National Audit Office

Report
by the Comptroller
and Auditor General

Home Office, National Crime Agency

Tackling serious and organised crime

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Home Office, National Crime Agency

Tackling serious and organised crime

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This report examines whether the Home Office (the Department) and the National Crime Agency (NCA) tackle serious and organised crime in an effective and coherent way.

Contents

Key facts

4,500+

identified organised crime groups operating in the UK

£2.9bn

government's estimate of total expenditure on tackling serious and organised crime in 2015-16, including front-line spending to tackle crime (£2.2 billion) and spending on back-office functions (£0.7 billion)

£37bn

government's estimate of the social and economic cost of serious and organised crime, 2015-16

£1.8 billion	estimated spending by police and crime commissioners on forces' work to tackle serious and organised crime locally (out of £2.9 billion total expenditure), 2015-16
79%	of the estimated front-line spending by government and law enforcement bodies to tackle crime went on pursuing serious and organised criminals, 2015-16
4%	of the estimated front-line spending by government and law enforcement bodies to tackle crime went on preventing serious and organised crime, 2015-16
6,993	potential modern slavery and human trafficking victims identified in 2018, a 36% increase since 2017, up from 5,142
61,646	sexual crimes committed against under 16s in 2018 (not including crimes involving indecent images), a 9% increase since 2017, up from 56,346
more than 100	government and law enforcement bodies, agencies and other organisations with a role in tackling serious and organised crime
six	serious and organised crime threats identified as national priorities in 2018-19 and 2017-18, up from five in 2016-17 and three in 2015-16

Summary

Introduction

1   Serious and organised crime is planned, coordinated and committed by people working individually, in groups, or as part of transnational networks. Criminals' motivation is often financial gain but varies depending on the type of criminality. The most harmful serious and organised crimes include modern slavery and human trafficking, organised immigration crime, child sexual exploitation and abuse, money laundering, fraud and other economic crime, bribery and corruption, cyber-crime, illegal firearms and illegal drugs. Serious and organised crime is closely linked to other national security risks. For example, organised criminals may provide access to firearms and fraudulent identification documents to terrorists.

2   The challenges in tackling serious and organised crime are formidable. There are more than 4,500 identified UK organised crime groups operating in changing and often unpredictable ways. These groups use violence and intimidation in communities to operate and prey on vulnerable people. Serious and organised crime knows no borders and many offenders work as part of large networks spanning multiple countries (**Figure 1** on pages 6 and 7). A large amount of serious and organised crime remains hidden (child sexual exploitation and abuse, modern slavery) or underreported (fraud, cyber-crime). The government estimated that the annual social and economic cost of serious and organised crime was £37 billion in 2015-16. This included a cost of £20 billion resulting from drugs crimes, including from drug-related deaths and hospital treatments, and a cost of £8 billion from economic crime.

3   The government published its serious and organised crime strategy in 2013 and revised it in 2018. Both use a strategic framework that has four 'P' work strands (Prevent, Pursue, Protect and Prepare), which is based on the UK's counter-terrorism strategic framework. Both the 2013 and 2018 serious and organised crime strategies set out actions to:

- **prevent** people from getting involved in organised crime;

- **pursue** and disrupt serious and organised criminals;

- **protect** individuals, organisations and communities against serious and organised criminality; and

- **prepare** for when serious and organised crime occurs and mitigate its impact.

Figure 1

Examples of significant international origins of serious and organised crime affecting the UK

Serious and organised crime operates across international borders and many countries have links to groups operating in the UK

Transport hubs in Belgium, Italy and Spain are key European entry points for illicit drugs reaching the UK

Northern France, Belgium and the Netherlands act as consolidation points for the importation of drugs and firearms

Nationals from Albania, Hungary, Lithuania, Poland, Romania and Slovakia are among the most common offender nationalities to commit modern slavery crimes

The UK is targeted by cyber criminals operating in Russia and Ukraine

The majority of cocaine entering the UK is produced in Bolivia, Colombia and Peru

Brazil, Ecuador and Venezuela are transit routes for cocaine destined for Europe and the UK

The Mediterranean remains a major transit route for organised immigration crime to the UK

The UK is targeted by fraud and cyber criminals operating in Nigeria

Recent conflict zones in Libya and Syria are potential threats for upstream firearms supply

Notes

1   Map shows some of the ways in which other countries are involved in the UK; it is not a complete picture.

2   An additional smuggling route for cocaine from Latin America involves movement across the south Atlantic, where the cocaine is unloaded at ports in western and southern Africa. A proportion of the cocaine crossing into western and southern Africa in this way is likely to be moved overland by criminals or via other routes into Europe, including the UK.

Source: National Crime Agency's yearly assessments of serious and organised crime

Most heroin and half the cannabis resin entering the UK is produced in Afghanistan and trafficked through Iran and Pakistan

Threat categorisations are based on National Crime Agency groupings of serious and organised crime threats to the UK:

☐ **Commodities** include threats from drugs and firearms.

☐ **Prosperity** includes threats from money laundering, fraud and other economic crime, international bribery, corruption and sanctions evasion, and cyber-crime.

☐ **Vulnerabilities** include threats from child sexual exploitation and abuse, modern slavery and human trafficking and organised immigration crime.

High-value goods purchased with the proceeds of crime are being moved to China as a method of money laundering

Criminal groups operating in the UK launder money through Pakistan

Hong Kong's large financial sector makes it attractive as a destination or transit point for the proceeds of crime

Nationals from Eritrea, Iraq, Afghanistan and Iran are among the most commonly stopped at UK border security checks conducted on passengers in Belgium and France before travelling to the UK

Organised criminals source new psychoactive substances from India

Vietnam is a source country for human trafficking, including children

The revised 2018 strategy set out objectives to:

- target and disrupt the serious and organised criminals and networks that cause the most harm;

- build defence and resilience in vulnerable people, communities, businesses and systems;

- identify and support those at risk of engaging in criminality; and

- establish a single 'whole-system approach', with the efforts of the public and private sectors aligned at local, regional, national and international levels.

4 The government's response to serious and organised crime involves more than 100 government and law enforcement bodies, agencies and other organisations. The Home Office (the Department) has overall responsibility for serious and organised crime policy, strategy and funding. It is also responsible for coordinating the contributions of the National Crime Agency (NCA), nine regional organised crime units (ROCUs), 43 territorial police forces and other law enforcement partners (Appendix Three).[1] The response to serious and organised crime across the UK government and law enforcement is overseen by a director general in the Department, who is the senior responsible owner (SRO) for the development and implementation of the serious and organised crime strategy.

5 The government introduced legislation to establish the NCA as a non-ministerial government department in 2013, with operational independence from the Department, to lead and coordinate UK law enforcement's response to serious and organised crime. It is responsible for developing a single, authoritative picture of the threat from serious and organised crime. ROCUs are regional police units that provide a range of specialist policing capabilities at a regional level to help forces tackle serious and organised crime. Forces tackle serious and organised crime locally and can be directed by the NCA to carry out specific operations.

6 In this report, we have examined the government's strategic response to serious and organised crime, and the extent that the enablers to successful implementation of the 2018 strategy have been put in place. We examined the work of the Department and the NCA, who together oversee and coordinate the government's response. The report does not look in detail at how other government bodies are set up to contribute.

- Part One examines the nature of serious and organised crime and the government's strategic response to tackling it.

- Part Two looks at the quality of data on the scale of serious and organised crime, how data are produced and used, and the availability of data to decision-makers.

- Part Three examines the extent of government's work to tackle serious and organised crime under its four 'P' work strands, the effectiveness of funding, governance and accountability structures.

- Part Four assesses the extent to which the efforts of law enforcement are coordinated.

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1   For instance, national police forces, such as the British Transport Police and other law enforcement teams in HM Revenue & Customs and the Serious Fraud Office.

Our audit approach is described in Appendix One and evidence base in Appendix Two.

Key findings

Response to serious and organised crime

7   From what is known, the level of serious and organised crime in the UK is growing. The NCA's 2019 assessment of serious and organised crime stated that the scale and complexity of organised crime was continuing to increase. The Department's data showed that 6,993 potential modern slavery and human trafficking victims were identified in 2018, a 36% increase since 2017. There were 61,646 sexual crimes against children in 2018, not including crimes involving indecent images, an increase of 9% since 2017. Offences where firearms were used increased by 26% from 5,182 for the year ending March 2016, to 6,525 for the year ending December 2018 (paragraph 1.2 and Figure 3).

Strategic approach

8   The Department's 2017 review found the 2013 strategy did not effectively deal with the increasing complexity and scale of serious and organised crime. The government's 2013 strategy created impetus for government and law enforcement bodies to tackle serious and organised crime. Using data from 2015-16, the Department estimated that government and law enforcement bodies spent £2.9 billion tackling it. There were some significant failings with the 2013 strategy. The Department's 2017 review of the 2013 strategy found that:

- the government's understanding of serious and organised crime was inconsistent and, in parts, underdeveloped;

- work under the Pursue strand of the strategy dominated the efforts of government and law enforcement bodies, and work under the Prevent, Protect and Prepare strands of the strategy needed improvement;

- funding to tackle serious and organised crime was subject to competing demands and priorities;

- efforts of organisations tackling serious and organised crime were disjointed and uncoordinated, law enforcement efforts were duplicated and the way threats were prioritised needed to improve; and

- there were gaps in the capability of law enforcement to respond to the complex and evolving nature of crime (paragraphs 1.3, 1.6 and 1.7).

9   The government's 2018 strategy tried to address shortcomings, but it is not clear that all enablers for its successful implementation are in place. The strategy commits to equipping the whole of government and law enforcement to "rid our society of the harms of serious and organised crime". The Department acted on learning from its 2017 review of the 2013 strategy when developing the 2018 strategy. The government has made some changes that could help organisations to tackle serious and organised crime more effectively. The Cabinet Office appointed a dedicated SRO for serious and organised crime currently based in the Department and established a new National Security Strategic Implementation Group for senior officials. These have created a renewed focus and shared sense of purpose across government and law enforcement bodies. Many of the intentions in the 2018 strategy were like those proposed in 2013. The government has continued to plan its work around the strategic framework of four 'P' work strands, but we have not seen a well-evidenced justification that this is the best approach. Even though it has developed an implementation plan and estimated how much funding some of its plans will need, it has not fully estimated the cost of what it must do to realise its strategy aspirations in full. Without the right amount of funding, the organisations that are responsible for tackling serious and organised crime will not be able to deliver the strategy's goals. The findings that follow examine more closely the extent to which the enablers to successful implementation have been put in place (paragraphs 1.5, 1.8 to 1.12 and Figure 5).

Understanding the problem effectively

10   The government does not yet have the extent or depth of data that it needs for an effective response, and data are not shared consistently. Those tackling serious and organised crime cooperate effectively in many areas. For instance, the response of government and law enforcement bodies to firearms crimes is well established and multi-agency across serious and organised crime and counter-terrorism. As a result, the government has a clear view of the supply of firearms in the UK. The government assessed that the intelligence and assessment capability of organisations tackling serious and organised crime was underdeveloped for many crimes. Government and law enforcement bodies are not yet making the best use of data that exist in all parts of the public and private sectors. As such, the government's understanding of the scale of serious and organised crime is incomplete. For example, insufficient knowledge of international illegal markets has made it harder for government to know how it should respond (paragraphs 2.3 to 2.9 and Figures 6 and 7).

11   Performance measurement is immature and does not yet support effective decision-making. The changeable nature of serious and organised crime, and the time taken for interventions to make a difference, make it challenging to measure success. This is not a new problem for the government and the Department could learn from practices elsewhere. We found that information about the performance of government and law enforcement bodies in meeting the strategy's objectives and of the success of operations was inconsistently measured and used by senior officials. This makes it difficult for senior officials to monitor performance and make evidence-based decisions. The government's progress since 2013 to establish an effective performance framework has been slow. A new framework based on sound principles has been in development since 2017 and the Department and the NCA are continuing to refine it to meet the government's ambition to measure its success better (paragraphs 2.11 to 2.13 and Figure 8).

