

Committee(s): Police Authority Board – For Discussion	Dated: 07/02/24
Subject: Parliamentary Update	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	1,5,6,7
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: Remembrancer	For Discussion
Report author: William Stark, Remembrancer’s	

Summary

This report updates members on recent legislative developments regarding economic crime and policing, including the Online Safety Act and Economic Crime and Corporate Transparency Act receiving Royal Assent, and the introduction of a number of Bills relevant to policing in the King’s Speech in November 2023.

Recommendation(s)

Members are asked to:

- Note the report.

Main Report

1. The conclusion of the 2022/23 parliamentary session saw two key pieces of legislation in the fight against economic crime receive Royal Assent; the Online Safety Act and the Economic Crime and Corporate Transparency Act.

Online Safety Act

2. The passage of the Online Safety Act was the culmination of an extended legislative process, building on the Online Harms White Paper of April 2019 and a draft version of the Bill subjected to pre-legislative scrutiny in 2021. The Bill was first introduced in Parliament in March 2022 and was the subject of a separate report to this Committee in July 2022. The Act seeks to tackle a wide range of online harms, however the City’s main interest in the Act lies in its provisions to tackle online fraud.

3. As passed, the Act will require online platforms which host user generated content and search engines to remove illegal content quickly or prevent it from appearing in the first place, including certain “priority” offences including fraud and financial crime. The largest platforms (known as “Category 1”) will also be required to prevent paid-for fraudulent adverts appearing on their services.
4. Outside of economic crime, there are duties for platforms to prevent children from accessing harmful and age-inappropriate content. In relation to adult protections, Category 1 services will be required to facilitate a so-called “triple shield”. Platforms will need to remove all illegal content, remove content that is banned by their own terms and conditions, and empower adult internet users with tools so that they can tailor the type of content they see and can avoid potentially harmful content if they do not want to see it on their feeds. It also creates a number of offences, including criminalising assisting or encouraging self-harm online.
5. As noted in the July 2022 report, in consultation with the Chair extensive engagement was undertaken to ensure the Bill (as it was) included provisions to tackle economic crime which were originally absent, including ensuring paid-for advertising was in the scope of the Bill and that online fraud was included as “priority harm” (meaning online platforms would have to take proactive steps to remove fraudulent content).
6. While the Bill went through many revisions and was subject to intense scrutiny throughout its passage, the provisions relating to economic crime, once inserted, were generally uncontroversial. The Bill’s provisions on protecting users from “legal but harmful” material dominated political discussion. With fraudulent content being illegal, measures to tackle it did not generate a great deal of debate. Debate also focused on protecting freedom of speech and ensuring the Bill went far enough to protect children from harmful material such as content encouraging suicide.
7. The Act sits alongside the Online Fraud Charter, a voluntary agreement between the government and the technology sector to reduce fraud on their platforms and services. Assistant Commissioner Nik Adams attended the signing of the charter, and FCCRAS team are working with signatories regarding how the new service can work with them to assist them to identify where offenders are using their platforms to target victims.

Economic Crime and Corporate Transparency Act

8. Introduced to Parliament in response to Russia’s invasion of Ukraine, the Economic Crime and Corporate Transparency Act also received Royal Assent prior to the King’s Speech. The Act introduces reforms to Companies House to tackle fraudulent companies, a new ‘failure to prevent fraud’ offence for large business, reforms to prevent the abuse of limited partnerships, additional powers to seize and recover suspected criminal cryptoassets, as well as measures to address strategic lawsuits against public participation (SLAPPs).
9. During the Bill’s passage through the House of Commons, Assistant Commissioner Nik Adams gave evidence to the Public Bill Committee alongside representatives of the NPCC and SFO on the Bill’s provisions and the wider fight against economic

crime. Adams set out the City Police's support for the Bill and how provisions reforming Companies House can best support policing.

10. As the Bill entered the House of Lords, supportive messaging was shared with Peers regarding the introduction of a "failure to prevent" economic crime offence for businesses to the Bill, which was not included at introduction. In consultation with the Chair, briefing was issued supporting a wider duty of care for businesses to protect consumers from fraud. Subsequently, the Government introduced amendments to add a "failure to prevent" economic crime offence to the Bill, however this was limited to large businesses. Despite numerous attempts by the Lords to expand the offence to businesses of all sizes, this was blocked by the government in the Commons.
11. Regarding the Act's provisions on SLAPPs, the City Police are working with the Home Office on the drafting of guidance for policing to effectively utilise this new legislation in the pursuit and prosecution of offenders.

King's Speech 2023

12. Turning to the current parliamentary session, the King's Speech included a number of Bills with relevance to the City of London Police. New Bills announced included the Criminal Justice Bill, Investigatory Powers (Amendment) Bill and Terrorism (Protection of Premises) Bill. At the time of writing, the Criminal Justice Bill and Investigatory Powers (Amendment) Bill have been introduced, with the carried-over Victims and Prisoners Bill also making progress.

