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PCC MANAGEMENT MEETING

Date: 18th November 2015

Item: 06

PROCEEDS OF CRIME ACT 2002

1. Purpose

- 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). A meeting to discuss the proposals in this paper was held between the Deputy PCC and ACC Local Policing on 28 October 2015.

2. Background

- 2.1. The Proceeds of Crime Act was introduced in 2002 which provides for the confiscation or 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 and Confiscation Orders, obtained under the Proceeds of Crime Act 2002. The Force receives 50% of cash forfeitures and 18.75% of confiscation orders fulfilled the total of the receipt due is top sliced by 3%. A chart at Appendix B shows the performance of all Forces for quarter 1 of 2015/16.
- 2.4. The Police and Crime Commissioner has requested that surplus POCA funds are directed towards overt policing activity to the extent that it became visible to the public.
- 2.5. The income stream from POCA is volatile, but over the past six years, Surrey Police has received an average of £292K per annum.
- 2.6. The Home Office arrangements for ARIS state that "the use of incentive payments is a matter for each agency but incentive payments should be used to further drive up performance on asset recovery and, where appropriate, to fund local crime fighting priorities for the benefit of the community".
- 2.7. Historically, the majority of this money, £260K, has been used to pay for the salaries of 7 of the Surrey Police Economic Crime Unit (ECU) Financial Investigators.
- 2.8. In addition to supporting these posts POCA income has supported the revenue budget to the sum of £143k for each of the last three years.
- 2.9. Any POCA funding received in addition to the above remains on the force balance sheet, some of which was historically allocated by the Force to local community

schemes, through a community grant application process. The last grant scheme was in 2013 as the Office of the PCC took on this responsibility and employed the Community Safety Fund to meet these bids.

3. 2014/15 Financial Year

- 3.1. During 2014/15 Surrey Police identified a short term POCA surplus of £200k.
- 3.2. Each Chief Superintendent was tasked with providing a short operational plan on how the £200k would be utilised and this was to be reported back via the ACC SMT meeting.
- 3.3. It was agreed at Chief Officer Group (COG) that the funds would be divided into four areas, each focusing directly on visible policing activity against force priorities:
 - £50K for each division to target violence
 - £50K for Operations Command for to visibly tackle KSIs and anti-social driving
- 3.4. A subsequent paper was prepared for DCC Ephgrave within which opportunities were detailed for consideration for using the POCA funds to support the PCC's Peoples' Priorities.
- 3.5. At the same time a paper on the force forecast underspend was also taken to COG. This allowed the additional visible policing activity to be funded from the core force budget. The result being that the additional expenditure on visible policing did not draw down on the POCA funding. A copy of the bids supported is at Appendix A.
- 3.6. Roads Policing used £16K POCA funding in support of visible policing in respect of Operation Drive Down.

4. Finance

- 4.1. The POCA funding is received via the Asset Recovery Incentivisation Scheme (ARIS), which is paid to the force quarterly in arrears by the Home Office. This funding currently pays for 7 Financial Investigator posts in the Economic Crime Unit costing £260k per annum (5 permanent posts and 2 additional temporary posts have been funded since 2011/12).
- 4.2. In addition to supporting these posts the revenue budget includes a POCA income budget totalling £143k.
- 4.3. Any POCA funding received in addition to the above remains on the force balance sheet.
- 4.4. The table below shows the total POCA funding received over the past six years. The annual average over the period was £292k; this reduces to £240k excluding 2013/14 which was an unusually high year.

Funding Received

Year	£
2014/ 15	240,434
2013/ 14	553,360
2012/ 13	230,844
2011/ 12	213,608
2010/ 11	155,617
2009/ 10	357,181
6 Year Total	1,751,044
6 Year Average	291,841