Achieving a whole-system approach

12   The government prioritised the 'Pursue' work strand of its 2013 strategy at the expense of its 'Prevent', 'Protect' and 'Prepare' work strands. The four 'P' work strands (Prevent, Pursue, Protect and Prepare) in the 2013 strategy were intended to provide a coherent strategic approach, from preventing crime in the first place to convicting perpetrators and helping victims. In its 2017 review of the 2013 strategy, the Department identified an imbalance of effort, with 79% of the front-line spending by government and law enforcement bodies to tackle serious and organised crime estimated to have been spent on activities under the Pursue strand, and 4% on activities under the Prevent strand. While this approach meant that criminals were stopped or were less able to operate, the Department's 2017 review reported that the response to serious and organised crime had not been comprehensive and had "done little to address the vulnerabilities that drive, enable and perpetuate serious and organised crime" (paragraphs 3.2, 3.3 and Figure 9).

13   Implementation of the strategy is made more complex by disparate funding for tackling serious and organised crime. Work to tackle serious and organised crime is funded by several unconnected funding sources. This creates numerous funding application and governance processes for those organisations tackling crime, which makes accessing funding overly bureaucratic. In 2018-19, funding included:

- £424 million for the NCA from HM Treasury;

- £123 million for ROCUs from police and crime commissioners (commissioners);

- £25 million annual departmental grant to ROCUs, made up of multiple funding sources;

- £40 million for forces, ROCUs, the NCA and the Department from the Department's Police Transformation Fund (PTF);

- £21 million from the government's Conflict, Stability and Security Fund (CSSF); and

- a contribution from the Cabinet Office's National Cyber Security Programme.

Additionally, commissioners spend around one-sixth (16%) of their overall budget for policing on forces' work to tackle serious and organised crime. This was an estimated £1.8 billion in 2015-16, which was 61% of the £2.9 billion estimated total expenditure by government and law enforcement bodies on tackling serious and organised crime (paragraphs 3.7 and 3.8, and Figure 10).

14   Funding to tackle serious and organised crime is uncertain and inefficient. The Department's annual decisions about funding settlements and its yearly allocation of grants and funds to ROCUs has created uncertainty and inhibited the ability of organisations to respond to emerging threats and develop long-term projects. The distribution of funding by the Department has often been delayed, which makes it difficult for law enforcement bodies to plan and spend effectively (paragraphs 3.9 and 3.10).

15   Regional resources for tackling serious and organised crime are variable, putting government's ambitions for a stronger regional response at risk. The 2018 strategy set out an ambition for ROCUs to lead the operational response to serious and organised crime regionally. Around 72% of funding for ROCUs comes from the commissioners of their constituent forces (£123 million in 2018-19). Commissioners' funding is coming under increasing pressure, as we found in our report *Financial sustainability of police forces in England and Wales 2018*.[2] Commissioners make choices to meet the demands of their communities alongside the requirements from regional and national law enforcement to provide personnel and financial support. Some chief constables have also prioritised their own forces' capabilities to tackle serious and organised crime, rather than investing in the development of regional capabilities. The Department is leading work to explore new funding models, including ways to fund ROCUs. Its decisions on funding are highly dependent on the outcome of the Spending Review, expected in 2019, when the government will consider funding alongside other spending priorities (paragraphs 1.9, 3.6 and 3.11).

16   The government lacks a strong accountability framework to drive the implementation of the strategy. The SRO's responsibilities for ensuring that the strategy is implemented are not matched by their powers and authority to direct organisations tackling serious and organised crime, to hold them accountable, or to move money between them to achieve the best outcomes. Governance is cluttered, despite some progress in consolidating the 37 governance groups that tackle serious and organised crime and the 59 groups that discuss related topics. The SRO therefore has to work through a system which is characterised by considerable constraints (paragraphs 3.12 to 3.16 and Figures 11 and 12).

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2   HC Committee of Public Accounts, *Financial sustainability of police forces in England and Wales*, Sixty-Seventh Report of Session 2017–19, HC 1513, November 2018.

Coordinating the efforts of law enforcement

17   The NCA's identification of crimes for law enforcement to prioritise has not yet influenced law enforcement activity as intended. The NCA has identified national priority threats to help law enforcement to target the most harmful criminals. The growing number of priorities has made it difficult for law enforcement to 'de-prioritise' some of their work. In 2018-19 and 2017-18, the NCA identified six national priorities (child sexual exploitation and abuse, modern slavery and human trafficking, organised immigration crime, high-end money laundering, firearms and cyber-crime). This was up from five priorities in 2016-17, and three in 2015-16. Efforts by law enforcement to disrupt serious and organised criminals (leading to them being unable or less able to operate) have not aligned with national priorities. Between April and September 2018, the NCA, ROCUs and forces disrupted more crimes that were considered non-priority threats (such as drugs crimes) than crimes identified as priorities. In May 2019, the NCA broadened its definition of national priority threats for 2019-20, identifying three priority areas covering crimes that exploit the vulnerable, profit from the criminal marketplace and undermine the UK's economy. It is not yet clear whether this broader definition will help law enforcement to prioritise its response effectively to target the criminals that cause the most harm (paragraphs 4.2 to 4.4 and Figure 13).

18   The government is trying to address shortfalls in how capabilities are developed across government and law enforcement bodies. Under the 2013 strategy, the development of capabilities has been inconsistent, and opportunities have been missed to maximise efficiency. For example, both the NCA and ROCUs have advanced undercover skills when it might be more efficient to rationalise where these skills are held. Since 2018, the NCA has been carrying out work to identify where capabilities exist across law enforcement. The 2018 strategy sets out further work to decide which should be developed or rationalised. Nationally, the government has identified that it needs to make better use of data, especially to respond to the growing threat of online crime. The NCA is leading the government's work to develop new capabilities to exploit data and tackle illicit finance (paragraphs 2.9, 4.5 and 4.7 and Figure 15).

Conclusion on value for money

19 Serious and organised crime is evolving at a rapid rate, as criminal networks identify new vulnerabilities and adapt their activity in response to law enforcement action and the opportunities offered by new technology. Those tackling serious and organised crime recognise the seriousness of this challenge and have plans in place to build the teams and expertise to deal with it. We have also seen examples of improved collaboration across government and beyond to disrupt criminal groups, safeguard vulnerable people and seize illegal goods.

20 However, there remain some significant and avoidable shortcomings that may prevent government and its partners from meeting its aim to "rid our society of the harms of serious and organised crime". The government is therefore not yet able to show that it is delivering value for money in this area. The Department and the NCA do not know whether their efforts are working and are not yet able to target resources against the highest-priority threats. Despite ongoing efforts to improve them, governance and funding arrangements remain complex, inefficient and uncertain. Unless the government addresses these issues there will continue to be a mismatch between its ambitious plans to respond to serious and organised crime and its ability to deliver on them.

Recommendations

a **The Department should accelerate its work to measure the impact of the collective efforts of government and law enforcement bodies on the prevalence of serious and organised crime.** The Department and the NCA have been developing a new performance framework since 2017 but still lack the right information to know whether efforts are working. The Department should bring this development to a quick conclusion and decide on the indicators and information it needs to measure success consistently.

b **The Department should continue to support organisations to tackle the underlying causes of serious and organised crime.** In 2015-16, 4% of the front-line spending on tackling serious and organised crime was estimated to have been spent on Prevent activities, compared with 79% on Pursue activities. The Department should ensure it supports partner organisations to rebalance their efforts by improving the evidence base on what preventative activities work, sharing this evidence base widely and regularly, and using funding to incentivise organisations.

c **The Department and the NCA should build on initial work to agree a more efficient way to distribute and share capabilities across government and law enforcement bodies.** Capabilities have been inconsistently developed and often unnecessarily duplicated across bodies. The Department and the NCA should give clear direction on who should hold which capabilities to make the best use of limited resources to ensure that those capabilities are focused on tackling the greatest threats.

d   **The NCA should assess how well its new approach to identifying priority areas is directing resources to address the highest risks and threats.** Between April and September 2018, the NCA, ROCUs and forces disrupted more crimes that were not a priority than crimes that were considered priority threats. The NCA should carry out an early review of its new approach to prioritising and delegating work to ensure law enforcement activity focuses on its priority threats.

e   **The Department's work to change how it funds efforts to tackle serious and organised crime should focus on streamlining processes and giving greater certainty to organisations.** Funding for serious and organised crime comes from multiple sources that are subject to annual bidding and decision processes and often paid late. The Department should ensure any changes it makes in the forthcoming Spending Review will rationalise funding sources and give organisations longer notice over future funding to allow them to plan more effectively.

f   **The government should review the effectiveness of accountability arrangements and address weaknesses as it implements its strategy.** Accountability involves being responsible or answerable to someone for some action. Good governance is a core element of accountability. Governance arrangements for those tackling serious and organised crime are complex and the overall accountability framework is weak. Once the Department has finalised its plan for implementing the strategy, it should review how changes to its governance arrangements are working, including reviewing the Strategic Policing Requirement, which sets out the threats that require a coordinated policing response. It should review how performance data are used, and the success of the SRO in getting others across government and law enforcement to meet the strategy's objectives.

Part One

The response to serious and organised crime

1.1 Serious and organised crime is a diverse and complex threat requiring a response across many parts of government and law enforcement. This part of the report sets out:

- the nature of the threat and the different crimes that it covers;

- the organisations involved in tackling serious and organised crime and their roles; and

- the strategic approach taken by government.

The nature of serious and organised crime

1.2 Serious and organised crime is difficult to tackle. It is broad and varied in nature, hidden away and causes much harm to people. The government estimated that the annual social and economic cost of serious and organised crime was £37 billion in 2015-16. There are more than 4,500 identified UK organised crime groups operating in changing and often unpredictable ways. **Figure 2** on pages 17 and 18 sets out the typical offending pattern for 10 types of serious and organised crime threats identified in the National Crime Agency's (the NCA's) May 2019 assessment of serious and organised crime. The NCA groups crimes into those which target people's vulnerabilities, are motivated by prosperity or involve commodities. The NCA reported in 2019 that the volume and complexity of these crimes was growing. **Figure 3** on page 19 shows an indication of the prevalence of each crime threat and recent trends using the available data.[3]

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3   Changes in reporting and recording practices make monitoring any changes in the prevalence of serious and organised crime difficult, and measures that capture the scale of the crime vary for each type. There are no available data that differentiate serious and organised crime offences from individual offences.

Figure 2
Types of serious and organised crime

The National Crime Agency has categorised the types of serious and organised crime in the UK into those that target people's vulnerabilities, are motivated by prosperity or involve commodities

Crime type	How offenders may carry out their crimes
Vulnerabilities	
Modern slavery and human trafficking	Traffic people into conditions of sexual, criminal or labour exploitation.
	Exploit victims' financial or social difficulties to exert control.
	Use immigration offences and money laundering to assist crime.
Organised immigration crime	Transport people across borders illegally in exchange for money.
	Produce and provide fraudulent travel documentation.
Child sexual exploitation and abuse	Upload and share indecent images of children online.
	Groom and blackmail children online into sexual acts.
	Sexually exploit children overseas.
	Physically abuse children, often family members or acquaintances.
Prosperity	
Money laundering	Use UK corporate entities, such as limited liability partnerships, to conceal origins of illegally obtained money.
	Use virtual currencies, such as bitcoin, or unregulated banking platforms to launder money.
	Use professional enablers to assist crime, including solicitors, financial services providers and estate agents.
Fraud and other economic crime	Obtain money from individuals through cheque, plastic card and online banking fraud, online shopping fraud and advanced fee fraud.
	Use phishing emails to get security, banking or personal details from business accounts.
International bribery, corruption and sanctions evasion	Bribe overseas officials to improperly secure new business, extend existing contracts or obtain sensitive information about competitors.
	Use companies registered in offshore jurisdictions to disguise ultimate asset ownership by corrupt Politically Exposed Persons.
Cyber-crime	Use digital technologies to attack and infiltrate IT systems, steal data, or gain control of a network in order to extort, monetise, or gain reputational kudos among peers.
	Use malicious software that threatens to publish victims' data or perpetually block access to it unless a ransom is paid.

