



Economic Crime Board of the Police Committee

Date: WEDNESDAY, 13 JUNE 2012
Time: 2.30pm
Venue: COMMITTEE ROOMS, WEST WING, GUILDHALL
Members: Simon Duckworth (Chairman)
Mark Boleat
Alderman Ian Luder
Helen Marshall
Deputy Richard Regan

Enquiries: Gregory Moore
tel. no.: 020 7332 3113
gregory.moore@cityoflondon.gov.uk

Lunch will be served for Members in the Guildhall Club at 1.30pm

Chris Duffield
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**
2. **DECLARATIONS BY MEMBERS OF PERSONAL OR PREJUDICIAL INTERESTS IN RESPECT OF ITEMS TO BE CONSIDERED AT THIS MEETING**
3. **TERMS OF REFERENCE**
To note the Board's Terms of Reference as follows:

To be responsible for:

- a. Overseeing the force's national responsibilities for economic crime and fraud having regard to the strategic policing requirement in this area;*
- b. monitoring government, and other external agencies' policies and actions relating to economic crime; and,*
- c. Making recommendations to the Police Committee in matters relating to economic crime.*

4. **PRESENTATION: "LEADING THE FIGHT AGAINST ECONOMIC CRIME"**
Presentation of the Commissioner.
For Information
5. **NATIONAL OPERATIONAL DELIVERY**
Report of the Commissioner (copy attached).
For Information
(Pages 1 - 6)
6. **NATIONAL FRAUD INTELLIGENCE BUREAU**
Report of the Commissioner (copy attached).
For Information
(Pages 7 - 14)
7. **FRAUD TRAINING ACADEMY**
Report of the Commissioner (copy attached).
For Information
(Pages 15 - 20)
8. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
9. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

10. **EXCLUSION OF THE PUBLIC**

MOTION: That under Section 100A of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act.

Item No.

11

Exempt Paragraphs

4

Part 2 - Non-Public Agenda

11. **PROPOSED ECONOMIC CRIME DIRECTORATE STRUCTURE**

Report of the Commissioner (copy attached).

For Information

(Pages 21 - 30)

12. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

13. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

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Agenda Item 5

Committee(s): Police Economic Crime Board	Date(s): 13 th June 2012
Subject: Economic Crime Update – National Operational Delivery	Public
Report of: Commissioner of Police POL 37/12	For Information
<u>Summary</u>	
<p>This report provides an update to Members since the previous update report submitted to your Grand Committee in July 2011 (Pol 40/11 refers). Members will be aware that the current government is committed to the creation of the National Crime Agency (NCA) and the ambition is that it will be operational by December 2013. A sub command of this agency will be the Economic Crime Command (ECC).</p>	
<p>The City of London Police (CoLP), as Lead Force for Fraud, is playing a key role in working towards common goals in line with the ambition of the NCA. The Force is supplying resources to the working groups and the Commissioner and Commander are involved in chairing the Economic Crime Command Board (ECCB) and sub groups for intelligence and operations.</p>	
<p>The Force has also begun work to implement the vision of a national fraud capability with improved coordination at a local, regional and national level for fraud investigation. A business case was developed and approved at ACPO Cabinet and Council in January 2012, which advocated a national standardised framework for investigative standards and the development of regional fraud teams.</p>	
<p>There is now a dedicated project team to implement delivery of the business case which is being led by A/Commander Steve Head. A key set of deliverables has been developed with relevant timescales, these include: standard strategic priorities; national case acceptance criteria; the creation of an ACPO approved Fraud Doctrine; the creation of a role for a National Coordinator for Economic Crime; and embedding Regional Fraud Teams and dedicated Regional Intelligence officers into ACPO Regions.</p>	
Recommendations	
Members are asked to receive and note the contents of this report.	