4.5. The table below shows how the funding has been allocated for 2015/16 and over the past four years.

Proceeds Of Crime Act (POCA) - Financial Position as at October 2015

	ACTUAL £ 2011/12	ACTUAL £ 2012/13	ACTUAL £ 2013/14	ACTUAL £ 2014/15	ACTUAL £ 2015/16
Opening Balance	(786,471)	(667,296)	(505,412)	(634,922)	(456,021)
Expenditure					
Revenue funding for 5 FIO Posts	210,000	210,000	210,000	210,000	193,965
Temporary Requirement for 2 FIO Posts	50,000	50,000	50,000	50,000	77,586
Corporate Funding to support annual budget	54,000	112,728	143,000	143,000	143,000
POCA Cash To Communities	18,783	20,000	20,850		
Op Drive Down				16,335	
Total Expenditure	332,783	392,728	423,850	419,335	414,551
Income					
Asset recovery Incentivisation Scheme (ARIS)	(213,608)	(230,844)	(553,360)	(240,434)	(21,730)
Closing Balance	(667,296)	(505,412)	(634,922)	(456,021)	(63,200)
Forecast: 2015/16 ARIS Receipts					(218,270)
Forecast 2015/16 Year End Balance					(281,470)

4.6. The 2014/15 funding (£240K) did not cover the Financial Investigator posts (£260K); the shortfall has been met from prior year surpluses.

4.7. The 2014/15 closing balance (£456K) has been used to fund the 2015/16 Financial Investigator posts and the revenue income budget in advance of any POCA funding being received.

4.8. If the POCA funding remains at the forecast position of £240k per annum, the current surplus will be fully utilised in 2017/18. This will then mean that only £97k (£240k less £143k revenue budget) will be available to fund Financial Investigator posts in the future.

4.9. A paper written in October 2014 titled 'Surrey POCA Funding Surplus Options' recognised that based on a future average receipts of £250k per year there would be enough funds to support the Financial Investigator posts for 2 years (2015/16 & 2016/17) and allow an investment of £150k into initiatives.

4.10. The above position was arrived at without considering the future financial profile which if the funding and expenditure remained the same the POCA fund would move into deficit which is shown in the following table. To balance the position a decision would need to be made on whether to maintain the level of financial investigators or make a growth bid.

Proceeds Of Crime Act (POCA) - Forecast Financial Position

	FORECAST £ 2015/16	FORECAST £ 2016/17	FORECAST £ 2017/18	FORECAST £ 2018/19
Opening Balance	(456,021)	(281,470)	(106,919)	67,632
Expenditure				
Revenue funding for 5 FIO Posts	193,965	193,965	193,965	193,965
Temporary Requirement for 2 FIO Posts	77,586	77,586	77,586	77,586
Corporate Funding to support annual budget	143,000	143,000	143,000	143,000
Total Expenditure	414,551	414,551	414,551	414,551
Income				
Asset recovery Incentivisation Scheme (ARIS)	(240,000)	(240,000)	(240,000)	(240,000)
Closing Balance	(281,470)	(106,919)	67,632	242,183

4.11. A note of warning in respect of the forecast receipts as the Force has achieved an average of £240k per year this is not even profile with a high of £553k and low of £156k. The first quarter receipt in 2015/16 is a low £22k which if a similar amount is received in the following 3 quarters will total less than £90k. If this transpires the fund will be in deficit next year (2016/17). As the work of the Serious & Organised Crime Unit moves more towards targeting high risk public protection offenders, such as those engaged in Child Sexual Exploitation, there is a risk that POCA receipts will be lower than when activity is focused on drugs trafficking.

5. Options for 2015/16 Financial Year

- 5.1. During the 2015/16 FY divisions and departments have been maintaining a list of additional visible policing activity that could draw on POCA funding. The list as at October 2015 is shown at Appendix C, with activity totalling an estimated £224K.
- 5.2. The Deputy PCC and ACC Local Policing met to discuss what proportion of the POCA receipts should be allocated to visible policing activity. It was noted that a full allocation would require a growth bid to be submitted for the Financial Investigator posts, which are central to generating POCA receipts.
- 5.3. An agreement in principle was reached to fund the Financial Investigator posts and establish a POCA fund for visible policing. This would require the removal of the 'Corporate Funding to support annual budget'. See table above.
- 5.4. It was discussed that the benefit of POCA should be recognisable and visible to the public and that one option to achieve this was the provision of specifically marked police vehicles. A patrol car for each of the 3 divisions, depending upon specification, would cost around £14K each.
- 5.5. In addition some of the activities at Appendix C could draw down on POCA funding, the choice of which decided upon by a panel jointly chaired by the Deputy PCC and ACC Local Policing.