Figure 2 *continued*

Types of serious and organised crime

Crime type	How offenders may carry out their crimes
Commodities	
Illegal firearms	Import firearms from overseas, enabled by ferry and tunnel routes.
	Steal and modify legally licensed firearms for criminal purposes.
	Use firearms to protect and enable drug supply and fight turf wars.
Illegal drugs	Use corrupt port and airport officials to avoid normal customs procedures when importing drugs.
	Produce cannabis and synthetic drugs in domestic laboratories.
	Exploit young, vulnerable people for county lines distribution, through physical and sexual harm, kidnap and debt control.
Organised acquisitive crime	Target high-value property for theft, including vehicles, family gold, money from cash machines, and metals.
	Travel widely across the country to commit crimes, and use violence if confronted by victims.

Source: National Audit Office analysis of National Crime Agency's annual assessments of serious and organised crime

The government's response

1.3 The government's response to serious and organised crime involves more than 100 government and law enforcement bodies, agencies and other organisations, as set out in Appendix Three on page 53. Using data from 2015-16, the Home Office (the Department) estimated that spending on serious and organised crime by government and law enforcement bodies was £2.9 billion. Of this, an estimated 61% (£1.8 billion) was police and crime commissioners' (commissioners') spending on forces' work to tackle serious and organised crime locally.

Figure 3
Indicators of the scale of serious and organised crime, by crime type

Most types of serious and organised crime have increased in scale

Vulnerabilities	Scale[2]	Recent trend
Modern slavery and human trafficking	6,993 potential victims in 2018 in the UK.[3]	36% increase, up from 5,142 in 2017.
Organised immigration crime	–	–
Child sexual exploitation and abuse	61,646 sexual crimes against under-16s in 2018 in England and Wales, excluding crimes involving indecent images.[4]	9% increase, up from 56,346 in 2017.
	113,948 industry referrals for child sex abuse images in 2018 in the UK.[5]	39% increase, up from 82,109 in 2017.
Prosperity		
Money laundering	More than £100 billion a year in the UK.[6]	–
Fraud and other economic crime	3.6 million fraud incidents in 2018 in England and Wales.[7]	12% increase, up from 3.3 million in 2017.
International bribery, corruption and sanctions evasion	–	–
Cyber-crime	0.98 million computer misuse incidents in 2018 in England and Wales.[7]	28% decrease, down from 1.35 million in 2017.
Commodities		
Drugs	144,741 drugs offences in 2018 in England and Wales.[4]	7% increase, up from 134,922 in 2017.
Firearms	6,525 offences where firearms were used in 2018 in England and Wales.[4]	2% decrease, down from 6,641 in 2017 (although up 26% from 5,182 in the 12 months ending March 2016).
Organised acquisitive crime	2 million theft offences in 2018 in England and Wales.[4]	1% decrease, down from 2.01 million in 2017.

Notes
1   There are no available data that differentiate serious and organised crime offences from individual offences. As such, the data presented provides an indication of the prevalence of each crime threat.
2   – denotes no recent or comparable quantitative data available for the UK.
3   Potential UK victims submitted to the Home Office's National Referral Mechanism.
4   Police-recorded crime data for England and Wales, which captures crimes reported by victims and those recorded by the police.
5   UK-relevant referrals from providers of online services to the National Center for Missing and Exploited Children.
6   The National Crime Agency's estimate for the UK.
7   Crime reported by the public in the Office for National Statistics' Crime Survey for England and Wales. Crimes against businesses or the government are not included.
8   Data reported for calendar year unless otherwise stated.
9   Some data have been rounded.

Source: Home Office, National Crime Agency and Office for National Statistics data

1.4 Law enforcement is at the heart of the government's response to serious and organised crime.[4] It makes interventions, known as disruptions, that lead to an organised criminal or group being unable or less able to operate. These may include arresting an offender, seizing assets or preventing a person from entering the UK. Law enforcement operates at three different levels:

- locally, forces disrupt criminals within a force area;

- regionally, regional organised crime units (ROCUs) use specialist capabilities to disrupt complex or cross-boundary crimes; and

- nationally, the NCA disrupts complex, high-priority or international offences. National law enforcement partners, such as HM Revenue & Customs, provide a specialist response.

Figure 4 shows the number of disruptions of serious and organised crime made by law enforcement between April and September 2018. Around 59% (2,334 out of 3,931) of all disruptions were made by police forces.

Strategic approach

1.5 The government's strategic response to tackling serious and organised crime has evolved in the last decade.

- In 2010, the National Security Council, the government's principal forum for collective discussion of national security issues, judged that serious and organised crime was a tier 2 security threat. This means it is important, needs action and is the next highest priority after tier 1 threats, such as terrorism and hostile attacks on UK cyber space.

- In October 2013, the government published its first serious and organised crime strategy using a strategic framework of four work strands: Prevent, Pursue, Protect, Prepare (see paragraph 3 of the Summary).

- In October 2013, the government introduced legislation to establish the NCA as a non-ministerial government department, bringing together the Serious and Organised Crime Agency (SOCA) and a range of other bodies including the National Police Improvement Agency.

- In 2017, the Department led the government's review of the 2013 strategy.

- In November 2018, the government published a new and revised strategy, committing to equip the whole of government and its partners to "rid our society of the harms of serious and organised crime".

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4   Law enforcement includes the NCA, regional organised crime units, 43 territorial forces, national police forces, such as the British Transport Police, and other law enforcement teams in HM Revenue & Customs and the Serious Fraud Office.

Figure 4

Law enforcement disruptions of serious and organised crime in the UK and overseas, April to September 2018

Police forces made 59% of all recorded disruptions

Number of recorded disruptions
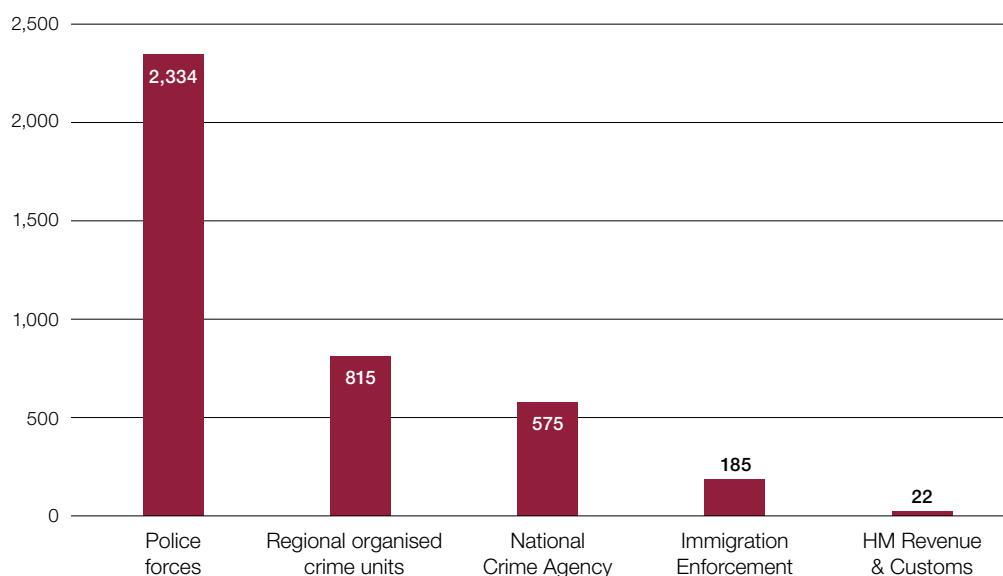
Notes

1   Disruptions data are not reported by all law enforcement partners.

2   Data for HM Revenue & Customs are only available from July to September 2018.

3   Data cover disruptions led by each organisation only; supporting or coordinating contributions to disruptions
     have not been captured.

Source: National Audit Office analysis of serious and organised crime performance reports

2013 strategy

1.6   The 2013 strategy created an impetus for government and law enforcement bodies to do more to tackle serious and organised crime. Over the period of the 2013 strategy, the NCA increased its disruptions of criminals in the UK and overseas from 907 in 2014-15 to 1,880 in 2017-18.[5] Over the same period, the conviction rate for the NCA's cases reaching a UK court increased from 91% to 94%. The government introduced several key pieces of legislation, including the Serious Crime Act 2015, and the Criminal Finances Act 2017. Law enforcement developed their capabilities to detect, investigate and prosecute serious and organised crime.

5   Disruptions of serious and organised crime that the NCA has either led, supported or coordinated.

1.7 The Department's 2017 review of the 2013 strategy found some significant failings. Overall, it found that the strategic approach was "not designed to deal effectively with the increasing complexity and scale of serious and organised crime". It found that:

● the government's understanding of the threat was inconsistent and, in parts, underdeveloped;

● efforts were imbalanced across its strategic framework of four 'P' work strands (work under the Pursue strand of the strategy dominated the efforts of government and law enforcement bodies, and work under the Prevent, Protect and Prepare strands needed improvement);

● funding was subject to competing demands and priorities;

● efforts across organisations were disjointed and uncoordinated, law enforcement efforts were duplicated, and the approach to prioritise the crimes tackled by law enforcement needed to improve; and

● there were gaps in the capability of law enforcement to respond to the evolving nature of serious and organised crime.

2018 strategy

1.8 The government's 2018 strategy retained and developed many of the 2013 strategy's planned activities (**Figure 5**). It followed the strategic framework of four 'P' work strands (Prevent, Pursue, Protect and Prepare), even though achieving a balance of effort across all four work strands had proven difficult to achieve. The government's justification was that the four 'P' work strands provide a coherent approach for government and law enforcement bodies.

1.9 In its 2018 strategy, the government identified activities to address learning points from the Department's 2017 review of the 2013 strategy, including:

● developing the NCA's national data exploitation capability to improve understanding of serious and organised crime;

● doing more work to prevent people committing serious and organised crime, and raising public intolerance of it;

● aligning efforts to tackle serious and organised crime coherently, through better delegation of cases to law enforcement;

● giving ROCUs a greater role in leading the regional operational response; and

● exploring a more sustainable funding model that commits investment over multiple years.

Figure 5
Similarities between the 2013 and 2018 strategies

The 2018 strategy retains many of the intentions set out in 2013

Activities planned in 2013 strategy

Activities planned in 2018 strategy

Activities planned in 2013 strategy	Activities planned in 2018 strategy
The National Crime Agency (NCA) to develop a single authoritative intelligence picture of serious and organised crime.	A multi-agency national assessments centre to produce a single understanding of serious and organised crime threats.
Attack criminals' finances by making it harder to move, hide and use the proceeds of crime.	Identify and seize criminals' assets and make it more difficult for them to move and hide their illicit funds in the UK.
Work more closely with the regulators of professions whose members may, wittingly or not, facilitate organised crime activity.	Target the complicit, negligent or unwitting professional enablers who are often vital to moving illicit funds through the UK and global financial system.
Internationally, improve capabilities and cooperation with others.	Work with overseas partners more often, more collaboratively and more effectively.
Establish an effective offender management framework to support work on Pursue and Prevent.	Implement lifetime offender management of priority offenders before, during and after custody.
Raise awareness of the reality and consequences.	Increase awareness of how serious and organised crime manifests itself, and the relationship between illegal goods and the harm caused to vulnerable children and adults.
Use interventions to stop people being drawn into serious and organised crime.	Bring together academic research and knowledge from the 'what works' centres to develop a clearer picture of which interventions work best across each crime type.
The NCA to put in place capabilities to process large amounts of data and join data obtained lawfully from multiple sources on multiple themes, including economic crime, cyber-crime and child sexual exploitation.	A national data exploitation capability to reduce the time taken to process and exploit existing data which support law enforcement agencies' responses to serious and organised crime.

Note
1   Only a selection of planned activities from each strategy is presented.

Source: National Audit Office assessment of serious and organised crime strategies

1.10 By October 2018, a month before the publication of the strategy, the Department had developed a plan for the strategy's implementation. While it had estimated how much funding some of its plans will need, it had not costed what it must do to realise the strategy aspirations in full. This creates a risk that the government's strategy will not be delivered by its partners if they do not have the necessary funding in place to sustain their activities and invest in new work. We know from examining other areas of the government that costed plans and strategies are more successful in securing the funding needed to deliver those plans than those which are not costed.

