB. This has involved developing a process for integrating risk management reporting for Q2 into the newly combined/integrated finance and performance management reporting arrangements.
- 2.78 Closer liaison and joint-working on risk management has also been put in place with the Children's and Families directorate on risk management during Q2 in line with the management of key and significant changes at the directorate.
- 2.79 Preparatory work has also begun during Q2 for the annual review of the risk management strategy and for production of the annual (2013-14) Statement of Risk Appetite for the Council, as required by the UK Corporate Governance Code. Both these documents will be produced during Q3 and will be presented to the Committee at its next meeting in January 2013.

Section 3 – Further Information

- 3.1 None

Section 4 – Financial Implications

- 4.1 The work of the Risk, Audit and Fraud division is carried out within the budget available and supports the achievement of financial objectives across the council.

Section 5 - Equalities implications

- 5.1 Each service within the division has undertaken an Equalities Impact Assessment and no equalities implications have been identified.

Section 6 – Corporate Priorities

- 6.1 Collectively the work of the division contributes to the delivery of all the corporate priorities through supporting the council as a whole to achieve its targets and objectives.

Name: Steve Tingle



on behalf of the
Chief Financial Officer

Date: 14 November 2012

Section 7 - Contact Details and Background Papers

Contact: David Ward, Divisional Director – Risk, Audit & Fraud.
Tel: 020 8424 1781

Background Papers: None.

Olympic C3 Operations

This is a complex theatre of operations interlinking local authorities, with multi-agency partners, such as the Police, Fire, Ambulance, Health Service, Transport and National Government.

This theatre of operations is multi-layered at the local level with individual boroughs (BOCC), at the sub-regional level with borough groupings (BGSU), regionally at the London Operating Centre (LOC) and Local Authority Olympic Co-ordination Centre (LAOCC), and nationally at the National Operating Centre (NOC) and Olympic Committee sitting at COBRA.

This Command, Control and Communication (C3) set up is explained in the CSB paper below:

Summary of the issue

The council, along with all other London councils, will be required to compile a report at 14:00 hr each day, of the RAG (Red, Amber, Green) status of predetermined key services, which could have a negative impact on the delivery of the Olympic Games.

This daily Situation Report (Sitrep) will be compiled from information provided by a range of service managers to the Emergency Planning Team, and forwarded onto the North Zone Borough Grouping Support Unit (BGSU) based in Brent, at 16:00 hr each day. The North Zone BGSU is comprised of eight councils in North and West London.

There are five BGSU zones across London, who will all submit their zone SitReps at 00:00 hr each day, to the London Local Authority Olympic Coordination Centre (LAOCC). This will then feed into the National Olympic Committee, sitting at COBRA, to brief Ministers the next morning. This whole process is known as Command, Control & Communication Operations (C3 Ops).

Reporting

Each predetermined key service will report on two items:

(1) SitRep

Status of your service and arising trends/patterns or future problems for service delivery or Games operations

(2) Resource coordination

Support provided to, or requested of, another council

Aim

“Keep London Moving” via sharing relevant information and effective and efficient management of resources through the identification of events that may have a negative impact on council operations and/or delivery of the Olympic Games

