



Northern Ireland
Assembly

**COMMITTEE FOR
CULTURE, ARTS AND LEISURE**

**OFFICIAL REPORT
(Hansard)**

Cashback for Communities

15 October 2009

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Barry McElduff (Chairperson)
Mr David McNarry (Deputy Chairperson)
Mr P J Bradley
Mr Francie Brolly
Lord Browne
Mr Trevor Clarke
Mr Kieran McCarthy
Mr Raymond McCartney
Miss Michelle McIlveen
Mr Ken Robinson

Witnesses:

Mr Ronnie Armour) Northern Ireland Office
Mr Billy Stevenson) Northern Ireland Office

The Chairperson (Mr McElduff):

I welcome Billy Stevenson and Ronnie Armour from the NIO. Ronnie, perhaps you will make an opening statement and introduce your colleague.

Mr Ronnie Armour (Northern Ireland Office):

I thank the Committee for the opportunity to talk about the work of the Organised Crime Task Force (OCTF). I would like to explain the Department's position on assets recovery and the use of incentivisation funding. My name is Ronnie Armour, and I am head of the policing operational support division in the NIO; with me is Billy Stevenson, head of the organised crime

branch in my division. Billy and I have responsibility for the Organised Crime Task Force.

By way of introduction, it might be helpful to make a few brief remarks about the OCTF. As members may know, the Organised Crime Task Force was established in 2000 to provide a multi-agency partnership approach to tackling organised crime in Northern Ireland. The task force does not assume operational responsibility, which remains with individual law-enforcement agencies; however, it provides strategic direction and overview through subgroups, each of which deals with specific operational and policy issues.

The OCTF has a three-tier structure: a stakeholder group, chaired by Paul Goggins, Minister of State in the NIO; a strategic group, chaired by Nick Perry, the director general of criminal justice and policing; and, below that, a range of expert groups, the work of which can be broadly divided into two work streams. One work stream focuses on identifying necessary policy and legislative change and on improving the awareness of organised crime; the other covers specific organised crime-threat areas. Nine working groups cover the following areas: publicity; a legal subgroup; and focus groups on armed robbery, intellectual-property crime, criminal finance, drugs, immigration and human trafficking, and cross-border fuel fraud.

The objective of the OCTF is to secure a safe, just and prosperous society by confronting organised crime through a multi-agency partnership approach involving central and Northern Ireland Government Departments, law-enforcement agencies, the Policing Board, the business community and the wider community.

One way by which we seek to measure success is through the asset recovery action plan. The Northern Ireland asset recovery action plan is a 12-point plan that was published in July 2008, and it covers the years 2008-09 and 2009-2010. I have brought with me copies of the main action points as well as a summary of achievements during the last financial year, which I will make available to members.

For the purpose of today's discussion, the first five points in the action plan are the most significant, as they deal with asset recovery and the amounts that we recovered from criminals during the year. We achieved four of the five targets last year, which was a successful and impressive performance, and we exceeded targets in several areas.

The headline figure from the action plan is recorded at point five, which summarises the fact that we removed more than £7 million of assets from organised criminals in the Province last year. That figure tells only a part of the story. During the year we also seized more than £23 million worth of illegal drugs, a million litres of illicit fuel and more than £2 million worth of counterfeit goods. In the current year, the plan includes a target to recover at least £7.8 million worth of goods and we are making progress towards achieving that total.

I turn to the focus of our discussion: how the money taken from criminals is used. The amount of money available for allocation is determined by the total value of the receipt, net of costs, received by the Home Office in each financial year. Under the terms of an agreement with the Treasury, the Home Office pays out 50% of the total that it receives to the agencies involved in England, Wales and Northern Ireland. As the Committee is aware, arrangements in Scotland are slightly different. I understand that you are to receive a briefing from Scottish colleagues on their process later today.

The Chairperson:

That was to have happened, Ronnie, but the gentleman in question has a family reason for not being here, but we will engage in correspondence with him.

Mr Armour:

It will be helpful for the Committee to get an insight from him. Let me focus on what happens here. The agreement is that the receipts that are returned to the agencies are split three ways. Again, these are net of receiver costs. The split is as follows: those involved in an investigation — the PSNI, the Serious Organised Crime Agency (SOCA), Customs and Revenue, the Environment Agency, and the Social Security Agency receive 45%. Where more than one agency is involved, that is, a joint investigation, the amount is split between them. The Public Prosecution Service (PPS) receives 45%, and the Northern Ireland Court Service receives the remaining 10% for enforcement.

