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Towards a New Model for Economic Crime Policing
Target 2030

Helena Wood and Karen Baxter

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Executive Summary

In 2022, escalating levels of fraud and the spotlight placed on the UK's role in Russia-related money laundering have given rise to a growing recognition of economic crime as a national security threat and the need to reform the UK's economic crime policing response. This report seeks to contribute to that debate by proposing a national security-based model that draws on the key characteristics of three other national security policing responses – counterterrorism, serious and organised crime, and cybercrime – and adapts these to the specific challenges and context of economic crime policing.

The proposed model establishes a new set of core functions. It builds a strong central intelligence function, backed by a single policing command structure, to deliver the operational response via new proactive and ringfenced investigative units at the regional tier of policing, aligned to existing serious and organised crime policing structures. These core functions are:

- **Strategic system and data analytics lead – the National Economic Crime Centre (NECC)**: The model builds on the existing role of the NECC but establishes it as the driver of intelligence development and data analytics. Working with public and private sector partners to create a better understanding of the threat through more agile public–private data sharing, the NECC would be responsible for setting the strategic direction for the wider system as well as taking a more coherent intelligence-led approach to prevention.
- **Single command structure – City of London Police (CoLP)**: The model maintains the CoLP as the policing lead for economic crime and extends its existing footprint by establishing a single command structure with ringfenced assets at the regional tier of policing. Further to this, the CoLP would be responsible for setting a national policing strategy for economic crime across the wider 43-force structure.
- **Proactive investigative capability – regional 'super-hubs' network**: Underpinning the single command structure would be a new networked, regionalised proactive investigative resource focused on delivering threat-based interventions against high-harm networks. This regionalised response would focus first on bringing together existing policing assets under a single platform, before expanding into multidisciplinary public–private 'super-hubs' to drive a large-scale disruption and prevention capability along the lines of the UK government's counterterrorism strategy '4Ps' model ('Prevent, Pursue, Protect, Prepare'). This regionalised network would be housed alongside the established network of Regional Organised Crime Units (ROCUs) but be operationally distinct from it.

The success of the new functions will hinge on the establishment of a single, ringfenced economic crime policing grant from the Home Office (mirroring the approach taken in counterterrorism policing), which should reach a minimum level of £250 million by 2030. This should be supplemented by a national 'Economic Crime Fighting Fund' made up of receipts from across the economic crime system and used to build system-wide capabilities.

Furthermore, this report argues that tackling economic crime requires a range of skills far beyond that of a warranted officer, including data science and digital forensic skills. This report therefore makes the case for the establishment of a national Economic Crime People and Skills Strategy (mirroring the approach taken within the National Cyber Strategy) to build a sustainable workforce for the future.

It is clear that the government's second Economic Crime Plan, due to launch in early 2023, needs to set out a more ambitious policing reform plan. In sum, if economic crime is to be accepted as a national security issue, the government needs to police it like one.

Introduction

THE UK HAS become a key international node in global economic crime. There is a realistic possibility that hundreds of billions are laundered into and through the UK economy every year.[1] The UK financial and property markets are a magnet for investing the proceeds of corruption and fraud now accounts for approximately 40% of all crime in the UK, with more than 400,000 victim reports to Action Fraud in 2020–21 alone, and the Crime Survey for England and Wales citing 4.6 million fraud incidents in the year ending March 2021.[2] Economic crime is, in short, the volume crime of our times, and is increasingly being recognised as a threat to UK national security.[3]

This is not a new issue – the government itself launched its first Economic Crime Plan in 2019 as a response to the growing threat.[4] However, the acceleration of the UK's fraud problem during the coronavirus pandemic and the spotlight placed on the UK's role in money laundering since the onset of the Russia–Ukraine crisis have brought renewed political attention to the longstanding deficiencies in the UK's response to economic crime, leading to a significant elevation in the debate.[5]

This debate has focused in particular on the limitations of the current policing response to economic crime. While the government's first Economic Crime Plan (2019–22) made commitments in relation to policing reform, there is widespread agreement, including among parliamentarians across the parties, on the need for more ambitious reforms and proper

1. National Crime Agency (NCA), 'National Strategic Assessment of Serious and Organised Crime 2020', 2020, p. 54.
2. Chiara Cavaglieri, 'The 12 Emerging Fraud Threats to Watch Out for', *Which?*, 22 March 2022, <https://www.which.co.uk/news/article/the-12-emerging-fraud-threats-to-watch-out-for-ad2T82w8ri9Y>, accessed 5 October 2022; Action Fraud, 'Annual Assessment: Fraud Crime Trends, 2020-21', <https://data.actionfraud.police.uk/cms/wp-content/uploads/2021/07/2020-21-Annual-Assessment-Fraud-Crime-Trends.pdf>, accessed 5 October 2022; Office for National Statistics, 'Crime in England and Wales: Year Ending March 2021', 22 July 2021, <https://www.ons.gov.uk/peoplepopulationandcommunity/crimeandjustice/bulletins/crimeinenglandandwales/yearendingmarch2021>, accessed 22 October 2022.
3. Iain Withers, 'Surge in Fraud is a Threat to Our National Security, Warn Banks', *Reuters*, 22 September 2021.
4. HM Government and UK Finance, 'Economic Crime Plan 2019–2022', Policy Paper, 12 July 2019.
5. Patricia Nillson, 'Online Fraud Up by a Third During the Pandemic', *Financial Times*, 15 July 2021; Rupert Neate, 'UK Failure to Tackle "Dirty Money" Led it to "Laundering Russia's War Funds"', *The Guardian*, 30 June 2022.

resourcing of economic crime policing.[6] In response to these growing calls for reform, political and civil society actors have proposed a range of models. These include the House of Commons Treasury Committee, which suggested the possibility of creating a new single economic crime agency, the Social Market Foundation think tank, which proposed placing responsibilities exclusively at the regional tier of policing, and the Police Foundation think tank, which proposed moving most fraud investigation to the regional tier of policing and putting these regional units under the control of the National Crime Agency (NCA).[7]

Each of these models has an intuitive merit. However, they all rely to an extent on removing some responsibilities from local policing. The authors are of the view that divesting policing of its responsibilities in this area carries a number of risks, including creating unnecessary silos and undermining the legitimacy of policing in the eyes of the public. This report therefore proposes an alternative model, which retains a response within the existing policing footprint, but grounds the model in characteristics of policing models that have already been adopted in relation to other national security threats – serious organised crime, cybercrime and counterterrorism – and adapts them to the specific context of and challenges facing economic crime policing today.

