

NOT CONFIDENTIAL – for public release

**POLICE AND CRIME COMMISSIONER (PCC) FOR LINCOLNSHIRE
REQUEST FOR DECISION**

REF: 008/2013

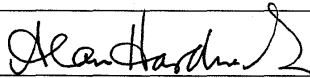
DATE: 11 March 2013

SUBJECT	EAST MIDLANDS SPECIAL OPERATIONS UNIT FRAUD AND FINANCIAL INVESTIGATION UNIT (EMSOU – FFI): PROPOSALS FOR REGIONAL COLLABORATION
REPORT BY	ASSISTANT CHIEF CONSTABLE ROGER BANNISTER
CONTACT OFFICER	SERGEANT SIMON BROMILEY, STAFF OFFICER TELEPHONE: 01522 558114
EXECUTIVE SUMMARY AND PURPOSE OF REPORT This report provides an overview of collaboration activity to create a five force fraud & financial investigation structure that is centrally managed but locally delivered and to be known as the East Midlands Special Operations Unit- Fraud and Financial Investigation (EMSOU-FFI). Ratification of the proposals is sought from the PCC following the agreement of regional Chief Constables on 22 August 2012.	
RECOMMENDATION	<i>That the Police and Crime Commissioner endorse the proposal for Lincolnshire Police to participate in a regional collaboration agreement for the creation of EMSOU-FFI.</i>

POLICE AND CRIME COMMISSIONER FOR LINCOLNSHIRE

I hereby approve the recommendation above, having considered the content of this report.

Signature:



Date: 11/03/13

A. NON-CONFIDENTIAL FACTS AND ADVICE TO THE PCC

A1. INTRODUCTION AND BACKGROUND

- 1.1 In June 2011 practitioners from the five forces in the East Midlands and the Regional Assets Recovery Team (RART) were drawn together to consider options for a collaborative approach to fraud and financial investigation.
- 1.2 The underlying rationale was to achieve cost savings and to make efficiencies through the sharing of resources and realignment of structures to improve service delivery. Additionally, this work needed to be cognisant of national developments in the field including the creation of the National Crime Agency, a new Economic Crime Command and a new Organised Crime Strategy amongst other changes in policy direction.

- 1.3 At present each force has developed its own working practices operating under the banner of 'Economic Crime Units'. Whilst there are skills common to both disciplines, fraud and financial investigation retain distinct characteristics. The collaboration project has explored the future approach to both disciplines recognising that there may be opportunities for the use of overlapping skill sets.
- 1.4 The project has aimed to identify a collaborative model for fraud and financial investigation that provides a more efficient, consistent and resilient service to combat the threat posed by Serious and Organised Crime (SOC). In common with other collaboration activity, the project has based its resource assessments on the Five Force and East Midlands Strategic Threat and Risk Assessments (STRA) and incorporated the existing funding formula.

2. Timeline Summary

- 2.1 The key dates for the development of this workstream are listed below:
- **17/11/11** - Decision taken to commission an Outline Business case (OBC) at the Regional Deputy Chief Constable's (DCC's) Board
 - **22/03/12** - OBC reviewed & Full Business Case (FBC) commissioned at the Regional DCC's Board
 - **17/05/12** - Update report submitted to the Regional DCC's Board
 - **05/07/12** - FBC reviewed & approved at the Regional DCC's Board
 - **22/08/12** - FBC agreed by all regional Chief Constables.
- 2.2 The favoured approach was for a five force, five hub, centrally managed and locally delivered model of operations with the potential to make regional savings of over £15,000 per year. This outfit is to be known as the East Midlands Special Operations Unit- Fraud and Financial Investigation (EMSOU-FFI).

3. Aims

- 3.1 The aims of the EMSOU-FFI are to:
- (a) Provide a collaborative unit dealing with all elements of fraud and financial investigation tasked to level 2, delivering current regional requirements for this area of business.
 - (b) Provide an efficient, consistent and common operating method, improving capability and providing resilience to the threat posed by serious and organised crime.
 - (c) Continue to seek opportunities to improve the efficiency and effectiveness of forces in respect of their handling of level 2 fraud and financial investigation.
 - (d) Anything which could be considered incidental or ancillary to any of the aforementioned aims.

A.2 LINKS TO POLICE AND CRIME PLAN AND PCC'S STRATEGIES / PRIORITIES

The proposals are supportive of force strategic aims to protect the public and improve services. They also support force priorities to improve confidence and satisfaction, focusing on what causes most harm and improving efficiency.

In addition they support the PCC's commitment to regional cooperation to tackle serious and organised crime as stated within the PCC Plan 2013-17 (3.4).

