

POLICE AND CRIME COMMISSIONER FOR LANCASHIRE



PROCEEDS OF CRIME ACT FUNDING

BACKGROUND:

The Proceeds of Crime Act, 2002 (PoCA) and three further pieces of legislation provide the legal framework for law enforcement agencies, including the constabulary, to recover the financial gains made by those involved in criminal activity. The routes by which the money is recovered is through the following five processes:

- i) Civil Procedure in a Magistrates Court) "POCA"
- ii) PoCA confiscation through a Crown Court)
- iii) Misuse of Drugs Act forfeitures
- iv) Police and Criminal Sentencing Act
- v) Police Property Act

POCA and associated resources are secured by the Constabulary from offenders through a team of financial investigators who are currently funded through the income generated.

The Constabulary currently hold a POCA "Equalisation Reserve" of £554K (reported at 31/3/14) to ensure sufficient funding is available to meet the costs of the Financial Investigators and associated legal costs, regardless of the level of POCA funding recovered in any one year. Where POCA funding exceeds the £680K level an amount is transferred into the reserve.

Police Property Act:

Legislation for the Police Property Act requires that the fund is used for Chief Constable's charitable purposes. In Lancashire this is the LANPAC Charity with an agreement that the Chief Constable can transfer up to £20,000 per year of funding without seeking further approval from the Commissioner. For any additional funding over £20,000 a formal Commissioner's decision is required.

TRANSFER OF POCA FUNDING TO THE COMMISSIONER AND THE MAINSTREAM FUNDING OF THE INVESTIGATION TEAM:

It is proposed that POCA funding will be transferred to the Commissioner to be administered by the OPCC in line with the Commissioners Aims and Priorities and in particular to support community based approaches to tackling crime and criminal activity.

To enable the Financial Investigators, Legal Costs and other supporting cost to be mainstream funded the Constabulary are proposing that a range of other discretionary spending is transferred to the OPCC, for funding either from POCA funding or existing Commissioner budgets, e.g. Partnership & Community Safety Fund. The total cost of the Investigation Team and Legal Costs are £680,000.

POLICE AND CRIME COMMISSIONER FOR LANCASHIRE



The Constabulary have proposed that the following items are transferred to the OPCC:

ITEM	AMOUNT £
LCC YOT contribution	153,600
Blackpool Unitary YOT contribution	42,000
Blackburn w Darwen YOT contribution	24,000
MADE Data Sharing website	7,000
Crime stoppers	42,000
Local Safeguarding Children's Board LCC	44,000
Local Safeguarding Children's Board Blackpool	22,000
Local Safeguarding Children's Board Blackburn	13,000
MAPPA Coordinator	26,000
Safe Centre	260,000
Lost Children's Centre (Blackpool)	9,300
Operation Liberal (Distraction Burglary)	16,000
TOTAL:	658,900

The proposed items for transfer to the OPCC for funding would sit within the Commissioner's commitment to partnership working and provide an opportunity for further detailed discussion with these partners regarding the use of this funding to support the Commissioner's Aims and Priorities.

Funding of other Initiatives:

In addition to the Financial Investigators, Legal Costs and other supporting cost detailed above, constabulary officers have been able to submit applications into the Fund for one-off resources or initiatives that are in the interests of the prevention/detection of crime or the apprehension/detention of offenders.

Applications have been for items which would not normally be funded from the main police budget and have no recurring support or maintenance costs. The level of funding available for these applications is dependent on the amount of funding secured in the year.

When POCA funding is transferred to the Commissioner it is proposed that these applications would be submitted to the OPCC for consideration and approval.

POCA EQUALISATION FUND:

The Constabulary have established a POCA "Equalisation Reserve" of £554K (reported at 31/3/14) held by the Commissioner to ensure sufficient funding is available to meet the costs of the Investigation Team, regardless of the level of POCA funding recovered in any one year. Where POCA funding exceeds the £680K level an amount is transferred into the reserve.