6. Proposal for 2016/17 Financial Years Onwards

- 6.1. Operational requests for POCA funding typically exceed available funds. In addition, the POCA receipts and forecasts need to be kept under active review, alongside the Financial Investigator posts required.
- 6.2. It is proposed that in future years a panel jointly chaired by the Deputy PCC and ACC Local Policing meets 2 to 3 times per year to decide:
 - The proportion of POCA funds available for visible policing
 - The management and allocation of funding to bids

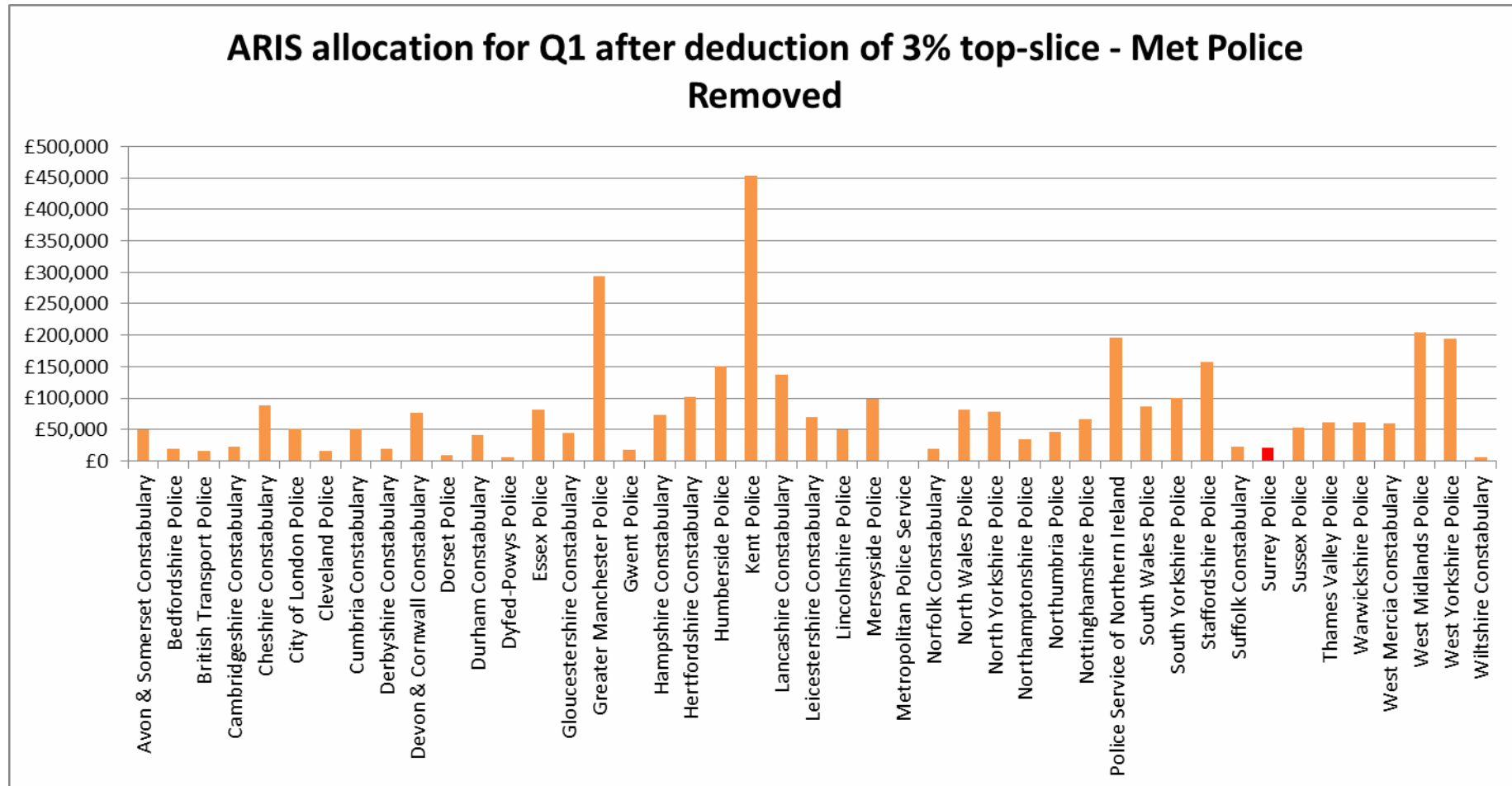
7. Decisions Required

- 7.1. Maintain 7 Financial Investigators posts from POCA receipts.
- 7.2. Delete the Corporate Income Budget.
- 7.3. For 2015/16 FY purchase 3 divisional patrol cars visibly marked as provided by POCA and remit branding design to Corporate Communications & OPCC Communications.
- 7.4. For 2015/16 FY allocate remaining funds to some of the activities in Appendix C. Decision to be remitted to panel as at 5.5.
- 7.5. Retain the panel to manage activity in subsequent financial years.

Appendix A – see separate Excel file

Appendix B

Quarter 1 2015/16



Appendix C – POCA Funding Requests 2015/16

Owner	Description	Amount	Comment from ACC SMT
West	Purchase of Thermal Imaging Camera to assist in gathering intelligence in order to identify potential locations of organised crime cannabis factories. Equipment may also be used in other areas of business such as locating vulnerable missing persons at night.	£4,500	Strong operational case, but not visible to the public.
West	Consolidation of covert operation Bedford Road (completed October 2015) resulting in multiple arrests and charge for drugs supply.	£500	Well evidence community benefit.
West	ASB Cards to deliver to local residents about closure or interventions of premises concerned in ASB.	£1,000	Ongoing benefit an opportunity to mark with POCA branding. Recommended.
West	Drug Testing Devices in custody in order to carry out dip sampling for known Surrey drug offenders.	£36,000	Not visible to the public.
West	Operation Etamin – visible proactive police operation to disrupt insurgent gang members from entering and becoming active in Surrey. NB: some overtime costs sat in previous financial year but Operation Etamin was still live in April 2015.	£78,000	Essential, effective and visible operation, however most operational activity was in 2014.
