

Title: Introduction of a Surveillance Camera Code of Practice IA No: HO0085 Lead department or agency: Home Office Other departments or agencies:	Impact Assessment (IA)		
	Date: 7 th May 2013		
	Stage: Final		
	Source of intervention: Domestic		
	Type of measure: Secondary legislation		
Contact for enquiries: Alastair Thomas, Home Office			
Summary: Intervention and Options			RPC Opinion: RPC Opinion Status

Cost of Preferred (or more likely) Option			
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Measure qualifies as One-Out?
-£14.1m	£N/Am	£N/Am	No
			NA

What is the problem under consideration? Why is government intervention necessary?

The Government recognises that the use of CCTV and other surveillance camera systems in public places has proliferated over the past decade, and that advances in surveillance technology now and in the future greatly increase the potential to erode civil liberties, particularly the right to respect for private and family life. Furthermore, the absence of bespoke regulation for surveillance camera systems means that there is no single driver of proportionality, accountability, transparency and effectiveness where surveillance is in place. Covert surveillance by public authorities requires authorisation under the Regulation of Investigatory Powers Act 2000 (RIPA), yet there is no coherent framework to ensure that overt surveillance in public places is undertaken with public consent.

What are the policy objectives and the intended effects?

Overt surveillance in public places should always be in pursuit of a legitimate aim, necessary, proportionate, effective and compliant with relevant legal obligations. Relevant authorities will be under a duty to have regard to a code of practice, and other system operators will be encouraged to adopt it on a voluntary basis. As a consequence, the Government aims to ensure greater transparency in the use of surveillance, and that systems are capable of providing good quality images and other information which are fit for purpose. Such regulation should complement existing legal obligations and regulatory arrangements arising from the Data Protection Act 1998 (DPA) and RIPA. The intended effect is that the public has confidence surveillance cameras in public places are deployed to protect and support them, rather than spy on them.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

Option 1: Do nothing
Option 2: Introduce a self-regulatory code of practice containing guidance of relevance to all operators of surveillance cameras in public places and create a Surveillance Camera Commissioner to encourage adoption of that code and provide information and advice on how best to operate within the code. This can be done using powers within the Protection of Freedoms Act 2012. Implementation is intended to be incremental, with an initial duty to have regard to the code placed upon chief officers of police forces, the Serious and Organised Crime Agency (SOCA), Police and Crime Commissioners and local authorities as Relevant Authorities.

Will the policy be reviewed? It will be kept under review with an annual report from the Surveillance Camera Commissioner. **If applicable, set review date:** Month/Year

Does implementation go beyond minimum EU requirements?			Yes		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	Micro No	< 20 No	Small No	Medium No	Large No
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded: N/A	Non-traded: N/A	

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs.

Signed by the responsible Minister:  Date: 7th May 2013

Summary: Analysis & Evidence

Policy Option 2

Description: Introduce a self-regulatory code of practice relevant to all operators of surveillance cameras in public places.

FULL ECONOMIC ASSESSMENT

Price Base Year 2013	PV Base Year 2013	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: -£5.3	High: -£29.1	Best Estimate: -£14.1

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	£0.1	£0.6	£5.3
High	£0.9	£3.3	£29.1
Best Estimate	£0.4	£1.6	£14.1

Description and scale of key monetised costs by 'main affected groups'

There are costs for local authorities, police forces and SOCA in complying with the guiding principles of the code. Most of these costs result from more formal and more transparent review processes taking place. We have calculated these costs using a number of assumptions set out in detail in Section E. These costs will be realised as 'opportunity' costs and so be met from within existing resources.

Other key non-monetised costs by 'main affected groups'

We have not been able to quantify the costs associated with the outcomes of any additional reviews carried out by relevant bodies. There could be additional costs depending on the outcome of these reviews. There will also be additional costs to Welsh local authorities and police forces of making official documents available in both English and Welsh. These translation costs could not be quantified as they depend on the number of length of the documents published.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	N/K	N/K	N/K

Description and scale of key monetised benefits by 'main affected groups'

We have not been able to quantify the benefits associated implementing Option 2. This is because of a lack of evidence on the effectiveness of surveillance cameras and the value of individual privacy.

Other key non-monetised benefits by 'main affected groups'

We expect the benefits associated with implementing Option 2 to increase the effectiveness of existing surveillance camera systems, particularly with regards to preventing and detecting crime, and processing offences through the criminal justice system. Other benefits include those to individuals and society of reversing the substantial erosion of civil liberties and increased state intrusion. This will be achieved through increased accountability and transparency on the part of surveillance camera system operators.

Key assumptions/sensitivities/risks

Discount rate (%)

3.5

We assume that each local authority operates one CCTV system with a control room; we make additional assumptions about the operation of separate CCTV systems where local authorities engage in civil enforcement of parking and moving traffic offences. We assume that police forces and SOCA do not operate any CCTV systems in public places themselves but make use of CCTV system products. Police forces make use of one ANPR system. Police CCTV and ANPR systems are assumed to be completely separate, making use of different technical and analytical teams. These and other assumptions are set out in detail in Section E.

BUSINESS ASSESSMENT (Option 2)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs: N/A	Benefits: N/A	Net: N/A	No	NA

Evidence Base (for summary sheets)

A. Strategic Overview

A.1 Background

The increase in Closed Circuit Television (CCTV) and Automatic Number Plate Recognition (ANPR) use - especially in areas to which the public have access - has developed in the absence of a specific regulatory framework. In keeping with the Coalition Agreement commitment to safeguard freedoms and protect civil liberties we believe it essential, in terms of proportionality and retaining public confidence, that CCTV and ANPR are appropriately regulated.

The Protection of Freedoms Act 2012 provides the legal basis to fulfil our ambition that where CCTV and ANPR systems are necessary, their deployment is proportionate, transparent and effective and can be characterised as surveillance by consent. This legislation requires the Home Secretary to prepare and issue a code of practice as guidance on the use of surveillance cameras, and to appoint a Surveillance Camera Commissioner to encourage compliance with the code, review its operation, and provide advice about it.

