

Meeting	SPA Board Meeting
Date and Time	4 December 2013, 1300hrs
Location	East Ayrshire Council, Kilmarnock
Title of Paper	Serious Organised Crime
Item Number	5
Presented By	Assistant Chief Constable Nicolson
For Approval / For Information – please annotate (IN RED BOLD)	For Information
Appendix Attached:	No

PURPOSE

To provide members of the Scottish Police Authority with information in respect of Serious Organised Crime within Scotland and the Police Scotland response to it.

BACKGROUND

- 1.1 The threats posed to our communities from Serious Organised Crime (SOC) are complex and wide ranging in nature. In a society where technology is continually evolving and where people and commodities can transit with relative ease, individuals who align their activities to Serious and Organised Criminality readily exploit vulnerabilities in order to gain access to our communities.
- 1.2 It is estimated that SOC costs the Scottish economy approximately £2 billion per annum. However, it should be noted that the harm inflicted throughout Scotland as result of SOC extends far beyond financial implications.
- 1.3 Organised Crime is founded on three basic principles of supply, demand and profit. Organised Crime Groups (OCGs) are not disorganised or chaotic in the delivery of their criminal activity. Those individuals operating at the higher echelons of command do so in a similar manner to that of a Chief Executive Officer of a major company.
- 1.4 OCGs are organised, they have 'chairpersons', security managers, accountants and logistics officers. Like many other businesses, there are times when OCGs engage in takeovers in order to gain access to potentially viable markets. Some of these takeovers involve a number of OCGs coming together in a 'merger' in order to strengthen their footprint within a selected market. However, unfortunately sometimes these takeovers are hostile which can cause significant fear and intimidation within our communities.
- 1.5 Police Scotland's strategy for tackling SOC, whilst taking cognisance of the founding principles of supply, demand and profit, is not solely based upon commodities. By identifying roles and responsibilities performed by selected individuals, tactics can be tailored to deliver the most appropriate and proportionate Policing response. By identifying the structures underpinning each organisation Police Scotland can develop a strategy that will have a lasting impact on mitigating the threat.

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- 1.6 Organised Crime is an extremely sophisticated entity and impacts upon the very fabric of society, seeking to infiltrate transportation infrastructures, social housing and local community economic stability.
- 1.7 As such, keeping communities' safe and mitigating the threat from SOC cannot lie solely with the Police Service. A coordinated multi agency approach is required to effectively mitigate these threats and sustain the response. The very ethos of the response should be SMART – Scottish Multi Agency Response Team – to the problem.
- 1.8 Police Scotland, through development of local partnerships and Single Outcome Agreements with 32 Local Authorities, are committed to working together to help deliver the Scottish Strategy for Serious Organised Crime – “Letting Our Communities Flourish.”
- 1.9 The Single Outcome Agreements identify priorities for tackling Serious Organised Crime, share best practice and improve co-ordination between local partners, identify and encourage innovative ways of working together and develop a coherent local response for Serious Organised Crime issues.
- 1.10 As previously mentioned, the Scottish Strategy for mitigating the threat posed by Organised Crime is “Letting our Communities Flourish”, within which SOC is defined as:
 - Involving more than one person.
 - Is organised, meaning that it involves control, planning and use of specialist resources.
 - Causes, or has the potential to cause, significant harm.
 - Involves benefit to the individual concerned, particularly financial gain.

FURTHER DETAIL ON REPORT TOPIC

Serious Organised Crime Task Force

- 2.1 The Serious Organised Crime Taskforce (SOCTF) was created by the Scottish Government and is the strategic forum which brings together all the organisations directly involved in tackling SOC. Membership includes; Police Scotland, HM Revenue and Customs (HMRC), Crown Office and Procurator Fiscal Service (COPFS), National Crime Agency (NCA), Society of Local Authority Chief Executives (SOLACE), the Scottish Business Resilience Centre (SBRC) the Scottish Prison Service (SPS) and the third sector (represented through Action for Children).
- 2.2 The strategy is delivered via 4 distinct elements; Divert, Deter, Disrupt and Detect (4D's):
 - **DIVERT** – *'individuals (particularly young people) from engaging in or using the products of Serious Organised Crime'.*
 - **DETER** – *'through measures to protect communities, businesses and the public sector from Serious Organised Crime'.*
 - **DISRUPT** – *'the activities of Serious Organised Crime Groups'.*

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- **DETECT** – *'by boosting capacity and improving coordination to give Serious Organised Criminals no place to hide'*.