How the funding is used is a matter for each agency involved. However, at least a portion of the incentivisation payments should be used to improve performance on asset recovery, and, where appropriate, fund crime-fighting priorities for the benefit of communities. Put simply, a portion of the money should be used to enhance the ability of the agencies to fight organised crime and therefore to reduce its impact on communities or to fund projects that will help to

reduce criminal activity or the potential for it.

It may be helpful to give the Committee a few examples of how the money has been and is being used.

The PSNI uses incentivisation money to develop its work by engaging the services of additional financial investigators so that even more work can be done in a more timely manner. It has also used the money to support projects at district-command level, such as youth diversionary projects and other projects that district commanders feel are priorities in their areas.

The PSNI has contributed to the OCTF publicity campaigns. We run publicity campaigns, the main one being around the Christmas period. It has also supported the OCTF in the development of arrangements to support the victims of human trafficking.

Separately, all law-enforcement agencies in Northern Ireland contributed to a recently established fund to support specific projects in the Province. In June 2009, the Home Office launched a community fund for England and Wales that makes available for local projects assets that have been recovered from criminality. The fund is a one-off initiative for this financial year, but on the back of it, Paul Goggins put in place a similar scheme in Northern Ireland. In June 2009, he announced the establishment of a dedicated community fund that for this year will, in addition to the other projects that I mentioned, give £175,000 to the Department for Social Development and the Department of Culture, Arts and Leisure for distribution among communities.

We have been working with our counterparts in DCAL on this issue, focusing on how best the money can be used to support projects aimed at developing young people who are living in areas of high instances of antisocial behaviour. It is our hope that Minister McCausland will shortly announce the projects that will benefit from that funding.

It is our intention to maintain the fund and to build on it, year on year. Paul Goggins recently opened discussions with his opposite number in the Home Office in an effort to reach agreement on the general policy on the allocation of incentivisation funding. It is the Minister's desire that even more of the recovered assets in Northern Ireland should be used to benefit communities here directly.

I hope that that brief opening statement gives the Committee some background. Billy and I are happy to deal with any questions that members may have.

Mr McCarthy:

Did you say that you got £7 million back?

Mr Armour:

Yes.

Mr McCarthy:

How much did it cost to retrieve that £7 million?

Mr Armour:

The £7 million is a net amount. I do not have a figure for how much it cost to get it; we will need to talk to the various agencies. I am happy to do that and to provide a response to the Committee, although it will take us some time to pull the information together. It may not be a specific figure, but we will do our best to give you an indication.

The Chairperson:

PJ Bradley also indicated an interest in that matter.

Mr K Robinson:

Is the £23 million from the seizure of counterfeit goods, drugs and laundered fuel a notional figure rather than actual cash recovered?

Mr Armour:

The agencies recovered illegal drugs with an estimated value of £23 million.

Mr K Robinson:

Therefore it is a notional value; you do not get any return on it.

Mr Billy Stevenson (Northern Ireland Office):

It is the street value of the drugs or the value of counterfeit goods had they been on the market.

Mr K Robinson:

It is very impressive in one way but very disappointing that we do not have £23 million in real cash.

Mr Stevenson:

No one has that £23 million. Many of the goods are destroyed.

Mr K Robinson:

I assume that the cost of destroying those goods is taken into account.

Mr McCartney:

Do the Public Prosecution Service and the Court Service use the money as part of their budget?

Mr Armour:

As I said, a portion of the money should be used to enhance their activity. I suspect that some is used to deliver those of their services that focus on their work against organised criminals.

Mr McCartney:

Must part of the money be used for that purpose?

Mr Armour:

Yes.

Mr McCartney:

What strengths in the Scottish model would you like to see used here?

Mr Armour:

My understanding is that the money in the Scottish model goes into a consolidated fund in the Department of Justice. One of our strengths is that a proportion of the money goes back to the law-enforcement agencies, which gives them an incentive to follow up on criminal activity. It is a weakness of the Scottish model that it does not do that. I suspect that when Scottish colleagues address the Committee, they will present many of their model's strengths. However, that is a weakness that we do not have here, and one on which the Committee will want to reflect.

Mr McCartney:

There is no better incentive than the public seeing money from organised crime going back into their communities. People might see the spending of £150,000 in a vacuum. However, if communities benefitted from the proceeds of the crime that is on their backs, they would have an incentive to co-operate with the authorities.