Main Report

Emerging Structures

1. This report provides an update to Members since the previous report submitted to your Committee in July 2011 (Pol 40/11 refers). The current Government has been committed to the creation of a National Crime Agency (NCA) since before coming to power and this month the Queen's speech announced a bill to create the NCA with an ambition that it is fully operational by December 2013. Its declared ambition will be to: tackle organised-crime and cyber-crime; strengthen our borders; fight fraud via a new Economic Crime Command (ECC); and protect children and young people.
2. Part of the work to build the NCA is to design an intelligence function and structure that enables all elements of the Agency and partner agencies to prioritise efforts against the greatest threats and harm facing the UK. Within the Economic Crime work stream, CoLP, in its role as National Lead for Fraud for UK policing is playing a key role. Whilst the build work is continuing, it is clear the National Fraud Intelligence Bureau (NFIB) will have a key function in the new environment.
3. The Force has supplied two members of staff from NFIB to work closely with the NCA, one to work with the Intelligence-hub design team, the other with the ECC design team. In addition, the CoLP ACPO team are represented on ECC Board (ECCB) by the Commissioner and of its three subgroups, two are now chaired by the CoLP: the Economic Crime Prevention Group (chaired by National Fraud Authority (NFA)); the Economic Crime Operations Group (chaired by CoLP) and the Economic Crime Intelligence Group (chaired by CoLP), whereby a multi-agency approach is fostered to begin targeting the threat from serious and organised crime.

National Fraud Capability

4. At the beginning of the Financial Year (FY) 2011-2012, the Force articulated a vision across law enforcement and the private sector to address the significant threat from fraud and improve the National Fraud Policing Capability. It was evident that the threat to the United Kingdom and its' citizens from fraud was increasingly complex and growing. The Annual Fraud indicator, issued by the National Fraud Authority in January 2011 had estimated that fraud cost the U.K. economy at least

£38.4 Billion, a 26% increase year on year. The most recent version of this indicator shows a significant growth on that figure.

5. The Governments' Organised Crime Strategy 'Local to Global; Reducing the Risk from Organised Crime' (July 2011) then stated that Financial Crime (Fraud) was one of the four key threat areas identified in the latest UK Threat assessment. It highlighted the growing complexity, scope and scale of fraud, and using research from the National Fraud Intelligence Bureau (NFIB) provided evidence that 11% of Organised Crime Groups (OCGs) were directly involved in fraud.
6. Government had also identified the need for more effective coordination of enforcement at the national, regional and local levels in relation to the identified key threats from organised crime, including fraud. Also acknowledging that whatever the status of the victim, be it corporate or individual; the quality of service they received from the police service, especially outside of London, needed to be more consistent.
7. The police service generally was facing unprecedented cuts to its budget and many forces were denuding their fraud teams as a response. As a result CoLP engaged with its key stakeholders across local/regional/national policing structures to develop a business case for ACPO and the Government with proposals to address these challenges. A business case was developed and approved at ACPO Cabinet and Council in January 2012. The plan has two main elements a) and b):

a) A national standardised framework (FY 2012-2013)

8. This 'national standardisation' framework involves revising investigative standards for the reporting and investigation of fraud and training and accreditation. In conjunction with the NFA, CoLP is also working on the national roll out of 'Action Fraud', a system for the central recording of all fraud reports. From April 2013, all fraud reports, whether through forces or reported direct to 'Action Fraud', will be centrally held in the NFIB. This will enable a far richer picture of fraud intelligence to be centrally held, assessed and tasked out nationally for action. The NFIB will also deploy regional intelligence officers sited within Regional Intelligence Units in each of the nine ACPO regions, which will enhance the ability of the NFIB to gather intelligence from across the UK, and draw closer links with OCG mapping.

