

Report of the Director of Corporate Services

Executive Board

DEVELOPMENT FUND APPLICATION

Appointment of an accredited financial investigator for the restraint and confiscation of assets of any person committing criminal offences under the Proceeds of Crime Act 2002.

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1. BRIEF SUMMARY OF PURPOSE OF REPORT.

An application has been received from the Communities Department for the appointment of an accredited financial investigator for the restraint and confiscation of assets of any person committing criminal offences under the Proceeds of Crime Act 2002.

KEY DECISIONS REQUIRED, IF ANY

The report gives an update on the latest position of the Development Fund, and seeks the approval for a recent application to the Fund.

2. RECOMMENDATION(S)

- 2.1 Approval is given in the sum of £50,500 per annum for a period of three years to fund the appointment of an accredited financial investigator for the restraint and confiscation of assets of any person committing criminal offences under the Proceeds of Crime Act 2002.
- 2.2 That the interest is not charged as per amended Development Fund conditions
- 2.3 That Development Fund criteria no 5 be set aside for this application
- 2.4 That the repayment for the above scheme be over four years.

3. REASON(S)

A recent application for financial assistance from the fund has been received from the Communities department for the appointment of an accredited financial investigator for the

restraint and confiscation of assets of any person committing criminal offences under the Proceeds of Crime Act 2002.

4. BACKGROUND AND EXPLANATION OF ISSUES

Development Fund Criteria

5.1 To qualify for Fund support the following criteria were laid down:-

1. Applications are restricted to “one off” type projects and support for recurring costs are not considered.
2. All projects must demonstrate the ability to generate long-term savings to the Authority.
3. Financial assistance from the fund to be repaid over a four year period, inclusive of interest. (Currently due to the economic climate interest is not chargeable)
4. Minimum scheme cost eligible for support is set at £50,000.
5. Financial assistance to any scheme is restricted to 25% of available fund resources.

It must be said however that since its inception the fund has supported projects that did not meet all the above criteria.

5.2 CURRENT POSITION

5.2.1 Some 42 schemes have been supported to date to the value of approx £5.3m by the Development Fund.

5.2.2 Based on the approvals to date, there is £304k available for new projects. This sum will rise to £388k in 2016/17 and £547k in 2017/18 when future repayments to the fund are made.

5.3 NEW APPLICATIONS

5.3.1 An application has been received from the Communities Department for the appointment of an accredited financial investigator for the restraint and confiscation of assets of any person committing criminal offences under the Proceeds of Crime Act 2002.

5.3.2 Scheme Overview:
Scheme Costs

Accredited Financial Investigator @ £50,500 per annum for three years.

Total funding requested £151,500

5.3.3 Fund Repayments

£37,875 per annum over four years, to be met from savings in the cost of

contracting out the financial investigator work and increasing the number of cases investigated.

5.3.4 Scheme Benefits

- Action under Proceeds of Crime Act 2002 (POCA), is vital to disrupt criminal enterprises, through the recovery of criminal assets and to ensure that crime does not pay and is seen not to pay, thereby making it a key contributor to local crime and disorder strategies.
Although POCA is primarily a crime fighting tactic as a disincentive, rather than an income generation tool, there is potential for any income generated to be used to fund further crime reduction work and for community development schemes.
- Since 2009 Trading Standards in Carmarthenshire presently administer several projects directly funded from resources accrued through asset recovery. (This type of initiative is positively encouraged by the Home Office).
- Since 1st April 2006 Local Authorities involved in the confiscation of criminal assets during successful prosecutions are able to access the incentive scheme, which allows them to retain up to 1/3rd of recovered assets.
The funds recovered in this Authority have been used by the Division to develop and deliver a financial literacy educational package across schools within Carmarthenshire (2012 to date) and created the first and only digital forensic facility within Trading Standards in Wales (2010).
- Only accredited Financial Investigators can apply to the Court for investigation orders and other orders under the Proceeds of Crime Act 2002. A specialist post is therefore required to carry out this work on behalf of the Service. Currently Carmarthenshire Trading Standards must engage the services of a 'third party' at a significant cost – usually 50% of the 'incentivisation' confiscation figure.
- Along with a substantial under use of the legislation by this Authority, there are considerable external opportunities for third party work, such as other Local Authorities for a fee, (generally accepted as one third of a confiscation amount or £60 per hour for a compensation amount).
- By employing a dedicated investigator there is a potential that the number of cases will increase and a collateral financial benefit to the Authority and Community will result.

6 OTHER OPTIONS AVAILABLE, AND THEIR PROS AND CONS

Maintain status quo – contract in an outside financial investigator at a cost of up to 50% of the 'incentivisation' confiscation figure, and fail to maximise the number of cases pursued with the

collateral loss of financial benefit to the Authority and Community.

7 COMMUNITY STRATEGY INTEGRATION TOOL

Not Applicable

8 IMPLICATIONS:

1.FINANCE

Based on the latest profile of spending, it is estimated that there is some £304k available for new projects.

The application is for £151,500, with the fund repayments of £37,875 per annum being made from generated.

2.STAFFING

One post to be created on a fixed term basis.

9 FEEDBACK FROM CONSULTATIONS UNDERTAKEN

Not Applicable

10 LIST OF BACKGROUND PAPERS USED IN THE PREPARATION OF THE REPORT

Title of Document	File Ref No.	Where available for public inspection
Development Fund Application		County Hall, Carmarthen.