

<b>Committee(s):</b> Police: Economic Crime Board		<b>Date(s):</b> 6 <sup>th</sup> February 2013	
<b>Subject:</b> National Lead Force: Third Quarter Performance Report		<b>Public</b>	
<b>Report of:</b> Commissioner of Police (POL 07/13)		<b>For Information</b>	
<div><b><u>Summary</u></b></div> <p>This second performance report to your Economic Crime Board summarises the achievements of National Lead Force (NLF) during the 3<sup>rd</sup> quarter of 2012/13 – set against its agreed Key Performance Areas (KPAs) and Key Performance Indicators (KPIs). The report also details action being undertaken to rectify areas of underperformance and provides a summary of future developments in performance management; these include:</p> <ul style="list-style-type: none"><li>• Introduction of a revised performance framework for 2013/14 with fewer KPIs and the use of simplified language</li><li>• Changes to stakeholder management, designed to obtain better quality and more timely performance information</li><li>• Steps being taken to reduce the cost of monitoring NLF performance targets</li></ul> <p>As a quick guide for board members, the table below highlights the main performance headlines for Q3 (October to December 2012):</p>			
<b>NLF objective</b>		<b>Comment on progress</b>	
<b>KPA 1 Preventing and reducing the harm caused by economic crime</b>			
KPI 1.1 To increase the value of future economic crime disrupted by intervening against enablers of fraud		Being met	
KPI 1.2 To increase economic crime public awareness and stakeholder prevention		Being met	
KPI 1.3 To increase victim self-protection and reduce repeat victimisation		Being met	
<b>KPA 2 Enriching the national economic crime threat assessment and intelligence picture</b>			
KPI 2.1 To extend the impact and reach of strategic intelligence dissemination		Being met	
KPI 2.2 To extend the impact and reach of operational intelligence dissemination		Being met	
KPI 2.3 To extend the impact and reach of organised crime group intelligence dissemination		Being met	

<b>KPA 3 Enforcing and disrupting economic crime at the local, regional and national levels</b>	
KPI 3.1 To increase the value of criminal asset denial through to recovery (end to end process)	Being met
KPI 3.2 To increase the value of future fraud disrupted by NLF enforcement cases	Being met
KPI 3.3 To reduce the intent and capability of the most serious Organised Crime Groups perpetrating fraud	Not being met
KPI 3.4 To improve the quality of investigation and thereby enhance judicial outcomes	Being met
<b>KPA 4 Raising the standard of economic crime prevention and investigation nationally by providing education and awareness to the counter fraud community</b>	
KPI 4.1 To improve the impact and reach of training strategy and delivery	Being met
KPI 4.2 To enhance the impact and reach of standard setting and dissemination of best practice guidance	Being met
<b>KPA 5 Delivering value and reassurance to our community and partners in industry</b>	
KPI 5.1 To increase return on investment in NLF (£saved per £spent	Being met
KPI 5.2 To improve overall satisfaction of community (including victims) and partners in industry with NLF economic crime services	Being met
KPI 5.3 To increase the £value and % of leveraged partnership funding	Being met
<p><b>Recommendation</b></p> <p>It is recommended that your board receives this report and notes its contents.</p>	

## **Main Report**

### **Background**

1. At the September board meeting members received a report detailing National Lead Force (NLF) performance during the first quarter of the financial year (2012/13), set against an agreed performance framework.
2. This second performance report provides an update on achievements through to Quarter 3 (October to December 2012). The main successes and challenges of NLF performance are summarised in the forthcoming sections along with details of future developments in the collection, measurement and setting of targets.
3. As a reminder for board members, the current NLF performance framework, introduced in April 2012, was constructed under the

guidance of an external performance consultant and Bernard Herdan, the former head of the National Fraud Authority. The framework was designed to be deliberately stretching in its ambition; many of the mechanisms for collecting performance data being untested – nor had baselines been established in all cases. It was further intended to continually assess the framework during 2012/13 with a view to further refinement, preparing the way for routinely sharing NLF performance results with its many stakeholders.

4. Now that three quarters of the financial year have passed, work is underway to review existing KPIs and baselines. This has identified where the collection of data to support KPIs has been problematic, uneconomical or statistically weak (either due to the size of the survey group or the natural fluctuation in results). A revised framework is being constructed for introduction in April this year.
5. The revised framework for NLF will not only incorporate learning from the current review but will use simplified language to describe KPAs and KPIs (following feedback from stakeholders and staff). Similarly, the overall numbers of KPIs will be reduced to around ten (from the existing 15).
6. One of the specific findings to be identified during the review is a flaw in the mechanism for obtaining stakeholder feedback - the independent survey company engaged to conduct this work finding it difficult to identify one single person within a large organisation with the first hand experience necessary to comment on all areas of NLF activity. As such, whilst stakeholders will continue to be independently surveyed during 2013/14, the focus will move to victim management. The main reason for being able to move away from independent stakeholder surveys (and still obtain regular feedback) is the introduction of a new stakeholder management processes. In future, all stakeholders meetings and events will be subject to 'contact reports', incorporating questions from the existing survey; analysis of these reports will be conducted by the NLF Stakeholder Manager. In this way, it will be possible to gather timely feedback on NLF performance with the confidence that comments have been made by individuals who regularly interact with the Force.
7. Another benefit of reviewing the existing performance framework has been to identify opportunities to reduce the cost of collecting and analysing performance data. At present NLF contracts an independent research company to complete stakeholder and victim surveys, this work is separate to that undertaken by the Force under its obligation to conduct