Chapter I of this report offers an overview of the current economic crime policing landscape and examines the challenges that must be overcome in any new policing model. Chapter II examines the core characteristics of other national security threat policing models. Drawing on this analysis, Chapter III sets out a proposed model that applies these characteristics to the specific context of economic crime policing. Chapter IV then sets out a pragmatic long-range roadmap to establish key new functions by 2030, underpinned by new cross-cutting funding and national skills strategies. Finally, recognising that the policing response is intrinsically interlinked with a wider ecosystem of economic crime responses, Chapter V sets out a number of wider system dependencies that must be considered in tandem to support the success of future policing reforms.

Scope

This report is about reforms to the policing of economic crime, and the closely associated role of the National Economic Crime Centre (NECC). The authors recognise that the success of policing

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6.   HM Government and UK Finance, 'Economic Crime Plan 2019–2022', Action 26, p. 43; See APPG on Anti-Corruption and Responsible Tax and APPG on Fair Business Banking, 'Economic Crime Manifesto', <https://www.appgbanking.org.uk/wp-content/uploads/2022/05/Economic-Crime-Manifesto-1.pdf>, accessed 5 October 2022.

7.   House of Commons Treasury Committee, 'Economic Crime: Eleventh Report of Session 2021–22', HC 145, 2 February 2022, p. 72, Point 9; Richard Hyde, Scott Corfe and Bill Anderson-Samways, 'Fraud Is Now Britain's Dominant Crime, But Policing Has Failed to Keep Up', Social Market Foundation, Commentary, 4 March 2022, Recommendation 3, <https://www.smf.co.uk/commentary_podcasts/fraud-is-britains-dominant-crime/>, accessed 8 November 2022; Police Foundation, 'A New Mode of Protection: Redesigning Policing and Public Safety for the 21st Century', Final Report of the Strategic Review of Policing in England and Wales, March 2022, p. 19, Recommendation 41.

reforms depends on the role of a broader range of agencies, all of which need some degree of reform themselves. However, in the interests of focus, this report considers policing reform only.

The authors do not consider in detail the relatively recent consolidation of the policing lead for economic and cybercrime (two highly interlinked threats) under the City of London Police (CoLP). They take the view that the economic crime response must first be stabilised before full integration of the two responses is attempted.

The authors also do not consider in detail the future operational role of the NCA in the response, as this is an issue that requires more detailed and specific consideration. However, the policing model proposed is predicated on the NECC taking a role in tasking cases of critical national importance to NCA investigative assets and more effectively tasking and coordinating the input of the NCA's established overseas network to better respond to threats.

In terms of geographical focus, the report considers reforms in England and Wales only, as the unitary policing models adopted in Northern Ireland and Scotland require different approaches. However, it is essential that any future model in England and Wales is networked to other regions of the UK to ensure maximum impact across the whole jurisdiction.

Methodology

To inform this work, the authors convened an independent advisory group made up of former senior police officers, academics, think tank representatives and other civil society actors. This group met three times between April and September 2022. The report draws on their knowledge of economic crime and on the authors' own research into other national security policing models to offer a realistic yet ambitious long-term plan with feasible starting points, based on the realities of the current landscape and fiscal outlook.

I. Policing Economic Crime: The Scale of the Challenge

THIS REPORT DOES not intend to reiterate the longstanding judgements of the UK government's response to economic crime policing, which has been criticised for its patchwork of overlapping responsibilities and lack of coordination (a full description of which can be found in the House of Commons Treasury Committee's 2022 Economic Crime Report[8]).

In summary, there is a longstanding issue with the resourcing of the response. The NCA informed the Treasury Committee in 2021 that only 1% of policing resources was devoted to tackling fraud.[9] While long-term underfunding by government and under-prioritisation of economic crime within policing are major contributing factors, the problem is exacerbated by structural challenges: while the CoLP is the established policing lead for economic crime, it has limited assets of its own to investigate and disrupt crime and instead has to rely on 'asking' rather than 'tasking' policing assets over which it has no authority or control.

This means that the response mainly relies on overstretched Regional Organised Crime Units (ROCUs) and local force Economic Crime Units to progress an increasingly high volume of cases.[10] The result of this combination of chronic underfunding and structural challenges means that, when set against more visible, politically prioritised crimes such as drug and knife crime, economic crime frequently finds itself underserviced.

Recent Developments: Building the Foundations

Responding to increasing political and public disquiet over the limitations of the current response, the UK government has started a process of reform and investment over the past four years, including the following:

- **Creation of the National Economic Crime Centre (NECC)**: The NECC was created in 2018 with the intention of 'tasking and coordinating the national response to economic

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8.   House of Commons Treasury Committee, 'Economic Crime'.

9.   *Ibid*., p. 20.

10.   See South East Regional Organised Crime Unit, 'ROCU National Network', <https://serocu.police.uk/rocu-network/>, accessed 6 October 2022; HM Inspectorate of Constabulary, *Fraud: Time to Choose: An Inspection of the Police Response to Fraud* (Birmingham: HMICFRS, April 2019), <https://www.justiceinspectorates.gov.uk/hmicfrs/publications/an-inspection-of-the-police-response-to-fraud/>, accessed 8 November 2022.

crime, backed by greater intelligence and analytical capabilities'.[11] The NECC has now established itself as the coordinating function across government for serious economic crime. It has begun the process of improving the intelligence picture.

