

Under the incentive scheme for 2006-07 confiscation order receipts will be split equally three ways to reflect the stages of investigation, prosecution and enforcement. So, where the police, the Crown Prosecution Service and Her Majesty's Courts Service are all involved with confiscation order activity, they will each receive a third of the 50% share available under the incentive scheme.

The total amount recovered in 2005-06 was over £96 million of which, confiscation orders were £61.8 million, Cash forfeitures were £30.4 million and civil recovery orders were £4.1 million.

The Incentive Scheme was originally set up to operate in 2006-07 and 2007-08. I am enclosing an explanatory note on the arrangements for implementing the Scheme.

Explanatory Note

ASSET RECOVERY INCENTIVE SCHEME 2006-07 AND 2007-08: ARRANGEMENTS FOR IMPLEMENTATION AND PAYMENT

1. Amount available for allocation

Under the new incentive scheme asset recovery agencies will get back 50% of what they recover. The Concerted Inter-Agency Criminal Finances Action Group (CICFA) which represents the major asset recovery stakeholders has agreed the arrangements for implementing the scheme.

The amount of incentive money available for allocation will be determined by the total value of receipts received in the Home Office in the financial years 2006-07 and 2007-08. JARD data on the amount recovered will not be used in these circumstances as there may be some variance with Home Office receipts. The Home Office can only pay out 50% of the total it receives.

Incentive allocations will be based on each agency's contribution to the total value of remittances from

- cash forfeiture orders,
- confiscation orders (including part paid orders and interest), and
- civil recovery and taxation cases.

Each agency's contribution will be determined as recorded by JARD. If an agency is not recorded on JARD as a contributor, it will not receive an incentive payment. Compensation orders and compensation remittances are excluded from the scheme.

2. Allocation of 50% share

Agencies will receive the appropriate share from their asset recovery activities allocated as follows:

Cash Forfeitures

- Police cash forfeiture - 50% share to police
- HMRC (or SOCA) cash forfeiture - 50% share to HMRC (or SOCA)

Confiscation order receipts

CJS Ministers have agreed that confiscation order receipts will be split equally 3 ways to reflect the stages of investigation, prosecution and enforcement:

- HMRC, RCPO and HMCS confiscation order activity – 3 way equal split of share where all agencies are involved
- SOCA (RCPO or CPS) and HMCS confiscation order activity – 3 way equal split of share where all agencies are involved
- Police, CPS and HMCS confiscation order activity – 3 way equal split of share where all agencies are involved
- ARA - Civil recovery, and confiscation where ARA act as enforcement authority. ARA and referring agency to split share of receipts.
- RARTs – are dependent on referred confiscation and cash forfeiture cases. The referring agency will be entitled to receipts split 3 ways equally as indicated above. RARTs will not be eligible for incentive payments.
- PSNI/DPPNI/NI Magistrates Courts Service – 3 way equal split of share where all agencies are involved.
- SFO – 50% share of confiscation receipts. Split equally where other agencies are involved.
- The above arrangements apply to other agencies eg TSOs, DWP.

International receipts

- The UK share of international receipts will be shared equally between the UK lead agency and the HO.
- The UK lead agency will decide further shares from its allocation to any partner agencies involved.

3. Joint investigations

- The lead investigating agency will be responsible for verifying other agencies involved in the investigation stage and will record the data on JARD.

- The lead investigating agency will decide further incentive shares to partner agencies involved in joint investigations.
- The third split for investigation will be shared further with partner agencies where joint investigations are involved.

4. Eligibility of non-mainstream agencies for payments from the incentivisation scheme

- DWP, DoH, TSO are invited to access the scheme. Onus is on them and other departments/agencies to prove their entitlement to incentive money by accessing JARD.
- Arrangements will need to be put in place to identify receipts from local authorities – options under consideration by ARA for TSOs and LAs to access JARD.

5. Issues around process

- Cash forfeitures – Remittances should be transferred to HO as soon as appeal timetable expires. Remittances should not be held until end of financial year.
- Confiscation order receipts are transferred quarterly by DCA to HO.
- Northern Ireland –Cash forfeitures and confiscation order receipts to be remitted to HO on same basis as above.
- Civil Recovery – ARA to realise the value of property as soon as possible after recovery orders are made and transfer receipts to HO.

6. Method of payment

- HO will aim to make incentive payments directly to agencies and OGDs quarterly through the BACs system.
- Incentive payments will be paid directly to agencies and partner agencies that are recorded on JARD as contributors to remittances. Inter-agency payments should not be necessary.

7. Managing Windfalls

- The Home Office notes the CICFA view that no specific action need be taken at this stage on how to handle huge windfalls, but reserves the right to return to this issue.

8. Use of Incentive Payments

- This is a matter for each agency but at least a portion of 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.