1.11 In November 2018, the Cabinet Office appointed a dedicated senior responsible owner (SRO) for serious and organised crime currently based in the Department. The SRO is responsible for ensuring that the government meets its strategic objectives and bringing government and law enforcement bodies together through the senior official National Security Strategy Implementation Group (NSSIG) for serious and organised crime. NSSIG meetings, established in April 2018 by the Cabinet Office, and the appointment of the SRO have created a renewed focus and shared sense of purpose across government and law enforcement bodies.

1.12 Parts Two, Three and Four examine how far the government, in its 2018 strategy, has learnt lessons from the shortcomings of the 2013 strategy (set out in paragraph 1.7) and how far the enablers to good performance have been put in place.

Part Two

Understanding the problem effectively

2.1   Our work over many years has found that having the right information and using it appropriately is a critical enabler for the effective management of a system.[6] Under its 2013 strategy, the government's understanding of serious and organised crime was inconsistent and, in parts, underdeveloped.

2.2   Without a good understanding of serious and organised crime, the government cannot know what work is needed to tackle it or if its efforts are successful. This part examines:

- the quality of data on the scale of serious and organised crime;

- how data are produced and used; and

- the availability of data to decision-makers.

Data on the scale of serious and organised crime

2.3   The Home Office's (the Department's) 2017 review of the 2013 strategy found that the government had underestimated the prevalence of serious and organised crime. Year-on-year, the National Crime Agency (NCA) has made improvements to its understanding of the scale of crime through national assessments of the threat. As government and law enforcement bodies improve their understanding, serious and organised crimes are no longer hidden. This has led to an increasing number of cases to be tackled. For example, increased focus and growth in the reporting of modern slavery and child sexual exploitation and abuse offences has resulted in an unanticipated growth in the number of cases for law enforcement and its partners to tackle.

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6   Including: Comptroller and Auditor General, *Reducing modern slavery*, Session 2017–2019, HC 630, National Audit Office, December 2017; Comptroller and Auditor General, *Online fraud*, Session 2017–2019, HC 45, June 2017; National Audit Office, *Managing business operations – what government needs to get right*, September 2015.

2.4 In 2018, the NCA assessed that the government's and law enforcement's understanding of the scale of crime was weak for four out of nine serious and organised crimes. Even where understanding was considered 'good', for instance understanding the threat from child sexual abuse and exploitation, other government publications, including the NCA's yearly assessment of serious and organised crime, made a more cautious evaluation of the level of understanding. The Department's 2017 review of the 2013 strategy found that government and law enforcement bodies had insufficient understanding of transnational illicit markets, which made it harder for them to respond and prioritise effectively. The 2018 strategy set out work with international partners to improve understanding of the shape, nature and enablers of illicit markets.

Sharing and using information

2.5 The data available to law enforcement and other organisations tackling serious and organised crime are vast and complex. Data include:

● phone records and messaging between criminals;

● images of child exploitation and abuse online;

● bank and financial records;

● immigration and customs data; and

● website usage.

2.6 There is good cooperation between organisations and sharing of information in many areas. For example, we found that the government's response to firearms crimes works well and is multi-agency across serious and organised crime and counter-terrorism. As such, the government has a single view on the supply of firearms in the UK. In another example, the NCA has invested in the co-location of specialist cyber-crime officers alongside key overseas partners to enable more efficient information sharing. In our case study one (**Figure 6**), the NCA, Government Communications Headquarters (GCHQ) and other partners helped to gather intelligence about the suspect.

Figure 6

Case study one: Online child sexual exploitation and abuse

About the case

The offender was a university academic who was sentenced to 25 years' imprisonment after admitting 137 charges. His conviction followed an investigation by the National Crime Agency (NCA) into online offending, which included extremely harmful sexual abuse and exploitation of more than 300 children and adults worldwide. He would blackmail his victims to self-harm or abuse others, threatening to send compromising images to their friends and family if they did not comply. He traded the abuse material on 'hurt core' forums on the dark web dedicated to discussing, filming and sharing images of rape, murder, sadism, paedophilia and degradation.

The response

The NCA worked with US Homeland Security Investigations, the Australian Federal Police and Europol to share and develop intelligence against the suspect, supported by Government Communications Headquarters (GCHQ) and other partners. The offender had a high degree of technological sophistication and used multiple fake online identities and a variety of encryption and anonymisation techniques to stay hidden in the dark web to conceal his criminal activities. Each of the hundreds of individuals who had been approached by the offender was reviewed by the NCA's child protection advisers for potential safeguarding.

Source: National Audit Office analysis of 2018 serious and organised crime strategy and interview with National Crime Agency staff

2.7 The NCA is not yet able to make best use of all data that exist. For example, tackling illicit finance is challenging, in part because tackling the different types of crimes involved and their international nature require sophisticated insights. There are improvements that could be made which would lead to a more effective response. Good coordination between statutory and professional bodies is needed to build intelligence. For instance, HM Revenue & Customs aggregates large datasets to identify tax evasion, while the banking and financial services sector use data analytics techniques to detect fraud. However, data-sharing barriers exist among organisations nationally and internationally.

2.8 On a case-by-case basis, the NCA has asked its partners to develop and share intelligence where it is most needed. For example, the NCA led an intelligence operation to establish the extent to which organised crime groups were involved in illegal immigration using small boats to cross the English Channel. The operation included investigating and disrupting the crime groups involved (see case study two, **Figure 7** overleaf).

Figure 7

Case study two: Organised immigration crime

About the case

The government's response to organised immigration crime needs coordination and data-sharing across a range of partners. One operation involved the National Crime Agency (NCA), Border Force and Immigration Enforcement working with the French authorities to tackle attempts to smuggle Iranian nationals into the UK during autumn 2018. Organised crime groups were using a variety of small boats, including inflatable dinghies, to transport people across the English Channel. The poor condition of the boats put human lives at risk and raised the political pressure for a quick resolution.

The response

Since 2015, law enforcement has worked as part of a multi-agency team to tackle organised immigration crime. Despite joint working, data-sharing was still problematic because of the high volumes of data generated and the ways in which data could be shared. Data generated on this operation came from migrants interviewed at the border, analysis of their phones and forensic examination of the boats involved. The NCA made the operation one of its 25 highest-profile operations, which guaranteed it access to more capabilities and resources to process these data. Attempted crossings into the UK in this way have since fallen, although it is difficult to know if this outcome was a result of the work of the NCA, arrests and disruptions in France, patrols by the UK's or France's navies, or the deterrent effect of poor weather.

Source: National Audit Office analysis of National Crime Agency documentation

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2.9 The Department's 2017 review of the 2013 strategy found that the intelligence and assessment capability of organisations tackling serious and organised crime was underdeveloped for many types of crime. The 2018 strategy committed the government to using data and intelligence capabilities to disrupt criminals in new ways. Since 2018, the NCA has been working to create a new national data exploitation capability (NDEC) to make more effective use of large-scale data analysis. It has also been working to establish a new national assessments centre (NAC) to join data and intelligence to spot patterns and identify new vulnerabilities that criminals have begun to exploit. These developments should help deliver the strategy's objective, although it is too early to evaluate their success.

Performance measurement

2.10 Performance measurement is crucial to enable any organisation to ensure it is achieving its objectives and making the best possible use of resources. To be effective, organisations measuring performance should:

- establish a performance measurement framework that links inputs, outputs and outcomes and allows decisions to be based on the best evidence;

- use good-quality data to report on performance information, taking account of the context of the information; and

- use performance information to guide decision-making.[7]

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7   National Audit Office, *Performance measurement: Good practice criteria and maturity model*, November 2016.

2.11 The 2013 serious and organised crime strategy committed to developing an effective performance measurement framework. We assessed, together with the Department and the NCA, the quality of the government's performance measurement framework.[8] The Department and NCA have attempted to establish a framework, but progress has been slow (**Figure 8** overleaf). Since 2017, a new performance framework based on sound principles has been in place. In April 2019, the Department and the NCA were continuing to refine this framework to better measure its success. The framework does not yet meet government's aim for performance measurement to be integrated into its management systems to help senior managers to assess effectiveness.

2.12 The government measures its performance mainly using law enforcement outputs, specifically disruptions of serious and organised crime which lead to an organised criminal or group being unable or less able to operate. Counting disruptions provides a partial picture of success. It does not help the government understand the impact and outcome in reducing the overall scale of the threat. It is challenging to measure performance when the nature of serious and organised crime is changeable and it takes time for interventions to make a difference. This is not a new problem for the government. For instance, the Department for International Development has improved the way it measures its work, where outcomes often take many years to emerge and are subject to many influences, by introducing a 'theory of change' methodology. In May 2019, the NCA started to carry out a review of how it and other bodies report disruptions to identify areas of effective practice and for improvement.

2.13 Those tackling serious and organised crime need to anticipate and understand changing threats quickly, because of the length of time it can take to build up new capabilities. Decision-makers should be looking and responding to early signs of concern. In our review of minutes from meetings of senior officials, we found that information about performance in achieving strategy objectives and in summarising the operational response was inconsistently measured, reported and used by those officials. This has made it difficult for the government to monitor its performance and therefore make evidence-based decisions.

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8   We used best-practice principles taken from our performance management maturity model: National Audit Office, *Performance Frameworks and Board Reporting II*, May 2011. We adapted the model to take account of the features of a cross-government system.

Figure 8

Maturity of performance measurement

Progress by the Home Office and the National Crime Agency (NCA) in establishing a performance framework for tackling serious and organised crime has been slow

■ Developing a framework ■ Reporting performance information ■ Using the framework
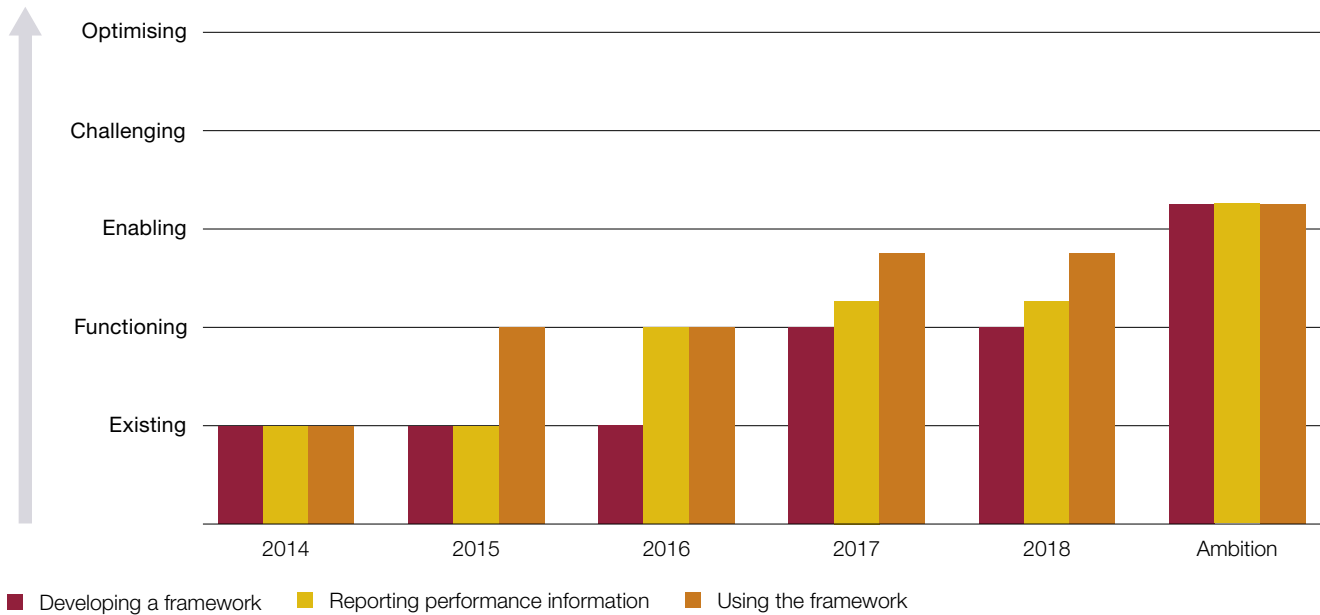
Definitions of the different levels of maturity for performance measurement

	Developing a framework	Reporting performance information	Using the framework
Existing	A framework for performance measures exists.	Performance information is produced.	Performance information is reported to 'the board'.[3]
Functioning	The framework is structured around shared strategic objectives and provides an overview of the performance of government and law enforcement bodies.	Information (data and/or narrative) is of high quality (or limitations of data are understood) and are timely.	Performance information is monitored by 'the board'.
Enabling	Performance measures are based on business models and delivery maps.	Performance reports are accessible and actionable.	Performance information is used by 'the board' to evaluate the effectiveness of activities.
Challenging	The framework is integrated across government and law enforcement bodies.	Targets and benchmarks are used as comparators.	Performance information is linked to financial information and used to determine value for money.
Optimising	The links among key drivers of performance are quantified and validated to produce leading indicators.	Performance reports explain the story of the performance of government and law enforcement bodies and suggest a course of action.	Performance information is communicated and used throughout the organisation and a performance culture exists.

