

SERIOUS ORGANISED CRIME AND POLICE BILL SUMMARY REGULATORY IMPACT ASSESSMENT (RIA)

1. The Serious Organised Crime and Police Bill is divided into 6 parts:
 - Part 1 establishes the Serious Organised Crime Agency (SOCA), provides for its constitution and defines its functions and powers and its relationship with Ministers;
 - Part 2 contains provisions about: the powers of the Director of Public Prosecutions to require answers to questions; reductions in sentences where offenders assist investigations and prosecutors; financial reporting orders; the enforcement of forfeiture orders made overseas; and amendments to the Proceeds of Crime Act 2002;
 - Part 3 reforms police powers in the Police and Criminal Evidence Act and extends the powers of Community Support Officers and other police staff ;
 - Part 4 sets out provisions providing protection from harassment from animal rights extremists and others; creates new offences of inciting religious hatred and of criminal trespass on sites of national importance; and provides for additional restricts to be placed on protests in Parliament Square;
 - Part 5 contains further miscellaneous provisions, including measures: to tackle incorrectly registered and uninsured vehicles; to set minimum standards for the dissemination of local policing information; in respect of criminal record checks; and to provide for the regulation of the private security industry in Scotland; and
 - Part 6 contains final provisions on the Bill.

2. Cabinet Office guidance¹ requires the Government to publish a Regulatory Impact Assessment (RIA) when it introduces any legislation likely to:
 - impose more than £20,000 costs on the private sector in any one year;
 - cost the public sector more than £5m; or
 - attract high levels of political or media interest.

3. Eleven RIAs have been prepared in respect of provisions in the Serious Organised Crime and Police Bill. The individual RIAs are available on the Home Office website².

SOCA

4. The Government White Paper *One Step Ahead: A 21st Century Strategy to Defeat Organised Crime* (CM 6167) of March 2004 proposed the creation of a single new body, SOCA, to lead the fight against organised crime. SOCA will take over functions currently performed by the National Crime Squad and the National Criminal Intelligence Service, together with HM Customs and Excise's work on serious drug trafficking and the Immigration Service's work on organised immigration crime.

¹ <http://www.cabinetoffice.gov.uk/regulation/ria-guidance/content/start-ria/threshold.asp>

² <http://www.homeoffice.gov.uk/inside/legis/rias/rias.html>

5. Alongside this the White Paper proposed new powers including the power to compel individuals to give evidence and to enable the reduction of sentences for persons pleading guilty and providing information or evidence for use against others. It also proposed more effective use of existing powers, for example in respect of the seizure of the proceeds of crime.
6. 56 responses to the white paper were received. There was wide-ranging support for the setting up of SOCA³. The creation of SOCA and new powers to tackle organised crime will significantly improve our capacity to reduce the harm caused to the United Kingdom by such criminality, which costs the country at least £20bn annually. The cost of SOCA is estimated to be some £374m per annum from 2006/7 which includes around £341m transferring from its existing component agencies.

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Costs to business

7. The Bill contains two provisions that will have a regulatory impact on business or the voluntary sector, namely the power for the Criminal Records Bureau (CRB) to charge for 'POVA first' checks⁴ and the extension of the regulation of the private security industry to Scotland. In both cases the costs will be recovered by charges levied by the CRB (estimated at £6.50 per 'POVA first' check – or a total cost to business of some £130,000 per annum) and the Security Industry Authority (the current fee for an SIA licence is £190 – the licence is valid for 3 years). In addition, security operatives will need to have passed an SIA approved training course, the cost of which will be the order of £350. It is expected that responsible employers, rather than individual applicants, will pick up these costs. It is estimated that there are some 30,000 security operatives in Scotland.

Other RIAs

8. Eight other provisions of the Bill meet the Public Services Threshold Test (either on grounds of cost or potential political/media interest), namely:
- (b) the new framework for simplified arrest and search powers;
 - (c) the extension of police powers to enable them to stop and search juveniles suspected of possessing 'adult' fireworks and adults suspected of possessing 'category 4' fireworks;
 - (d) the additional powers for Police Community Support Officers and Accredited Persons;
 - (e) extension of the powers of investigating officers designated under section 38 of Police Reform Act;
 - (f) incitement of religious hatred;
 - (g) measures to deal with animal rights extremists;

³ The Government's response to the white paper was published on 11 November 2004

⁴ 'POVA first' checks are initial checks made by the CRB against the Department of Health's Protection of Vulnerable Adult list of persons prohibited from working with vulnerable adults. The results of such checks are notified to employers as a prelude to the issue of a full Criminal Records Bureau disclosure.

- (h) the offence of using an incorrectly registered vehicle; and
- (i) power to seize uninsured vehicles.

Annexes I and J are the two RIAs published on cost grounds explained above at paragraph 7. Annex A and appendix 1 cover SOCA and organised crime powers.

