

**London Boroughs of Brent and Harrow
Trading Standards Joint Advisory Board
14 June 2023
Report from the Service Manager**

Brent & Harrow Trading Standards Proceeds of Crime Update

1.0 SUMMARY

- 1.1 This report updates the Joint Advisory Board on work carried out by the Financial Investigation Team since its establishment in 2012 and on the future implications and concerns of Proceeds of Crime work.

2.0 RECOMMENDATIONS

- 2.1 For Members to consider the report and make recommendations where appropriate.

3.0 DETAILS

PROCEEDS OF CRIME ACT

- 3.1 The Proceeds of Crime Act 2002 (POCA) is a powerful piece of legislation especially in relation to confiscating money that has been acquired as a result of crime. The Act also provides Accredited Financial Investigators (AFI) with a robust set of powers for investigating, restraining and confiscating assets. Recovering the proceeds of crime is one of the government's top priorities for law enforcement.
- 3.2 In 2012 Brent and Harrow Trading Standards Service established a dedicated Financial Investigation Team to take advantage of the opportunities offered by the Proceeds of Crime Act in terms of ensuring criminals do not financially benefit from wrongdoing and that confiscated proceeds of crime could be used towards the cost of carrying out investigations.

PERFORMANCE

- 3.3 The Brent & Harrow Financial Investigation Team is well respected within Local Authority networks. In 2016 our Financial Investigation team were nominated and shortlisted for the prestigious LGA Awards. The team were nominated in the innovation category for applying POCA to planning cases successfully.. Previously, one of our officers won 'Best Individual' award in the 'Keith Hughes Award Scheme', which recognises excellence in the field of financial investigation. The NCA operates this annual award scheme which is based on applications received nationally.
- 3.4 From April 2017 to December 2023 the team received 190 referrals. Although some of these referrals are still under investigation, many will have led to

successful confiscation orders. Following each referral, a financial investigation is commenced in order to establish the benefit made from crime and where appropriate cases are then progressed through the Court system using the confiscation regimes set in place by POCA.

- 3.5 Over the years Brent Council has secured a number of successes using POCA. Examples where the team have been successful are outlined in **Appendix 1**. One of the largest confiscation orders of £1,483,440.00 for a single house converted into flats.

FINANCIAL BENEFITS

- 3.6 When a confiscation order is paid, the money is divided in accordance with the Home Office incentivisation scheme, which means that 50% will be apportioned to the Government. The remaining 50% is divided between the prosecuting authority (18.75%), the investigating authority (18.75%) and the HM Court Service (12.5%). Therefore, where we conduct our own investigations and are also the prosecuting authority, our share under the incentivisation scheme is 37.5%. The Home Office is currently also taking a top slice from the 37.5% ranging from 0% to 3% each quarter to fund their crime initiatives.
- 3.7 Since April 2017 the team has secured 60 confiscation orders. The value of the orders totalled **£8,030,845**. This has resulted in a total £2,679,924 payment from the Home Office under the incentivisation scheme. This money has then been distributed to the Local Authorities as follows:

Year	Total incentivisation Received	Brent & Harrow TS	Other Brent Services	Harrow Services
2017/18	£256K	£57K	£139K	£870K
2018/19	£826K	£184K	£377K	£106K
2019/20	£585K	£117K	£315K	£86
2020/21	£493K	£98K	£195K	£24K
2021/22	£318K	£63K	£135K	£103K

2022/23 (up to Dec 2022)	£198K	£39K	£142K	£7K
Totals	£2.679M	£561K	£1.306M	£241K

This figure makes Brent Council one of the highest performing councils in the whole of the UK in terms of asset recovery.