Notes

1 Levels of maturity based on NAO's model in National Audit Office, *Performance Frameworks and Board Reporting II*, May 2011. We adapted the model to make it more suitable for evaluating performance management of a cross-government system rather than a single organisation.

2 The Home Office and the NCA judged that 'optimising' was beyond what the cross-government network of organisations tackling serious and organised crime could achieve.

3 'The board' refers to, for example, the National Security Strategy Implementation Group (NSSIG), the Inter-Ministerial Group (IMG) or the National Security Council (NSC).

Source: National Audit Office

Part Three

Achieving a whole-system approach

3.1   The government's response to serious and organised crime involves more than 100 organisations nationally, regionally, locally and internationally (see Appendix Three). This allows the government to draw on wide expertise but presents a coordination and coherence challenge. To meet this challenge, we would expect strategic clarity, an effective funding model and governance arrangements to be underpinned by a strong accountability framework. This part examines the:

● extent of government's work to tackle serious and organised crime under its four 'P' work strands (Prevent, Pursue, Protect and Prepare);

● effectiveness of funding; and

● effectiveness of governance and accountability structures.

### Success of the Prevent, Pursue, Protect and Prepare strategic framework

3.2   The four 'P' work strands (Prevent, Pursue, Protect and Prepare) in the 2013 strategy were intended to provide a coherent strategic approach, from preventing crime in the first place to convicting perpetrators and helping victims. Under the 2013 strategy, the government's efforts were imbalanced across its strategic framework of four 'P' work strands: Prevent, Pursue, Protect and Prepare (see paragraph 3 of the Summary). In part, this was because the strategy identified that the relentless disruption of criminals (Pursue) was the immediate priority. The Home Office's (the Department's) latest estimate, using data from 2015-16, showed that around £2.2 billion of the £2.9 billion total expenditure on serious and organised crime was front-line spending on tackling crime.[9] Of this £2.2 billion, 79% (£1.8 billion) was estimated to have been spent on activities under the Pursue work strand, compared with 4% (£84 million) under the Prevent strand (**Figure 9** overleaf).

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9   The remaining estimated £0.7 billion was non-operational expenditure on back-office functions, such as finance and human resources.

Figure 9

Estimated front-line spending by government and law enforcement bodies tackling serious and organised crime on Prevent, Pursue, Protect and Prepare activities, 2015-16

Approximately four-fifths (79%) of the estimated front-line spending by government and law enforcement bodies to tackle crime was estimated to have been spent on activities under the Pursue strand of the strategy
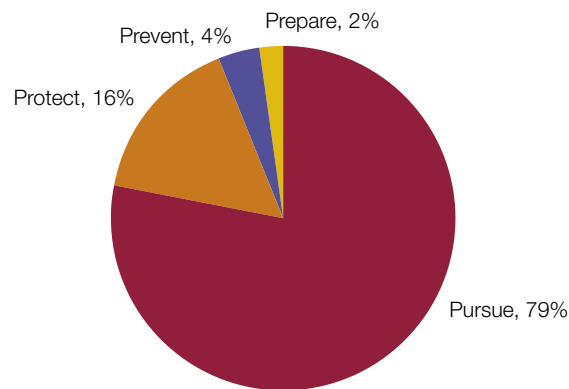
Notes

1 Data are only available for 2015-16, as this was the government's latest estimate.

2 Data do not add up to 100 due to rounding.

3 Pursue: activities to prosecute and disrupt people engaged in serious and organised crime.

4 Protect: activities to protect individuals, businesses or communities from serious and organised crime.

5 Prevent: activities to prevent people engaging in serious and organised crime.

6 Prepare: activities to reduce the impact of serious and organised crime when it occurs.

Source: Home Office data on spending by law enforcement on serious and organised crime in 2015-16

3.3 The Department's 2017 review of the 2013 strategy found that while criminal activity had been disrupted, this had not been part of a comprehensive response, and the government had "done little to address the vulnerabilities that drive, enable and perpetuate serious and organised crime". The government's intentions for the Prevent, Protect and Prepare strands of the 2013 strategy included: tracking and managing offenders into and beyond prison, which is critical when two-thirds of all convicted criminals with a known link to organised crime go on to reoffend; protecting people at risk of becoming victims; and supporting victims and witnesses. We found that:

● **Prevent:** Other government bodies are critical to preventing serious and organised crime, such as the Department for Education, which is helping to divert children from becoming involved in serious and organised crime as victims or offenders. The Department found it difficult to mobilise action from some government bodies, especially where these bodies had limited capacity and resources for specific work to tackle serious and organised crime. In November 2017, an internal audit report found that the National Crime Agency (NCA) needed to do more to monitor criminals released on parole. The NCA has since implemented this report's recommendations.

- **Protect:** When examining the government's approach to online fraud, we found that work to protect potential victims had been inhibited by a lack of a coordinated approach to education campaigns or sharing best practice.[10]

- **Prepare:** When examining the government's response to modern slavery, we found that the NCA and UK Visas and Immigration were taking longer than they expected to make decisions, causing further distress and anxiety to the vulnerable people in the system.[11] The Department has since made changes to improve decision-making.

3.4 The government's progress in implementing work under each of its four 'P' work strands has been hindered by the government's lack of evidence about what works when preventing serious and organised crime, preparing for and protecting others from it. The benefits of carrying out work under all of the four 'P' work strands have not always been evident to organisations tackling serious and organised crime, particularly for preventative activities where outcomes may not be realised for several years. Department-funded projects to better understand preventative approaches, such as employment support for at-risk individuals, were small-scale and short-term, with limited insight into the potential impact of these approaches on long-term involvement in organised crime.

3.5 Since its 2017 review of the 2013 strategy, the Department has done more to help government and law enforcement bodies to know what approaches work. We have seen examples of work that is balanced across the four 'P' work strands. For example, when tackling cyber-crime the NCA has led a range of interventions to protect and prepare businesses and individuals, as well as prevent potential cyber criminals. There is more the Department could do to ensure all those tackling serious and organised crime are clear on actions to take under each of the four 'P' work strands.

Ineffective funding model

3.6 The government's 2018 strategy committed to reforming funding to establish a more coherent response. In December 2018, the Department announced an additional £90 million to build capabilities and support delivery of the strategy in 2019-20. The Department is leading work to explore new funding models. Its decisions on funding are highly dependent on the outcome of the next Spending Review, expected in 2019, when the government will consider funding alongside other spending priorities. Even when decisions are made, it will take time for the government to implement changes, which could limit its progress in delivering the 2018 strategy.

10 Comptroller and Auditor General, *Online fraud*, Session 2017–2019, HC 45, National Audit Office, June 2017.
11 Comptroller and Auditor General, *Reducing modern slavery*, Session 2017–2019, HC 630, National Audit Office, December 2017.

Multiple funding sources

3.7 Work to tackle serious and organised crime is funded by several unconnected funding streams (**Figure 10**). This creates numerous funding application and governance processes for those organisations tackling crime, which makes accessing funding overly bureaucratic. In 2018-19:

- the NCA received £424 million directly from HM Treasury. It also received funding for ring-fenced projects from other government departments, contributions from the Scottish Government and the Police Service of Northern Ireland;

- regional organised crime units (ROCUs) received £123 million from police and crime commissioners (commissioners) and £25 million from an annual departmental grant made up of multiple funding streams;

- around £40 million from the Department's Police Transformation Fund (PTF), intended to support projects contributing to the police-led *Policing Vision 2025*, was allocated to projects related to serious and organised crime led by the NCA, ROCUs, forces, or the Department;

- the Conflict, Stability and Security Fund (CSSF), intended to support international programmes to reduce the risk of instability in countries where the UK has important interests, provided £21 million to serious and organised crime work overseas by the NCA and other government departments and agencies;

- the Cabinet Office's National Cyber Security Programme provided funding to ROCUs, the NCA and other government departments and agencies tackling cyber-crime. The exact amount is not disclosed for national security reasons; and

- other government departments and agencies funded work to tackle serious and organised crime. For instance, Her Majesty's Prison & Probation Service monitors the behaviour of offenders released from prison on licence.

3.8 Additionally, the Department estimated that commissioners spent £1.8 billion on forces' work to tackle serious and organised crime in 2015-16 (see paragraph 1.3). Commissioners received total funding of around £11 billion in 2015-16, which meant that approximately one-sixth (16%) of their total funding went on forces' work to tackle serious and organised crime locally.[12]

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12 Around two-thirds of commissioners' total funding came from central government and the remaining third from Council Tax contributions from forces' local electorates.

Figure 10

Main sources of funding for government and law enforcement bodies tackling serious and organised crime, 2018-19

Work to tackle serious and organised crime is funded by several unconnected funding streams
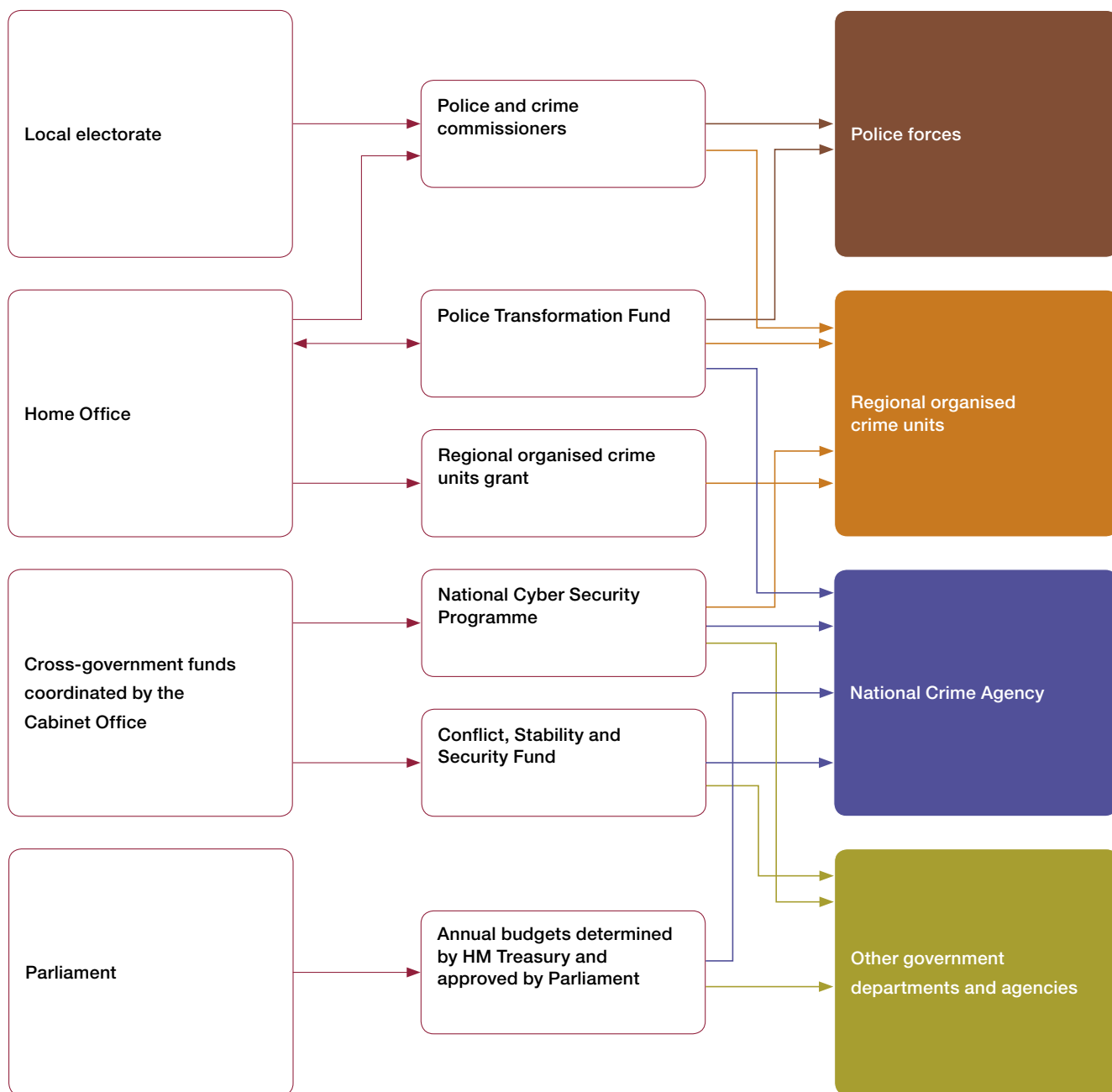
Funding flows

Note

1   Funding from the Police Transformation Fund was allocated by the Home Office to projects related to serious and organised crime led by the National Crime Agency, regional organised crime units, police forces or the Home Office.