- 2.3 Each of the 4D strands are managed via sub groups which meet on two occasions prior to each task force. The sub groups consist of stakeholders including senior Police Officers who are involved in tackling Serious Organised Crime. The members deliver on the strategy through a suite of hard targets or developing actions.
- 2.4 The chair of each sub group reports directly to the Scottish Government SOCTF on each of their strands. Working within an assessed definition of SOC allows Police Scotland to ensure that the Policing response employed to mitigate the threat is appropriate and proportionate.

SOC Mapping in Scotland

- 2.5 The focus of the Organised Crime and Counter Terrorism Unit in relation to Organised Crime in Scotland is very much focussed on the top 20% of Organised Crime Groups which pose the highest threat risk and harm to communities in Scotland. The geographical spread of such groups is primarily focussed on the central belt however, the threat of Organised Crime is within every single community in Scotland.
- 2.6 SOC Group mapping forms a national picture of SOC Groups (SOCGs) in order to improve law enforcement's understanding and can be applied to all levels of the National Intelligence Model (NIM) – from local to national and international level. A wide range of data on SOCG across Scotland is supplied by each of the 14 Police Scotland territorial divisions in addition to that provided by the Specialist Crime Division and partner agencies, including UK Border Agency, HM Revenue & Customs and British Transport Police.
- 2.7 At this time there are 227 SOCGs in Scotland and circa 3400 SOCG nominals which include members, associates and specialists. In terms of activity, over the last number of data sweeps, the approximate number of OCGs involved in specific crime types are highlighted below and show the key focus of operational activity for SOCG in Scotland at this time:
- 76.3% are involved in Drugs Offences.
 - 9.3% are involved in Drugs Importation.
 - 26.1% are involved in Violence.
 - 8.8% are involved in Fraud.
 - 0.8% are involved in Human Trafficking.
 - 17.1% are involved in Money Laundering.
 - 9.0% are involved in Immigration Crime.
 - 33.1% have access to Firearms.

Performance to Date

- 2.8 As previously stated the threat to Scottish communities from SOC remains ever present however the means through which it manifests itself is continually evolving and as the development of Police Scotland matures there is a need to ensure that every available avenue of development regarding the response to SOC is assessed, both individually and collectively, in order to counter the threat and ensure that Scotland's communities remain safe from those who seek to cause the greatest harm.

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- 2.9 Activity is monitored through performance measure and key performance indicators. An example of the areas of SOC subject to performance management are; Proceeds of Crime Legislation, Seizures, Nominal Arrests, Intelligence Quality and Coverage, number of Drugs Detections for Supply, Production and Cultivation, Threat Scores of SOCGs, Legitimate Enterprise and number of nominals on the SOCG Map.

Equity of Service

- 2.10 Areas of Scotland not previously in a position to access dedicated specialist resources now have that ability, which allows them to tailor the Policing response to meet needs of each bespoke threat posed. Equity of Service measures and records the tactics deployed by the Specialist Crime Division in support of territorial divisions across Scotland on a monthly basis.
- 2.11 Specialist departments record their monthly activity and the support provided which in turn allows senior management to monitor and evaluate the quantity and quality of service being provided to the territorial divisions.