FINANCIAL INVESTIGATION TEAM

- 3.8 The team consists of two fully trained Accredited Financial Investigators (AFI) who carry out all the financial investigations, market the work of the team and assist colleagues with guidance as to investigations with potential for POCA work.
- 3.9 POCA invests the National Crime agency (NCA) Proceeds of Crime Centre (PoCC) with a statutory responsibility for the training, accreditation and monitoring of financial investigators.
- 3.10 To become an AFI, officers must complete the Financial Investigation Training Programme which comprises three skill-based courses, including Financial Intelligence Officer course, Financial Investigation course and Confiscation course. All three courses require officers to undertake a test before they can start the course as well as successful completion and assessment of a Personal Development Portfolio. Once qualified, the NCA PoCC will set a number of Continuous Professional Development tasks that AFIs must complete to maintain their accreditation and officers must also update them with a summary of POCA work done.
- 3.11 The AFIs now use high level electronic tools to carry out the mundane recording of bank account statements, of ingoing's and outgoings. These tools are expensive though very useful, as they do not only collate most of the information contained in the statements of the defendants but also present these in a spreadsheet to aid further analysis. Most bank statements supplied for court purposes can be used in this way, and therefore substantially cut the amount of officer's time in manually inputting the information. Also, large complex cases involve many different bank accounts. These systems are not cheap to buy or maintain but reduce the amount of time needed by the officers' to around an eighth, thereby freeing them up to carry out more investigations and generate more revenue. Also, the format of the information analysed makes it easier to present complex information and analysis at court, increasing the chances of achieving the confiscation order. The AFI's have access to these systems which has led to an increase in the number of cases they are able to investigate.

OPPORTUNITIES

- 3.12 AFIs have a wide potential to work in many areas of council's work. They usually sit in the Trading Standards Service as they have been trained in highly skilled

investigative techniques as required in this field, have the ability to investigate a range of cases, and have obtained courtroom experience.

- 3.13 Increasingly, local authorities have realised that using AFIs can maximise the amount of money that can be reinvested into enforcement and investigations as well as other areas within the remit of the incentivisation scheme. A number have used incentivisation money from POCA investigations to train up their own AFIs. Therefore, there are limited opportunities for the team to increase our work with other authorities other than being their backup AFIs.
- 3.14 The greatest potential for growth is therefore internal to Brent and Harrow councils, including increasing the areas of work within the boroughs to services such as Planning and Waste.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications for each borough as this is an update on the work carried out by the Financial Investigation team. However, Members may wish to consider whether the business case for investing in a financial investigation toolkit to increase capacity and therefore income revenue should be investigated further by officers.

5. STAFF IMPLICATIONS

- 5.1 There are no current staff implications.

6.0 BACKGROUND INFORMATION

- 6.1 Any person wishing to obtain more information should contact Anu Prashar, Senior Prosecutor, Regulatory Services, Brent Civic Centre, Engineers Way, Wembley Middlesex HA9 0FJ.

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APPENDIX 1

EXAMPLES OF SUCCESSFUL ORDERS UNDER POCA LEGISLATION

1. On 30 November 2018 a confiscation order was secured at Harrow Crown Court against for £1,483,440 whereby the subject was given 3 months to pay up for face a lengthy prison sentence. This order related to a planning enforcement breach and a property in Brent whereby a single dwelling house had been converted into 8 self contained dwellings. As the investigation progressed, further planning enforcement notice breaches were discovered in Harrow, which meant the money that had been made from all the planning breaches was included in the order for £1.4m
2. On 18 December 2020 a case was concluded on behalf of Harrow Council whereby a confiscation order was made for £373,413 Harrow Council had issued a planning enforcement notice against a property which had been converted into 7 self contained dwellings. The value of the order represented the rental income made from letting the seven dwellings over a period of time. The subject was ordered to pay the sum within three months or face a default prison sentence
4. On 4 January 2021 two confiscation orders were made for £54,983 and £15,000 against two men who were each sentenced to serve prison sentences following a lengthy and complex investigation that Brent Trading Standards conducted, which saw elderly victims being charged extortionate amount of money for roof repairs.
5. On 12 February 2021 another confiscation order was made for £739,263 which represented rental income made from more than one planning breach, whereby properties in Brent had been converted into houses in multiple occupation, thus being in breach of enforcement notices issued by the Council
6. Another case Brent did for Harrow Council resulted in an order being made on 18 June 2021 for £211,382. Yet another landlord converting a property to maximise income, ignoring an enforcement notice that Harrow Council had issued.
7. On 24 February 2023 Harrow Crown Court imposed a confiscation order for £152,500 and ordered payment within three months. This too related to a prosecution the Council had secured under the Town & Country Planning Act 1990 and the confiscation order relating to income that was being made from 3 self contained dwellings which were in breach of planning enforcement notice