Source: National Audit Office analysis of Home Office data

Uncertainty of funding

3.9 Many of the funding sources relied upon by law enforcement, including for multi-year projects, are subject to annual bidding and decision processes. This means that law enforcement bodies have limited certainty about how much they will receive each year for some of their serious and organised crime work. The Committee of Public Accounts reported that projects funded by the PTF and other one-off grants or funds can face a cliff edge when funding suddenly runs out.[13] This makes it difficult to keep projects going from already stretched budgets. In 2015, all ROCUs reported to HM Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) that the current ROCU funding model made it difficult for them to make long-term plans. This is primarily because the Department's grant for ROCUs is an annual settlement, so ROCUs are not certain how much they will receive beyond the financial year. This creates uncertainty and inhibits long-term projects, such as IT development. HMICFRS reported that yearly decisions about funding create a challenge when those tackling serious and organised crime need to anticipate future threats and continually develop new, innovative capabilities.

3.10 Annual grants have often been distributed by the Department well into the financial year, which makes it difficult for organisations to plan and spend effectively. For instance, for 2018-19 the Department did not pay its annual grant to ROCUs until at least December 2018, nine months into the financial year. In 2015, HMICFRS reported that no ROCUs had received their grants three months into the financial year (the time of its inspection). Delayed grant payments had reduced the amount of time available to realise the necessary savings and increased the risk that ROCUs will cut what is easiest rather than conducting a thorough analysis of anticipated costs and benefits before making decisions. We found previously that the Department's approval process for the PTF was lengthy and not providing timely funding, making it difficult for fund recipients to establish projects and spend budgets as planned.[14] Delays can significantly affect the scope for organisations to use the money effectively because often funding must be used in the year it is allocated.

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13 HC Committee of Public Accounts, *Financial sustainability of police forces in England and Wales*, Sixty-Seventh Report of Session 2017–2019, HC 1513, November 2018.
14 Comptroller and Auditor General, *Financial sustainability of police forces in England and Wales 2018*, Session 2017–2019, HC 1501, National Audit Office, September 2018.

Regional resources under pressure

3.11 Around 72% of funding for ROCUs comes from their constituent forces through commissioners (£123 million in 2018-19).[15] We reported in 2018 that central government funding to commissioners had fallen by 30% since 2010-11, and that there were signs emerging that forces were finding it harder to deliver an effective policing service.[16] In this context, commissioners make choices to meet the demands of their communities alongside the requirements from regional and national law enforcement to provide personnel and financial support. Some chief constables have prioritised their own forces' capabilities to tackle serious and organised crime, such as maintaining surveillance teams, to tackle crimes in their force area, rather than investing in the wider region. In 2015, HMICFRS reported that some chief constables had refused to invest in the development of regional capabilities. As a result, HMICFRS found that ROCUs are sometimes hampered in their ability to improve regional collaboration and maximise their potential. The Department is exploring new ways to fund ROCUs.

Governance and accountability arrangements

Complex governance structure

3.12 Accountability involves being responsible or answerable to someone for some action. Good governance is a core principle of accountability and is critical to successful strategy implementation.[17] The government has found governance of its approach to tackling serious and organised crime to be problematic. The senior responsible owner (SRO) has to work through a system which is characterised by considerable constraints:

● A National Security Strategy Implementation Group (NSSIG), established by the Cabinet Office in April 2018, is the main strategic governance group for serious and organised crime.

● By September 2018, there were 37 core governance groups focusing on serious and organised crime, including an additional NSSIG on modern slavery and human trafficking. There were a further 59 governance groups that were partly related to serious and organised crime.

● Senior officials in the NSSIG for serious and organised crime reported that, together, governance groups had no clarity of purpose or clear process setting out how they should interact with each other. The NSSIG members described governance arrangements as "cluttered". Participants in governance meetings were confused about how and where decisions should be made, and the governance structure was considered bureaucratic.

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15 A further 15% of funding is from the Department's annual grant (£25 million in 2018-19) and the remaining 13% (£22 million) included funding from the Police Transformation Fund and contributions from other organisations.
16 See footnote 13.
17 Comptroller and Auditor General, *Accountability to Parliament for taxpayers' money*, Session 2015-16, HC 849, National Audit Office, February 2016.

3.13 In January 2019, the Department and the Cabinet Office consolidated governance of modern slavery and human trafficking into the NSSIG for serious and organised crime. However, a large number of governance groups remain (**Figure 11**).

Accountability

3.14 No single official or body is in overall charge of the response to serious and organised crime.

- The SRO for serious and organised crime is accountable to the National Security Council for the serious and organised crime strategy and its implementation. As is typical with SRO roles in other NSSIGs, they do not have the authority to hold others accountable for their performance, although their position is strengthened by reporting directly to the National Security Adviser.

- The Director General of the NCA is accountable to the Home Secretary, not the SRO, for the agency's performance in tackling serious and organised crime, although operationally independent from the Department. The NCA also contributes to a wider cross-law enforcement assessment of performance against serious and organised crime and reports to the Home Secretary on the national law enforcement response.

- Chief constables report to locally elected commissioners in 40 of the 43 forces.[18]

- Other government departments and bodies that are central to the response to serious and organised crime are accountable foremost to their own ministers.

3.15 The SRO's responsibilities are not aligned with their powers or authority to direct partners across government or law enforcement bodies, nor can they make decisions to move money around the government and law enforcement bodies tackling serious and organised crime. This makes it harder for them to lead others and make change happen. **Figure 12** on page 40 sets out the responsibilities of the Cabinet Office, the Department and the NCA as leaders of the response to serious and organised crime and the ways each influences the response to serious and organised crime.

Strategic policing requirement

3.16 In planning work in their local area, commissioners 'must have regard to' the strategic policing requirement (SPR) set by the Home Secretary. This identifies the threats that require a coordinated policing response. The SPR is not specific about which serious and organised crimes forces should tackle or how commissioners should invest in capability to tackle serious and organised crime. The Department committed in the 2018 strategy to reviewing the SPR but has not yet done so.

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18 The Metropolitan Police Service, Greater Manchester Police and City of London Police have different arrangements.

Figure 11

Governance arrangements for tackling serious and organised crime, January 2019

Governance arrangements are complex and involve many different groups

Strategic ministerial boards

Ministerial Economic Crime Strategic Board

Economic Crime Delivery Board

Inter-Ministerial Group (IMG) for serious and organised crime

National Security Council

Weekly security meeting

Other relevant ministerial boards

Modern Slavery Taskforce

Cyber-Crime Board

IMG on child sexual exploitation and abuse

IMG on drugs

IMG on anti-corruption

IMG on foreign national offenders

IMG on gangs

IMG on serious violence

IMG on violence against women and girls

Strategic boards for officials

National Security Strategy Implementation Group for serious and organised crime (NSSIG SOC)

Other NSSIGs

Operational governance

National Crime Agency led

National Strategic Tasking and Coordination Group

Strategic governance groups

Threat groups

National Police Chiefs Council (NPCC) led

NPCC

Specialist Capabilities Board

Programme boards

International Serious and Organised Crime Board

Serious and Organised Crime Research Priorities Board

Suspicious Activity Reporting Programme Board

Illicit Commodities Board

Lifetime Management

Early Interventions

Other relevant Departmental project boards

Police Transformation Board

Data Programme Board

Strategic Capabilities Board

Police Funding

Source: Home Office

Figure 12
Responsibilities and levers of bodies leading the response to serious and organised crime

No single official or body is in overall charge of the response to serious and organised crime

Bodies	Responsibilities	Levers
Cabinet Office	Supports National Security Council and National Security Adviser.	Supports National Security Council decisions.
	Manages the Strategic Defence and Security Review (SDSR).	Influences the SDSR process – serious and organised crime resourcing and strategy.
	Financial oversight of the Single Intelligence Account.	
Home Office	Strategy development and delivery.	Influences strategy and implementation, senior responsible owner (SRO) responsible for strategy development and implementation.
	National governance and performance monitoring arrangements.	
	National funding, including police grants.	Influences funding for law enforcement.
	Coordinates central government response.	Creates legislation, such as the Modern Slavery Act.
		Influences national priorities to be tackled by forces in the strategic policing requirement.
National Crime Agency (NCA)	Leads operational response.	Director General has independent operational direction and control over the NCA's activities.
	Takes action to stop serious and organised crime.	Power to direct police forces in England and Wales and the British Transport Police to carry out tasks, and direct other agencies on a voluntary basis.
	Liaises with Europol/INTERPOL.	
	Develops single, authoritative view of the threat.	Disruption powers, including civil recovery, INTERPOL notices and others.
		Holds specialist capabilities.

Source: National Audit Office analysis

Part Four

Coordinating the efforts of law enforcement

4.1   The Home Office's (the Department's) review of the 2013 strategy found that law enforcement was not operating as efficiently as it could, efforts were disjointed and uncoordinated and there were gaps in capability between the evolving nature of serious and organised crime and the government's ability to respond. This part examines the:

- extent to which prioritising the response to serious and organised crime has been successful;

- efficiency of the government's development and use of capabilities to tackle serious and organised crime; and

- effectiveness of decisions to allocate work between partners.

Prioritising the response to serious and organised crime

4.2   From its yearly assessment of serious and organised crime, the National Crime Agency (NCA) and its law enforcement partners agree 'national priority threats'. The intention is that these national priority threats allow law enforcement bodies to prioritise their response against the highest risks. In 2018-19 and 2017-18, six national priority threats were identified, above other national threats that featured in the yearly assessment, such as drug trafficking, fraud and other economic crime and organised acquisitive crime. The six national priority threats were:

- child sexual exploitation and abuse;

- modern slavery and human trafficking;

- organised immigration crime;

- high-end money laundering;

- firearms; and

- cyber-crime.

In 2018, HM Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) reported that the NCA's national threat prioritisation process relied heavily on professional judgement and was not well conceived. It concluded that the process for identifying national priority threats needs development.

4.3 The Department has identified that the growing number of priorities makes it difficult for law enforcement bodies to de-prioritise activity given the high number of priority threats. There were five national priorities in 2016-17, and three in 2015-16. The government's determination of the national priority threats is intended to have a major influence on law enforcement activity. This does not appear to be working as planned.

- **Figure 13** on pages 43 and 44 shows that the NCA, regional organised crime units (ROCUs) and forces disrupted more crimes that were not a priority (drugs and 'other' crimes) than crimes that were formally considered priority threats. Between April and September 2018, disruptions to priority crimes made up 39% of the NCA's disruptions, 40% of ROCUs' disruptions and 14% of forces' disruptions. The nature of disruptions varies in complexity and by crime type, and so these proportions may not accurately reflect the level of effort and resources involved (see paragraph 2.12).

- In March 2019, five of 25 highest-priority operations and projects led nationally by the NCA were for bribery, corruption, sanctions evasion or drugs, none of which were national priority threats.

