

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
<p style="text-align: center;"><u>Summary</u></p> <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> <p>Recommendations</p> <p>Members are asked to receive and note the contents of this report.</p>	

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.

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