Proceeds of Crime

- 2.12 Police Scotland has a set target to deprive criminals of a minimum of £47m through the use of Proceeds of Crime Act 2002 (POCA) legislation. The current figure to date is £70m. Of this total over £12m was via 'Expedited Referrals' and civil process.
- 2.13 Of note is the on-going discussion between Crown Office, Scottish Government and Police Scotland on the potential for re-investment of POCA recoveries in innovative ways. At present the Scottish Government administers funds realised through the 'CashBack for Communities' programme.
- 2.14 Year on year law enforcement efforts have redoubled with a concentration on the identification of criminal assets for referral to Crown for consideration of confiscation proceedings. Experience indicates there could be anticipation of the proportion of the initial amount referred for realisation in subsequent years. It is assessed that it takes, on average in excess of a year to realise assets identified: consequently, with attrition of the value due to various factors including depreciation, legitimate equity, and others there is a delay in the actual confiscation process, which agencies collectively are working to address.
- 2.15 To date, since the inception of CashBack in 2007 a total in excess of £74 Million has been recovered under POCA and reinvested through the programme. The funds have been invested or committed to a wide range of sporting, cultural, educational and mentoring activities for children and young people throughout Scotland. The programme has funded 1.1 million activities and opportunities for young people. This investment includes £24 million on sporting activities and facilities projects; £10 million on grant schemes that support youth work projects across all 32 local authority areas; over £3.5 million on cultural activities involving arts, music and dance.¹
- 2.16 It should be noted that reinvestment of recovered funds is under discussion via a multi-agency working group chaired by ACC Nicolson and the Scottish Government. The group will report back to the SOC Task Force in February 2014 on its findings.

¹ <http://www.scotland.gov.uk/Topics/Justice/public-safety/17141/cashback>

Arrests

- 2.17 Since April 2013, Police Scotland have arrested or reported a total of 1,787 SOC nominals. This is currently 9.6% ahead of the YTD target of 1,400. The annual target is currently set at 2800.

Intelligence Quality and Coverage

- 2.18 Police Scotland has a minimum standard of intelligence quality target of 60%. Current figures demonstrate achievement of 10.6% ahead of target with 70.6% coverage.

Drugs

- 2.19 Since April 2013, there have been 2,885 detections in relation to Possession, Supply and Cultivation of Controlled Substances.

Legitimate Enterprise

- 2.20 Through the application of intervention tactics, Police Scotland has since April 2013, denied SOCGs a total of over £57m which is significantly above the year to date target of £25m and now exceeds the end of year target of £43m.

Commonwealth Games – Serious Organised Crime

- 2.21 In November 2009, it was announced that the funding for the Commonwealth Games was to be increased to £454 million and that the estimated total expenditure made on infrastructure and the staging of the Games will total £2.4 billion. Events on this scale present Serious Organised Criminal Groups (SOCG) with a range of money-making opportunities.
- 2.22 Contracts linked to the 2014 Games range from construction projects to support services such as security, catering, and transportation. Companies have been encouraged to compete for these contracts through the Glasgow Business Portal. In order to be considered for contracts, all suppliers need to have completed their company profile which will help Glasgow City Council and the Organising Committee (OC) make more informed choices when procuring products and services.

Public Sector Contracts

- 2.23 Public Sector contracts are valued at approximately £9 billion annually within Scotland and present an extremely attractive target to SOCG. Police Scotland, together with Scottish Government are seeking to establish a legal framework to allow information sharing in the form of an Information & Intelligence Commissioner. This process would ensure that there is a robust, fair and independent process through which to disseminate information / intelligence, balancing the individual rights with the needs of protecting the public against SOCGs infiltrating and benefiting through legitimate businesses.
- 2.24 It is also assessed that this process, once formalised, would ensure that greater responsibility is placed on private companies and those who they sub-contract to, to ensure there is a continued protection to the public from SOCGs infiltrating legitimate companies.

Serious Organised Crime Governance

- 2.25 Police Scotland has developed a robust structure to ensure governance of SOC.

Force Strategic Board

- 2.26 The Force SOC Strategic board is chaired Deputy Chief Constable Livingstone and is attended by Assistant Chief Constable (OCCT), ACCs (Local Policing) East, West and North, Head of OCCTU, Head of Intelligence, Head of Serious Crime, Corporate Communication's Media Relations Officer SOC, Head of Analysis and Performance, each of the Force strategic four D's leads and Head of SOC Strategy, Scottish Government, with Crown representation from the Director of Serious Casework.
- 2.27 Officers of Chief Superintendent rank have been identified to take strategic Force leads for each of the D's mentioned above. Each lead reports to the Strategic Board on the development of their area of business and will be supported by the area 4 D leads, with regular meetings convened to ensure holistic application of the strategy at divisional level and ensuring best practice is shared between divisions.
- 2.28 Officers of Superintendent rank have been identified at Area level and will be responsible for localised delivery of the national implementation plan for SOC. These officers should then convene regular meetings of divisional 4 D leads for their strand which will ensure the sharing of good practice and that delivery is in line with the national implementation plan including activities with partners. The Area 4 D leads will then meet on a regular basis with the National 4 D leads providing upward feed to the strategic level.