The following regulation already applies to surveillance cameras:

- Images captured by CCTV and vehicle registration numbers captured by ANPR amount to personal data and are therefore covered by the Data Protection Act 1998 (DPA);
- The Information Commissioner is able to consider possible breaches of the DPA in terms of the handling of such data and has issued guidance on CCTV usage and its relationship to the DPA; and
- The Human Rights Act 1998 gives effect in UK law to the European Convention of Human Rights including Article 8 which sets out a qualified right to respect for privacy and family life. The general duty placed upon a public authority under the HRA applies to any use of surveillance camera systems
- There are safeguards under the Regulation of Investigatory Powers Act 2000, relating to the covert use of CCTV.

A.2 Groups Affected

The groups that would be affected by the proposals are operators of CCTV and ANPR systems and cameras, and those who use or process the images and information gathered by such systems. In particular local authorities, police forces, SOCA and Police & Crime Commissioners (PCCs) who will be placed under a duty to have regard to the code by s33 of the Protection of Freedoms Act 2012. Whilst PCCs are not expected to be system operators or to use or process images and information, they do set the budgets and priorities for police forces and therefore have significant influence over how the policing needs of their communities are met.

Other system operators and those who use or process the images and information gathered by CCTV and ANPR will be encouraged by the Surveillance Camera Commissioner to adopt the code of practice on a voluntary basis, and there could be an indirect impact upon businesses that design, install and maintain systems.

A.3 Consultation

Within Government

The Home Office has developed these proposals in consultation with the following Government departments: Communities and Local Government, Department for Transport, Wales Office, Welsh Government, Ministry of Justice, Ministry of Defence, Department for Energy and Climate Change and Department for Education

Public Consultation

A wide range of interested parties were consulted over the nature of the code of practice in a twelve week consultation exercise which ended in May 2011. The Government response to that consultation was published in December 2011¹ and listed the respondents.

Since then, there has been further informal consultation with key interested parties², including the circulation of an early draft of the code of practice. Ongoing engagement and consultation both formal and informal has helped to shape both the nature of the regulatory framework and the code of practice, and to inform the detail of the code of practice. For example, feedback on an early draft helped to determine the structure of the draft code, to ensure there was greater clarity over the demarcation with regulation under the Data Protection Act 1998, and how best to approach the inclusion of technical and occupational standards.

A previous draft of this impact assessment was published on 7th February 2013 to inform a period of statutory consultation over the preparation of the code. Following the consultation, the principle changes to the draft code relate to providing greater clarity over its application to local authority functions as a licensing authority and in the civil enforcement of parking and moving traffic offences. Responses to consultation have also informed a decision that the three non territorial police forces and SOCA will be placed under a duty to have regard to the code when it comes into force. The government response to consultation is published alongside this impact assessment. This impact assessment has been updated to reflect comments made during consultation and consequent changes to the draft code of practice.

B. Rationale

Over the past decade, there has been a steady erosion of historic civil liberties alongside the rise of the surveillance society and the database state. This Coalition Government is pledged to restore the rights of individuals and safeguard civil liberties in keeping with Britain's tradition of freedom and fairness. In the Coalition's programme for government³, they committed to implementing a full programme of measures to reverse the substantial erosion of civil liberties and to roll back state intrusion. As part of this programme, they undertook to further regulate CCTV. The ongoing development of digital technology creates some very real challenges in ensuring that a system is able to provide the benefits expected of it. Whilst there are differences between CCTV and ANPR systems, given the many similarities between the two systems which both use surveillance cameras to capture and store images, it was decided also to include ANPR.

C. Objectives

The central aim of this policy is to ensure that wherever overt surveillance in a public place is necessary in pursuit of a legitimate aim the response is proportionate, paying regard to privacy considerations, transparent and effective. A set of success criteria for the code of practice has been developed as follows.

- 1) Provide clarity over purpose and scope, particularly in defining surveillance camera systems, public place, overt use and privacy.
- 2) Be easily understood by both the public and system operators alike.

¹ The consultation document and the Government response can be found at: <http://www.homeoffice.gov.uk/publications/consultations/cons-2011-cctv/>

² Key interests consulted were representative of surveillance camera operators, the security industry and civil liberties organisations.

³ HM Government, 2010, *The Coalition: our programme for government*. This document can be accessed here: http://www.cabinetoffice.gov.uk/sites/default/files/resources/coalition_programme_for_government.pdf

- 3) Ensure system operators are transparent and proportionate in balancing privacy and security consideration in any systems deployment, and they regularly review if the system meets its stated purpose.
 - 4) Improve effectiveness of surveillance camera systems in providing better quality and more accessible images for use in the criminal justice system.
 - 5) Enable the management of public safety (including the investigation and detection of crime).
 - 6) Further help ensure compliance with other legislation affecting the use of surveillance cameras systems, such as the HRA, DPA and RIPA, with no contradictions or inconsistencies and minimal gaps or overlaps.
 - 7) Follow better regulation principles, introducing minimal bureaucracy and regulatory burdens.
 - 8) Include sufficient flexibility to respond to developments in technology and occupational standards.
 - 9) Be capable of differentiating between different purposes of surveillance camera system.
 - 10) Secure widespread voluntary adoption by system operators.
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D. Options

Option 1 is to make no changes (do nothing).

Option 2 Introduce a self-regulatory code of practice of relevance to all operators of surveillance cameras in public places and create a Surveillance Camera Commissioner⁴ to encourage compliance and its wider adoption and provide information and advice on how best to operate within the code. This can be done using powers within the Protection of Freedoms Act 2012. Implementation is intended to be incremental, with an initial duty to have regard to the code placed upon the chief officers of the territorial and non territorial police forces, SOCA, Police and Crime Commissioners and local authorities⁵.