b) Regional Fraud Teams

9. During the FY 2013-2014 the CoLP will develop the infrastructure for additional intelligence-led Regional Fraud Teams (RFTs) alongside existing regional and collaborative policing structures. This infrastructure, through a CoLP led national tasking and co-ordinating process, will proactively prevent, disrupt and enforce the regional and national threat from serious and organised fraud.
10. The funding requirements were approximately £1.8m for the first year and some £10.4m thereafter. The Home Office have indicated that they will fund year one and, in principle, fund half of year two costs onwards (£5.2m). The Force is currently seeking the agreement from the private sector to fund the remaining cost, and initial discussions are taking place with the banking sector.
11. CoLP has continued to engage with the Financial Services Sector (in particular the British Banking Association and UK Payments) in order to discuss and develop opportunities for its involvement. A draft business case was written that proposed the Financial Services Sector part fund the regional structures in return for dedicated banking intelligence and enforcement teams based within the CoLP, but clearly aligned to the new regional structures. This work is ongoing and there are industry workshops planned for June and July to help inform the negotiations. The Force has aligned the proposed new structures with the forthcoming creation of the ECC, which will in itself be a thematic sub-command of the NCA.
12. At the beginning of this financial year, a new dedicated project team was established to ensure the delivery of the above options to ACPO over the FYs 2012-2013, FY 2013-2014 and FYs 2014/15, the anticipated time-period of the first tranche of Home Office funding.
13. The project team led by Acting Commander Steve Head have developed a key set of deliverables over this period to include:-
 - National case acceptance criteria and standard operating procedures for regional fraud teams to be agreed by ACPO prior to 1st April 2013.
 - The creation of an ACPO approved Fraud doctrine for the consistent investigation of Fraud across all forces by 2013. This doctrine will act as a reference point and clear set of standards for the consistent and

appropriate reporting, recording and investigation of fraud right across the country.

- The creation of a role for National Co-ordinator for Economic Crime, by 1st April 2013. This will be important for the co-ordination of all the national economic crime resources and ensure that these operate in a way that complements the existing force and regional structures, as well as emerging national structures across the public and private sectors.
- Standard strategic priorities to be written by the NFIB and agreed by ACPO by 1st September 2012. This will enable strategic workloads to be set by the centre (NFIB).
- Two dedicated regional intelligence officers (RIO's) to be embedded within each of the ACPO regions intelligence units by 1st September 2012. These intelligence posts will create a national network for the collation, analysis and dissemination of fraud intelligence.
- National standard operating procedures for the RIO will be agreed before 1st September 2012. It is vital that the governance and operating procedures for this network are agreed by all the forces involved in order to maximise their potential and avoid conflicting expectations nationally.
- Regional fraud teams to be embedded within each of ACPO regions by 1st April 2013. These will be teams of detectives dedicated to combating fraud at the regional level, bridging the gap between local crimes investigated by forces and national crimes investigated by CoLP as the National Lead-Force.

Conclusion

14. In conclusion, at this time of significant change in the policing landscape for economic crime, the Force has positioned itself well in order to feature at the forefront of the new ECC as part of the NCA. In addition, significant headway is being made in providing a national capability to tackle economic crime.

Contact:

*A/Commander Stephen Head
Economic Crime Regionalisation Lead
020 7601 6801*

Stephen.head@cityoflondon.pnn.police.uk

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Agenda Item 6

Committee(s): Police Economic Crime Board	Date(s): 13 th June 2012
Subject: National Fraud Intelligence Bureau (NFIB)	Public
Report of: Commissioner of Police POL 38/12	For Information
<p style="text-align: center;"><u>Summary</u></p> <p>In 2006 the Government commissioned the National Fraud Review. The main outcome of this Review was for a new tripartite approach to be taken to combating Fraud with the formation of the National Fraud Authority (NFA); Lead Force for Fraud status for the City of London Police and the creation of a National Fraud Reporting Centre (now Action Fraud) and the National Fraud Intelligence Bureau (NFIB).</p> <p>The main purpose of the NFIB is to collect, evaluate and analyse intelligence for the UK counter fraud community, thereby enhancing the response particularly to organised crime groups. The NFIB relies upon data from a number of stakeholders who have been engaged in the development of the Bureau and its processes.</p> <p>The initiative has been funded from various sources including Home Office and National Cyber Security Programme (NCSP) grants, as well as resources being provided by the Force.</p> <p>Impacts of having the bureau as seen in the last quarter of 2011/12 included: analysing large numbers of e-mails relating to phishing and malware reports, resulting in disruption to criminal activity; closing fraudulent websites and dismantling telephone platforms being used for fraudulent purposes.</p> <p>Developments and projects in 2012-13 include: ensuring the Force and the NFIB is positioned well in the development of the National Crime Agency; defining the NFIB role as the national thematic unit for Fraud related Organised Crime Groups (OCGs); National roll out of 'Action Fraud'; development of the Identity Assurance Programme which will provide a greater understanding of the threat from false and fraudulent identities and finally, developing a national tasking and coordination function.</p>	