Predetermined key services

Waste Management

Licensing

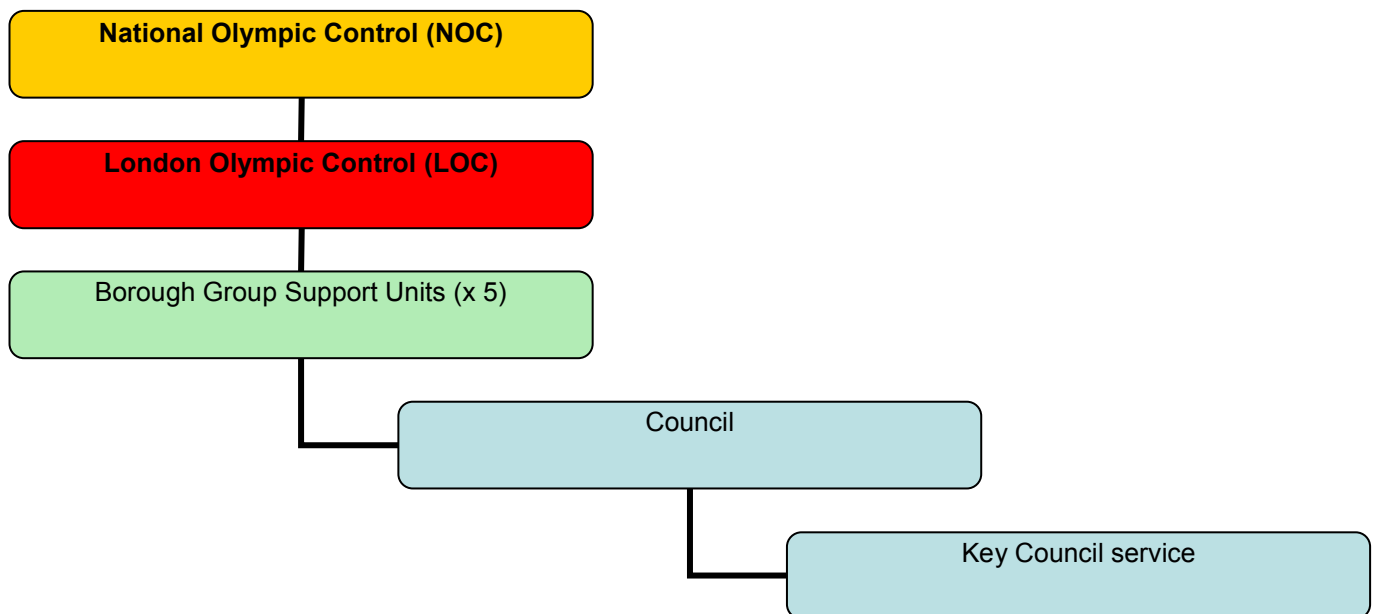
Environmental Health
 Trading Standards
 Highways Maintenance
 Traffic Management
 Parking
 Community Safety
 Community & Cultural Services
 Parks
 Leisure
 Children and families
 Education services
 Adult Social Care
 Housing and homelessness
 Emergency Planning
 Borough Olympic 'Look and Feel'

How

Through the use of:

- A structured information flow, with reporting at local, sub-regional, regional and national levels.
- Situation report and resource coordination template
- By the resolution of issues at the lowest possible level and the circulation of information to highest necessary level

Information flow



Key roles

Olympics Director
 Torch Relay Lead
 Harrow C3 Lead
 Borough Olympic Control Centre (BOCC)
 Emergency Planning Team (Harrow C3 Lead)
 Delivery Area Lead (DAL) / Service Manager Lead
 Single Point Of Contact – SPOC

Olympic reporting period

25th June 2012 – 12th September 2012 (incl.)

Key events:

- Olympic Torch Relay 25th July
- Olympic Games 27th July – 12th August
- Paralympic Games 29th August – 9th September

Test Dates and Times

The proposed dates and times of tests are as follows:

- North Zone BGSU – 28th May 09:00 to 12:30
- *Internal Borough Sitrep reporting Only - 19th June 09:00 to 16:00*
- North Zone BGSU – 28th June 09:00 to 12:30

Delivery Area Leads (DAL) / Service Manager Leads will be required to participate in all of the above tests to ensure the procedures work in the Delivery Areas

Service responsibilities

To have robust arrangements to be able to:

- Provide daily service-level situation report (by 14:00)
- Respond to specific requests for information
- Report extraordinary events that may affect the Olympics
- Request Resource Coordination
- Offer Resource Coordination
- Have a Single Point Of Contact (SPOC) contactable 24/7
- Have a Delivery Area Lead (DAL)

Emergency Planning Responsibilities

Create and manage a process to:

- Have a 24/7 Single Point Of Contact (SPOC) for the Council
- Collate a daily Council situation report for North BGSU
- Request Resource Coordination
- Offer Resource Coordination
- Respond to extraordinary requests for information

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CHANGES TO RIPA FOLLOWING THE PROTECTION OF FREEDOMS ACT 2012

BRIEFING NOTE

Introduction

1. The Protection of Freedoms Act 2012 has made changes to RIPA following a review of its provisions. Change was felt to be necessary following media reports of local authorities using RIPA powers to carry out surveillance on individuals for minor offences such as dog-fouling.
2. New sections in RIPA (ss.23A and 32A) require that a local authority cannot carry out any of the following without approval of its authorisation by a magistrate:
 - a. Directed Surveillance;
 - b. Deployment of Covert Human Intelligence Source (CHIS); and
 - c. Access to communications data.
3. If the magistrate decides not to grant the authorisation it may make an order quashing the authorisation.
4. The other change involves the purpose for which directed surveillance can be used.
5. All changes take effect from 1 November 2012.
6. The new provisions are set out in more detail below.