E. Appraisal (Costs and Benefits)

GENERAL ASSUMPTIONS & DATA

The Code of Practice has been developed around 12 guiding principles. This appraisal section considers the costs of each of those guiding principles in turn for the relevant authorities that are likely to be affected by the introduction of Option 2. Only those costs that are additional to the costs of the baseline, 'do nothing' Option 1 are considered. Benefits are considered generally, rather on a principle-by-principle basis. We have only included costs and benefits to relevant authorities in this appraisal section. Costs or benefits to business from implementing Option 2 have not been included. This is because only relevant authorities will have a duty to regard the Code and not businesses. As there is no regulation compelling businesses to comply with the code, we assume that any business which chooses to implement the code and abide by the guiding principles does so because they have decided there is a net benefit for them from doing so.

Number of CCTV systems

⁴ Andrew Rennison's appointment as Surveillance Camera Commissioner was announced on 13th September 2012 (Hansard Col 14WS)

⁵ Here the term 'local authorities' generalises a number of relevant authorities set out in Section 33(5) of the Protection of Freedom Act 2012 and includes a local authority, the Greater London Authority, the Common Council of the City of London in its capacity as a local authority, the Sub-Treasurer of the Inner Temple or the Under-Treasurer of the Middle Temple, in their capacity as a local authority, the Council of the Isles of Scilly, a parish meeting constituted under section 13 of the Local Government Act 1972.

There are limited data available on the use of CCTV and ANPR systems in England and Wales which provide a comprehensive national picture of their use. This makes accurately assessing the costs and benefits of our policy options more difficult. Instead, we have had to make assumptions about how many systems are operated by the relevant authorities likely to be affected under Option 2. General assumptions are set out here, while assumptions relevant to individual guiding principles are set out within the appraisal of each principle. These assumptions may prove to be inaccurate but, given the lack of comprehensive data in this area, they were necessary for our appraisal.

As the number of CCTV systems in use by relevant bodies is not collected centrally, we assume that each **local authority**⁶ operates one system with a control room dealing with all CCTV systems in each local authority. 92 local authorities in England and Wales are known to also operate civil parking enforcement systems. We do not know whether these are operated separately from the crime prevention systems managed by local authorities. Instead we assume that between 0 (lower bound) and 100 per cent (upper bound) of these systems are operated separately from crime prevention systems. We assume a best estimate of 65 per cent of local authorities with parking enforcement systems operate them separately from their crime prevention systems. This assumption is based on information from CCTV operators in the 33 London boroughs, where CCTV use for civil parking enforcement is highest.⁷

We assume that each territorial **police force**⁸, and the three non-territorial police forces and SOCA considered as relevant authorities⁹ do not operate any CCTV cameras in public places themselves but all make use of CCTV system products. We assume that each force makes use of one ANPR system. Police CCTV and ANPR systems are assumed to be completely separate, making use of different technical and analytical teams. These assumptions may not be accurate in all forces so could lead to some error in the estimation of costs either resulting from underestimating the number of systems used or because there may be some economies of scale. To estimate the costs of complying with the principles, we have assumed that the costs of compliance are the same for both territorial and non-territorial police forces and for SOCA. This is largely because more information is available on the use of CCTV and ANPR systems in the territorial police forces. SOCA has indicated it does not undertake overt surveillance with CCTV or ANPR systems in public places, which could lead to some overestimation of the costs.

Compliance

Where costs have been quantified, we have estimated upper and lower bounds as well as best estimates to provide a range within which costs are likely to fall. These upper and lower bounds are likely to be the extreme values which the costs could take. They capture the varying levels of compliance with the guiding principles that already exist among police forces and local authorities. The lower bound assumes that 50 per cent of forces and local authorities are already compliant with each principle, while the upper bound assumes no forces or local authorities are compliant. The best estimate is assumed to be the midpoint of these, with 25 per cent of forces and local authorities already compliant with the guiding principles. Where guiding principles reiterate existing legislative requirements, either under the Data Protection Act or the Human Rights Act, we have assumed that there is full compliance with these guiding principles and, therefore, no additional costs or benefits. There are other assumptions that are used to estimate the upper and lower bounds which relate to individual guiding principles; these are discussed as they arise.

Unit costs

The analysis makes use of unit costs of police force and local authority time. The hourly unit costs used are presented, together with their sources, in Table E.1.

⁶ Assuming there are 350 unitary or two tier local authorities in England and Wales.

⁷ This may prove to be less accurate for enforcement systems not in London but is thought to be the best proxy available. The upper and lower bounds give an indicator of the scale of any error in this assumption.

⁸ All 43 territorial police force areas are designated as relevant authorities under the Protection of Freedoms Act 2012.

⁹ These non-territorial forces are the British Transport Police, the Civil Nuclear Constabulary, and the Ministry of Defence Police. .

Table E.1: Unit costs used in this analysis

	Unit cost	Source
Police¹		
- Inspector and above	£58.66	Home Office estimates using ASHE and CIPFA data, 2012/13 prices
- Sergeant and below	£34.43	
Local authority		
- Elected official	£19.85	Taken from ASHE data including non-wage labour costs, 2012/13 prices
- Administrative occupation	£13.90	

Notes:

1. Police unit costs were estimated using ASHE and CIPFA data from 2011/12 and include non-wage labour costs. Unit costs for SOCA are assumed to be the same. These were then updated to account for inflation using the HM Treasury deflator series.
2. Local authority unit costs were taken from ASHE data for 2011. Standard assumptions of 16.4% non-wage labour costs for the employer have been included. Prices were then updated to account for inflation using the HM Treasury deflator series.
3. All unit costs have been updated to account for inflation to 2012/13 prices using the HM Treasury GDP deflator series. All costs therefore are presented in 2012/13 prices.

The Surveillance Camera Commissioner's role is not specifically considered in the following appraisal section. The work of the Commissioner is to promote compliance and wider adoption of the code, review its operation and provide advice about it. As such, the entire running costs of the Commissioner are relevant. These costs are approximately £250,000 per year¹⁰ and are covered by existing budgets. Other regulators whose scope could include surveillance cameras, such as the Information Commissioner, may incur additional ongoing costs through maintaining relationships with the Surveillance Camera Commissioner. These will replace any costs of maintaining relationships with the Interim Commissioner and so are not considered in this impact assessment.

