



*****POCA Performance*****

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What are the Policing Principles?

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| Accountability <input checked="" type="checkbox"/> | Fairness <input checked="" type="checkbox"/> | Honesty <input checked="" type="checkbox"/> |
| Integrity <input checked="" type="checkbox"/> | Leadership <input checked="" type="checkbox"/> | Objectivity <input checked="" type="checkbox"/> |
| Openness <input checked="" type="checkbox"/> | Respect <input checked="" type="checkbox"/> | Selflessness <input checked="" type="checkbox"/> |

1. Purpose of Report:

- 1.1.** The purpose of this paper is to provide an update to the PCC Management Meeting on the use of POCA funds received by Surrey Police, through the Asset Recovery Incentivisation Scheme (ARIS).
- 1.2.** ARIS was set up in 2006 and it replaced a previous Police Incentivisation Scheme which ran for two years from 2004. ARIS incentivises all law enforcement agencies. The Scheme is a mechanism for returning to law enforcement agencies, a proportion of the assets they recover. The objective of the incentive scheme is to provide law enforcement agencies with incentives to boost asset recovery as a contribution to reducing crime and delivering justice by giving them a direct stake in the proceeds they generate from that work. Although primarily aimed at driving up asset recovery performance, the money returned is not ring-fenced and can be used for a number of purposes in the context of reducing harm; including community project funding.

2. Background

- 2.1.** The Proceeds of Crime Act was introduced in 2002 which provides for the cash forfeiture, confiscation and civil recovery of proceeds from crime, the Act also contains the principal money laundering legislation.
- 2.2.** The Act covers a number matters of UK law on proceed of crime issues including confiscation orders against convicted individuals, civil recovery of proceeds of crime from un-convicted individuals, taxation of profits generated from crime, UK anti-money laundering legislation, powers of investigation into suspected proceeds of crime offences and international co-operation by UK law enforcement agencies against money laundering.
- 2.3.** POCA funding is managed by the Home Office through ARIS, whereby law enforcement agencies get back a percentage of criminal finances they seize through Cash Forfeitures, Confiscation Orders obtained under the Proceeds of Crime Act 2002, together with monies from referrals for civil recovery.
- 2.4.** The Force receives 50% of cash forfeitures and 18.75% of confiscation orders fulfilled. The total of the receipt due is then top sliced by 3% to be invested into Home Office national capabilities, in order to benefit the entire asset recovery community. Civil recovery referrals are paid at 25%, net of deductions for receiver's costs.
- 2.5.** The current Home Office guidance states use of ARIS money is a matter for each agency. Due to the inconsistent nature of ARIS income, ministers were reluctant to lay down specific guidance on its use. Ministers expressed a wish to see ARIS money reinvested in asset recovery work to drive up performance and where appropriate, to fund local crime fighting priorities for the benefit of the community. Any expenditure that can show that it will benefit asset recovery performance or result in crime reduction or benefit the community would be acceptable. The Scheme has been monitored every year and the results show that over 90% of ARIS money is re-invested in asset recovery work such as recruitment of financial investigators and the balance is spent on police operations and community projects.
- 2.6.** The majority of this money, (£210k for 2018/19) has been used to pay for the salaries of 5 Surrey Police Economic Crime Unit (ECU) Financial Investigators. Between 2011 and 2015, an additional £200k (£50k per annum) was used to pay for temporary ECU Financial Intelligence Officers (FIO's). In addition to supporting these posts, POCA income has also supported the corporate budget in the past, this was withdrawn in 2016/17.
- 2.7.** The approval of POCA funding is managed within the Force by the Head of Finance and ACC Specialist Crime, with a statement of performance being reported to the PCC. The Head of Finance completes an annual Home Office monitoring form, confirming the amount of ARIS money received for the year and how this has been spent.

3. Current Performance

3.1. For the last financial year (2018/2019), Surrey Police obtained x21 POCA Confiscation orders totalling £2,447,103.24. Of this amount £962,377.81 was payable as compensation to victims and represented a 61% vs 39% split in favour of confiscation. Furthermore Surrey Police obtained POCA x45 Cash Forfeiture orders totalling £344,488.51

3.2. This financial year (1/4/2019 onwards) Surrey Police have obtained x9 POCA Confiscation orders totalling £974,213.34. Of this amount £897,912.34 is payable as compensation to victims and to confirm, when these orders are paid to Her Majesty's Magistrates Court Service (HMCTS), Surrey Police will only receive ARIS at 18.75% on the difference between confiscation and compensation i.e. £76,301.

4. Finance

4.1. POCA funding is paid to the force quarterly in arrears by the Home Office. The table below shows the total funding received over the last three years. Of note Q2 receipts for 2018/19 show £413,000. This payment relates to Operation Florida a large scale money laundering investigation involving Bitcoin.

		2016/17	2017/18	2018/19
ARIS Receipts	Qtr 1	64,583	23,331	247,687
	Qtr 2	74,619	37,550	413,003
	Qtr 3	38,091	34,688	
	Qtr 4	223,473	26,378	
TOTAL RECEIPTS		400,766	121,947	660,689
FUNDED EXPENDITURE		(210,000)	(265,000)	(210,000)

* Only quarters 1 & 2 receipts have been credited to Surrey Police due to issues at the Home Office

4.2. The table below shows how the funding has been allocated for 2018/19 and over the past three years.

Proceeds of Crime Act (POCA) - Financial Position as at July 2019

	2016/17	2017/18	2018/19 *	2019/20
Opening Balance	271,329	462,095	319,043	769,732
Expenditure				
Funding for 5 x FIO Posts	(210,000)	(210,000)	(210,000)	(210,000)
Funding for SOC Co-Ordinator		(25,000)		(50,000)
Select DNA		(30,000)		
County Lines Co-Ordinator				(50,000)
Op Spearhead ANPR				(57,000)
Truecall				(8,764)
Little Book of Scams				(8,000)
Serious/HH Offenders Algorithm				(8,000)
Victims of Cuckooing Support				(35,000)
Income				
Asset Recovery Incentivisation Scheme (ARIS)	400,766	121,947	660,689	nil
Closing Balance	462,095	319,043	769,732	342,968

- 4.3.** The 2017/18 closing balance has been used to fund the 2018/19 financial investigator posts in advance of any funding being received. Some of the surplus was allocated to part fund, for twelve months, the recruitment of a SOC (Prevent) Coordinator; this post has now been made permanent and will continue to be funded through the POCA account.
- 4.4.** A number of community projects have been allocated funding for 2019/20, namely, Operation Spearhead (£57k) to support the force response to Serious and Organised Crime; County Lines Co-Ordinator (£50k) post to support delivery of the force response to tackling a national issues relating to County Lines Drug supply; True call service (£9k) and publication of The Little Book of Big Scams (£8k) to help protect Surrey victims of Fraud.
- 4.5.** Finally, there are a further three pending applications for 2019/20, namely to support the development of a Serious High Harm Offenders IT algorithm (£8k) and an application to support a county wide Victims of Cuckooing Project (£35k).

5. In conclusion

- 5.1.** The Detective Superintendent with responsibility for Serious Organised Crime & Economic Crime considers that POCA funding is currently being used to its maximum benefit, and is aligned with other forces.

6. Decision[s] Required

- 6.1.** This paper is for information only.