Summary of Key Benefits and Costs

RIA	Key benefits of preferred option	Cost
Serious Organised Crime Agency and organised crime powers	Creation of SOCA, together with the introduction of new powers and the more effective use of existing powers will significantly improve the UK's capability to tackle and defeat organised crime. Organised crime costs the UK <u>at least, £20bn</u> annually. The measures will help to reduce both the economic and social harm caused by such crime.	The set up costs of SOCA including the costs of specialist prosecutors in 2005/6 are estimated to be <u>at least £28 m</u> ; thereafter the Agency will cost around <u>£374m (including the costs of specialist prosecutors) in each of the financial years 2006/7 and 2007/8</u> .

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<p>New framework of arrest and search powers</p>	<p><i>Arrest:</i> Should result in improved police efficiency and effectiveness in terms of the police investigative process and raise the level of successful outcomes to investigations. Enables police to determine on a case by case basis whether or not a person needs to be taken into custody - potential savings on police time and related accommodation issues.</p> <p><i>Search Warrants:</i> Should raise police efficiency and effectiveness and raise quality of application process for warrants as part of the investigative process. Savings should also accrue to courts in terms of the frequency of applications for warrants</p>	<p>There will be initial costs of retraining present police officers, these are not expected to be significant.</p>
<p>Extension of stop and search powers to deal with fireworks offences</p>	<p>Such powers would reduce the risk that fireworks are used to intimidate or harm people or animals. It could also lead to a significant reduction in damage caused to property.</p>	<p>The total estimated costs are likely to be in the region of £1,058,000</p>

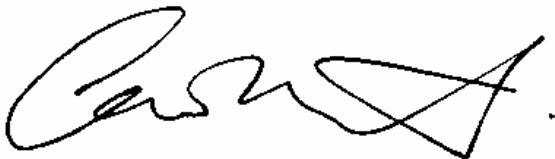
Additional powers for Police Community Support Officers and Accredited Persons	Increase the capacity of PCSOs and accredited persons to deal with anti-social behaviour without eroding their high-visibility role, thus helping to improve reassurance within communities.	PCSOs and accredited persons will require additional training, but costs are expected to be minimal.
Extension of powers of investigating officers under s.38 of Police Reform Act	Will free up police officer time	Investigating officers will require some additional training, but costs are expected to be minimal.
Incitement of religious hatred	Ensure that all religious (and non-religious) groups receive the same protection from incitement to hatred.	Estimated costs for criminal justice system are £225,000 in 2005/6 and £109,000 in subsequent years.
Measures to deal with animal rights extremists	Provide the police with greater flexibility to deal with intimidatory protest outside a person's home and give victims of harassment greater protection. Help protect Britain's world-class bioscience industry from attacks by extremists	Costs to police and courts estimated at £240k per annum

<p>Offence of using an incorrectly registered vehicle</p>	<p>Easier identification of vehicles and their owners will save police time, reduce the costs associated with abandoned and burned out vehicles and potentially lead to more take up of insurance and payment of vehicle excise duty at a rate of between £55 and £165 per vehicle. The scope for criminal and anti-social behaviour will be reduced. There will be direct income from the payment of fixed penalties for the offence.</p>	<p>None directly. Potential court costs associated with up to 10,350 fine registrations, 360 court proceedings and 36 Crown Court appeals in respect of unpaid fixed penalties (likely to total around £504,000 per annum some or all of which may be offset by revenue made from fixed penalty notices)</p>
<p>Power to seize uninsured vehicles</p>	<p>Help diminish costs to motorists of meeting insurance claims against uninsured drivers (estimated £30 on premiums) and contribute to benefits of preventing accidents (estimated to cost £17,760 million pa); reduce environmental degradation and promote safer communities</p>	<p>Possible costs involved in the removal, storage and disposal of vehicles, when police decide it is appropriate to use the power. Views as to their level, where they might fall and their sustainability within existing resources, are being sought in a consultation exercise</p>

Criminal Records Bureau 'POVA first' checks	Will enable the CRB to meet the cost of this new service within its general financial remit, namely to recover its costs through charges paid by the users of the Disclosure service. This service provides vital support to the DoH's programme to provide additional protection for vulnerable adults.	Approximately 20,000 checks each costing an estimated £6.50 will be carried out per year (£130,000 annually). Responsible employers will be expected to meet the cost of each check
Extending the Securities Industry Authority to Scotland	Improvement in standards and general reduction in offending in the private security industry in Scotland. Provides for consistent regulation and enforcement across GB	Approximately 30,000 security operatives will be required to purchase a £190 license, the license will be contingent upon training which costs approximately £350 per operative. Responsible employers are expected to meet the costs of employees requiring licences

DECLARATION

I am satisfied that the benefits of measures for which Regulatory Impact Assessments have been published with this Bill justify the costs.



Caroline Flint MP
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