Recommendations

That Members receive this report and note its contents.

Main Report

Background

1. In 2006 the Government commissioned a National Fraud Review to assess the impact and scale of fraudulent activity across the UK. The review recognised that attempts to tackle fraud were being undermined by a fragmented approach to reporting, recording and analysing fraud information and intelligence data. This was tied to the lack of a central repository for reports of fraud, leading to a new tripartite approach to combating fraud:
 - The formation of the **National Fraud Authority (NFA)**, an umbrella government organisation to co-ordinate and oversee the fight against fraud across counter fraud agencies;
 - The **City of London Police** was named the National Lead Force for fraud investigation across the UK; and
 - The creation of the National Fraud Reporting Centre (now branded as **Action Fraud**¹) and **the National Fraud Intelligence Bureau (NFIB)**.
2. The NFIB commenced as project phase in 2008 and became operational in June 2010.

Current Functions

3. Millions of fraud reports are now being transferred to the NFIB ‘hub’ daily. Frauds identified as having viable leads are passed to police forces or other law enforcement agencies for action.
4. The NFIB also uses the mass data to create a richer picture of the nature of fraud offending across the UK, analysing offender, victim and location trends. This enables closer partnership working and more targeted prevention activity for police and industry. Outputs from the NFIB have a local to global range.

¹ Action Fraud is run by the NFA to provide direct online and telephone fraud reporting for members of the public and small businesses to report cases of fraud, and to receive support and fraud prevention advice without having to report to a Police station. Victims can speak to a trained advisor or use an online web-reporting tool to record their crime. Those who report a fraud requiring an immediate response will be referred directly to the police force or other most appropriate organisation.

The purpose of the NFIB is to:

- Make effective use of intelligence from fraud victims across the UK (be they individuals, businesses or the public purse) – exploiting such information to help; alert, educate and protect; find new and effective ways to engineer out the threat from fraud; and positively influence the UK’s limited enforcement resources to tackle fraud crime;
 - Harvest, process and analyse fraud data to provide actionable intelligence to the UK counter fraud community, promoting a better understanding of fraud, including themes and trends in order to inform more focussed, collaborative prevention and disruption;
 - Develop and allocate crime packages to facilitate local, regional and national police functions and other law enforcement agencies’ investigations into the most harmful instances of fraud-linked criminal activity; and
 - Achieve an improved and effective response to organised fraudsters by adding value to the knowledge and understanding of organised crime groups directly and indirectly related to fraud crime through its connectivity with the Organised Crime Co-ordination Centre (OCCC).
5. To achieve its purpose, the NFIB has drawn together ‘Action Fraud’ data² as well as partner agencies confirmed fraud data (including organisations across the banking sector, insurance sector and telecommunications) in order to share information by placing it within the NFIB data warehouse, where it can be effectively analysed to distribute meaningful prevention, intelligence, awareness and enforcement outputs.
6. Major data providers to the NFIB currently include the Office of Fair Trading, CIFAS³, UK Payments, Vodafone, Royal Mail, NHS Protect, Land Registry, Companies House and Hill Dickinson. There are also many other providers of data to lesser volumes but equally as rich in value. The Data providers make up the key stakeholders in the NFIB and are subject to Information Sharing Agreements (ISA’s).
7. Some key stakeholders have invested further in the NFIB by seconding staff to assist in the wider strategic objectives such as the Serious Organised Crime Agency (SOCA), UK Payments, CIFAS, Land Registry, Charity Commission, Telecoms industry (TUFF) and the British Records Music Industry.