The POCA 'equalisation reserve' will be held by the Commissioner to provide additional one-off funding for POCA related spending. Any underspend on the POCA

POLICE AND CRIME COMMISSIONER FOR LANCASHIRE



revenue budget will be transferred into the POCA reserve at the end of each financial year.

APPLICATION PROCESS:

It is recommended that the process for applying for funding from the POCA Fund is aligned with the process used for funding held by the Commissioner in the Partnerships & Community Safety Fund and Victims and Witnesses Commissioning Fund.

Whilst the Commissioner's existing commissioning and grant processes are designed primarily for external agencies and partners the use of POCA funding will also take into account applications received from the Constabulary as well as identifying suitable community uses for the funds.

An initial verbal discussion is undertaken for any applications to the Partnership & Community Safety Fund to assess how they support the Commissioner's Aims and Priorities. Where an application appears to clearly support these, a Commissioning and Grant Agreement Form is then completed with Outputs and Outcomes agreed with the Commissioning Manager in the OPCC.

Where an application is for use of funding not already agreed by the Commissioner a summary of the Commissioning and Grant Agreement Form is submitted to the Commissioner for a formal decision.

It is proposed that a similar process is adopted for funding applications from the Constabulary with the Commissioning and Grant Agreement Form being signed off by a suitable senior member of the Constabulary.

The Commissioner, supported by the OPCC will assess which particular funding stream, Partnerships & Community Safety, Victims and Witnesses Commissioning or POCA will be used to support each application and whether alternative external funding options may also be suitable.

A copy of the current Commissioning and Grant Agreement Form is attached.

POLICE AND CRIME COMMISSIONER FOR LANCASHIRE



RISKS AND IMPLICATIONS:

There are a number of Risks and Implications associated with the transfer of the use and allocation of POCA funding to the Commissioner.

1. Insufficient Funds

- 1.1 Should insufficient funds be retrieved through the Courts and other processes the responsibility for funding any recurring agreements or ongoing partnership arrangements would sit with the Commissioner.
- 1.2 This will be reported and managed as part of the budget monitoring process through which appropriate action to deal with any shortfall in income will be determined.
- 1.3 Income from POCA and costs incurred in the recovery process will be monitored over the medium to long term to ensure that value for money continues to be delivered.

2. Reduced Incentive for Officers

- 2.1 There is a risk that the ability to assist operational police officers by funding crime fighting activities is seen to have reduced. However, the ability for the constabulary to bid into commissioning funds held by the Commissioner will mitigate this minimal risk
- 2.2 The Constabulary have confirmed that they will ensure that the focus on recovering assets is maintained and are keen to try to maximise recovery through more proactive work with Partner agencies.

3. Using Proceeds of Crime Funding

- 3.1 Whilst POCA funding has been used for initiatives and resources that benefit local communities, historically this has not always been widely publicised. The transfer of use of the funding to the Commissioner provides an opportunity to increase the understanding and awareness of the community about the use of POCA funding.
- 3.2 There may, however, be a need to manage expectations regarding the amount of funding and the direct availability of this for local groups to access and use. An option may be to add some POCA funding to the Community Action Fund, or rebrand this as being based on POCA funding with the current funding being used for other projects and initiatives currently supported by POCA.

POLICE AND CRIME COMMISSIONER FOR LANCASHIRE



NEXT STEPS:

1. It is proposed that the transfer of POCA funding to the Commissioner and the transfer of responsibility for the funding of the partnership arrangements detailed above is effective from 1 July 2014. This will provide for a clear transition point and a date from which the new application arrangements for Constabulary projects and initiatives would be effective. Any commitments made by the Constabulary before this date will continue to be managed internally
2. It is proposed that an early decision is taken in regard to the allocation of POCA funding to the Community Action Fund, either as additional funding or as replacement funding for the full amount.