- **Increased regional investment**: Investment has commenced in both the central functions within the CoLP and within the regional tier of policing. This includes the growth of Regional Economic Crime Units (a money-laundering resource), the recent establishment of Proactive Economic Crime Teams (a fraud investigation resource) and the limited funding of Suspicious Activity Reporting intelligence-mining capabilities (a financial intelligence resource).

These developments signal a growing recognition on the part of the UK government of the need for reform. However, the scale of these efforts is foundational, rather than transformational. Furthermore, funding for each of the new capabilities at the regional tier comes from different funding streams within government, each with different departmental drivers, timelines and outcomes, rather than forming part of a single coherent plan for economic crime policing reform.[12] In sum, the system, as it stands, lacks a single coherent aim and direction, meaning that the whole fails to become more than the sum of its parts.

Aside from a deficiency in scale and vision in the government's plans, reforms to date also fail to deal adequately with some of the major challenges facing economic crime policing today. These include:

- **A data-rich, but knowledge-poor environment**: Economic crime is a data-rich environment, with vast caches of data spread across the public, private and not-for-profit sectors, ripe for exploitation to increase targeting of limited resources towards the areas of highest threat and impact. Yet, despite some welcome steps forward in data exploitation by the NECC and new legislation, there is no meaningful plan for developing systems and technologies to properly process data into intelligence to drive a more targeted response.[13]

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11. Home Office and National Crime Agency, 'Home Secretary Announces New National Economic Crime Centre to Tackle High Level Fraud and Money Laundering', 11 December 2017, <https://www.gov.uk/government/news/home-secretary-announces-new-national-economic-crime-centre-to-tackle-high-level-fraud-and-money-laundering>, accessed 8 November 2022.

12. These include direct Home Office grants, specific project-based funding and Asset Recovery Incentivisation Scheme receipts; the issue of a single coherent plan will be further compounded when the new 'Economic Crime Levy' is established some time in 2023, which plans to raise £100 million for cross-system investments, including within policing. However, these funds are ringfenced for tackling money laundering and cannot be used for wider economic crimes such as fraud. See HM Revenue and Customs, 'Economic Crime (Anti-Money Laundering Levy)', Policy Paper, 27 October 2021, <https://www.gov.uk/government/publications/economic-crime-anti-money-laundering-levy/economic-crime-anti-money-laundering-levy>, accessed 21 October 2022.

13. The Economic Crime and Corporate Transparency Bill was introduced to Parliament on 22 September 2022 and contains provisions to aid information sharing between regulated entities.

- **An analogue response to a digital problem**: The digitalisation of everyday life has been key to the surge in economic crime over the past decade; it is now a crime on an industrial scale, for which geographic boundaries are meaningless. This means that strategies predicated on traditional geographically confined criminal justice outcomes have limited reach and impact. Despite this, the government's strategy remains fixated on outdated metrics of arrests and prosecutions, rather than the disruption and asset seizure-based models adopted by more mature policing responses across the globe.[14]
- **A crisis in skills and capabilities**: While traditional policing investigation skills will always remain at the core of the response, the modern, digital face of economic crime requires a set of skills which go far beyond this into the realms of cybersecurity, financial services expertise and digital forensic investigation. Despite nascent efforts within policing and the NECC to establish a wider multidisciplinary skills base within the response, there is no wider plan within UK government to grow and build essential skills over the longer term, or to harness the potential of private sector actors to aid in the disruptive response.
- **National security threat in name only**: The UK government's 2021 review of security, defence and foreign policy (the 'Integrated Review') named economic crime as a key security challenge facing the UK, in part due to its links to the broader threats of organised crime, terrorism and cybercrime, and to its unique links to economic security and business confidence.[15] This elevation in rhetoric has not, however, translated into a shift in the operational response to economic crime, which continues to be viewed as a criminal justice issue (and funded as such) and siloed away from the wider national security architecture, rather than being integrated into it.

As the government draws up its next Economic Crime Plan, due to be launched in early 2023, any future reforms to the policing of economic crime must not only deal head on with the baseline issues of underfunding and incoherent structures but must also factor in the broader range of challenges facing economic crime policing in 2022 and build a response that is commensurate with the threat. The proposals in this report seek to contribute to future government policy in this area.

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14. David Sun, 'Over £200m Recovered by Anti-Scam Centre: New Command Targets Scammers Before Victim Makes Report', *Straits Times*, 26 April 2022, <https://www.straitstimes.com/singapore/courts-crime/over-200m-recovered-by-anti-scam-centre-new-command-targets-scammers-before-victims-make-report>, accessed 21 October 2022.

15. HM Government, *Global Britain in a Competitive Age: The Integrated Review of Security, Defence, Development and Foreign Policy* (London: The Stationery Office, 2021), p. 82.

II. Policing National Security Threats: Blueprints for Reform

AS NOTED IN Chapter I, current reforms, while welcome, are not ambitious enough to respond to the scale of the challenge facing policing today and are not enough to establish the proactive response needed for the future. It is clear that a new, more ambitious and proactive approach to policing economic crime is needed in view of the scale of the challenge today. With the increased policy focus on economic crime as a national security threat, the authors are of the view that the policing response should be designed and scaled accordingly.

Overview of Models

This chapter therefore examines policing models adopted for the more 'established' national security threats of counterterrorism, serious organised crime and cybercrime, in order to establish which traits, principles and models used in policing other national security threats might be applied to a future economic crime policing model. It compares and contrasts the ways in which the core functions of the three observed established policing models have been framed. Figure 1 sets out the key characteristics of the three models.