² National central fraud reporting function

³ The UK’s Fraud Prevention Service

8. To deliver continuous improvement, the NFIB has a data provider programme focusing on improving the quality and volume of data to maximise the delivery of its outputs. New relationships are being developed with the Airline Industry, Finance and Leasing Association and the National Anti-Fraud Network to ingest their data into NFIB for this purpose.

Funding arrangements

9. The NFIB is funded from:
 - A Home Office grant - £2.4m per year (FY 2012/13).
 - A National Cyber Security Programme grant- £440,000 per year (FY 2012/13).
 - The City of London Police (CoLP) - £665,000 per year (FY 2012/13) to fund police officers/staff.
10. In addition, the national roll-out of ‘Action Fraud’ reporting across all ACPO Forces requires a substantial NFIB resource increase in 2012-13 onwards to ensure the NFIB can effectively respond to increased demand. In light of this, a business case was made to the National Cyber Security Programme (NCSP) that has resulted in an increase in budget from £440,000, detailed above, to £2.02m for the FY2012/13.

Current activity

11. The NFIB is a key pillar of the wider Economic Crime Directorate Lead Force Strategy programme led by Commander Dyson.
12. Examples of the NFIB’s impact and reach in the last quarter of 2011-12 include:
 - Reaching 95% of all ACPO Forces with crime packages for investigation, totalling 1,066 viable lead packages;
 - Analysing 19,653 emails from national financially motivated phishing and malware reports signposting 3,224 for disruption;
 - Closing 92 fraudulent websites and 10 rogue Foreign Exchange accounts;
 - Dismantling 601 telephone platforms used for fraudulent purposes; and

- Disseminating 72 assessed intelligence products with prevention recommendations (includes Intelligence alerts as well as Tactical and Strategic products).
13. The first month of the new financial year has already witnessed improvement, for example, the dissemination of prevention alerts has increased significantly with 95 distributed in April across the counter fraud community. This is largely down to a newly implemented change programme across the NFIB structure.

Developments through 2012-13

14. **National Crime Agency (NCA) build** – The NFIB is a key contributor to the Economic Crime Intelligence Group (ECIG) and Economic Crime Operations Group (ECOG) which have been set up under the Economic Crime Coordination Board (ECCB) chaired by the new NCA Director General Keith Bristow as pre-cursors to aid in the delivery of the Economic Crime Command (ECC) as part of the NCA. As well as assisting to coordinate multi agency intelligence assessments as part of the groups, the NFIB are leading in the production of an all agency ‘Economic Crime Strategic assessment’, to inform the Control Strategy priority setting of the ECC.
15. In addition, the NFIB have placed two members of staff within the Home Office NCA intelligence hub build team, with a focus on assisting to develop and influence the Economic Crime Command structure and its component parts.
16. **National Organised Crime Group Mapping (OCGM)** - The NFIB is currently working with the Organised Crime Coordination Centre (OCCC)⁴, defining its role as the National thematic unit for knowledge build of all mapped fraud related OCG’s⁵; aiding the development of partner counter fraud agencies to identify and map fraud OCG’s; and proactively identify new OCG’s from emerging intelligence. There are currently 1216 mapped OCG’s involved in fraud crime across the UK.

⁴ The proposed multi-agency Organised Crime Co-ordination Centre (OCCC) will interrogate and develop the picture of organised crime, not only from the perspective of who is active in a particular force area and police region but also those who are impacting on that area from elsewhere in the UK and from overseas. The OCCC will co-ordinate the multi-agency approach in responding to serious and organised crime.

⁵ Organised Crime Groups (OCG’s) are those individuals that work with others, in continuing serious criminal activities for substantial profit, whether based in the UK or elsewhere.