North	Operation Guria – proactive drugs operation.	£15,000	Strong operation, but better met from routine operational funds.
North	Operation Gordon – response to Thames Valley Police CSE Organised Crime Group.	£3,500	Additional activity at short notice on high risk case. Critical, but not visible to the public.
North	Shepperton Fair – high visibility policing due to previous episodes of violence.	£1,500	Strong operation, but better met from routine operational funds.
North	Operation Hexham – response to insurgent drug dealers.	£9,000	Strong operation, but better met from routine operational funds.

North	Local Proactive Team covert camera.	£3,000	Not visible to the public.
North	Selecta DNA Kits for all northern boroughs.	£11,000	To be met from Operation Candlelight.
North	Operation Hyperian – high visibility operation in Sunbury.	£4,500	Under review by C/Supt Boshier.
North	Test purchase operation relating to sale of alcohol to underage persons	£1,500	Covert activity, with overt and high profile benefits. Recommended.
North	ANPR	TBC	Under review by C/Supt Boshier.
East	Overtime for high visibility patrols/operations as follows: Epsom and Redhill Town Centres Town centre violence (234 hours) Operation Brown (150 hours) Operation Cabot (50 hours) Longmead Estate (50 hours)	£12,100	Strong operations, but better met from routine operational funds. Longmead Estate worthy of review and reconsideration if additional funds become available.
Contact	Operation Signature – priorities are to identify those vulnerable to fraud at first point of police contact generating a visit from the Safer Neighbourhood Teams who will carry out risk assessments and engage appropriate agencies to safeguard against crime.	£15,000	Adopted & adapted from very successful Sussex Police operation. Visible, necessary and protecting the vulnerable. Highly recommended.
Force	Operation Candlelight burglary reduction and detection operation and campaign.	£28,000	Successful operation adapted and developed from previous years, however unlikely that there are sufficient POCA funds available. Operation Signature is a new initiative.
CURRENT FORECAST	Total of requests to date.	£224,100	

