

Committee: Police: Economic Crime Board	Date: 7 th June 2013
Subject: Economic Crime Update – National Capability Programme	Public
Report of: Commissioner of Police POL 26/13	For Information

Summary

At your Economic Crime Board in February 2013, Members were given an update on the background and current position of the national capability programme and details of the negotiating strategy for future funding. Members requested an update to this position at the next Sub Committee.

Stage one of the National Capability Programme led by Commander Stephen Head, is firmly established. The Regional intelligence Officers (RIOs) are now embedded within the Regional Organised Crime Units (ROCUs), operational progress and performance is measured against the NLF performance framework on a quarterly basis.

Members may recall from previous submissions the Programme Team were awaiting a funding decision from the Home Office in relation to the progression of stage two of the programme. In early May this year, the Home Office announced funding agreements for ROCUs to enhance their capability and capacity to target organised crime, which includes fraud.

The National Capability Programme Team is working with ACPO and the Home Office to shape and develop the Regional Fraud Teams (RFT) aspect of the overall capabilities. Regions have access to varying proportions of the overall grant, which the Home Office has stipulated has to be match funded by the regions. The team are assessing the current threats within each region and will determine the fraud capability taking consideration of threat and funding availability.

The role of National Co-ordinator continues to be developed, with the Programme Team maintaining this activity in relation to fraud and economic crime elements of the broader crime areas.

The Case Allocation Criteria is currently in the pilot phase to determine the demand on regional and national resources. This standardised process replaced the previous inconsistent police response to fraud crime, whilst

allowing individual forces and regions to retain control of case acceptance

The Programme Team and the Force Chief Officer Team continue to negotiate with senior Home Office officials, the Treasury and the British Banking Association (BBA) to secure sufficient, additional funding to achieve our original mission of building a dedicated counter-fraud capability across the whole country.

Recommendations

It is recommended that members receive this report and note its contents.

Main Report

Background

1. At your Economic Crime Board in February, Members were given an update on the background and current position of the national capability programme and further details of the negotiating strategy for future funding. This report provides details of progress to date and planned strategies to develop a Regional Fraud Team (RFT) capability and secure future funding.

Current Position

2. As Members may recall, the Programme Team was set up in April 2012 led by Commander Stephen Head. The role of the Programme Team has diversified incorporating a coordination aspect in relation to the performance of the RIOs. The team continue to progress stage two of the project phase working with ACPO and senior Home Office officials.
3. The Programme Team has progressed a key set of Home Office and ACPO agreed deliverables over this reporting period: -
 - The Regional Intelligence Officers (RIO's) are established in post, delivering against an agreed set of strategic objectives. RIOs now provide a national network for the collation, analysis and dissemination of fraud intelligence.
 - A dedicated coordination role has been established within the NFIB to manage the joint tasking and delivery of the RIO objectives. The role is

relatively recent; however expansion is anticipated in light of the National Coordination piece led by Cmdr Head.

- The RIOs have produced regional fraud threat assessments which identify the threat of fraud from a regional perspective and feed into the overall UK Threat Assessment. It is the information within these profiles which will help the Capability Team shape the requirements of each regions fraud capability and will be of particular benefit in helping to shape local support from elected Police and Crime Commissioners (PCCs).
 - The NLF performance framework is established as the mechanism to assess RIO operational delivery against the strategic objectives set in April 2012. The framework considers central and regional activity placing equal emphasis on centralised and local enforcement activity, prevention and threat reduction. Two performance cycles have seen a steady increase in RIO activity as time progresses with some exceptional operational results in more ROCU established regions.
4. The National Standard Operating Guidance (SOG) for the RIOs was agreed in October 2012 and stands as the recognised point of reference and guidance for RIO operations. A draft SOG sets out the proposed operational processes and procedures for the RFTs and RIOs combined. The document serves as an initial proposal and will form the basis of the joint working with the Home Office and ACPO.
 5. A pilot to test the viability of the proposed national fraud Case Allocation Criteria commenced on the 1st of April. The objective of stage one is to test the viability of the assessment mechanism and ascertain the anticipated volume of local, regional and national cases. Stage two will examine the capability of individual forces to deal with regional and national matters, the results of which will determine which option is chosen by means of evidence from the pilot. This will further provide percentage indications of the proportion of reported crime which is investigated. The results of both pilots will inform the work on shaping and developing a RFT.
 6. Action Fraud achieved full national status, all reports of fraud are directed to Action Fraud from the 1st of April 2013, and this includes all police reported, fraud related and cyber crime. Since the 1st of April police have experienced a significant increase (20%) in reported fraud; expectations are this will increase with time, placing increased pressure on police forces across the country. Current case acceptance criteria is resulting in some 25% of reported crime being allocated back to forces for