Figure 1: Overview of National Security Policing Responses

Key Takeaways for Economic Crime Policing

The authors acknowledge that each of the above models has challenges and limitations, including those set out in HMICFRS reports.[16] However, collectively, these models have core characteristics that elevate them beyond standard territorial policing responses to mainstream crimes. These include:

- **Common threat picture**: All three models have at their heart a strong understanding of threat with a clear 'owner' for driving strategic intelligence collection (MI5, NCA and NCSC, respectively). While the NECC is currently building its data analytics capabilities, it is currently neither funded nor equipped to take on this role in a more definitive sense.
- **Regionalisation of the response**: In common with economic crime, all three threats lack a clearly defined geographic locus, which makes responding via the 43-force policing structure challenging. For this reason, the growing regional tier of policing is increasingly the focus of capability building and investment. Though economic crime responses are following suit (see above), these responses are currently disparate and uncoordinated.
- **Integrated tasking process**: All three responses rely, to a greater or lesser extent, on a highly integrated and networked response across national, international, regional and local tiers, underpinned by a single, multiagency tasking process. While the advent of the NECC as a coordination function has begun this process for economic crime, the system is some way from a coordinated operational response across all tiers.
- **Wider government strategy driving 4P outcomes**: All three responses follow on from a broader national strategy underpinned by a response stretching beyond the pursuit of offenders into wider disruptive and preventative measures (largely operating under the 4P model). While the policing response to economic crime currently operates under a similar ethos, the success of the policing response too often remains judged on its delivery of 'Pursue' aspects.
- **Ringfencing of budgets**: Taken to its ultimate conclusion in the counterterrorism policing model, which benefits from a single, direct policing grant from the Home Office, all three responses benefit from some element of ringfencing of budgets to establish or drive essential functions. As noted above, the funding of economic crime policing is currently disparate and uncoordinated, working to different goals and drivers.
- **A response within the policing footprint**: Another feature common to all these responses is that, although they all seek to overcome the challenges of the 43-force structure, they retain their basis within the policing footprint and their essential links into local policing, with its distinct knowledge of local dynamics and communities. A number of suggested models for reforming economic crime policing (see Introduction) suggest wholly or partly breaking this link. It is therefore worth noting that no other national security policing response does so.

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16. See HMICFRS, 'Publications', <https://www.justiceinspectorates.gov.uk/hmicfrs/publications/>, accessed 21 October 2022.

Although the economic crime threat poses a unique set of challenges for policing, meaning that a direct 'lift and shift' of other policing models is not possible, the responses to other national security threats offer useful learnings and blueprints for future reform. Drawing on these core tenets and cognisant of the specific challenges set out in Chapter I, Chapter III sets out a proposed new model for economic crime policing that focuses, in the first instance, on establishing a set of new capabilities and responses that build on the existing policing footprint.

III. A New Model for Policing Economic Crime

AS THE PREVIOUS chapters' analysis shows, an approach that relies on 'doing more of the same' will be insufficient for dealing with the unique set of challenges that face economic crime policing. In establishing a new model for economic crime policing it is important that those tasked with reform apply some of the common characteristics of police responses to other national security threats, while ensuring that these are made context specific.

The proposed model, taking learning from other areas of national security policing, establishes a set of new functions: it builds a strong central intelligence function and system lead, backed by a single command structure, to deliver the operational response via new proactive and ringfenced investigative units at the regional tier of policing, aligned to existing serious and organised crime policing structures. Figure 2 sets out defined areas of ownership for respective parts of the system to improve accountability across the system as well as the essential cross-cutting components underpinning the system (a workforce strategy and investment fund). The model relies on cooperation and integration between all actors via the NECC multiagency platform to drive operational delivery.

Figure 2: Proposed Model: New Capabilities, Existing Footprint

Source: The author.

Strategic System and Data Analytics Lead – the NECC

In this model, the NECC operates as system lead, with a role as the key driver of intelligence development and data analytics. Working with public and private sector partners to create a better understanding of the threat through more agile public–private data sharing, the NECC is responsible for setting the strategic direction for the wider system and driving large-scale disruption via public–private responses, in addition to taking a more coherent intelligence-led approach to prevention.

Single Command Structure – the CoLP

The model maintains the CoLP as the policing lead for economic crime and extends its existing footprint by establishing a single command structure with ringfenced assets at the regional tier of policing (see below). Further to this, under the model, the CoLP would be responsible for setting a national policing strategy for economic crime across the wider 43-force structure and for supporting forces with intelligence and specialist capabilities to implement this via the new regional tier response.

Regionalised Proactive Investigative Capability – Regional 'Super-Hubs'

Underpinning the single command structure is a new network of 10 regional proactive investigative hubs focused on delivering threat-based interventions against high-harm networks. This regionalised response would focus first on bringing together existing policing assets under a single platform, before expanding into multidisciplinary public–private 'super-hubs' with a range of traditional and non-traditional capabilities to drive a large-scale disruption and prevention capability along the lines of the 4Ps model. This regionalised network would satellite onto and coordinate with the established network of ROCUs but would be operationally distinct from it.

The above model would be underpinned by a new national economic crime policing strategy and a revised Strategic Policing Requirement[17] to ensure that local forces were more accountable for delivery against economic crime threats centred on a particular location. To perform this essential role, local forces would be supported with a greater range of specialist capabilities at the regional tier to drive a more proactive response under a 4Ps model. The new regional 'super-hub' network would be the bridge to local forces to ensure a whole-of-system response. Furthermore, local forces would retain responsibility for victim care and the prevention of revictimisation, through an expansion of the Economic Crime Victim Care Unit model.[18]

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17. Home Office, *The Strategic Policing Requirement* (London: The Stationery Office, 2015).

18. See Action Fraud, 'The Action Fraud National Economic Crime Victim Care Unit (AF-NECVCU)', <https://www.actionfraud.police.uk/economic-crime-victim-care-unit-ecvcu>, accessed 6 October 2022.