Mr Armour:

Minister Goggins is well aware of that, and is working hard with the Home Office to develop arrangements here. The Northern Ireland Office is giving £175,000. The police are also ploughing money back into communities to make a difference through, for example, youth diversionary programmes. However, you are right: there is no question that more could be done.

Mr McCartney:

Will the recovery of criminal assets remain a reserved matter after the devolution of policing and justice powers or will it be under the jurisdiction of a new Department of justice?

Mr Armour:

It will be part of the new Department of justice. Billy and I will work for the Department of justice doing what we do now with regard to the Organised Crime Task Force. The cashback for communities scheme will be devolved as part of the new arrangements.

Mr McCartney:

Will allocation decisions also be part of the new arrangements?

Mr Armour:

Yes.

Mr McCartney:

Thank you.

Mr Stevenson:

Are you asking whether the Home Office will still have a role to play after the devolution of policing and justice?

Mr McCartney:

I assume that it would with regard to the 45%-45%-10% split.

Mr Stevenson:

That would be a local decision.

Mr Armour:

Under the current rules, the Home Office will continue its role; however, instead of Paul Goggins negotiating with the Home Office, it will be the new Department of Justice Minister.

Mr Stevenson:

The 45%-45%-10% split is in only Northern Ireland; England and Wales have a slightly different split. We have our local split agreed.

Miss McIlveen:

Why is only half the money returned, bearing in mind that that half is used to fund youth diversionary programmes, for example, as well as the former Assets Recovery Agency? Why was 50% determined in the first instance?

Mr Stevenson:

That has its origins in the Proceeds of Crime Act 2002. It was determined when the scheme was set up that 50% would be returned as incentivisation funding.

Miss McIlveen:

Is that likely to change?

Mr Armour:

It would require a change in the legislation. Paul Goggins is, as I said, negotiating with the Home Office to introduce a different arrangement. In future, it would be for the devolved Administration to take that up with the Home Office. It is difficult for us to say now whether that percentage is likely to change. We are simply operating the system; however, it could change.

Mr Stevenson:

The Home Office has no plans to change the policy in England and Wales.

Miss McIlveen:

With respect, £87,500 is a paltry sum, bearing in mind what district councils distribute throughout the year to community festival funds and other projects.

Mr Armour:

We are not here to say that we are doing a great job by giving £87,000 back to communities; however, it is a start, and the work of the PSNI and others should also be borne in mind. The £87,000 should not be taken as a standalone figure. Given the introduction of a community fund by his opposite number in the Home Office, the Minister felt that it was only right for him to do the same. We established the fund, and it was the best that we could do in the circumstances and in the time that was available to us. The Minister intends to continue to look at the fund and develop it as time goes on. The £87,000 is only a start.

The Chairperson:

What percentage of the money is given back to communities in Scotland?

Mr Stevenson:

I am open to contradiction because I do not know the detail, but the Scottish model is quite different. In Scotland, all the money from assets recovery goes back to the central fund. The Scottish Government decided that the fund should go to sports and leisure, and organisations in that field receive a large amount of money from assets recovery. The problem in Scotland is that, because all the money goes back, there is no incentivisation for the agency to prick the money outflow. The Scottish model is different; it has pros and cons.

Mr T Clarke:

This is a good time for me to contribute the discussion, Chairman. Is it fair to say that much of the intelligence on operations here is community-led?

Mr Armour:

The Organised Crime Task Force does not receive intelligence as such. We are not involved in the operational side. We simply provide —

Mr T Clarke:

A great deal of information —

Mr Armour:

There is a great deal of community co-operation in the fight against organised crime. The task force works hard to raise the matter's public profile and to encourage the community to come forward if they have suspicions about illegal fuel, for example.

Mr T Clarke:

It is very welcome that you took £23 million of illegal drugs and goods off the streets in the past year, but communities are being given only £87,000 of that. What did the Home Office contribute to the acquisition of that £23 million? The Scottish model rewards communities for their work with the police and the relevant agencies. Were it not for community intelligence, fewer criminal assets would be taken off the streets. That communities are receiving £87,000 from £23 million is more of an insult than an incentive.

Mr Armour:

Twenty-three million pounds is the estimated value of the drugs; the net figure of assets recovered is £7 million.

Mr T Clarke:

It is insulting to give back £87,000 from a total fund of £7 million.

People should not need an incentive to reduce crime in their area. None of us wants crime; we want to live in a normal, peaceful society. However, an incentive would encourage people, and more money would be taken off the streets as a result. The Home Office is being given £3.5 million, which it has done nothing to earn.

