

## Report – Policy and Resources Committee

### Fraud and Cyber Crime Reporting Service - Governance

*To be presented on Thursday, 4<sup>th</sup> March 2021*

*To the Right Honourable The Lord Mayor, Aldermen and Commons  
of the City of London in Common Council assembled.*

#### **SUMMARY**

The next generation Fraud and Cyber Crime Reporting and Analysis Service (FCCRAS) will be a replacement for Action Fraud, the national fraud reporting service, which is a key component of the City of London Police's (COLP) function as National Lead Force for Economic Crime. While the COLP has been nominated to lead the procurement of the new service, it remains majority funded by the Home Office, so is subject to their rigorous governance. Due to the estimated cost of the project exceeding £100m, it is also subject to HM Treasury governance and as well as being subject to the government's Infrastructure and Project Authority's (IPA) gateway process. The project is also currently required to report to a number of City of London Corporation Committees and Sub-Committees. 'Governance overload' was cited as a critical risk to the project by the IPA in its recent Gateway 2 report. This was a view shared at the Home Office Finance and Investment Committee, which is due to consider the project on 18<sup>th</sup> March 2021 for approval to the next stage. Given their stated concerns this proposal aims to address the governance relating to the City of London Corporation ahead of this critical decision point.

In order to streamline the governance and provide assurance that this risk is being recognised and mitigated, it is proposed that a dedicated Committee is established to take on the oversight and decision-making roles of the Committees and Sub-Committees that the project would otherwise report to. The new committee would be called the Fraud and Cyber Crime Reporting and Analysis Service Procurement Committee. The Chairs and Deputy Chairs of those Committees and Sub-Committees that the project would otherwise report to would comprise the membership of this new Committee, which would be time-limited for the duration of the procurement (no more than three years). This would address the serious concerns of the Home Office and IPA, while maintaining appropriate oversight and scrutiny of the procurement of what is a critical service for COLP and the Corporation.

#### **RECOMMENDATION**

It is recommended to the Court of Common Council that it approves the establishment of a Fraud and Cyber Crime Reporting and Analysis Service Procurement Committee to oversee the procurement of the next generation Fraud and Cyber Crime Reporting and Analysis Service. The new committee is to be time limited to a period of three

years (from April 2021 to April 2024) to cover the duration of the procurement of this service. The new Committee will take on the responsibilities of those Committees and Sub-Committees currently overseeing this project, whose Chairs and Deputy Chairs will comprise the membership of the new Committee (as set out at Appendix 1).

## **MAIN REPORT**

### **Background**

1. The next generation Fraud and Cyber Crime Reporting and Analysis Service (FCCRAS) is the replacement of the current service known as Action Fraud and the system which supports the National Fraud Investigation Bureau. While the procurement of FCCRAS is led by the City of London Police, it is a majority Home Office funded project, and as such is subject to significant Home Office governance. In addition, due to the estimated total cost of the project exceeding £100m, it is also subject to wider HM Treasury and Cabinet Office governance. Its size has also led to it being required to undergo the government's Infrastructure and Projects Authority gateway process.

### **Current Position**

2. The Home Office's Finance & Investment Committee (FIC) is meeting on 18<sup>th</sup> March 2021 to consider whether to approve the project for progression to the next stage of procurement. At their previous meeting in January, approval was withheld with two particular concerns highlighted: lack of clarity on the funding for the service; and the complex and excessive governance the project is subject to. The discussions with the Home Office around funding are ongoing. With regard to governance, the Home Office has already reduced the number of committees/boards the project must report to and is looking to the City of London Corporation to make similar commitments. Being able to demonstrate these changes in time for the FIC meeting on 18<sup>th</sup> March 2021 should help allay concerns around the governance, reducing the likelihood that approval will be withheld a second time.

### **Proposal**

3. To establish a new Committee to take on the oversight and scrutiny of the FCCRAS, taking on this responsibility from those Committees and Sub-Committees (other than the Police Authority Board) that the project is currently required to report to: Finance; Procurement Sub (Finance) Committee; Project Sub (Policy and Resources) Committee; and Digital Sub (Finance) Committee.
4. This will mean the project is only required to report to the Police Authority Board and the newly established Committee. While this proposal is for consideration ahead of the wider governance changes deriving from the Lisvane Review, and recommends the establishment of a new committee, it is with the ambition of achieving proportionate and effective oversight of this project. Timing is also critical as the project is being considered for approval to the next stage of its procurement by the Home Office Finance and Investment Committee, which has recently raised its concerns over the breadth of governance that the project is

subject to. This is also a key finding of the Infrastructure and Projects Authority Gateway 2 report, which highlighted 'governance overload' as one of its critical concerns. The Home Office has since removed the need for the project to pass through its Business Design Authority and Technical Design Authority and is looking to the Corporation to make a similar commitment to address this concern.

5. The new Committee will comprise:

- Chair and Deputy Chair of the City of London Police Authority Board
- Chair and Deputy Chair of the Policy and Resources Committee
- Chair and Deputy Chair of the Finance Committee
- Chair and Deputy Chair of the Procurement Sub (Finance) Committee
- Chair and Deputy Chair of the Project Sub (Policy and Resources) Committee
- Chair and Deputy Chair of the Digital Sub (Finance) Committee

The above Committees may also propose additional individuals from their membership where they believe they will bring relevant expertise and experience to the Committee's deliberations (limited to one nomination per Committee and Sub-Committee).

6. Appendix 1 outlines the proposed terms of reference of the new Committee.

7. This proposal has the full support of all the relevant Committees and Sub-Committees following formal consultation on this matter.

### **Conclusion**

8. The FCCRAS is a critical project for the COLP and the City of London Corporation, as it is a key component of the force's function as National Lead Force for Economic Crime, supporting the City's ambition to be a safe place to do business.
9. Creating a new Committee to have responsibility for the oversight of the procurement of this service will significantly streamline the governance and address strong concerns about 'governance overload' from wider Government stakeholders, while maintaining appropriate Member oversight and scrutiny. Doing so now will help allay concerns ahead of the project's next key approval point at the Home Office's Finance and Investment Committee on 18<sup>th</sup> March 2021. This proposal has the full support of all the relevant Committee Chairs and Deputy Chairs. The Court is therefore asked to agree the establishment of this new Committee to allow this proposal to be enacted.

All of which we submit to the judgement of this Honourable Court.

DATED this 18<sup>th</sup> day of February 2021.

SIGNED on behalf of the Committee.

**Catherine McGuinness**  
Chair, Policy and Resources Committee

**FRAUD AND CYBER CRIME REPORTING AND ANALYSIS SERVICE  
PROCUREMENT COMMITTEE**

**1. Constitution**

A Committee comprising:

- Chair and Deputy of City of London Police Authority Board
- Chair and Deputy of Policy and Resources Committee
- Chair and Deputy of Finance Committee
- Chair and Deputy of Procurement Sub (Finance) Committee
- Chair and Deputy of Project Sub (Policy and Resources) Committee
- Chair and Deputy of Digital Sub (Finance) Committee

The above Committees may also propose additional individuals from their membership where they believe they will bring relevant expertise and experience to the Committee's deliberations (limited to one nomination per Committee).

**2. Quorum**

The quorum consists of any six Members (to be drawn from the relevant Chairs and Deputy Chairs).

**3. Terms of Reference**

For a period of three years, from April 2021 to April 2024, to be responsible for oversight of all matters relating to the procurement of the Next Generation Fraud and Cyber Crime Reporting and Analysis Service.