Establishing these new and augmented functions will require a significant uplift in funding. The proposal is therefore underpinned by a new system-wide funding model (see below). Furthermore, driving down economic crime will require a range of skills and capabilities beyond the core policing skills available within the system today. The new response must therefore be supported by a national Economic Crime People and Skills Strategy that supports the sustainable, long-term development of the system.

Table 1 summarises the proposed model, setting out the roles of the NECC, the CoLP, regional 'super-hubs' and local policing in relation to data and intelligence, tasking and coordination, and operational delivery and prevention. Prevention, in particular, must be a key component in any future response, which must be founded on a greater focus on reducing the volumes of economic crime to a manageable level.

Chapter IV sets out further detail on target end states by 2030 for each of these functions, potential blueprints for reform, and key milestones in the reform process.

Table 1: Model Overview: Roles and Responsibilities

	NECC	City of London Police (HQ)	Proactive Regional Units	Local Policing
Data and Intelligence	• Delivery of national threat assessment and setting of national intelligence requirements. • Large-scale public–private data analytics • Setting of strategic national operational priorities.	• Building of proactive intelligence packages for national and regional interventions. • National victim intelligence lead feeding victim intelligence into National Threat Assessment. • Working with private sector partners to maximise sharing of victim information to mitigate harm and loss.	• Operational intelligence for proactive intervention and investigation. • Tasking and engagement of regional specialist intelligence assets within ROCU network to support cases. • Identifying and delivering key disruption in collaboration with NECC intelligence.	• Specific tactical case intelligence. • Development of emerging economic crime typologies.
Tasking and Coordination	• Setting and agreeing high-level priorities for law enforcement. • Tasking of cases of critical national importance to NCA network (UK and overseas). • Coordinating wider public sector response. • Coordination with NCSC.	• Setting national policing strategy for economic crime. • Tasking and coordination of proactive cases to new regionalised network economic crime. • Coordination with cyber policing activity.	• Coordination with support to ROCU network. • Coordination and deconfliction with local forces.	• Tasking and coordination of local assets. • Coordination between local economic crime and serious and organised crime responses. • Coordination and deconfliction with regional units.
Operational Output – Case Level	• Strategic intelligence support to critical national cases. • Volume disruptions via both public and private sector interventions.	• National-level cases investigated centrally.	• High-end, proactive investigations and interventions.	• Economic crime investigation linked to local crime threats or victims. • Proactive investigations linked to local targets. • Investigations of CoLP referrals.

	NECC	City of London Police (HQ)	Proactive Regional Units	Local Policing
Prevention	• National lead for strategic prevention, working with private sector to coordinate strategic prevention activity. • National strategic lead for public communications and education.	• Oversight of National Economic Crime Victim Care Units network. • Coordination of regionalised strategic prevention campaigns. • Support to local policing for grassroots prevention.	• Strategic communications around specific regional risks. • Delivery of public education and strategic prevention campaigns in conjunction with regional partners.	• Delivery of intelligence-led local crime prevention. • Locally delivered victim care in coordination with relevant third sector partners.

Source: The author.

IV. Target 2030: A Reform Process Based on Evolution, Not Revolution

GIVEN THE SCALE of reforms necessary and the current shortage of skills within the system, establishing this model will take time. The ethos underpinning the reform process should be one of 'evolution not revolution' over a longer-range timescale of seven years (2023–30).

This chapter outlines a proposed process for establishing the three new key functions discussed in the previous chapters: the data analytics lead; the single command structure; and the regional public–private responses. It sets out the current baseline, the established blueprints in other fields, a target end state and key interim milestones, followed by key cross-cutting reforms that will be an essential underpinning of the proposed model.

Functional Reforms

Function 1: Establishing the NECC as System and Data Analytics Lead

Current Baseline

Improving the UK's ability to properly interrogate economic crime data is a crucial first step in creating a proactive, intelligence-led response to economic crime. While the NECC is currently undertaking exploratory projects in data analytics, this is not yet its core function, and it is not appropriately resourced or equipped to act as the wider system lead for economic crime.

Blueprint Models

Recognising the need for a single, strategic understanding of the threat to drive public and private disruption and prevention activity in relation to the threat from cybercrime, in 2016 the government established the NCSC to create a single, authoritative view of the threat to drive responses across the public and private sectors.[19]

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19.   See NCSC, 'What We Do', <https://www.ncsc.gov.uk/section/about-ncsc/what-we-do>, accessed 7 October 2022.

Target End State (2030)

By 2030 the NECC, as system leader, should be adequately funded and equipped to maximise the use of public–private data analytics to develop a comprehensive strategic intelligence picture for economic crime. It will use this to set the direction for the wider enforcement response, including policing, to identify opportunities to work with the private sector to drive large-scale industrialised disruption activity, and to establish a more strategic, public–private prevention response.

Milestone (Three to Five Years)

Within three to five years, the NECC should:

- Establish ringfenced resources for economic crime, within the broader National Data Exploitation Capability, to build an emerging picture of the threat.[20]
- Use this understanding to set high-level operational priorities for enforcement, including for operational policing.
- Identify priority overseas jurisdictions of risk to allow the NECC to set priorities for the NCA's International Liaison Officer network.[21]
- Establish a public–private platform of financial, professional services and communications partners to co-design large-scale, industrialised disruption operations.
- Have in place an intelligence-led prevention strategy supported by a strategic communications function to deliver messaging across public and private platforms.
- Set a vision for longer-term data connectivity and aggregation across public and private sectors to detect and prevent economic crime.

Function 2: Establishing the Single Command Structure (CoLP)

Current Baseline

The CoLP is the national lead force for economic crime, working with local and regional policing to promote economic crime as a priority. In this role it is responsible for receiving victim reporting and for identifying potentially actionable intelligence for consideration by regional and local policing assets. However, it has limited assets of its own to investigate and does not have tasking authority over regional and local policing assets. Due to conflicting priorities within policing, this often leaves economic crime underserviced.