Force Revenue Underspend proposals

Ser a	Proposal b	Detail c	Nominee d	Cost 1 e1	Cost 2 e2	Impact on Performance priorities f	Comment g	Performance Alignment h	Revenue in year i
1	Op Dogmatic – covert policing of night-time economy	This is to tackle town centre violence with early intervention and links to item 2 in both Guildford and Woking. Could be run in isolation from 2. Use of evidence gathering teams £3,000.	HC	160 hours of overtime per weekend (2 nights) based on an average PC at 1.5x = £3200 per weekend - the request is for 4 weekends, plus evidence gathering at £3k = £15,800	£ 15,800	Designed to reduce and detect violent crime whilst also tackling anti social behaviour - FORCE PRIORITY	4 covert officers for Woking and 6 at Guildford per night working a 6-2 shift (flexible) to make early interventions in support of established nightguard resources on West	√	√
2	Open Woking custody on Fri and Sat nights in lead up to Xmas.	In support of above, to process prisoners quickly and ensure resourcing in the run up to Christmas. The proposal is to open Woking custody from Late turn on Friday through to early turn on Sunday for the 4 weeks prior to Christmas when there is an uplift of persons enjoying the festive activities in Woking and Guildford.	HC	52 hours of duty time is needed for each post per weekend. One weekend on average would cost £6100, therefore 4 weekends would equate to £24,400	£ 24,400	Designed to support 1 above in relation to 'keeping people safe' and reducing/detecting violent crime - FORCE PRIORITY	Custody can be a bottle neck on west for weekend robust poicing. The opening would be in support of increasing the throughput in a timely fashion whilst reducing travelling time and supporting resource on the ground. Having consulted with Custody this would require 2 sergeants and 3 DDOs/PCs per shift on overtime.	√	√
3	Mediation service	There are a number of elements that require funding in order for the mediation service to support the police. Training new mediators and further training for current mediators in specific areas of mediation eg. intergenerational and restorative justice. Establishment of hub for the county mediation service will allow them to take referrals from the police. Training is required for officers in order to risk assess disputes and consider whether mediation is appropriate. There is scope for this to be rolled out in house with the aid of volunteers from the mediation service. It would be beneficial to link the force technology with that of the mediation hub. This may require the aid of a small project team but will reduce admin in the future.	JB	The total for training is £22500 . <u>Training</u> 30 new mediators are required cross the county. To train 30 mediators will cost £16500 (£550/person). Specialist intergenerational and restorative justice training is required for 20 mediators on each course (40 total), this will cost £6000 (£150/person). <u>Setting up a County-wide Hub</u> The costs we would be looking to cover are: Furnishing an office - desks, chairs, phones, ICT equipment, broadband set up. Website - Improving the current website to cover the county and increase functionality.	£ 22,500	Using the mediation service to resolve low level neighbourhood disputes would reduce the demand on officers (mainly TPT and NHs) and therefore reduce costs. It would increase public satisfaction as disputes would be dealt with appropriately and quickly, improve performance and reduce crime caused by the escalation of neighbourhood issues. It may also prevent the reoccurrence of crime, particularly in young offenders as offenders get a greater understanding of the impact of their behaviour.		?	√
4	SEPURA radio sets for ARVs	SEPURA radios would allow ARVs to link in with the surveillance team when supporting them on covert tasks.	JB	Total £35k The cost of a handset is approximately £1700 and a cradle is £600 or to fit a vehicle unit is £3500 . The number of units is yet to be determined (approx 10).	£ 35,000	This would enable better communication between covert officers and ARV support vehicles. This would increase officer safety, as well as the safety of the public and the subject.	Any conflict with JTS fit out	?	√