17. **National roll-out of ‘Action Fraud’**⁶ – is a key delivery priority for the NFIB in 2012-13 working in partnership with the National Fraud authority. Effective delivery of all individual ACPO Police forces being able to report their Fraud crime reports to a central hub for reporting and recording will mean that by April 2013, the NFIB will hold all reports of fraud crime Nationally, to analyse and develop further. A pilot with five police forces including the CoLP has been completed in preparation for the national launch across all forces. A steering group, chaired by Commander Dyson governs the roll out program.
18. **Cyber growth** – A successful business case bid in March 2012, achieved £2million of new investment from the NCSP to support expansion of the NFIB to meet the future increased demand the roll-out of ‘Action Fraud’ will bring, as well as the extended remit of the NFIB to accept (via ‘Action Fraud’) all reports of financially motivated cyber crime. To that end, a recruitment program is under way to employ 31 new Police staff in a mixture of analytical and research support roles.
19. **Identity Assurance Programme** - The NFIB is currently leading on a project aimed at providing a greater understanding of the threat from false and fraudulent identities, whilst creating prevention and enforcement opportunities to tackle those profiting from criminal impersonation by data match proof of concept. This is a partnership approach with the Metropolitan Police and Home Office Identity Assurance team and will also contribute to the Home Office Identity Assurance Programme objectives of facilitating safer online application transactions with wider government agencies such as Department of Work and Pensions (DWP), DVLA and Passport services. The project is in phase one of three and funded by Government Digital Services on successful delivery of each phase.
20. **NFIB National Coordination / Tasking** - Counter fraud and law enforcement agencies have been brought together for the first time by the NFIB creating a national tasking meeting to develop inter regional relationships in respect of coordinating fraud crime tasking through NFIB as the central hub. The ten ACPO Regional Operational Command Units (ROCU), SOCA, Serious Fraud Office (SFO), Financial Service Authority (FSA) and HM Revenue and Customs now meet quarterly to

⁶ Action Fraud has currently been rolled-out to 6 out of 43 police forces across England and Wales but will be nationally completed by March 2013. The national roll-out of Action Fraud will see the NFIB grow by 60% and create a central mechanism for all UK police forces to report fraud and receive analysed and assessed intelligence products to inform their response

share intelligence and identify new forms of fraud disruption and prevention opportunities. A network of regional points of contact, made up of NFIB staff, ensure strong relationships are maintained with the regional community. This mechanism will feed into the wider roll out of the national response to fraud crime – which forms a separate report for your Committee.

21. **New Sector Partners** – developing new partnerships across the public, private and 3rd sector organisations is pivotal in enabling the NFIB to develop a richer data set in order to drive forward an increased range of strategic and tactical intelligence products. Some recent examples include the sharing of intelligence with the British Records Music Industry, Travel Industry and Intellectual Property Office as means of identifying early prevention, disruption and enforcement opportunities.
22. **Advance in Technology** – as part of the NFIB Change programme, a development/upgrade of the NFIB information technology is being progressed with a focus on enabling future system connectivity with the Police National Database (PND) to facilitate faster time intelligence sharing of organised crime, cyber and fraud information to the counter fraud enforcement community with a target delivery, 31st December 2012.
23. **Extending NFIB reach** - by April 2012 the NFIB will extend its reach to the ACPO regions under the National response to fraud programme by placement of Home Office funded Regional Intelligence Officers (RIO's) in each of 10 regions. Their initial strategic objectives being;
 - To provide a holistic and informed profile of the fraud crime demand within the region, inclusive of victim profile and crime typology to assist on the delivery of National priority setting and case acceptance criteria for local, regional and National levels of investigation
 - In accordance with the above, produce a regional threat assessment of the levels of organised crime groups both directly and indirectly involved in fraud crime affecting the region. Mapped By way of profiling their intent and capability against criminality.
 - Produce a regional prevention strategy inclusive of compendium of alternate disruption options (other than traditional enforcement) linked to the strategic priorities of the NFIB for effective use by Regional Fraud Teams.