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20. See NCA, 'National Crime Agency Awarded Over £8m to Tackle Serious and Organised Crime', <https://www.nationalcrimeagency.gov.uk/news/national-crime-agency-awarded-over-8m-in-fight-to-tackle-serious-and-organised-crime>, accessed 7 October 2022.
21. See NCA, 'International Network', <https://www.nationalcrimeagency.gov.uk/what-we-do/how-we-work/providing-specialist-capabilities-for-law-enforcement/international-network>, accessed 7 October 2022.

Blueprint Models

The counterterrorism policing model's strength lies, in part, in its single command structure with a clear central command with tasking authority over networked and ringfenced international, regional and local policing assets.

Target End State (2030)

By 2030 the CoLP should be established as the operational policing lead with autonomy over operational tasking of a new set of networked proactive public–private multidisciplinary investigative teams at the regional tier of policing ('super-hubs'), working to a ringfenced budget (see below). This new command structure would be autonomous from but co-located with the ROCU footprint, with coordination protocols in place. It would be underpinned by common technological capabilities and intelligence platforms, which should be networked with the new Fraud and Cyber Crime Reporting and Analysis Service.[22]

Milestone Three to Five Years

Within three to five years CoLP should:

- Operationalise the strategic priorities set by the NECC through a single economic crime policing plan.
- Lead the investigation of national-level cases at HQ level, as jointly identified with the NECC.
- Work jointly with the NECC to identify proactive opportunities to disrupt economic crime at scale and task these cases to appropriate regional teams.
- Improve the response to victim reporting through clearer responsibilities at local force level.
- Raise the profile of economic crime across policing and provide advice, policy and support to local forces where necessary.
- Increase complementarity and deconfliction between economic crime and cybercrime activity within policing.

Function 3: Establishing the Regional 'Super-Hub' Network

Current Baseline

The 43-police force structure in England and Wales struggles to meet the challenge of many modern-day multi-jurisdictional crimes, such as economic, cyber and organised crime. In

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22. City of London Police, 'City of London Police Invites Suppliers to Bid for Fraud and Cybercrime Reporting and Analysis Service', press release, 2 July 2021, <https://www.cityoflondon.police.uk/news/city-of-london/news/2021/july/city-of-london-police-invites-suppliers-to-bid-for-fraud-and-cybercrime-reporting-and-analysis-service/>, accessed 8 November 2022.

response to this, a bolstered regional response has been adopted across several threat areas to maximise assets within the context of constrained budgets.

In the field of economic crime specifically, this approach is already being implemented with an increasing number of discrete operational capabilities sitting at the regional tier of policing (see above). However, the current regionalised capabilities are disparate, do not come under a single coordinated direction and are funded from multiple funding streams, often on an annual basis.

Blueprint Model

In 2015 the government established a network of 10 Regional Organised Crime Units (ROCUs) to enable policing to overcome the challenges of investigating cross-force boundary crimes. While still a work in progress, this approach has been viewed as not only improving operational outcomes by overcoming structural challenges, but also as offering a solution to shortages in specialist investigation skills and providing better value for money through pooled resources between forces.

Target End State (2030)

By 2030 a network of 10 regional public–private 'super-hubs' should be established to provide a proactive intervention capability to support the new command structure (see above). Each super-hub would provide a multifunctional operational capacity with representatives from policing, key government departments and statutory bodies (such as HM Revenue and Customs, the Crown Prosecution Service and the NECC) and the private sector (financial and professional services and communications).

The first phase of the establishment of the network would bring all existing policing capabilities under a single command structure and funding stream. The second phase would integrate wider public sector partners. The final phase would integrate key private sector partners to increase the ability to share data in real time in relation to critical interventions, operationalise real-time prevention (such as account freezing to prevent fraud) and drive a more coordinated approach to long-term prevention.

Milestone Three to Five Years

After three to five years the regional 'super-hubs' would have the capability to:

- Lead proactive, high-impact interventions against key nodes and criminal actors to reduce the threat from economic crimes, with a focus on high-level 'disruption by any lawful means'; from traditional law enforcement interventions to intelligence operations to private sector disruption.
- Drive region-specific prevention activity through public communications and partnering with local policing.

- Coordinate and deconflict activity and intelligence with ROCUs and build joint operational cases.
- Support local forces within the region with specialist knowledge and tools.
- Have in place a plan to integrate and harness the capabilities of the private sector at a tactical, operational level to cause maximum disruption to crime groups.

Cross-Cutting Reforms

The success of the above model and constituent functions hinges on two specific cross-cutting reforms: creating a sustainable funding mechanism; and establishing a national Economic Crime People and Skills Strategy.

Cross-Cutting Reform One: Creating a Sustainable Funding Mechanism

Current Baseline

Economic crime capabilities across the NECC and policing are chronically underfunded and what funding exists is split across several funding streams and government departments, leading to incoherent delivery. While all the efforts individually have some impact, the lack of a single, coordinated budget with a single aim and departmental owner inhibits the ability to network efforts and drive a coordinated response for the future.

Blueprint Models

A key strength of the counterterrorism policing model is its stable funding model and long-term certainty about funding streams. Counterterrorism policing receives a direct grant from the Home Office to allocate across the network. This grant stood at around £900 million in 2021–22.[23]

Target End State (2030)

The new model of economic crime policing should be underpinned by a single economic crime policing budget received in a direct grant from the Home Office to fund CoLP economic crime functions and the proposed regional network of economic crime units. The budget should be scaled up gradually over time to allow the system to grow in a sustainable way and to allow for the growth of new skills and capabilities under a People and Skills Strategy (see below). By 2030 this budget should reach a minimum of £250 million.[24] This would allow for a minimum

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23.   Grahame Allen, Natasha Mutebi and Maria Lalic, 'Police Grant Report (England and Wales) 2021/22', House of Commons Library Debate Pack, No. CDP-2021/0018, 5 February 2021, p. 10.