Ser	Proposal	Detail	Nominee	Cost 1	Cost 2	Impact on Performance priorities	Comment	Performance Alignment	Revenue in year
a	b	c	d	e1	e2	f	g	h	i
5	EDIT training	This will allow officers to test for cocaine and amphetamines immediately after it has been siezed. This enables a charge of caution to be given and save time and money sending as it does not need to be sent to the lab.	JB	It will cost £14,300 to train 99 officers (16PIU, 10 CID, 7 LPT per division) this is £145 per officer	£ 14,300		POCA Surplus nomination:	√	√
6	Mobile scanners for footwear	for officers to seize footwear in the first instance, and can take a scan of footwear during PACE searches. A larger number of shoes can be scanned which will create a footwear database. This will help to detect burglaries and provide grounds for arrest. Such equipment will save time and space in the property store	JB	Total: £3000 (each unit approx £500)	£ 3,000		POCA Surplus nomination: Any future cost commitment - ICT impact?	√	√
7	Investment into call-handling performance	Over the next few months the CTC and FCR are training a very large number of new staff. This is to deal with the identified risk to call handling performance caused by the introduction of Niche and acute short staffing. This peak in training is anticipated to further negatively impact upon performance and create serious reputational risk. To offset this problem it is anticipated that a period of increaed overtime spend will be necesssary to get the department over the 'hump'. There is some projected underspend within Contact and Deployment (£300K approx) but some contingency is bit for out of the projected force underspend.	Mgo	£100K	£ 100,000		POCA Surplus nomination:	√	√
8	ID scanners for licenced premises 'Scannet'	Surrey deals with a large volume of alcohol related incidents consuming police and licensing officers' resources in a bid to keep people safe and monitor the licensees. Scannet monitors the entry into licensed establishments, speeds up lengthy queues and reduce the possibility of entry to those that are banned from licensed premises anywhere in the UK. The equipment would be purchased by the police and used in problem premises to reduce issues. East Surrey currently has one unit, but an additional 4 units, to be spread across all divisions would enable a significant impact to be made on alcohol relates anti-social behaviour. (A monthly cost would be incurred to be absorbed by the licensee - £149.00)	CD	£20k (£5k per machine)	£ 20,000		POCA Surplus nomination: Any future cost commitment - ICT impact?	√	√
9	Metal wands for searches	These would be used to safely detect needles and sharp objects when conducting searches. This reduces the risk of needle stick injuries and increases the chance of detecting drug paraphernalia that may have been missed otherwise.	JB	£4644 (10 per division at £154.80 each to be kept in TPT cars)	£ 4,644	This is important for officer safety and injury reduction.	POCA Surplus nomination: Any future cost commitment - replacements?	√	√

Ser	Proposal	Detail	Nominee	Cost 1	Cost 2	Impact on Performance priorities	Comment	Performance Alignment	Revenue in year
a	b	c	d	e1	e2	f	g	h	i
10	Burglary Campaigns	Operational activity to target offenders and vulnerable areas during known periods of increased offending, e.g. candlelight. OT fund for operational activity – controller & patrols. Control Room (168hrs on OT). 230hrs (on OT) for Proactive preventative teams.	JB	Total £24,750 - (Media campaign £15k; Police Staff £4,000; Police Officer = £5,750)	£ 24,750		POCA Surplus nomination:	?	√
11	Buddy tags	GPS tag for PPOs 24/7. Opportunities for extension to use on high risk offenders. Trial on northern was very successful – funding finishes Jan for Northern. Use is voluntary and is useful for offenders who want to change their ways and encourages them not to offend.	JB	Total - £36k. Ongoing revenue cost after 1 year restricts use to 1 year (each tag £200 per month, per unit. 5 tags per division for 1 year.	£ 36,000		POCA Surplus nomination: Procurement?	?	√
12	OCG disruption	Overtly targeting OCGs involved in a range of criminality within Surrey. Funds to provide staffing and resourcing. 5 OCGs highlighted for consideration.	RB	Total - £25k (£5k per OCG).	£ 25,000		POCA Surplus nomination: What is being paid for?	?	?
13	Pedal cycle registration equipment	Pedal cycle theft is an ongoing issue across the county, but in particular East Surrey's Epsom & Ewell where there has been a significant spike in offences over the last 12 months. Local neighbourhood teams continue to drive bike registration in an attempt to reduce the issue, in conjunction with proactive visits to schools and clubs. Currently, equipment available for bike registration onto the national property register is held at Reigate and therefore has to be shared across the Eastern division. A specific machine for this problem area would enable better access to the public for registration, being there when people need us and tackling criminality.	CD	Total £1600 - (Immobilise licence £800; Labels £300 per roll (1K on a roll); Laptop for entering registration & placing the licensed equipment on £500)	£ 1,600		POCA Surplus nomination: Any future cost commitment - replacements?	√	√
14	Cybercrime data storage	To provide a scalable and resilient data storage option by creating a fully deployable domain with security and file control in place, suitable for future configuration needs. One off payment.	RB	Total £32k - (Hardware, racks, network equipment and licensing).	£ 32,000		POCA Surplus nomination:	√	√
15	'Kinesense' visual footage analysis system	A 2 week trial by the Proactive team, of 'Kinesense' which analyses, police, covert and 3 rd party footage, also with ability to filter and detect movement within parameters has demonstrated a 25% reduction in time it takes to review 24hrs of CCTV. Large saving on opportunity costs. One off payment.	RB	Total £13,500 - (£11500 single machine & £2k software and hardware)	£ 13,500		POCA Surplus nomination: Any future cost commitment - ICT impact? Procurement	?	√
16	Targeting Legal Highs	Co-ordinated enforcement campaign across County to deal with outlets for illegal highs. Dave Leeney has the portfolio lead.	RB	Total £1k - (For test purchasing)	£ 1,000		POCA Surplus nomination:	?	√