Conclusion

24. The NFIB continuous improvement and development programme is progressing well in enhancing the Lead Force reputation and in support of the Bureau meeting the national challenges ahead.
25. In support of the Lead Force programme strategy the NFIB is making significant progress to be ready for the increased national responsibility ahead. Enhanced capability to receive and process high volumes of fraud information/intelligence from many diverse partners will support the counter fraud community locally, regionally, nationally and in the future internationally. The future national landscape for economic crime is under development and to an extent uncertain, however the NFIB is actively participating in and influencing the programme driving this change.
26. Members may wish to note that the core NFIB grant funding has reduced by 5%, although new investment from the NCSP for the FY2012/13 represents an overall budget increase of 54%. No decision has a yet been reached on what the funding envelope will be for the future from FY2013/14 due to HM Governments CSR period constraints.
27. The NFIB is increasing in capability, governed by the internal change program delivery and 'Lean thinking' in respect of eliminating wasteful practice and continuous improvement culture amongst staff. The ability to deliver faster time disruption and supporting national prevention strategy will also further establish the central role of the NFIB to further reduce harm caused by fraud in local communities across the UK.

Contact:

Detective Superintendent Dave Clark
National Fraud Intelligence Bureau Lead
020 76016906
d.clark@cityoflondon.pnn.police.uk

Agenda Item 7

Committee(s): Police Economic Crime Board	Date(s): 13 th June 2012
Subject: Fraud Training Academy	Public
Report of: Commissioner of Police POL 39/12	For Information
<p><u>Summary</u></p> <p>This report provides an update to previous reports to the Police Committee in July 2011 (Pol 40/11) and December 2011 (Pol 75/11).</p> <p>The development of the Fraud Training Academy is one of the three distinct pillars of the City of London Police Lead Force strategy for combating fraud and economic crime nationally. It has a key role to play in developing knowledge and building capability across both law enforcement agencies and industry sectors in order to improve national standards of fraud investigation.</p> <p>The vision for the Fraud Academy is for it to become the UK's leading provider of skills base training in economic crime globally. Its role will include the setting of new national standards.</p> <p>In partnership with an industry consultant the Force is progressing options for a new operating model that provides the optimum balance between sustainable growth and significant income generation with the aim of off-setting the impact of recent budget cuts to policing nationally.</p> <p>Further trainers are currently being recruited in order to meet demand and feedback from those attending current Academy courses shows 100% of attendees are overall "very satisfied" with the quality and the content of the courses.</p> <p>Other key areas of work currently being undertaken by the Academy include the development of a National Fraud Doctrine. This work is being undertaken in partnership with the National Policing Improvement Agency (NPIA). In addition the Academy is also engaged in the scoping of different options regarding the potential accreditation of its training across both the public and private sectors.</p>	

Recommendations

Members receive this report and note its contents.

Main Report

Background

1. This report provides an update to previous Committee reports in July 2011 (Pol 40/11) and December 2011 (Pol 75/11).
2. With the challenges of the 2010 Comprehensive Spending Review (CSR) and the need for the City of London Police to make savings of 20% over four years, identifying and developing income generation opportunities is key to the Force's vision of increasing fraud resources and maintaining the standard of its service delivery. The Fraud Academy is one of the three National Lead Force strategy pillars and offers significant opportunities to generate income for the Force.
3. During 2011 a business case was developed to identify options for enhancing the Force's Fraud Centre of Excellence, now rebranded as the Fraud Training Academy. The objective was for the Academy to become the leading provider in the UK for professional skills based training for fraud. The Academy will set national standards for counter fraud, corruption and financial investigation with the aim of it becoming self funding and a significant income generator for the Force within three years. The business case clearly articulated how the Academy was uniquely placed to deliver fraud training on a national scale across both the public and private sector, as well as provide accreditation and professional registration in the future. Input was received in the development of this business case by the former Committee Lead for Economic Crime, Mark Boleat.
4. The business case outlined four models for consideration: 1) An enhanced business as usual model 2) A model where CoLP undertake all the roles and responsibilities for training, management and marketing themselves 3) A model where CoLP provide the training but with limited support from a commercial partner and 4) A model whereby CoLP provide training in partnership with a commercial partner who assumes the financial risk through upfront funding in return for a percentage of the revenue.