24.   This number represents a 50% increase in the current policing budget allocated to economic crime. While there is currently no single budget earmarked for economic crime, it is generally

staffing level of 2,000 officers and staff plus capital spend (based on 2022 police pay rates). This level of funding is commensurate with the nature of the threat, and such investment may reap dividends in terms of increased asset recovery receipts. Delivering this budget under a single, multi-year funding strand is essential to avoid creating a system that works to multiple drivers and timeframes.

The core policing budget should be supplemented by a broader Economic Crime Fighting Fund made up of economic crime fines and asset recovery receipts, as proposed by the anti-corruption charity Spotlight on Corruption in January 2022.[25] As well as supporting some of the regional tier uplift, the new fund should be used to finance a significant uplift in the resources available to the NECC to perform its proposed data analytics and intelligence development role.

Cross-Cutting Reform Two: Establishing a National Economic Crime People and Skills Strategy

Current Baseline

The skills required to address the rapidly growing threat of economic crime stretch far beyond those of the average warranted police officer. The explosion in digital activity underpinning economic crime necessitates much greater knowledge of digital, cyber and financial systems, and requires skills in data science, digital forensics and financial investigations. These skills are in short supply across the public sector; a skills shortage that is exacerbated by a one-way flow of staff to more lucrative roles in the private sector.

All of this creates extreme competition for a limited pool of skills at a time when counter-fraud and financial investigation functions are growing across government. The NECC and CoLP are currently working collectively on a workforce strategy. However, this plan focuses on law enforcement rather than on wider public sector workforce planning. Importantly, it does not take into account the planned growth of fraud functions within government departments, as signalled by the creation of the Public Sector Fraud Authority[26] in August 2022, and the pressures this will place on an already limited pool of skilled staff.

held that around 1% of policing resources is allocated to economic crime. The police budget for 2022–23 was set at £16.9 billion and 1% of this makes approximately £170 million. The budget should be adjusted according to pay rates and/or inflation levels. See HM Government, 'Police Funding for England and Wales 2015–2023', 12 July 2022, <https://www.gov.uk/government/statistics/police-funding-for-england-and-wales-2015-to-2023>, accessed 21 October 2022.

25. Daniel Beizsley and Susan Hawley, 'Closing the Enforcement Gap: Proposals for Boosting the Resources for UK Law Enforcement to Fight Economic Crime', Spotlight on Corruption, January 2022, p. 14.

26. See Public Sector Fraud Authority, 'About Us', <https://www.gov.uk/government/organisations/public-sector-fraud-authority/about>, accessed 7 October 2022.

Blueprint Models

In recognition of the significant skills and capability gaps in the UK's long-term response to tackling the cyber threat, in 2018 the government established a national Cyber Security Skills Strategy, led centrally by the Cabinet Office and based on a collaboration of government, industry and academia to ensure that 'the UK has a sustainable supply of home-grown cyber skilled professionals to meet the growing demands of an increasingly digital economy, in both the public and private sectors, and defence'.[27]

Target End State (2030)

By 2030 the UK government should establish a national Economic Crime People and Skills Strategy to build a sustainable pipeline of investigative, digital forensic and data-science skills. The strategy should focus on establishing anti-economic crime as a recognised profession and creating a range of career pathways across public and private sectors. Core parts of the strategy should include:

- Establishment of an academically accredited national qualification.
- Extension of the police Specialist Fraud Investigator Programme accreditation, extending eligibility to non-warranted officers and staff.[28]
- Development of a nationally coordinated (and CPD-accredited) 'Economic Crime Specials' programme, to coordinate private sector voluntary staffing contributions to the NECC and policing (akin to the NCA Specials and Special Constable programmes[29]).
- Integration of economic crime skills for policing and the public sector into the national apprenticeships scheme.[30]

27. HM Government, 'Initial National Cyber Security Skills Strategy: Increasing the UK's Cyber Security Capability: A Call for Views', updated 3 May 2019, <https://www.gov.uk/government/publications/cyber-security-skills-strategy/initial-national-cyber-security-skills-strategy-increasing-the-uks-cyber-security-capability-a-call-for-views-executive-summary>, accessed 8 November 2022.
28. See College of Policing, 'Professionalising Investigations Programme: Programme Policy 2018', <https://assets.college.police.uk/s3fs-public/2020-11/Professionalising-Investigations-Progamme.pdf>, accessed 7 October 2022.
29. See NCA, 'NCA Specials', <https://nationalcrimeagency.gov.uk/careers/how-to-join-the-nca/nca-specials>, accessed 7 October 2022; see Metropolitan Police, 'Special Constables (Volunteer Police Officers)', <https://www.met.police.uk/car/careers/met/police-volunteer-roles/special-constable/special-constable-overview/>, accessed 7 October 2022.
30. See Education and Skills Funding Agency, 'Higher and Degree Apprenticeships', 6 November 2015, <https://www.gov.uk/government/publications/higher-and-degree-apprenticeships>, accessed 7 October 2022.

- Undergraduate or Master's degree sponsorship or scholarships programme for core skills, such as data analytics and cyber investigation, in return for set periods of service (similar to the Army's STEM scholarship programme[31]).

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31. See British Army, 'Defence STEM Undergraduate Scheme (DSUS)', <https://www.prospects.ac.uk/employer-profiles/british-army-1610/jobs/defence-stem-undergraduate-scheme-dsus-2692493>, accessed 7 October 2022.

V. Wider System Dependencies

THE MODEL PROPOSED in this report focuses specifically on establishing a new set of functions to allow policing to proactively respond to economic crime. However, its success relies on a number of wider dependencies, outside the scope of this report, which merit consideration.

Industrialised Intelligence-Led Prevention

Moving policing from a reactive to a proactive state relies on reducing demand on the system through a more strategic approach to prevention, particularly as regards fraud, so as to reduce current levels of victimisation, which create unsustainable pressures on the system. The current system is failing in this regard.