OPTION 2 – Introduce a self-regulatory code of practice

COSTS

Transition costs

Transition costs could arise through training being required for all relevant bodies that will have a duty to have regard for the Code of Practice. This process of familiarisation will vary depending on the organisation but could involve a short training course, or revised guidance for individuals to read. Assuming that there are between 1 and 5 staff members for each local authority, and 5 and 10 staff members for each police CCTV and ANPR teams then if familiarisation requires an hour of staff time it will cost between approximately £22,000 and £62,000 based on the unit costs presented in Table E.1. This cost will be an opportunity cost for local authorities and police forces and SOCA, and is likely to replace other training on the use of CCTV or ANPR that these teams complete. These familiarisation costs are likely to be an underestimate as forces could decide that other police officers and staff who use CCTV and ANPR will require training in order to comply with the code. We cannot predict what this training will be so we have not been able to estimate these costs. Police forces, SOCA and local authorities could also choose to develop their own training or guidance for operatives and analysts, which would incur additional costs but we have not been able to estimate these.

There may be additional transition costs for police forces in order to comply with **principle 3**. In order to be as transparent as possible about the use of ANPR within a force area, territorial forces may wish to erect additional signs highlighting that ANPR systems are used within the force area.¹¹ We do not know how many forces already have these signs or how many would wish to erect new signs but this could be an additional, one-off cost¹² resulting from Option 2. We assume that on average forces will have a total of 20 signs in order to be transparent about their use of ANPR. 20 signs is an estimate based on the number of major routes into a police force area. Using our lower and upper bounds for assumptions on existing compliance and assuming that erecting a new sign costs between £100 and £1,000¹³, this is estimated to cost between £43,000 and £860,000 with a best estimate of approximately £355,000. These costs will be met from existing police budgets.

¹⁰ See previous impact assessment for further details. Home Office, 2011, *Consultation on a Code of Practice Relating to Surveillance Cameras: Impact Assessment*: <http://www.homeoffice.gov.uk/publications/consultations/cons-2011-cctv/cons-ia-cctv?view=Binary>

¹¹ We assume that these costs are only relevant to the territorial police forces and not the non-territorial forces or SOCA as the signs will relate to the use of ANPR within that territorial force area.

¹² We assume that these costs will be one-off following implementation of the Code by relevant authorities.

¹³ This is based on the costs of buying a new road sign.

Relevant authorities may face additional transition costs as and when existing contracts and partnership arrangements come up for renewal. These costs could include relevant authorities taking legal advice, drawing up new contracts, and negotiating any changes. As we cannot anticipate how many relevant authorities will wish to make these changes we have not been able to estimate these costs.

There could be additional transition costs to other regulators who have previously issued guidance on operating and using surveillance camera systems. This would include the Information Commissioner's Office (ICO) and the Chief Surveillance Commissioner. These regulators may spend time ensuring that their guidance on surveillance cameras is aligned with the Code of Practice and communicating these changes with those affected. We have not been able to estimate these costs as there are no estimates of how long this might take. These costs are likely to be minimal and will not apply to any future guidance issued.

As an Interim CCTV Regulator has been in place since 2009 there should be minimal transition costs for setting up the role of Surveillance Camera Commissioner. As mentioned above, the running costs of the Commissioner will be met out of the existing budget for the Interim CCTV Regulator and so are not considered in this impact assessment.

On-going costs

To appraise the costs of implementing Option 2, each principle will be appraised in turn.

Guiding Principle 1: Use of a surveillance camera system should always be for a specified purpose which is in pursuit of a legitimate aim and necessary to meet an identified pressing need.

This principle is unlikely to result in any additional costs for relevant authorities as CCTV or ANPR systems are only set up where there is demand for them and where a clear need is identified. This is also an existing requirement of the Data Protection Act (DPA) and Human Rights Act (HRA). In some cases there may be additional time required to document and make clear this purpose but anecdotal evidence suggests that this was already done when setting up any system.

Guiding Principle 2: Use of a surveillance camera system must take into account its effect on individuals and their privacy, with regular reviews to ensure its use remains justified.

There is no statutory requirement to undertake a privacy impact assessment, yet we understand many organisations already do so to ensure they fulfil legal obligations of the DPA and HRA. We expect to see these reviews carried out more widely by relevant authorities following implementation of Option 2, and that the scale of these reviews will be proportionate to that of the system.

For this appraisal, we have assumed that these reviews into the use of CCTV or ANPR systems will be annual. Each local authority will need to complete a review of their CCTV system each year. We assume that those authorities operating separate civil parking enforcement CCTV systems will carry out separate reviews of these systems¹⁴. Police forces will only need to review their ANPR systems as forces¹⁵ do not tend to operate CCTV systems. Some forces and local authorities will already be reviewing their systems and considering approved standards as part of assuring that legal obligations are being met and the system meets its stated purpose. So the assumptions on existing compliance from the beginning of this appraisal section are used in this analysis. Following anecdotal evidence from a range of public space camera operators, we assume that a review will require between 10 and 50 hours of staff time to complete and 1 to 5 hours for a senior official to sign-off.

Following these assumptions and using the compliance assumptions stated at the beginning of this appraisal section, we estimate that this will cost local authorities between approximately £29,000 and £360,000 each year to complete. The best estimate is approximately £145,000. We estimate that this will cost police forces between approximately £9,000 and £93,000. The best estimate is approximately £40,000. Table E.2 presents the volumes and costs for each of the lower and upper

¹⁴ Where the systems are integrated we assume that only one review will be necessary.

¹⁵ Including the non-territorial forces and SOCA.

bounds, as well as the best estimate. The costs considered under this principle will be realised as opportunity costs.

Table E.2: Costs of principle 2

	Lower bound	Upper bound	Best estimate
Local authorities			
- Cost per review	£165	£825	£475
- Volume	175	442	309
Police (ANPR)			
- Cost per review	£440	£2,200	£1,260
- Volume	23	47	35
Total annual costs	£38,000	£450,000	£180,000

Notes:

1. Total costs have been rounded to 2 significant figures.
2. Costs per review and volumes are rounded to the nearest integer.