B. FINANCIAL CONSIDERATIONS

The servicing of the model will incur additional costs to Lincolnshire, Nottinghamshire and Northamptonshire. For Lincolnshire the model results in an additional annual cost of £58,852.92. The overall savings to the region are estimated to be £15,227.13. However, it is likely that incentivisation receipts (see below) will increase as a result of the regional arrangements, potentially resulting in a modest overall saving of £1,919 a year for Lincolnshire Police.

Although the potential for savings may appear small, the proposals recognise the emerging demand for fraud and financial investigation and have modelled resources to meet future need. It must be noted that Lincolnshire Police has handled a number of financial and fraud investigations over recent years e.g. Operation Barrage that have been resource intensive and by their very nature incur high expenditure costs. As with major crime, the financial viability of standing outside a regional arrangement, where costs and resources are shared poses a risk to the ability of the force to meet future requirements.

A significant benefit of the regional arrangement is the potential to increase the amount of monies the force would receive through incentivisation, i.e. the amount of funds returned to forces through government after asset seizure. This money would be shared as per the funding formula. To illustrate this, incentivisation returns over the last 4 years for Lincolnshire work out at an annual average of £74,000 but under the regional agreement this would have been approximately £159,000. In essence, Lincolnshire will benefit from a bigger slice of the regional incentivisation pie. Though it is recognised that incentivisation funds can be variable, the obtaining of future funds is dependent upon the resourcing of the model.

C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS

[This should include the legal powers the PCC has for making the decision]

The formation of the EMSOU-FFI is subject to a Collaboration Agreement pursuant to Section 22A of the Police Act 1996 as amended by the Police Reform and Social Responsibility Act 2011 (PRSA) that considers the legal issues in detail. It is proposed that the arrangement will continue for an initial five year period unless the agreement is terminated under the provisions of clause 22.

No specific legal or human rights difficulties have been identified.

D. PERSONNEL AND EQUALITIES ISSUES

Personnel issues are explained in detail within Schedule Three of the Collaboration Agreement pursuant to Section 22A of the Police Act 1996 as amended by the Police Reform and Social Responsibility Act 2011 (PRSA). This states that resource contribution will be based on the grant settlement for a given particular year and that the funding formula will apply.

The S.22A agreement details that a Management Board chaired by the regional DCC with representation from all five forces will oversee any variation of human resources. The model proposed means that staff and officers will remain under the direction and control of their relevant Chief Constable and there is no application of the Transfer of Undertakings Protection from Employment Regulations 2006 ('TUPE').

An Equality Impact Assessment has been completed by Lincolnshire Police Human Resources Department and no issues have been identified.

E. REVIEW ARRANGEMENTS

A review is to be completed of the working arrangements and protocols in April 2013 by Detective Chief Inspector Beattie under the auspices of Assistant Chief Constable Bannister as the project Senior Reporting Officer (SRO).

F. RISK MANAGEMENT

The S.22A agreement incorporates risk management procedures through the Management Board. These have been reviewed by the SRO and are similar to other collaborative arrangements.

H. PUBLIC ACCESS TO INFORMATION

Information in this form along with any supporting material is subject to the Freedom of Information Act 2000 and other legislation. Part 1 of this form will be made available on the PCC's website within one working day of approval. However, if release by that date would compromise the implementation of the decision being approved, publication may be deferred. An explanation for any deferment must be provided below, together with a date for publication.

<p>Is the publication of this form to be deferred? No</p> <p>If Yes, for what reason:</p> <p>Until what date:</p>

Any facts/advice/recommendations that should not be made automatically available on request should not be included in Part 1 but instead on the separate part 2 form.

Is there a part 2 form? Yes

If Yes, for what reason: To make the PCC aware of an operational matter that adds weight to the case for regional collaboration in this area.

ORIGINATING OFFICER DECLARATION

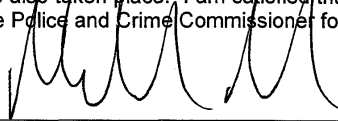
	Tick to confirm
Originating Officer: ACC Bannister recommends this proposal for the reasons outlined above.	✓
Financial advice: The PCC's Chief Finance Officer has been consulted on this proposal.	✓
The Chief Constable's Chief Finance Officer has been consulted on this proposal.	✓
Monitoring Officer: The PCC's Monitoring Officer has been consulted on this proposal	✓
Chief Constable: The Chief Constable has been consulted on this proposal	✓

OFFICER APPROVAL

Chief Executive

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. Consultation outlined above has also taken place. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner for Lincolnshire.

Signature:



Date:

11/3/2013