Mr Stevenson:

I am not here to blow the Home Office's trumpet, but its representatives would say that they use that money, for example, to fund suspicious activity reports to gather intelligence. There is a regulated sector of banks, building societies, estate agents and other organisations that deal with money. Those organisations have to report incidents of potential suspicious activity to SOCA,

and that is funded through Home Office incentivisation. It helps the fight against organised crime by building a powerful database of organised criminals across the country.

Mr T Clarke:

Are you saying that banks are being paid to notify SOCA of suspicious activity?

Mr Stevenson:

No.

Mr T Clarke:

I know a wee bit about this matter. The banks are being forced to provide information; they are doing the Home Office's policing of the large amounts of money that are lodged in banks and building societies. Since the banks are doing its work, I would certainly not blow the Home Office's trumpet.

Mr Armour:

As Billy said, we are not here to do that. However, if representatives of the Home Office were here, they would say that they fund suspicious activity reports that benefit us all.

It is not just about £87,000. At least 50% goes into the agencies, which use those funds in different ways. Some of the money is used to fund communities, but the rest is used by the agencies to enhance the fight against organised crime. We must be careful, because more than £87,000 is involved.

The Chairperson:

Does Scotland have free access to the database?

Mr Stevenson:

The Scottish Crime and Drug Enforcement Agency pays a fee to SOCA every year for access to the database.

Mr McCartney:

Where does the £150,000 for the community fund come from?

Mr Armour:

It comes from all the agencies. Minister Goggins invited the agencies to make a contribution to a central fund in addition to what they do individually.

The Chairperson:

I take Michelle's point that £87,500 is a paltry figure, but what mechanisms are in place to ensure the success of the programme? How will you ensure that it reaches those whom it is supposed to reach?

Mr Armour:

Billy is working with his opposite number in DCAL to identify projects to assist in tackling criminality, including diverting young people from crime and improving their literacy, numeracy and other skills.

Those are the things that we are examining with DCAL, and Minister McCausland is considering the best use for the money. Therefore, much as we would like to, we cannot tell the Committee what projects will be funded. We hope that Minister McCausland will announce that decision shortly.

The Chairperson:

Who is the dedicated officer in DCAL for the fund, and will there be a public notice calling for applications for projects?

Mr Stevenson:

Since the amount of money is quite small, I do not believe that a public notice will be issued. Minister Goggins asked Departments to carry out the work because it would be unsuitable to create large infrastructures to distribute a small amount of money. Furthermore, it was felt that DCAL and DSD would have the necessary contacts and links to distribute the money. DCAL is not making a public call, but will examine what opportunities exist for the first year.

DCAL does not have a dedicated officer. We met officers from sports and leisure, the library service and from the arts side.

Mr K Robinson:

Is there not a danger of duplicating existing projects? The Committee has repeatedly heard about worthwhile projects being run by groups in the community. However, when another group decides that it wants to run a similar project, a whole raft of form-filling and hoop-jumping ensues. Would it not be better to centralise the extra money and put it into existing projects?

A boxing club that takes young men off the streets and gives them a focus in their lives may struggle for funding while a group in the same area that paints gable walls will receive funding. Why do we not maximise the punch of the funding by putting it into existing projects?

Mr Armour:

As Billy said, when Minister Goggins decided that he wanted to do this, the NIO recognised that it was not in a position to identify the kind of projects to which you referred; that is why we approached DCAL. I hope that DCAL will do exactly as you suggest; however, I do not know whether that will happen.

Mr K Robinson:

It is a point that I would like you to note and the Committee can work on DCAL further down the line.

Mr Armour:

OK. We will do that.

Mr McCartney:

If the extra funds are to be used as part of Departments' general financing, how can the NIO measure if the scheme is working?

I agree with Ken. The funding is about creating an incentive and making people aware that the recovered proceeds of crime can help a community to fund a useful project. Surely giving the funding to Departments to administer makes it difficult for the NIO to assess whether the various projects have been successful. If the NIO administered the funds, it could see for itself how successful a project had been and could decide whether the funding for it should be increased. The NIO may be burying its good work by letting Departments take the lead on funding. That is not to say that Departments would not use the money wisely and correctly, but the NIO may be

defeating its own argument.

Mr Armour:

That is helpful.