The outcome of these reviews could lead to changes being made to the use of existing systems. In the most extreme case, the review could recommend that a camera be decommissioned which is likely cost between £2,000 and £5,000. As we cannot anticipate the outcomes of these reviews, we have not included any such costs in this appraisal.

Guiding Principle 3: There must be as much transparency in the use of a surveillance camera system as possible including a published contact point for access to information and complaints.

Following the introduction of Option 2, we expect there to be greater transparency in the use of surveillance camera systems than under current Data Protection Act obligations or through the existing general requirements under the Freedom of Information Act 2000 to make information proactively available under a publication scheme.

There is no prescription of how a relevant authority might comply with this principle so, for the purpose of this impact assessment, we have assumed information about a surveillance camera system will be published on a local authority or police force website. We assume that this requires one hour of staff time per month, a total of 12 hours each year. As stated at the beginning of this appraisal section, we assume that police forces will use separate teams to prepare and publish information about their use of CCTV and ANPR. This is estimated to cost between approximately £49,000 and £114,000 each year, with a best estimate of approximately £82,000.

There could be additional costs as a result of this principle if relevant authorities decide to undertake wider or more detailed consultation with their partners and members of the public on how they use surveillance cameras. We would expect this to involve amending existing feedback procedures as well as forming part of other reviews considered under these guiding principles. As such, we would expect any additional costs to be minimal. However, we have not been able to estimate any additional costs of amending existing consultations.

The costs considered under this principle will be realised as opportunity costs.

Guiding Principle 4: There must be clear responsibility and accountability for all surveillance camera system activities including images and information collected, held and used.

For police forces and SOCA, this is unlikely to add new burdens or additional costs as there are already robust processes and governance systems in place that cover CCTV and ANPR systems. For local authorities there are existing local governance structures which CCTV systems may form part of or could be part of. It is more likely that changes will need to be made to current responsibility and accountability procedures within local authorities. As, in most cases, scrutiny and oversight arrangements will already be in place the additional costs of this principle are likely to be minimal.

Guiding Principle 5: Clear rules, policies and procedures must be in place before a surveillance camera system is used, and these must be communicated to all who need to comply with them.

For police forces this is unlikely to add new burdens, as forces do not tend to operate any CCTV systems, and this principle is already required for ANPR systems through the National ACPO ANPR Standards. Even where there is no statutory licensing requirement for staff to have a public space surveillance (CCTV) licence, it is good practice for system operators to ensure that relevant

staff¹⁶ have the necessary skills and knowledge. While most local authorities' staff will already have received the appropriate training, this principle could encourage further internal training and higher occupational standards. Local authority staff should have an equivalent BTEC level 2 qualifications in CCTV operations which require completion of a 5 day course costing local authorities around £50 to enter candidates for the final examination. Further costs of the courses are not available.

Police forces and SOCA may decide to amend training of their officers and staff who use products from CCTV systems. These costs are likely to fall under the transition costs detailed in the beginning of this appraisal section.

Guiding Principle 6: No more images and information should be stored than that which is strictly required for the stated purpose of a surveillance camera system, and such images and information should be deleted once their purposes have been discharged.

This is a legislative requirement under the Data Protection Act 1998 so we assume that it is highly likely that local authorities and police forces are already compliant with this principle. As a result there are no additional costs to be considered.

Guiding Principle 7: Access to retained images and information should be restricted and there must be clearly defined rules on who can gain access and for what purpose such access is granted; the disclosure of images and information should only take place when it is necessary for such a purpose or for law enforcement purposes.

This is a legislative requirement under the Data Protection Act 1998 so we assume that it is highly likely that local authorities, police forces and SOCA are already compliant with this principle. As a result there are no additional costs to be considered.

Guiding Principle 8: Surveillance camera system operators should consider any approved operational, technical and competency standards relevant to a system and its purpose and work to meet and maintain those standards.

Advice on approved standards will be provided by the Surveillance Camera Commissioner and forces and local authorities will be expected to check that their CCTV and ANPR systems are compliant with these standards. The cost of these reviews has been estimated assuming that it requires two people between one and three weeks to complete a review and then one hour of senior officer time to check or approve the results. Unit costs are between £1,100 and £3,300 for local authority reviews and £2,900 and £8,600 for police or SOCA reviews. Local authorities will need to complete reviews of their CCTV systems, while police will only need to review their ANPR systems as police forces do not tend to operate CCTV systems. Some forces and local authorities will already be reviewing their systems and considering approved standards where these are available so the assumptions on existing compliance from the beginning of this appraisal section are used in this analysis. The costs considered under this principle will be realised as opportunity costs.

The total costs of these reviews are presented in Table E.3.

Table E.3: Costs of principle 8

	Lower bound	Upper bound	Best estimate
Local authorities			
- Cost per review	£1,100	£3,300	£2,200
- Volume	175	442	309
Police (ANPR)			
- Cost per review	£2,900	£8,600	£5,700
- Volume	23	47	35
Total annual costs	£250,000	£1,800,000	£850,000

Notes:

1. Total costs have been rounded to 2 significant figures.
2. Costs per review and volumes are rounded to the nearest integer.

The outcome of these reviews could lead to improvements being made but, as these outcomes are not known, we cannot predict what the costs of any improvements will be.

¹⁶ Those who either manage or use surveillance camera systems, or use or process the images or information obtained from those systems.

Relevant authorities could decide to use external accreditation processes to ensure their systems meet approved standards in order to improve transparency. Where this happens, we would expect the costs of these reviews to remain about the same. However, these costs would no longer be opportunity costs for relevant authorities.

Guiding Principle 9: Surveillance camera system images and information should be subject to appropriate security measures to safeguard against unauthorised use.

This is a legislative requirement under the Data Protection Act 1998 so we assume that it is highly likely that local authorities, police forces and SOCA are already compliant with this principle. As a result there are no additional costs to be considered.