Ser a	Proposal b	Detail c	Nominee d	Cost 1 e1	Cost 2 e2	Impact on Performance priorities f	Comment g	Performance Alignment h	Revenue in year i
17	Surrey POLIT - IT requirements	In order to maximise the abilities and workflow of Surrey POLIT in the short to medium term there is a requirement for the following (priority order): (1) increase the Server Storage: The current 36Tb of storage is currently 95% full - requirement for a larger single storage area (160Tb). (2) 8 x new forensic workstations to replace outmoded machines (3yrs +). (3) enCase training for 2 new investigators to enable them to progress investigations more expediently;	P Furnell	(1) Server Storage total: £45k ; (2) New Forensic workstations £40k ; (3) enCase training £3100 .	£ 88,100			?	√
18	Custody - redesign of bridge area of Guildford and Staines Custody suites	Feasibility costings (building design/quote) for redesign of the bridge area at Staines and Guildford Custody. This will allow additional booking in stations at Guildford to speed up waiting times and at Staines to improve the layout of the bridge and provide privacy screens and better CCTV monitoring.	AB	£20k	£ 20,000		The lack of privacy at Staines was highlighted in the 2010 HMIC inspection as an AFI. The feasibility costing will allow for a detailed capital bid to be submitted 2015/16.	?	√
19	Custody - Installation of microphones at Salfors Custody	Microphones into cells at Salfords Custody so that there is an audio facility like that at Woking, Staines and Guildford cells.	AB	£5.5K	£ 5,500		There is audio facility within the corridors at Salfords but not in the cells therefore when reviewing adverse incidents if the cell door is shut only visual evidence is available. Whilst there is no HO requirement for audio this would bring Salfords in line with the other suites and would greatly assist in adverse incident review and any potential IPCC investigations.	√	√
19	CJ - Computers & VPN cards for QA DSs	3 x laptops and VPN cards for QA DSs to use in Mags EAH courts to improve case file management and attrition rate through immediate access to relevant information in a timely fashion.	AB	£2.5k	£ 2,500		This will greatly support the current attrition improvement plan which includes QA DSs being SPOC within the court setting each week.	√	√
20	Service Quality - OT	200 hours O/T to support VFT in clearing crime 'buckets' (hidden crimes) on Niche to reduce risk of those crimes which may not have been finalised properly or remain live without investigation. This may also improve detection rate once those hidden crimes are reviewed.	HB	£3,200. Based on O/T rate for grade F staff at £16 p/h.	£ 3,200		There are over 2000 crimes which fall into this category and need reviewing therefore this is a high risk to the Force.	√	√

TOTAL:**£ 492,794**