investigation. Early indications are that the majority of these are not subsequently being investigated and liaison is taking place with relevant ACPO leads to ensure Chief Constables and PCCs are aware of this issue.

7. The 'National Coordinator Office' proposal remains. The paper outlines six core functions to achieve the coordination of the national police response to fraud and economic crime. The Programme Team continue to work with the Home Office and ACPO to establish the exact parameters of this role in light of the funding award terms.
8. The progression of an ACPO approved Authorised Professional Practice (APP) to provide consistency of investigation of Fraud, across all forces by the end of 2013, continues. The APP build-team continue to work with ACPO and the NPIA the first workshops are scheduled for the month of May 2013.

Funding and negotiation strategy for further support

9. The Home Office have made an initial decision to go ahead with plans to fund an enhanced police capability and capacity to target all organised crime, including Fraud via an additional £10m grant. The ACPO Crime Business Area has been tasked with engaging with Chief Constables and PCCs to provide a funded package that strengthens Regional Organised Crime Units. Any funding will however have to be match funded by forces, although the match funding can be in the form of additional dedicated resources as opposed to just money.
10. Unfortunately, the funding was not in the format the Programme Team anticipated, but forms part of a larger national response to organised crime, with disparate amounts available to each region, although there are proposals to strengthen key capability functions (including fraud) being recommended by the ACPO Crime Business Area. The Programme Team are working with the CBA and regions to assess the collective response to all crime areas and the significance of fraud within the regional structures.
11. The Programme Team will examine the results from the aforementioned pilots, regional threat assessments and available funding envelopes, working towards developing and shaping a regional fraud team requirement for each region.

12. The Programme Team are currently negotiating with senior Home Office officials, The Treasury and the BBA to secure sufficient additional funding to achieve the original mission of building a properly trained, dedicated counter fraud capability across the whole country, capable of dealing with the threat of fraud at the local, regional and national levels.
13. Members may recall CoLP has been negotiating with the financial services sector regarding part funding of an enhanced national capability for fraud. These negotiations continue with the British Bankers Association (BBA) which is representing the financial sector. The City of London Corporation have been instrumental in bringing together a small team led by an independent consultant to engage with the BBA members over the exact terms of financial support.
14. The Programme Team continues to consult with the Home Office and in particular, the National Crime Agency (NCA) and Economic Crime Command (ECC). This engagement has ensured all emerging operating structures, both within the Force and the NCA will integrate effectively in order to reduce bureaucracy, support national and local strategies and deliver the best possible service to communities.
15. The Programme Team undertakes regular engagement with all ACPO regions to advise on current progress and approaching milestones. This has assisted to ensure all issues are identified at an early stage and measures are put in place to mitigate any risks.

Conclusion

16. During this time of economic uncertainty in the policing landscape, the Programme Team have continued to progress the NLF mission with a view to creating a true national capability and capacity to counter the fraud threat. In light of the funding award the team remains focused and engaged with all our business critical stakeholders to build a regional capability. Significant progress has been made with the national capability programme while awaiting funding confirmation, and also exploring other alternative funding strategies.

Contact:

Commander Stephen Head
National Capability Programme
020 7601 6801

Stephen.head@cityoflondon.pnn.police.uk