

Committee: Police: Economic Crime Board	Date: 23 rd September 2013
Subject: Economic Crime Update – National Fraud Capability Programme	Public
Report of: Commissioner of Police POL 40/13	For Information

Summary

At your Economic Crime Board in June 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. This is an update for Members as to the current situation.

In early May this year, the Home Office (HO) announced funding agreements for Regional Organised Crime Units (ROCU's) to enhance their capability and capacity to target organised crime, including fraud. Since then the National Capability Programme Team has been working with national ACPO and the HO to influence Regions for the need to develop a Regional Fraud Team (RFT) capability alongside their other local priority capabilities. Each region has now reported that they are to develop a Regional Fraud Team (RFT) within their ROCU structure.

As previously reported, the National Co-ordinator's Office (NCO) based in the City of London will have responsibility for liaising with each of the RFTs regarding the standards of investigation as well as clear performance frameworks with national ACPO and the HO. The NCO have also co-ordinated the existing intelligence structures across the country to create the first comprehensive set of local fraud profiles due for publication in October 2013.

As Members may recall from previous reports, the NCO together with the HO and national ACPO has developed Case Allocation Criteria. This remains in a pilot phase pending the creation of the RFT's at the end of the year. It is providing a picture to assist anticipation of demand on the local, regional and national resources at that time.

A further paper on the business benefits of co-joining regional cyber capability with the fraud capability is being developed for consideration by national ACPO and the HO.

The Force Chief Officer team continue to negotiate with senior HO 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 June, 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. Since a decision was taken in May this year by the HO to take a regional approach to fund ROCU's to combat all organised crime, work has continued to ensure that a Fraud capability is built into this. This report provides details of progress since the last report to your Board and planned strategies to develop a 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 programme team continue to coordinate the Regional Intelligence Officer (RIO) performance and work in partnership with the NFIB to maximise operational delivery within the funding envelope.
3. The HO decision in May to fund the ROCU's was a significant sea change from the original plans. To maintain momentum of the programme to ensure a fraud capability is built into this, the National Capability Programme Team has continued to actively influence national ACPO and the HO of the necessity to develop a Regional Fraud Team (RFT) to fulfil the regional capability gap.
4. Each Region has now reported that they are to focus on developing four capability areas using the funding made available from the HO, and one such area is the creation of a Regional Fraud capability. The Programme Team have personally visited each region to discuss the importance of

fulfilling the regional capability gap to reduce serious and organised fraud and increase victim service levels.

5. The RIOs have produced regional fraud threat assessments which identify the threat of fraud from a regional perspective. It is the information within these profiles which will help the Capability Team shape the requirements of each region's fraud capability and will be of particular benefit in helping to shape local support from elected Police and Crime Commissioners (PCCs).
6. Stage one of the programme is drawing to a close and RIO contracts are nearing completion. In line with the recent funding criteria and governance arrangements, the decision on whether to employ an intelligence resource rests with the regions. Currently all regions are retaining at least one RIO resource, but will absorb this role within their new RFT model. The national capability team are working with NFIB to reinforce the benefit of RIOs to Regions.
7. In terms of the case allocation pilot, it is now entering its fifth month. Early indications are that the criteria embedded within the NFIB will require slight adjustments so as to provide effective decisions in the allocation of fraud crime. The viability of the criteria continues to be tested and refined. The capability programme and NFIB are progressing stage two with a view to entering the active phase in the coming quarter alongside the HO directive. The pilot is significant in developing the RFT requirement to provide a reactive capability within the regions. A further paper on the business benefits of co-joining regional cyber capability with the fraud capability is being developed for consideration by national ACPO and the HO.
8. In the month that Action Fraud went live across all forces in England and Wales, a total of 32,531 crimes and information reports were received and 3,062 crime reports were disseminated. The previous year's monthly average of crimes received was 10,187 and the monthly dissemination average was 1,304. This represents an immediate increase of 219% in crimes received each month and 135% in crimes disseminated each month. It is evident that this more accessible method of fraud reporting for victims is leading to a continual increase in reported crimes.
9. The progression of an national ACPO approved Authorised Professional Practice (APP) to provide consistency of investigation of Fraud, across all forces by the end of 2013, continues. This is supported by minimum standards for structure and resources compiled by the College of Policing.

Funding and negotiation strategy for further support

10. The HO has funded an enhanced police capability and capacity to target all organised crime, including Fraud via an additional £10m grant.
11. Members may recall the Force 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) who 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. This review was slightly delayed in light of its anticipated timetable, however the review is now continuing and will complete shortly.
12. 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.

Conclusion

13. 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 HO funding award the team remains focused and engaged with the regions to build a regional capability.

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