Guiding Principle 10: There should be effective review and audit mechanisms to ensure legal requirements, policies and standards are complied with in practice, and regular reports should be published.

While some local authorities and police forces are already be completing reviews and audits of their use of surveillance cameras¹⁷, not all relevant authorities will be publishing regular reports of their findings as this is a new requirement under the Code of Practice. Such publication would also reflect good practice in meeting general requirements under the Freedom of Information Act 2000 to make information proactively available under a publication scheme.

This principle could result in additional costs both in terms of issuing guidance, potentially from the Surveillance Camera Commissioner, or possibly from the Local Government Association (LGA), the Welsh Local Government Association (WLGA), or ACPO, and in completing the reviews.

The costs of issuing guidance are likely to be transition costs but could not be estimated. The cost of a review is assumed to require a week of time to put together and an additional five hours of clearance by a senior official or officer. The unit costs of carrying out these reviews are estimated to be approximately £650 for local authorities, and £1,700 for police forces. These unit costs may increase if external consultation is required. Table E.4 represents the costs of this principle. We assume that police forces will produce separate reports for CCTV and ANPR systems. If this is not the case, there could be some efficiency savings to be made against the costs presented in Table E.4. The costs of publishing information from the reviews and audits could form part of the costs assumed to occur under Principle 3 as it will involve forces and local authorities being more transparent in their use of surveillance camera systems. The costs considered under this principle will be realised as opportunity costs.

Table E.4: Costs of principle 10

	Lower bound	Upper bound	Best estimate
Local authorities			
- Cost per review	£650	£650	£650
- Volume	175	442	309
Police (ANPR)			
- Cost per review	£1,700	£1,700	£1,700
- Volume	47	94	71
Total annual costs	£190,000	£430,000	£310,000

Notes:

1. Total costs have been rounded to 2 significant figures.
2. Costs per review and volumes are rounded to the nearest integer.

As for Principle 8, there may be recommendations coming out of these reviews that will result in further additional costs for relevant bodies. In the most extreme case, the review could recommend that a camera be decommissioned which is likely cost between £2,000 and £5,000. As we cannot anticipate the outcomes of these reviews, we have not been able to estimate these costs.

Guiding Principle 11: When the use of a surveillance camera system is in pursuit of a legitimate aim and there is a pressing need for its use, it should then be used in the most effective way to support public safety and law enforcement with the aim of processing images and associated information of evidential value

¹⁷ See Cambridge City Council or Royal Borough of Kingston upon Thames for examples.

Given anecdotal evidence provided by CCTV and ANPR system operators, we do not expect this principle to create any new requirements for relevant authorities to comply with. As a result, there are unlikely to be any additional costs.

Guiding Principle 12: Any information used to support a surveillance camera system which compares against a reference database for matching purposes should be accurate and kept up to date.

Any reference databases containing personal data will already have to comply with the provisions of the DPA. There will be no additional costs for local authorities resulting from this principle as they are not expected to hold any information against which matches could be made. Police forces and SOCA are likely to have lists against which matches can be made; for example, registration numbers of vehicles of interest which are associated with a crime or reported stolen to support an ANPR system. These lists need to be kept up to date in order to be most effective when used with surveillance camera systems. As part of DPA compliance, police forces are likely already to be keeping these lists up to date but we have assumed that an additional hour of staff time each week will be required to make sure all relevant information is included. This will be relevant for lists used in conjunction with both CCTV and ANPR systems. With the different levels of compliance assumed, this is estimated to cost police forces between approximately £84,000 and £168,000 each year, with a best estimate of approximately £126,000 each year.

Non quantified costs

Aside from the non-quantified costs raised under each principle, there could be some additional costs for Police and Crime Commissioners (PCCs) as a result of implementing Option 2. While the guiding principles individually are unlikely to result in direct costs for PCCs, as they are not expected to be system operators, their wider strategic role in planning and resourcing will include decisions about the use of CCTV and ANPR systems and information in their force. PCCs will have a duty to have regard for the code so we assume they will do so when considering the use of CCTV and ANPR in their force. This could lead to additional costs. We would expect these to be minimal, but we have not been able to quantify them.

There will also be additional translation costs for Welsh local authorities (and police forces) whenever official documents are produced. Under the Welsh language scheme, any official documents produced should be produced to an equal quality and standard in both English and Welsh. Depending on which is the more common language documents will be produced in either English or Welsh and then translated into the other language. The costs of providing these extra documents will depend on the length of the document and whether it is being translated into English or Welsh. Translation from English into Welsh will cost approximately £83 per 1,000 words and translation from Welsh into English will cost approximately £62 per 1,000 words¹⁸. As we cannot anticipate the length of these documents or which language they will need to be translated into, we cannot estimate the costs. These costs are likely to be incurred under Principles 2, 3, and 10.

There may be additional costs to local authorities resulting from their licensing functions. Local authorities can make installing a CCTV camera or system a condition of issuing a licence or certificate, most often for the purposes of crime prevention. The local authority would not be the operator of this system so is unlikely to incur all the costs discussed in this section. The proportionality of such decisions by a licensing authority is already subject to a general duty under the HRA. However, local authorities may incur additional costs in demonstrating that these cameras are necessary and in pursuit of a legitimate aim. We cannot estimate these costs as we do not know how often installing a CCTV camera is a condition of issuing a licence. Despite this, because of the existing general duty under the HRA, we do not expect these costs to be significant as making installation of the camera a condition of the licence suggests a legitimate aim is being pursued.

Total costs

Table E.5 presents the annual costs of the guiding principles as well as the total annual cost and the present value (10 year) costs of implementing Option 2.

¹⁸ Figures provided by the Wales Office.