5. The recommendation agreed by the Commissioner was for model four, as it provides the greatest opportunity for sustainable growth and income generation; whilst at the same time removing the need for CoLP set up costs and passing the financial risk to a commercial partner.
6. In December 2011, the CoLP website was updated with a profile of the new Fraud Academy with its training prospectus available for download. The CoLP also launched a marketing campaign to coincide with this new prospectus where electronic copies of it were emailed to approximately 50 existing and prospective clients across the public and private sector in the UK and overseas.

Current Position

7. As the business case for Model Four has now been approved, an independent consultant has been contracted to identify a range of options within the parameters of that model in order to articulate more precise details of the partnership agreement. This work is on schedule and is to be completed by mid June 2012. This will be followed by a period of engagement with the Corporation of London, which once complete will then form the basis of a formal proposal to be brought before Police Committee for consideration.
8. As of the beginning of May 2012 the Fraud Academy has two trainers in post plus one admin officer, although it should be noted that trainers currently also undertake some management responsibilities. In order to enhance their capability three further trainers have been recruited and are currently undergoing the recruitment process. In addition, because of the growth in demand, there are plans to recruit another two trainers internally as soon as possible. Eight training courses have so far been completed in 2012, but with this increased capacity it is anticipated that a total of 141 courses will be completed by April 2013. Feedback from attendees of these courses is regularly sought to ensure the quality of the content is of an appropriately high standard. The Academy has a target; Key Performance Area four (KPA4) to achieve 85% overall satisfaction for the quality of courses run. To date this target has been exceeded with 100% overall satisfaction.
9. With the imminent arrival of the new resources work is also underway preparing for the production of a new National Fraud Doctrine accompanied by standard operating procedures for its national implementation. The Force's plans for a comprehensive network of

regional fraud teams and intelligence officers will be enhanced by the completion of this work in 2013.

10. CoLP has also recruited an income generation officer who is currently prioritising work with the Fraud Academy to maximise its potential income opportunities. The individual is in the early stages of developing an interim business development plan which includes details of business drivers, potential new clients, geographical markets, business benefits, targets and a bespoke action plan.
11. A dedicated Project Manager has now been recruited to assist in co-ordinating the implementation of all these plans to ensure their successful delivery and take forward for the next steps.

Next Steps

12. The Force will consider the recommendations made by the consultant, specifically in relation to developing and agreeing a fair arrangement under Model four.
13. Further work will be undertaken to scope academic options for providing various forms of accreditation for those attending Academy courses. Although primarily looking at the accreditation of police officers in the first instance, it is anticipated that this work will develop to include the accreditation of other attendees.
14. The Academy will continue to work to identify the most effective means of capturing and disseminating best practice in fraud investigations nationally. This work will be reflected in the creation of the National Doctrine and authorised professional practice where appropriate.
15. The Force will accelerate the recruitment of further trainers with the necessary and appropriate skills background as a priority and the Income Generation Officer will continue to develop the interim Business Plan on behalf of the Academy.

Conclusion

16. There is significant potential for the Fraud Academy to become the national and indeed an international leader for providing fraud related training. The Academy has a key role to play in raising and maintaining clear standards for the investigation of fraud across the country, and there

is an opportunity for this vision to be realised through the provision of a self funding Academy.

17. The Academy has over time achieved considerable national recognition for the quality of its courses and a it is essential to keep up this momentum to meet growing demand. Currently, demand for courses remains high and all feedback received is extremely positive.

Background Papers:

Pol 40/11 – July Committee 2011

Pol 75/11 – December committee 2011

Contact:

Det Superintendent Tony Crampton

020 7601 6802

antony.crampton@city-of-london.pnn.police.uk

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By virtue of paragraph(s) 4 of Part 1 of Schedule 12A of the Local Government Act 1972.

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