Communications data

7. Chapter 2 of Part 1 of RIPA allows certain bodies, including local authorities to access certain communications data from any Communications Service Provider (CSP) e.g. a mobile phone service provider. A local authority cannot access traffic data i.e. where a communication was made from, to whom and when. It can only access service data i.e. the use made of the service by any person, and subscriber data i.e. any other information that is held or obtained by an operator or a person to whom they provide a service.
8. An authorisation or notice to obtain communications data from a CSP shall not take effect until and unless a magistrate has made an order approving it. The magistrate must be satisfied that:
 - a. There were reasonable grounds to believe that obtaining communications data as set out in the authorisation or notice was necessary and proportionate and that there remain reasonable grounds, at the time the order is granted, for believing so;

- b. The Designated Person was of the correct seniority within the local authority in accordance with the Regulation of Investigatory Powers (Communications Data) Order 2010 (SI 2010/480) i.e. Director, Head of Service, Service Manager or equivalent;
- c. The granting or renewal of the application was only for the prescribed type of communications data to be acquired for the prescribed purpose as set out in the above Order (i.e. subscriber and service use data – e.g. mobile phone subscriber information and itemised call records – to be acquired only for the purpose of preventing or detecting crime or preventing disorder).

Directed Surveillance and CHIS

- 9. The provisions in relation to Directed Surveillance and CHIS are similar to those for communications data, with additional requirements for CHIS, and are set out below.
- 10. The authorisation for these surveillance methods shall not take effect until and unless a magistrate has made an order approving it. The magistrate must be satisfied that:
 - a. There were reasonable grounds to believe that the Directed Surveillance or deployment of a CHIS was necessary and proportionate and that there remain reasonable grounds, at the time the order is granted, for believing so.
 - b. The Designated Person was of the correct seniority within the organisation i.e. a Director, Head of Service, Service Manager or equivalent as per the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010.
 - c. The granting of the authorisation was for the prescribed purpose, as set out in the above Order i.e. preventing crime or preventing disorder (see also paragraph 13 in relation to directed surveillance).
- 11. If the approval applied for is for CHIS the magistrate also has to satisfy him/herself that:
 - a. The requirements in s.29 (5) of RIPA are met (including the Regulation of Investigatory Powers (Source Records) Regulations 2000 which are made under this section). Section 29(5) requires that there are officers in place to have oversight of the use of the source and to have responsibility for the day to day contact with the source and their welfare. Other requirements relate to record-keeping in relation to the use of the source.

- b. The requirements of the Regulation of Investigatory Powers (Juveniles) Order 2000 have been satisfied. This sets out rules about parental consent, meetings, risk assessments and the duration of the authorisation.
12. The procedure for applying for approval is set out in a new section 32B of RIPA. There are no restrictions on who in the local authority can apply for the approval. Therefore it does not have to be a designated person for the purposes of the Act.
 13. The applicant is not required to give notice of the application to the subject of the authorisation or their legal representative.

Changes in relation to the use of directed surveillance

14. At present directed surveillance can be used for the purpose of preventing or detecting crime or preventing disorder. Amendments have been made to the relevant regulations so that this sort of surveillance can only be used when the conduct which is being investigated constitutes a criminal offence which is punishable by a maximum term of at least 6 months' imprisonment. Therefore, although a local authority can still use directed surveillance for the purpose of preventing disorder, it must be able to show that the disorder it wished to prevent would amount to a criminal offence of this type. However, there are some exceptions to this rule, namely offences in relation to the sale of alcohol and tobacco to children.

Codes of practice and guidance

15. Codes of practice are published by the Home Office under s.71 of RIPA. It is expected that they will be revised before 1 November.
16. The Home Office has also published guidance on the changes.¹ This suggests that it will be most appropriate for case investigators to attend court in respect of applications for judicial approval, other than in relation to Communications Data, where the Single Point of Contact (SPoC) may be the most suitable individual.

Caroline Eccles
18 October 2012

¹ <http://www.homeoffice.gov.uk/publications/counter-terrorism/ripa-forms/local-authority-ripa-guidance/local-authority-england-wales?view=Binary>