Home Office victim surveys. It is intended these two streams of work will be merged from 1<sup>st</sup> April onwards to achieve costs savings.

## Current Position

8. Members will find below a table summarising achievements against the 15 Lead Force KPIs - with a corresponding narrative. A full explanation of performance calculations is available at Appendix A (National Lead Force Performance Outcomes – Quarter 3 Report).

NLF objective	Comment on progress
<b>KPA 1 Preventing and reducing the harm caused by economic crime</b>	
KPI 1.1 To increase the value of future economic crime disrupted by intervening against enablers of fraud	The current target for Q3 is 655 disruption requests, NFIB are currently exceeding by 205 disruptions requested. Disruption requests are sent to external organisations to close telephone, website or bank accounts.
KPI 1.2 To increase economic crime public awareness and stakeholder prevention	Combined results from the two stakeholder surveys conducted in 2012 revealed that 84% of respondents state NLF has been successful in increasing awareness of fraud and helping stakeholders protect themselves. The stakeholder survey process has been reviewed; surveys in 2013 will provide a more accurate indication of progress.
KPI 1.3 To increase victim self-protection and reduce repeat victimisation	NFIB's survey process has revealed 83% of recipients found the content of the alert they received made a positive contribution to their business/operations.
<b>KPA 2 Enriching the national economic crime threat assessment and intelligence picture</b>	
KPI 2.1 To extend the impact and reach of strategic intelligence dissemination	The reach of NFIB strategic products has increased to 555 recipients, this includes both public and private stakeholders. Combined results from the two stakeholder surveys conducted in 2012 revealed that 69% found strategic intelligence disseminated by NLF was of high quality and relevance.
KPI 2.2 To extend the impact and reach of operational intelligence dissemination	Combined results from the two stakeholder surveys conducted in 2012 revealed the overall perception of these products is positive. The stakeholder survey

	process has been reviewed and more targeted surveys will be conducted in 2013; these will provide a more accurate indication of progress.
KPI 2.3 To extend the impact and reach of organised crime group intelligence dissemination	The increase of 43 OCG intelligence disseminations produced in Q3 by NFIB all related to National Crime Agency (NCA) operations. This has enriched the NCA's knowledge of crime groups and typologies.
<b>KPA 3 Enforcing and disrupting economic crime at the local, regional and national levels</b>	
KPI 3.1 To increase the value of criminal asset denial through to recovery (end to end process)	The Asset Recovery Team are currently performing very well in relation to the volume target for Confiscation Orders, as they are 12 orders over the cumulative target for the end of Q3, and have already exceeded the target milestone for the end of year. The figures suggest that the Asset Recovery Team (ART) will greatly exceed the overall target set for 2012/13. In relation to cash seizures, the ART, are above target at the end of Q3 having completed 40 seizures to date; the cumulative target for the end of Q3 was set at 38. The figures indicate that the ART will achieve the target of achieving 50 cash seizures by the end of Q4 2012/13.
KPI 3.2 To increase the value of future fraud disrupted by NLF enforcement cases	The value of future fraud disrupted is a complex calculation and is based on a number of contributory factors. Q3 has seen a significant rise in the value; this is representative of the types of cases investigated. This element of the calculation cannot be controlled; the value of future fraud disrupted for Q3 is £317,830,210.
KPI 3.3 To reduce the intent and capability of the most serious Organised Crime Groups perpetrating fraud	Since the start of 2012/13 - 20 OCG disruptions have been recorded. This is 2 disruptions above the target number for the end of Q3 (20). There will now be improved reporting in this area. The Force Intelligence Bureau (FIB), have been given the responsibility for managing all CoLP OCGs and have introduced an OCG panel to oversee the quality of work against organised crime. This