Criminal Justice Bill

13. The Bill proposes a range of new powers for the police, including the confiscation of bladed articles on private property, expanding powers to drug test more suspects and create a new targeted power for the police to enter premises to search for and seize stolen goods. The Bill also creates new offences criminalising the taking of intimate images without consent, introduces a duty of candour for policing and gives chief officers of police the right to appeal the result of misconduct boards to the Police Appeals Tribunal. The Bill also contains provisions which will replace the Vagrancy Act 1824.
14. With specific application to economic crime, the Bill will prohibit the possession and supply of SIM farms (defined as devices that can make calls and texts and hold more than 4 SIM cards at one time) that have no legitimate purpose. The City Police are very supportive of this measure and have undertaken several operations where SIM farms have been used to conduct scams. The Bill will also extend powers for law enforcement to suspend domain names and IP addresses used for fraudulent purposes. New powers to strip convicted criminals of the proceeds of crime will see the Government work with the financial sector to use the money in accounts suspended on suspicion of crime to fund projects tackling economic crime, similar to other funding initiatives used by the National Lead Force under the OLAF (European Anti-Fraud Office) programme.

15. Provisions in this Bill relating to economic crime are welcome, and supportive messaging will be integrated into economic crime briefing materials. Wider impacts for policing have been flagged with City Police colleagues. The Bill is currently at Committee Stage in House of Commons, its first house.

Investigatory Powers (Amendment) Bill

16. The Bill makes changes to the 2016 Investigatory Powers Act which provides a framework for the use of investigatory powers by the security and intelligence agencies, law enforcement and other public authorities. The Bill proposes changes including:

- a. creating a new condition for the use of internet connection records to aid 'target detection'
- b. introducing an alternative, less stringent regulatory regime for the retention and examination of bulk personal datasets where individuals have little or no expectation of privacy (such as publicly available online telephone directories)
- c. a new notification requirement which can be issued to selected telecommunications operators requiring them to inform the government of proposed changes to their products or services that could negatively impact the current ability of agencies to lawfully access data.

17. As a technical Bill, no engagement is suggested, in line with the approach taken during the passage of the Investigatory Powers Act in 2016. The has been flagged to City Police colleagues should the changes to powers be of interest. The Bill was considered at Report in House of Lords (its first House) on 23 January.

Victims and Prisoners Bill

18. The Bill, which was carried over from the previous session, places the key principles of the Victims' Code in primary legislation. The code sets out the minimum level of service victims can expect from criminal justice agencies. The Bill would also place duties on criminal justice bodies to raise awareness of the Code and to collect and review information on their compliance with it. Police and Crime Commissioners (PCCs) would also be given a corresponding duty to monitor compliance of criminal justice agencies within their police force area. The Bill also gives the Justice Secretary powers to appoint public advocates to support bereaved families and victims of major incidents, as well as making reforms to the parole system and Parole Board proceedings. The Bill is at Committee Stage in the House of Lords, its second House.

19. The Bill's focus on victims is welcome, however during progress on the Bill in the previous session, concerns were raised about how the Bill will impact the City Police as the national lead for Fraud and Action Fraud. The potential impact of the Bill risks being disproportionately much larger as the City Police will initially be the police force with which UK wide fraud victims make first contact via Action Fraud. Under the Bill, responsibility for those victims will fall to the City Police regardless of the victims' geographical location. Engagement is underway to obtain reassurances from the Government that that provisions in clause 2 allowing for the restriction of application, or making different provision for different areas or for

persons with different functions, are capable of being used to make special provision for the City of London Police as regards its national role in relation to the victims of fraud. Separately, officers are engaging with the MoJ to ensure technical definitions of the City Corporation in the Bill are consistent and capture only the Corporation's local government functions.

Terrorism (Protection of Premises) Bill

20. The Bill, which has not yet been introduced, was considered in draft form in the previous session. Better known as “Martyn’s Law” after a victim of the Manchester Arena bombings, the Bill seeks to improve protective security and organisational preparedness across the UK by mandating, for the first time, those responsible for certain premises and events to consider the terrorist risk and how they would respond to an attack. A draft version of the Bill underwent pre-legislative scrutiny in the previous session, where stakeholders expressed concerns about a disproportionate impact the Bill could have on small venues which could not comply with the Bill’s requirements.
21. During pre-legislative scrutiny, officers engaged extensively regarding the impact the draft legislation could have on the Corporation’s venues. Whilst police forces were not referenced in the draft Bill, there are clearly wider implications with respect to the City Police’s planning for terrorist incidents.

Other Parliamentary Developments

22. The Home Affairs Committee has launched an inquiry into fraud. In September, Service Delivery Director Chris Bell and DCS Matthew Bradford gave evidence to the committee in a private preliminary hearing ahead of the formal launch of the inquiry. Upon launch, a joint City of London Police/Police Authority written response was submitted to the Committee’s call for evidence. City of London Police representatives will give public oral evidence to the committee on 28th February. The Remembrancer’s Office is liaising with City Police and Police Authority colleagues regarding the preparation of briefing material.
23. A member of the Home Affairs Committee, Simon Fell, has been appointed the Prime Minister’s Anti-Fraud Champion, succeeding Anthony Browne who was made a Minister in the November 2023 government reshuffle. At the time of writing, Fell is due to join the Security Minister, Tom Tugendhat, on a visit to the City Police on 23 January.

Conclusion

24. The passage of the Online Safety Act and Economic Crime and Corporate Transparency Act is welcome legislative progress in the fight against economic crime. While the legislative agenda for the final parliamentary session before the general election does not have such an acute focus on economic crime, it remains a key subject of interest for parliamentarians and the Home Affairs Committee. Bills focusing on wider policing are being monitored for impacts on the City of London Police. Further updates on legislative developments will be brought to the Committee as required. All Bills referenced above will also be included in the

Remembrancer's Office's regular updates to the Communications and Corporate Affairs sub-committee, and in the weekly Parliamentary Brief summary distributed to members.

Appendices

None

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