Table E.5: Total costs of Option 2

	Lower bound	Upper bound	Best estimate
Principle 1	-	-	-
Principle 2	£37,800	£454,000	£185,000
Principle 3	£49,200	£114,000	£81,700
Principle 4	-	-	-
Principle 5	-	-	-
Principle 6	-	-	-
Principle 7	-	-	-
Principle 8	£252,000	£1,790,000	£848,000
Principle 9	-	-	-
Principle 10	£185,000	£429,000	£308,000
Principle 11	-	-	-
Principle 12	£84,100	£168,000	£126,000
Average annual costs	£609,000	£3,280,000	£1,590,000
Present value costs	£5,300,000	£29,100,000	£14,100,000

Notes:

1. All costs have been rounded to 3 significant figures.
2. Present value costs include transition costs discussed at the beginning of the appraisal section.

The costs presented in Table E.5 will be realised as opportunity costs and so will not require the use of additional resources. We expect that they would replace other activities currently undertaken by surveillance camera operators.

BENEFITS

Surveillance cameras are used for a range of purposes each of which have a number of benefits for improving and enhancing the management of public safety, including the prevention and detection of crime. We expect that the introduction of the Code of Practice will increase the effectiveness of surveillance camera systems largely through the more consistent adoption of approved technical and operational standards. Standardisation of training across camera operators as well as consistency in the technical standards for cameras and data storage should mean that the information and intelligence provided by surveillance cameras can be used more effectively. However, as there is little quantified evidence on the current effectiveness of surveillance cameras we have not been able to quantify any increase in effectiveness.

Other additional benefits associated with implementing the Surveillance Camera Code of Practice (Option 2) are as follows:

- i. Improve effectiveness of surveillance camera systems by providing better quality and more accessible images for use by the police and in the Criminal Justice System. This will be achieved through improved interoperability between digital systems, and the availability of better quality images with greater integrity being available as evidence of an incident. These improvements could include benefits for the Criminal Justice System by increasing the number of early guilty pleas¹⁹ and helping to secure convictions which would lead to savings for the Criminal Justice System. There could be additional savings for the police of more efficient investigations if higher quality evidence is available to the police more quickly.
- ii. Reducing the risk that society feels overexposed to CCTV through greater transparency and accountability in the use and management of surveillance camera systems. The introduction of the Code of Practice will help ensure that surveillance camera systems have clearly stated purposes as well as contacts for any complaints.
- iii. Greater transparency around the location and use of surveillance cameras could lead to fewer Freedom of Information requests²⁰ being received by relevant authorities. This would result in savings to relevant authorities of up to £450 for each request not submitted²¹.

¹⁹ Anecdotal evidence from investigative police officers suggests that offenders are more likely to admit to a crime when faced with clear CCTV evidence.

²⁰ Requests made to any public sector organisation under the Freedom of Information Act.

²¹ Information on www.gov.uk highlights that organisations can turn down any Freedom of Information requests if they think it will cost more than £450 to deal with.

We have not been able to quantify these benefits as we lack sufficient evidence and data to be able to do so. To be able to quantify the benefits stated above, we would need the following information.

- i. We would need robust and consistent evidence on the current effectiveness of surveillance camera systems in England and Wales. This should ideally provide an estimate of the number of crimes prevented as a result of the presence of a surveillance camera system as well as the number of crimes prosecuted using evidence from surveillance camera systems. From this we could be able to make assumptions on the potential benefits from improved effectiveness, both in terms of a reduction in the number of crimes committed and in terms of swifter criminal justice system outcomes. While there are several papers addressing the effectiveness of CCTV systems²², none provide conclusive or robust evidence as to its effectiveness. In addition, several of the stakeholders we have spoken to highlighted local difficulties in trying to evaluate their use of CCTV and ANPR systems.
- ii. We would need a monetised estimate of the level of public anxiety about overexposure to surveillance cameras and an estimate of the extent to which this would be reduced by Option 2. Neither of these estimates, to our knowledge, exists nor could they be estimated without considerable resource and time. However, it can be inferred to some extent through public support for the Code of Practice, demonstrated by consultation responses.
- iii. We would need the number of Freedom of Information (FOI) requests made regarding use of CCTV systems. The number of FOI requests made any topic is not collected centrally so we cannot estimate how many are made in relation to CCTV systems. In order to be able to estimate the potential savings to relevant authorities, we would need to know the number of FOI requests made to relevant authorities regarding surveillance camera systems. We would then have to make an assumption about how this might be affected as a result of improved transparency. As FOI requests which would result in a cost of more than £450 can be turned down, we assume that the maximum cost of completing an FOI request is £450. This would therefore be the maximum saving per request if the number of FOI requests reduced as a result of introducing the Code of Practice.

ONE-IN-TWO -OUT (OITO)

This option is not within the scope of one-in-two-out

F. Risks

OPTION 2 – Introduce a self-regulatory code of practice

There is some possibility that the impact and effectiveness of the code of practice will be limited due to the lack of relevant inspection or enforcement powers in the Protection of Freedoms Act 2012. If this is the case then the code could fail to significantly raise public confidence in the use of overt surveillance in public places. In order to mitigate this risk, the Surveillance Camera Commissioner will have a statutory function to review the operation of the code of practice, and provide advice to Ministers on any additional benefits that could be secured through amending the statutory basis of regulation.

Other risks associated with Option 2 include:

- system operators who are not specified as a relevant authority do not adopt the code voluntarily and public confidence in the majority of surveillance systems is eroded. The legislation does, however, allow for additional bodies to be made relevant authorities (by Order) and subsequently have a duty to have regard to the code. Any such extension would be the subject of consultation with the bodies affected and a specific impact assessment.

²² Including Gill M., Little R., Spriggs A., Allen J., Argomaniz J., & Warples S., (2005) *Assessing the Impact of CCTV*, Home Office: London and Welsh B. C., & Farrington D. P., *Effects of Closed Circuit Television Surveillance on Crime*, Campbell Systematic Reviews. Gill *et al* (2005) found that, out of 13 QED studies evaluated, only one showed a significant reduction in crime in the treatment versus control area which could not be explained by the presence of confounding variables. The calculated benefit-cost ratio for the system in this single study was **0.67:1**. However, this rises to 1.27:1 for high risk areas only. The Campbell review (Welsh and Farrington, 2008) analysing 44 studies found that while CCTV does not prevent violence on the open street, it leads to a drop in vehicle crimes by one-quarter (by one-half if CCTV surveillance is in a car park). Singling out the effect of CCTV surveillance in parking facilities is difficult because other initiatives are often implemented alongside (e.g. security guards, better lighting).