Mr McNarry:

We have ascertained that you are not policemen; nevertheless, anything that you say will be written down and may be used as evidence against you. *[Laughter.]*

The Chairperson:

By Hansard.

Mr McNarry:

There is no getting away from it: the sum is miserly, and someone should be answerable for that. It is not a case of every little helping. Why is it so different from what happens in Scotland? In Scotland, £2 million is being allocated to the sports facilities fund. I know that you are not going to administer the fund, but my pitch to you is to get more money for us and for the fund. Scotland tells us that that £2 million will be:

“administered by sportscotland and the Scottish Football Association, for the development of sports facilities in communities with significant levels of hard to reach or excluded young people.”

Many of our young people fit those definitions.

The Committee needs to back you up and ask for your co-operation in taking back to whoever sent you here — and who did not have the decency to make a presentation to us in writing about the distribution of this money — the fact that more money is needed. Northern Ireland will not accept this; like *Oliver Twist*, we need more.

Would the OCTF be absorbed into a devolved Department of justice?

Mr Armour:

Yes.

Mr McNarry:

Therefore, the policies could change.

The Chairperson:

That question has been asked.

Mr Armour:

The work that Billy and I do through the Organised Crime Task Force will be transferred to the future Department of justice; we will be working for that Department rather than for the NIO. The fight against organised crime will be in the portfolio of the justice Minister.

Mr McNarry:

Could the policies change?

Mr Armour:

Yes.

Mr McNarry:

In such circumstances, will the bidding mechanism be the same as the present one; or will that change after the devolution of policing and justice?

Mr Armour:

The arrangements will remain the same at the point of devolution. As I said, 50% of the moneys recovered are returned. In Scotland, the money goes to a consolidated fund for distribution. Here, the money is returned to the various agencies: the police, the NI Environment Agency, the Social Security Agency, for example. A proportion of the money returned has to be used by that organisation for enhancing the fight against organised crime; it can also be used for the direct benefit of communities. The agencies that get the money, such as the police, use it to employ additional financial investigators. The money is also being used for community projects.

It is not the case that only £87,500 will come to DCAL; it is a much greater sum, but it is administered in a different way. Paul Goggins felt that it was appropriate for the money coming to DCAL to be in a central community fund. Therefore, he invited each agency to contribute to a pot, which he divided between DCAL and DSD because he felt that those were the Departments best placed to target local projects.

Mr McNarry:

I do not want to be overly critical, but, as elected representatives, we are in touch with our communities.

If you asked my communities in Strangford whether they were aware of any benefits from the fund, they would answer no. We need a fund that people know about. Lack of awareness could be due to misinformation or to people not blowing their own trumpet — I do not know. That is a separate issue.

The Chairperson:

Will those who take part in the projects funded through DCAL know that the funding came from the recovered proceeds of crime?

Mr Armour:

I hope so. That is our intention, and we will make it clear to DCAL officials.

Mr McNarry:

It is hardly worth implementing any administration to deal with £87,000.

Mr Armour:

That is why we are using the administration of DSD and DCAL instead of setting up a big mechanism for a relatively small amount of money.

Mr McNarry:

We need more of the funding.

Mr T Clarke:

We want more.

Mr McNarry:

Want more what?

Mr T Clarke:

It is not always a case of need — we want more.

Mr McNarry:

I stand corrected — we want more of the funding. *[Laughter.]* It would be useful if someone could show us how to get more. Whose door do we knock down to get more?

Mr Armour:

I will brief Minister Goggins on the views of Committee members. Mr McNarry, before you came into the meeting, I explained that the Minister is discussing with the Home Office how to ensure that even more of the funding is made available in Northern Ireland. We will brief him on the views expressed by Committee members today.

Mr McNarry:

Although Scotland is a bit larger than here, the Scottish Government have invested more than £13 million in their programme.

Mr Armour:

They are doing it differently, but I accept what you say.

Mr McNarry:

They are doing it in a way with which the public can identify and from which it can benefit. I could use £87,000 on one football club in Comber.

Mr McCarthy:

Ballygowan FC.

Mr Armour:

As I said, it is not just a question of £87,000: agencies are using the money in different ways. For example, the police have employed additional financial investigators, and that is contributing to our work.

Mr McNarry:

We need to see a breakdown of how the money is being used. How much is spent on administration? How much is left to distribute? What criteria are used to distribute the money and where is it distributed? What are the benefits of the money? We need to look at the

distribution mechanism.

The Chairperson:

I thank Mr Armour and Mr Stevenson for their presentations.