	includes oversight of the OCG mapping process. This process requires that officers submit a claim form which is then reviewed at a monthly OCG management meeting and ratified accordingly.
KPI 3.4 To improve the quality of investigation and thereby enhance judicial outcomes	The number of suspects charged in Q3 2013 is 56 in comparison with 23 charges achieved in Q3 2012. This shows a significant increase and is reflective of the quality of investigations conducted.
<b>KPA 4 Raising the standard of economic crime prevention and investigation nationally by providing education and awareness to the counter fraud community</b>	
KPI 4.1 To improve the impact and reach of training strategy and delivery	The cumulative figure of delegates that have found the CONTENT and QUALITY of the NLF courses to be either Excellent, Good or Very Good and who are overall satisfied is 95%, which exceeds the target of 85% or above.
KPI 4.2 To enhance the impact and reach of standard setting and dissemination of best practice guidance	A significant number of key stakeholders have a good perception of the best practice disseminations they have received; half of stakeholders feeling that the guidance has improved their ability to investigate fraud. This suggests that NLF has made significant progress in taking a lead force stance in guiding other forces and key industry partners in the most effective fraud prevention and investigations methods.
<b>KPA 5 Delivering value and reassurance to our community and partners in industry</b>	
KPI 5.1 To increase return on investment in NLF (£saved per £spent	The year to date, return on investment figure of £56 shows a significant increase on the cumulative figure in value since Q1, which would indicate that the three capability areas within NLF are performing more effectively, within greater budgetary constraints than in quarter 1.
KPI 5.2 To improve overall satisfaction of community (including victims) and partners in industry with NLF economic crime services	Combined results from the two stakeholder surveys conducted in 2012 revealed that 95% of respondents are satisfied with the overall performance of NLF.
KPI 5.3 To increase the £value and % of leveraged partnership funding	In comparison with 2011/12 the % of leveraged funding has increased from 66% to 71%, and

	the £ value has increased from £9,605,000 to £11,898,041 respectively.
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## **Performance Successes**

9. The NFIB has made considerable progress, significantly increasing the range of stakeholders receiving strategic intelligence products to 555 this quarter; intelligence is being disseminated more frequently and to a wider audience. Survey results indicate that the quality and relevance of NFIB alerts remain high with 83% of recipients finding the content of the alert contributed to their business/operations<sup>1</sup>.
10. The disruption of fraud enablers is a significant aspect of fraud prevention and the NFIB continue to exceed the quarterly target. At the end of quarter three, the unit are just sixteen disruptions short of the 2012/2013 target (874 disruptions).
11. The performance of the Asset Recovery Team is exceptional; both the volume of confiscation orders and cash seizures exceeds the cumulative target for quarter three. The confiscation orders have already achieved the target milestone for the reporting period 2012/2013.
12. The Fraud Academy has exceeded the quarter three target in relation to the quality of the courses delivered; 95% of delegates have found the content and quality to be of good quality compared to a target of 85%.
13. Return on investment has increased to £56 per £1 spent; this is indicative of better performance in the areas of investigation, disruption, asset recovery and the judicial process. However, the figure should be approached with a degree of caution as a number of the component parts of the calculation are subjective (no national guidance available). The 2013/2014 reporting year will provide opportunities to consult with our stakeholders to seek expert opinion on ROI methodology using the 2012/2013 baseline as a foundation for further exploration and validation.

## **Performance Challenges**

14. Disrupting Organised Crime Groups (OCG) has proved challenging. The Lead Force target (KPI 3.3) equates to disrupting 24 OCGs during 2012/13, achievement being scored when a group has been moved to a lower threat tier. The calculation for the 3<sup>rd</sup> quarter was made in

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<sup>1</sup> NFIB Survey monkey results

November 2012 when fifteen OCGs had been disrupted, three below target. However, management action has now brought performance back on target, the December recalculation saw 20 groups disrupted two above target.

15. KPI 3.4: Measuring the quality of fraud investigations and judicial outcomes remains a difficult process. Whilst productivity has increased in comparison to quarter three 2011/2012 (the number of charged suspects rising from 23 to 56), ongoing engagement with the CPS Central Fraud Group has yet to achieve agreement on a mechanism for checking the quality of police files. With the CFG developing an integrated IT solution for data capture, it is anticipated that a mechanism for file quality will be finalised in advance of the new reporting year.
16. As referenced, ROI calculations are to an extent subjective and require further refinement and validation. Work with the National Fraud Authority has not been successful in agreeing a national framework although the establishment of the new National Crime Agency may provide further impetus. In advance of the agreement of values that can be used across law enforcement, The Economic Crime Directorate has started to break the calculations down across each department, providing an ability to identify where the greatest value is achieved.

## **Conclusion**

17. Challenging targets for NLF are currently in place and the City of London Police, through its Economic Crime Directorate, is achieving its ambitions in the vast majority of cases. Where performance expectations have not been met, corrective activities, such as that around organised crime group disruption, have succeeded in bringing performance back on track. This is a firm indicator that a culture of performance achievement within the Directorate is now starting to become embedded.
18. The current review of the 2012/13 performance framework will seek to further refine KPAs and KPIs in order that underlying objectives are more readily understood by staff and stakeholders, data collection is more accurate and is achieved at least cost.



**Background Papers:**

- National Lead Force Performance Outcomes – Quarter 3 Report

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