National Peer Review Group

- 2.29 The Peer Review Group (PRG) currently operates at Force level within Specialist Crime Division. The membership consists of a number of Officers at various ranks selected due to their specific expertise and knowledge of SOCGs, which can be used to properly assess the ownership, selection for archive and development of SOCGs and operations. This provides an element of professional judgement to 'sense check' the subjective scoring matrix applied by the analysts. Localised structures have been implemented whereby the Divisional SOC Lead convenes monthly local peer review groups aligned to the divisional tasking meeting.

Specialist Crime Division Tactical Tasking & Coordinating Group

- 2.30 Any decision on new operations, performance and use of specialist SCD resources is taken during this monthly meeting. The decisions of this meeting with respect to Organised Crime Groups have a bearing on the decisions of the Strategic Board, PRG and Force TTCG. The Force four D leads give consideration to gaps in intelligence relating to their responsibility and ensure that requirements are fed into this group for tasking.

Force Tactical & Tasking Coordination Group

- 2.31 Decisions of the SCD TTCG may be referred to the Force level tasking meeting.

Divisional SOC Lead

- 2.32 The lead within divisions is the divisional Detective Superintendent who is the Lead Responsible Officer (LRO) for all SOCGs within their respective Divisions. This officer is supported by a selection of divisional leads for each of the four D's, ensuring that development of each strand locally is in line with the Force level leads and strategy. The divisional leads attend regular meetings convened by Area strategic leads, as stated above.

Divisional Governance – SOC

- 2.33 Robust structures are in place within each Division for the management of SOCGs, which is linked closely to the Divisional Tasking meeting. This meeting should include the relevant divisional personnel to ensure successful performance and impact via development and implementation of tactics under each of the four D's. This allows early indication of performance issues or emerging threats.

Divisional Peer Review

- 2.34 Based on the Force PRG, Divisional PRGs decide on SOCGs which should be proposed for escalation to Force level ownership, 'archiving'/lifetime management or movement to another Division, Force Intelligence Development Unit or partner agency via Force PRG. The Divisional PRG should also undertake the role of applying professional judgement to the scoring of SOCGs.

Divisional 4Ds Leads

- 2.35 Each Division has a lead for each of the four D's. The roles are of Inspecting rank or above. These Officers develop and report on tactics and activities under their strand to the LRO within Division. This will allow for coordination of overall activity. The Divisional four D leads will also report to the Area 4 D leads to ensure that best practice is shared and that activity can be fed back up to the national level.

Organised Crime & Counter Terrorism Unit

- 2.36 Organised Crime and Counter Terrorism Unit are currently engaged in and support several International Law Enforcement Investigations which are focused on Intelligence gathering, Drug Trafficking, Human Trafficking, Fraud, Money Laundering, Cyber Crime, and the threat to Counter Terrorism.
- 2.37 There are a myriad of specialist resources such as surveillance tactics, specialist financial investigations, specialist e-crime resources and Officers deployed to protect our borders on a daily basis across Scotland. In addition the newly formed Fugitives Unit in collaboration with law enforcement partners across Europe and elsewhere target offenders who have fled the country in an attempt to evade capture.

FINANCIAL IMPLICATIONS

- 3.1 There are no financial implications associated with this paper.

PERSONNEL IMPLICATIONS

- 4.1 There are no personnel implications associated with this paper.

LEGAL IMPLICATIONS

5.1 There are no legal implications associated with this paper.

REPUTATIONAL IMPLICATIONS

6.1 There are no reputational implications associated with this paper.

SOCIAL IMPLICATIONS

7.1 There are no social implications associated with this paper.

EQUALITIES IMPLICATIONS

8.1 There are no equality implications associated with this paper.

RECOMMENDATION

Members are invited to note the content of this paper.