



POCA Performance

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What are the Policing Principles?

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 income stream from POCA is unpredictable, over the past eight years, Surrey Police has received an average of £294k per annum.
- 2.6.** 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.
- 2.7.** The majority of this money, (£210k for 2017/18) 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.
- 2.8.** For three years from 2011/2012, the POCA Cash for Communities scheme ran and made sixteen payments totalling £60k to support community initiatives that reduced crime, reduced fear of

crime, helped combat anti-social behaviour or complemented local policing priorities. 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.

- 2.9. 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 (2016/2017), Surrey Police obtained x 56 POCA Confiscation orders totalling £2,726,022.31. Of this amount £576,908.34 was payable as compensation to victims and represented a 79% vs 21% split in favour of confiscation.
- 3.2. This financial year (1/4/2017 onwards) Surrey Police have obtained x 24 POCA Confiscation orders totalling £1,437,787.69. Of this amount £968,845.78 is payable as compensation to victims and to confirm, when these orders are paid to HMCTS, Surrey Police will only receive ARIS at 18.75% on the difference between confiscation and compensation i.e. £468,941.90.

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 past eight years. The annual average over the period was £294k; this reduces to £257k excluding 2013/14 which was an unusually high year.

Funding Received

Average Income

Year	£
2016/17	400,766
2015/16	201,973
2014/15	240,434
2013/14	553,360
2012/13	230,844
2011/12	213,608
2010/11	155,617
2009/10	357,181
8 Year Total	2,353,783
8 Year Average	294,223

- 4.2. The table below shows how the funding has been allocated for 2017/18 and over the past four years

Proceeds Of Crime Act (POCA) - Financial Position as at November 2017

	ACTUAL £ 2013/14	ACTUAL £ 2014/15	ACTUAL £ 2015/16	ACTUAL £ 2016/17	ACTUAL £ 2017/18
Opening Balance	(505,412)	(634,922)	(472,356)	(271,329)	(462,095)
Expenditure					
Revenue funding for 5 FIO Posts	210,000	210,000	210,000	210,000	210,000
SOC Coordinator Post (12 months funding)					25,000
Temporary Requirement for 2 FIO Posts	50,000	50,000	50,000	-	
Corporate Funding to support annual budget	143,000	143,000	143,000	-	
POCA Cash To Communities	20,850				
Op Drive Down					
Total Expenditure	423,850	403,000	403,000	210,000	235,000
Income					
Asset recovery Incentivisaion Scheme (ARIS)	(553,360)	(240,434)	(201,973)	(400,766)	(23,331)
Closing Balance	(634,922)	(472,356)	(271,329)	(462,095)	(250,427)
Forecast: 2017/18 ARIS Receipts					(150,000)
Forecast 2017/18 Year End Balance					(400,427)

- 4.3. The 2016/17 closing balance has been used to fund the 2017/18 financial investigator posts in advance of any funding being received. Some of the surplus has also been allocated to part fund, for twelve months, the recruitment of a SOC (Prevent) Coordinator post.
- 4.4. Asset recovery is dependent on the priorities of the Force and as such it is acknowledged that POCA receipts will reduce as the work of the Serious & Organised Crime Unit focusses its efforts away from drugs trafficking to targeting those involved in Child Sexual Exploitation, Modern Slavery and Human Trafficking.
- 4.5. If receipts increase in the future, this may give rise to invest more POCA funding into Community Safety. This should be reviewed on an annual basis along with the financial investigator posts requirements

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.