- relevant authorities may be taken to judicial review as a consequence of any challenge over whether its decision making has been consistent with a duty to have regard to the code. Such legal proceedings would be likely to have cost implications for that relevant authority.
- appeals against penalty charge notices associated with the civil enforcement of parking or moving traffic offences include challenges seeking evidence on the point of decision making that has been consistent with a duty to have regard to the code. The inclusion of a new ground for appeal in such legal proceedings would be likely to increase the cost implications to for that relevant authority.
- indirect impacts for businesses that design, install, and maintain surveillance camera systems. As the Code is non-prescriptive, we cannot predict what these impacts might be or whether the impact will be positive or negative. However, implementation of the Code by relevant authorities could lead to authorities reviewing or amending their contracts with surveillance camera firms.
- inaccuracies in the assumptions made in this impact assessment in order to estimate the costs of implementing the Code of Practice, which would lead to the changes to the stated costs. This could include assumptions made around police or SOCA's operation of overt surveillance camera systems, or the use of surveillance camera systems by local authorities for civil enforcement purposes. We have presented lower and upper bounds to indicate the possible impact of any error in our assumptions.
- Further development of surveillance camera technology may lead to systems being developed and deployed in novel ways that our current assumptions do not anticipate.
- an increase the number of complaints received by relevant authorities for failure to follow the code. Dealing with these complaints could incur additional costs for relevant authorities not considered in this impact assessment. The ICO, which has powers to investigate complaints relating to DPA compliance, may also see increased complaints about the use of surveillance camera systems.
- a risk of litigation, in the case of a breach of the Code of Practice, between relevant authorities and their contractors over who is responsible for the breach. If a legal challenge is brought against a relevant authority this is likely to incur additional costs.
- changes in the future use of CCTV and ANPR systems could render some of the assumptions used in this impact assessment inaccurate. These changes are likely to be the result of technological improvements in camera systems and, as such, cannot be anticipated.

G. Enforcement

The proposals assume self regulation to a large degree. However, local authorities, chief officers of police forces of the territorial and non territorial police forces SOCA , and police and crime commissioners will be required to have regard to the Code, and the new Surveillance Camera Commissioner will monitor and report on progress against the Code.

H. Summary and Recommendations

The table below outlines the costs and benefits of the proposed changes.

Table H.1 Costs and Benefits		
Option	Costs	Benefits
2	£14.1m (PV over 10 years)	£N/A (PV over 10 years)
	Cost to Local authorities, police forces, and SOCA of implementing the guiding principles of the CCTV code of practice.	Benefits to Criminal Justice System of more early guilty pleas and convictions secured. Further benefits to society of reducing overexposure to surveillance cameras.
Source: Home Office analysis		

The majority of costs considered in this impact assessment will be realised as opportunity costs and so not require any additional resources to be deployed. Where users are already adopting good practice any adjustments are likely to be minor and may result in cost savings. Where expenditure might be required – for example on training or new equipment it will be open to users to pace any such expenditure as necessary to absorb it within normal running or replacement costs. The ongoing improvements to technical and operational standards that will result from the code of practice are likely to improve the effectiveness of surveillance camera systems. It is possible that unquantified benefits would outweigh costs, turning the NPV positive. However, a lack of evidence means we cannot base firm judgement on this.

I. Implementation

The Implementation timetable will be dependent on the will of Parliament in the approval of an Order so that the code can come into force. Subject to the outcome of statutory consultation and progress elsewhere, we anticipate a draft Order being laid before Parliament in June 2013 and being brought into effect following approval.

J. Monitoring and Evaluation

The monitoring and evaluation of the effectiveness of the Code will be the role of the new Surveillance Camera Commissioner who will report to Ministers and will keep progress under review. As part of the incremental implementation of surveillance camera systems regulation, Ministers have indicated their intention to undertake a review in 2015 informed by advice from the Surveillance Camera Commissioner.

K. Feedback

This impact assessment takes account of comments and suggestions made during statutory consultation over the preparation of the code of practice. The Protection of Freedoms Act 2012 places statutory requirements on the Home Secretary to keep the code under review and upon the Surveillance Camera Commissioner to keep the operation of the code under review.

L. Specific Impact Tests

1 Statutory Equality Duties

1.1 We do not anticipate any impacts on equalities issues as a result of these proposals.

2 Economic Impacts

Competition Assessment

2.1 We do not anticipate any competition impacts as a result of these proposals.

Small Firms Impact Test

2.2 We do not anticipate any small firm impacts as a result of these proposals. The requirement to have regard for the Code may be extended to other organisations such as small firms in the future, although this would not be done without consultation.

3 Environmental Impacts

Greenhouse gas impacts

3.1 We do not anticipate any greenhouse gas impacts as a result of these proposals

Wider Environmental Issues

3.2 We do not anticipate any environmental impacts as a result of these proposals.

Social Impacts

Health and Well-being

3.3 We would expect the well-being of society to be improved as a result of these proposals as any overexposure to surveillance cameras should decrease.

Human Rights

3.4 These proposals are compatible with the Human Rights Act 1998. One of the reasons behind further regulation of CCTV and ANPR is the need to safeguard freedoms and protect civil liberties.

Justice

3.5 We would expect benefits to the Criminal Justice System as a result of these proposals as more effective use of surveillance camera systems through implementation of the Code of Practice should improve evidence for use in criminal proceedings. This should help increase the number of early guilty pleas and convictions secured.

Rural Proofing

3.6 We would expect these proposals will have a greater impact on urban rather than rural areas as CCTV tends to be concentrated in urban areas.

4 Sustainability

Sustainable Development

4.1 These proposals are consistent with the principles of sustainable development.