While policing has a clear role to play, particularly around preventing revictimisation, many of the levers for greater prevention lie outside policing's control, in the wider public and private sectors. Driving large-scale private sector prevention, through regulatory and partnership approaches, building a strategic communications function to deliver targeted public messaging, and increasing focus on cybersecurity must all play a part in driving down the problem, alongside enforcement.

Reforming the Role of Local Policing

Several of the alternative reform models examined as part of this research suggest removing responsibility for policing economic crime from local forces altogether. The model proposed in this report takes the opposite stance, and augments the responsibility of local policing, for several reasons.

First, the scale of fraud alone, even with the interventions suggested in this report, will always outstrip the capacity of even the most well-resourced regional tier. Second, local policing plays an essential victim-facing role, which is both mandated through legislation (the 'Victims' Code') and forms an essential part of maintaining policing legitimacy. Third, many street-level crimes have their origins in organised crime, which is fundamentally underpinned by money laundering.

Stripping local policing of its responsibility here is therefore contrary to both local and national interests. Future reforms must include not only a continued, but indeed an expanded role for local policing, mandated through changes to the Strategic Policing Requirement. What this looks like in practice requires more detailed consideration.

Upstream Response

Many economic crime threats have their locus outside the UK, limiting the reach of UK territorial policing. The UK government has a range of capabilities 'upstream' to tackle a diverse range of organised crime threats to the UK, including the NCA's International Liaison Officer network. However, these functions are not currently properly targeted towards delivering a better upstream operational response to economic crime. Ensuring upstream assets are better networked with territorial policing will be an essential part of future reforms: the Counterterrorism Liaison Officer network may provide a useful blueprint.[32]

Data and Technology Strategy

As noted above, the proposed new model relies heavily on a considerable shift in the role of the NECC in aggregating and analysing data from across public and private sectors in order to drive more strategic, high-value interventions. The ability of the NECC to perform this role is contingent on the creation of a more permissive environment for large-scale data aggregation, underpinned by legislative and regulatory clarity and clear political leadership and public messaging. While reforms set out in the September 2022 Economic Crime and Corporate Transparency Bill are welcome, they are only a partial solution to the challenge of shifting the cultures that inhibit the aggregation of data across public and private sectors that is needed to drive down the problem.[33]

Any future data strategy must necessarily include plans to underpin increased connectivity across the system with a single technology solution accessible to both public and private sectors. Such a system may be a blend of both bespoke and proprietary technologies but must provide a single solution across the network to support better data aggregation.

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32. See Police, 'Counter Terrorism Policing', <https://www.joiningthepolice.co.uk/training-progression/career-progression/role-spotlights/counter-terrorism-policing>, accessed 8 November 2022.

33. Sections 148 and 149 of the Economic Crime and Corporate Transparency Bill (as at 28 October 2022) propose disapplying civil liabilities for breaches of confidentiality by regulated sector participants when sharing information relating to potential economic crimes in a defined set of circumstances. See HM Government, 'Economic Crime and Corporate Transparency Bill', Bill 154, 58/3, <https://publications.parliament.uk/pa/bills/cbill/58-03/0154/220154.pdf>, accessed 7 October 2022.

Conclusion

THE UK GOVERNMENT is increasingly viewing the economic crime threat through the prism of national security. It is right to do so. The scale of the problem is so large that it threatens the country's domestic economic security, its standing on the international stage and public faith in policing and, by extension, the rule of law.

In light of this policy pivot towards economic crime as a national security threat, this report has sought to examine how policing has adapted in its response to three more established national security threats – cybercrime, serious and organised crime, and counterterrorism – to draw learnings for a future national security-driven policing response to economic crime.

It has shown that the policing responses to these other national security threats have four major features in common: strong, central intelligence and data analytics functions; centralised tasking and coordination functions (and, in the case of counterterrorism, a single command structure); growing regionalisation of specialist resources; and the retention of the response within the existing policing footprint.

Building a set of analogous, yet bespoke, new functions within the economic crime policing sphere would be less costly and disruptive than some of the more revolutionary proposals being put forward (such as the creation of a single economic crime agency), as the process could build from existing platforms and evolve over time. It is clear, however, that structural shifts alone cannot be expected to turn the tide on the problem. In view of this, the proposed model includes a single ringfenced budget and a more comprehensive national strategy for building the skills and capabilities needed for the future.

The proposed model also depends on more defined and large-scale involvement of the private sector at an operational, tactical level to ensure that the sector's ability to drive greater preventative and disruptive activity is properly harnessed. This requires a mindset shift regarding the intended outcomes of economic crime enforcement, with success being viewed through the national security lens of threat reduction, prevention and disruption, rather than purely 'traditional' criminal justice outcomes.

In summary, the authors are clear that directing 'more of the same' towards tackling this problem is not going to be enough to reduce the threat to the UK. It is essential that economic crime policing reform tracks the well-trodden pathways of the policing responses to other national security threats, by retaining its basis within policing and links with local responses, while simultaneously building a new set of discrete functions and capabilities under a single system

approach that overcomes the limitations of territorial policing in dealing with highly globalised threats. In short, if the UK government truly views economic crime as a national security threat, then it needs to police it like one.

About the Authors

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Karen Baxter is a consultant and specialist advisor on economic crime, intelligence and serious crime investigations. Karen retired from policing in 2020, after a 30-year career that spanned service with the Royal Ulster Constabulary, the Police Service of Northern Ireland (PSNI), and the City of London Police. She led the PSNI's Counter Terrorism Unit, securing prosecutions against some of the most violent terrorist groups in the UK. In 2018, she was appointed as Commander and National Coordinator for Economic Crime for UK Policing. Karen's responsibilities included complex fraud, money laundering, overseas anti-corruption, and intellectual property crime investigations. In 2020, Karen joined UK Finance as the Managing Director for Intelligence Strategy to review the current use of intelligence and information within the financial industry. Karen has a degree in Social Policy and holds a Master of Studies degree with the University of Cambridge.