- Regionally, we heard that often the local priorities of forces, such as tackling illegal drugs and firearms, took precedence over other crime types of national or regional importance. This was because tackling illegal drugs and firearms was strongly linked to serious violence problems experienced locally.

4.4 In May 2019, the NCA recognised that too many of its current operations that posed a high degree of harm and risk were not assessed as priorities. It judged that identifying six priorities was not a cost-effective way of tackling a complex and interconnected threat. As such, it replaced its six national priority threats with cross-cutting priorities to target criminals causing the most harm across all crime types. For 2019-20, the NCA identified these priority areas as those involving crimes that exploit the vulnerable, dominate communities and profit from the criminal marketplace, and undermine the UK's economy. To help prioritise operations to tackle the crimes that cause the most harm, the NCA has started grading its operations in terms of the severity of the threat to better prioritise its response. In 2019-20, the NCA expects more operations to meet the criteria to be considered a priority, as law enforcement bodies assess operations by the severity of the threat.
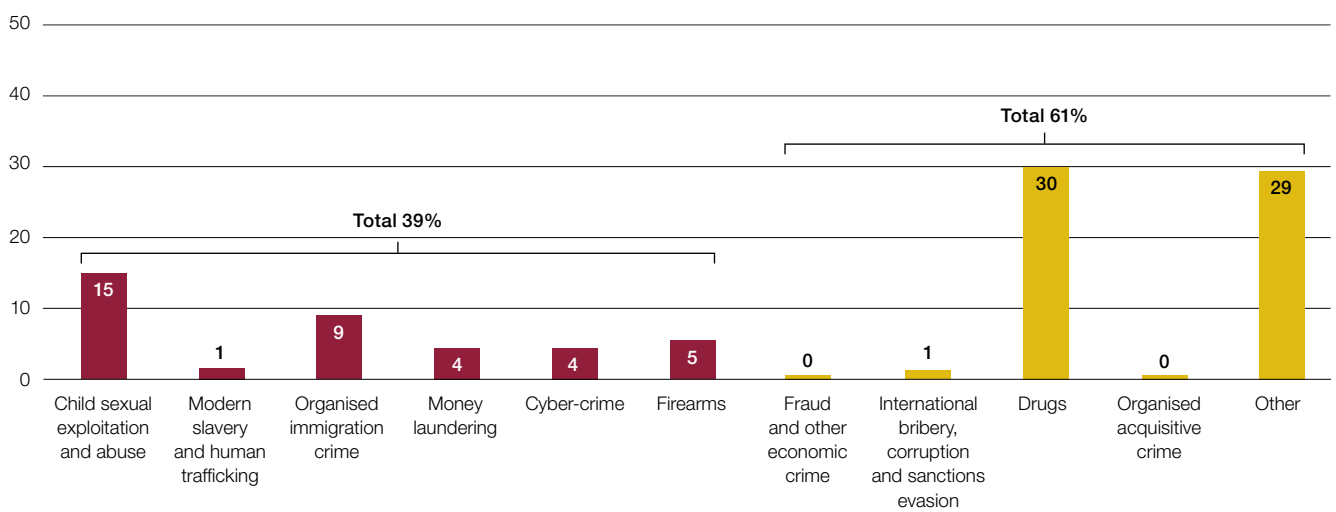
Figure 13

Proportion of disruptions in the UK and overseas by crime type and body,
April to September 2018

The National Crime Agency (NCA), regional organised crime units (ROCUs) and police forces disrupted fewer priority
crimes than non-priority crimes

National Crime Agency

Proportion of disruptions (%)

Regional organised crime units
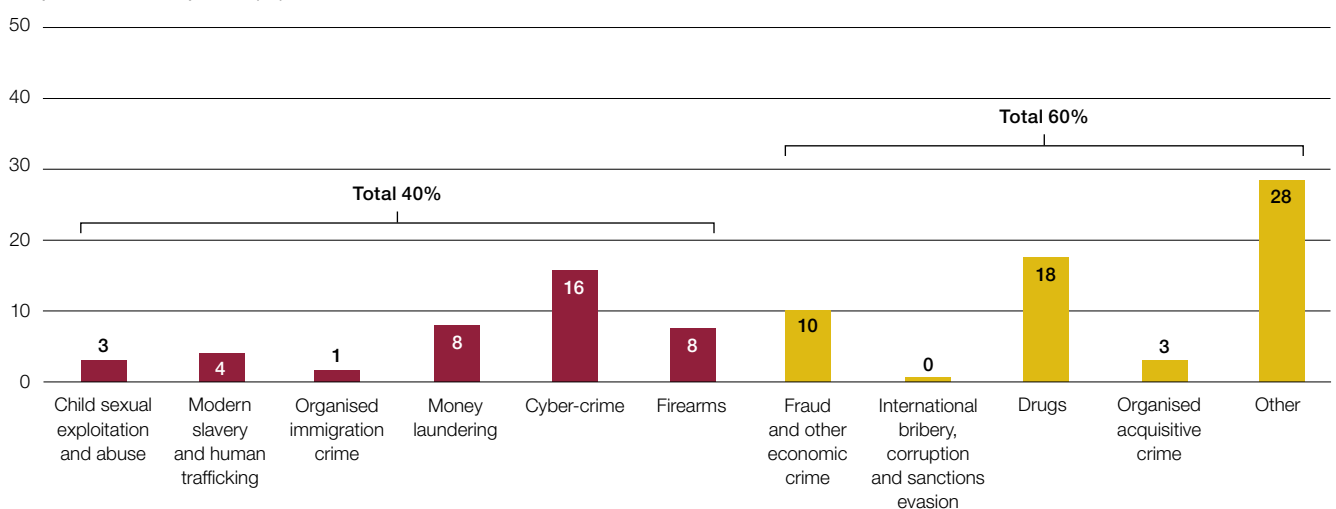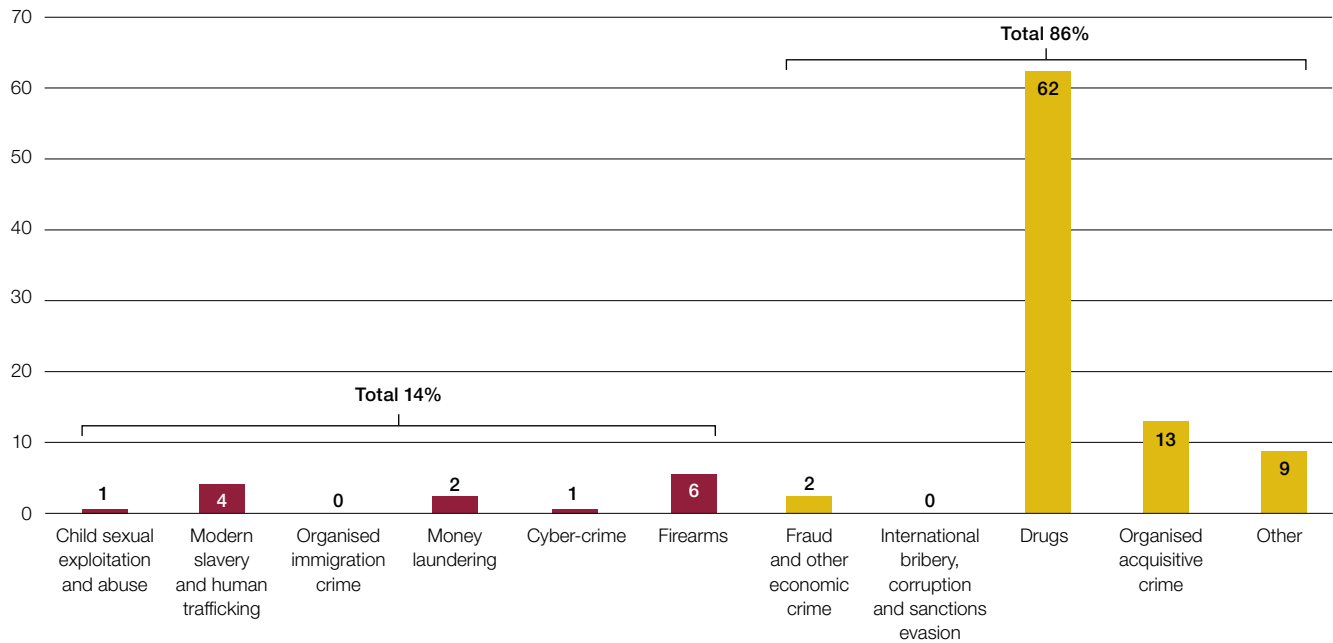
Proportion of disruptions (%)

Figure 13 *continued*

Proportion of disruptions in the UK and overseas by crime type and body,
April to September 2018

Police forces

Proportion of disruptions (%)

■ National priority threats

■ Other threats

Notes

1   The nature of disruptions varies in complexity and by crime type.

2   Total number of disruptions by the NCA between April and September 2018-19 was 575.

3   Total number of disruptions by ROCUs between April and September 2018-19 was 815.

4   Total number of disruptions by police forces between April and September 2018-19 was 2,333.

5   Percentage values have been rounded to the nearest whole number, or zero where appropriate. 0% labels where a small bar
     is present are representative of values rounding to 0% but are not reflective of no disruptions having taken place.

Source: National Audit Office analysis of serious and organised crime performance reports

Developing and sharing capabilities

4.5 After the launch of the 2013 strategy, the government did not set out a clear plan for the efficient and effective development of the capabilities needed to respond to serious and organised crime. We have found that the development of capabilities has been inconsistent and opportunities have been missed to maximise efficiency. For instance, the capacity of capabilities is finite and lower-priority operations are not guaranteed access to specialist skills, which are prioritised for the operations with the greatest need. As such, capabilities have been replicated at different levels as law enforcement bodies have built their own capabilities to guarantee access at the right time. For example, the NCA and ROCUs have dedicated surveillance teams operating in similar locations and so it could be more efficient to consolidate these teams. This is something these bodies are currently exploring.

4.6 Our 2017 report, *Reducing modern slavery*, found that the Department did not prioritise where to invest resources to have greatest impact.[19] In a resource-constrained environment, different parts of the government responding to varied threats, including serious and organised crime, need to make efficient use of capabilities. **Figure 14** overleaf shows the connections between different types of serious and organised crime, and therefore the opportunities to make efficiencies when developing capabilities.
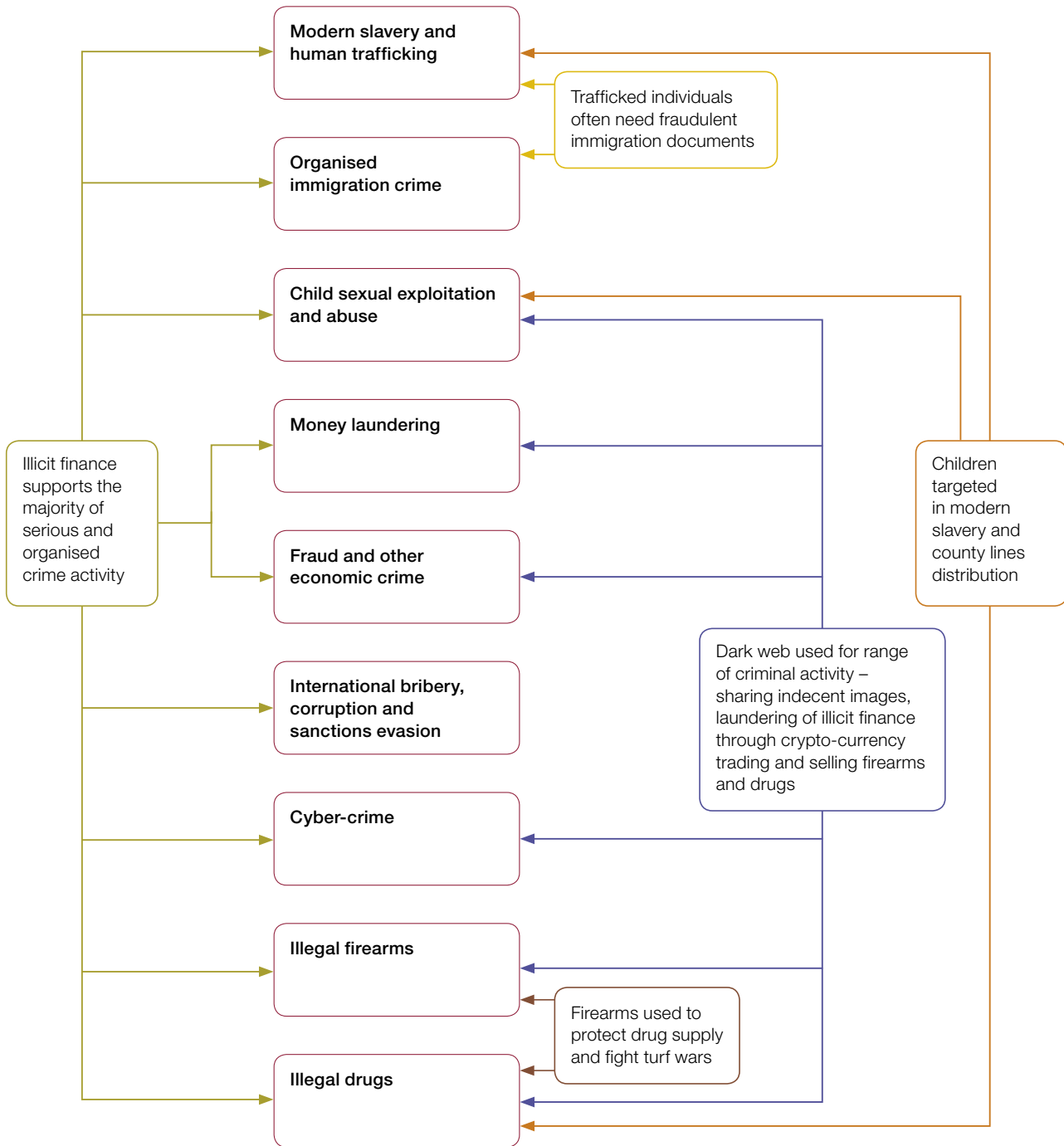
4.7 Since 2018, the NCA has been carrying out work to identify where capabilities exist across law enforcement. The 2018 serious and organised crime strategy sets out further work to decide which capabilities should be developed or rationalised. Some capabilities have already been centralised at a national level. The 2018 strategy sets out new programmes and functions to tackle gaps in capability, including:

● the National Economic Crime Centre, which will draw on operational capabilities in the public and private sectors (case study three, **Figure 15** on page 47);

● funding to enhance NCA and ROCU digital forensics, intelligence and data-sharing capabilities; and

● the capability to share information on child sexual exploitation and abuse between law enforcement bodies and intelligence agencies, charities and industry.

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19 Comptroller and Auditor General, *Reducing modern slavery*, Session 2017–2019, HC 630, National Audit Office, December 2017.

Figure 14
Connections between individual crime types

There are commonalities across many crime types which require a similar response

Modern slavery and human trafficking

Trafficked individuals often need fraudulent immigration documents

Organised immigration crime

Child sexual exploitation and abuse

Money laundering

Illicit finance supports the majority of serious and organised crime activity

Fraud and other economic crime

Children targeted in modern slavery and county lines distribution

International bribery, corruption and sanctions evasion

Dark web used for range of criminal activity – sharing indecent images, laundering of illicit finance through crypto-currency trading and selling firearms and drugs

Cyber-crime

Illegal firearms

Firearms used to protect drug supply and fight turf wars

Illegal drugs

☐ Crime type   ☐ ☐ ☐ ☐ Commonalities between crime types

Source: National Audit Office

Figure 15

Case study three: Money laundering

About the case

Money laundering can undermine the integrity and stability of financial markets and institutions. The proceeds of much serious and organised crime in the UK, and a significant amount of international crime, is laundered into and through the UK. While the government has made progress by introducing legislation to tackle illicit finance (for example, the Serious Crime Act 2015, the Criminal Finances Act 2017 and the enactment of the Sanctions and Anti-Money Laundering Act 2018), a review by the Cabinet Office in 2017 identified several issues remaining in the way the UK responds to the illicit finance threat. The 2018 Russian-sponsored poisoning attack in Salisbury acted as a further catalyst to raise the priority of tackling illicit finance. After the attack the Foreign Affairs Committee concluded that the use of London as a base for Russian corrupt financial assets had implications for national security.

The response

Since October 2018, the National Economic Crime Centre (NECC), a multi-agency partnership hosted within the National Crime Agency, has overseen and directed the response to tackling economic crime. The NECC will be supported by the national assessments centre (NAC) and the national data exploitation capability (NDEC). The government's intention is that these specialist capabilities will maximise access to, and use of, these functions across the system, as well as giving one body, (the NECC), responsibility for leading and coordinating the response to economic crime.

While these changes appear positive, it is too early to say if these changes will improve the government's response in tackling a challenging threat.

Source: Home Office and National Crime Agency documentation and interviews; HC Foreign Affairs Committee, *Moscow's Gold: Russian Corruption in the UK*, Eighth Report of Session 2017–2019, HC 932, May 2018

Arrangements for allocating work

4.8 There is no single organisation that assesses the threat from serious and organised crime alongside the capacity and capability of law enforcement to effectively allocate work. In part, this is because of the different roles, remits, powers and accountabilities held by law enforcement. This means that law enforcement has no clear process for assessing consistently the relative importance of different operations. There is a lack of clarity and consistency for allocating work from the NCA to ROCUs and forces, or upwards from forces through to ROCUs and the NCA.

4.9 Voluntary arrangements help the NCA to delegate work to, or ask for assistance from, national, regional and local law enforcement. The National Police Chiefs Council has developed guidance to help law enforcement decide who should be taking on certain cases. Formally, the Director General of the NCA can direct a chief constable to carry out a particular task if voluntary arrangements are not working.[20] Since 2013, the Director General has used this tasking power twice.

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20 The Director General does not have formal powers in relation to the chief constables of the Police Service of Scotland or the Police Service of Northern Ireland.

4.10 We found that arrangements for allocating work are ineffective. Problems include:

- multiple arrangements for allocating work across law enforcement or within crime types, which often conflict with each other;

- a lack of consistency in how risks are assessed, meaning there is no standard approach to prioritising activity; and

- a lack of clarity among law enforcement bodies about the process for escalating cases to be led or supported by the NCA.

4.11 Since 2018, the NCA has been leading work to design and implement a single approach to allocating work across law enforcement. It aims to standardise how partners assess the risk and threat posed by crimes and this will better inform the decisions made by a new national multi-partner team to task and allocate work against the highest-priority threats. The NCA hopes to fully integrate these changes across law enforcement by 2021, although this relies on securing additional funding. This new approach to tasking and allocating work has some obstacles to address:

- **Risk assessment:** the NCA is developing the methodology that law enforcement bodies use to assess risk and prioritise the importance of different investigations, so that it is applied consistently and fairly in the new approach.

- **Tasking structures and powers:** the new approach to tasking and allocating work will still rely on voluntary arrangements and this puts at risk the operational effectiveness of the national allocations team. We reported in 2018 that where responsibility for decision-making was devolved to a multi-partner board, it was important that the board had the necessary resources and powers to succeed in its leadership role.

- **Aligning processes:** in addition to the new national multi-partner team, the NCA hosts other teams that allocate operations to its partners, for example the National Economic Crime Centre. It is important that these teams interact effectively, particularly when considering the capacity and capability of partners being allocated tasks.

- **Role of ROCUs:** the new approach to tasking and allocating work aims for ROCUs to lead the allocation of work within each region. As commissioners and forces are statutorily independent, the ability of ROCUs to coordinate the regional response effectively may be difficult without formal tasking powers of their own and without a sustainable source of funding.

Appendix One

Our audit approach

1   This report examined whether the Home Office (the Department) and the National Crime Agency (NCA) tackle serious and organised crime in an effective and coherent way. We reviewed:

●   the coherence and effectiveness of strategy setting processes;

●   the robustness of governance and accountability processes; and

●   arrangements to secure funding and capability to deliver the strategy.

2   In reviewing these issues, we applied an analytical framework with evaluative criteria that considered what arrangements would be optimal for the Department and NCA to lead an effective and coherent approach to serious and organised crime. By 'optimal', we mean the most desirable possible, while acknowledging expressed or implied constraints. A constraint in this context is the funding settlement to the Department, NCA or other key partners.

3   Our audit approach is summarised in **Figure 16** overleaf. Our evidence base is described in Appendix Two.

Figure 16

Our audit approach

| The objective of government | To target and disrupt the serious and organised criminals and networks that cause the most harm; build defence and resilience in vulnerable people, communities, businesses and systems; identify and support those at risk of engaging in criminality, and establish a single 'whole-system approach', with the efforts of the public and private sectors aligned at local, regional, national and international levels. |

| How this will be achieved | The Home Office (the Department) has overall responsibility for serious and organised crime policy and funding, overseeing the National Crime Agency (NCA) and police forces in England and Wales and leading the implementation of the serious and organised crime strategy. More than 100 organisations at national, regional and local level are involved in delivering this strategy. |

| Our study | The study examined whether the government tackles serious and organised crime in an effective and coherent way. |

| Our evaluative criteria | Does government have a coherent strategic approach for tackling serious and organised crime? | Are governance and accountability processes robust? | Are resources allocated effectively to address risks and achieve outcomes? |

| Our evidence (see Appendix Two for details) | Review of strategy and planning documents from the Department and NCA. Case study on government response to illicit finance. | Review of minutes and terms of reference for governance groups. Interviews with the Department and NCA. Assessment of performance management against National Audit Office framework. | Evaluation of funding flows and processes. Interviews with local, regional and national partners. Case studies on NCA-led operations. |

| Our conclusions | Serious and organised crime is evolving at a rapid rate, as criminal networks identify new vulnerabilities and adapt their activity in response to law enforcement action and the opportunities offered by new technology. Those tackling serious and organised crime recognise the seriousness of this challenge and have plans in place to build the teams and expertise to deal with it. We have also seen examples of improved collaboration across government and beyond to disrupt criminal groups, safeguard vulnerable people and seize illegal goods.

However, there remain some significant and avoidable shortcomings that may prevent government and its partners from meeting its aim to "rid our society of the harms of serious and organised crime". The government is therefore not yet able to show that it is delivering value for money in this area. The Department and the NCA do not know whether their efforts are working and are not yet able to target resources against the highest-priority threats. Despite ongoing efforts to improve them, governance and funding arrangements remain complex, inefficient and uncertain. Unless the government addresses these issues there will continue to be a mismatch between its ambitious plans to respond to serious and organised crime and its ability to deliver on them. |

Appendix Two

Our evidence base

1 Our independent conclusions on the approach taken by the Home Office (the Department) and the National Crime Agency (NCA) to tackle serious and organised crime were reached after analysing evidence we collected between November 2018 and March 2019. Our audit approach is outlined in Appendix One.

2 **We reviewed a range of strategy and planning documents from the Department and NCA.** This review looked at the government's 2013 and 2018 serious and organised crime strategies, associated documentation including the Department's 2017 review of its 2013 strategy, strategy implementation and communications plans and the NCA's yearly assessments of serious and organised crime from 2014 to 2018.

3 **We analysed funding and spending data on the government's response to serious and organised crime.** These data helped us understand the number of sources involved in funding this response and key trends. Data included:

- the Department's estimate of spending extrapolated from 67 government and law enforcement bodies in 2015-16. This used estimates submitted by a range of national and regional departments and agencies and an extrapolation of estimates from eight police forces to give a total estimate across 43 forces;

- the Department's estimates of funding allocated to tackle serious and organised crime from the Police Transformation Fund, the Conflict, Stability and Security Fund and the National Cyber Security Programme in 2018-19;

- data on funding sources and totals for regional organised crime units for the years 2016-17 to 2018-19; and

- financial accounts data held by the NCA.

4 **We reviewed terms of reference and minutes of meetings of key groups involved in governing the response to serious and organised crime.** This work assessed whether governance arrangements were coherent, whether there was evidence of clear and evidence-based decision-making and whether performance measurement was discussed and acted upon. We looked at minutes of meetings that took place between February 2015 and January 2019, including those of the Serious and Organised Crime Strategy Board, the Inter-Ministerial Officials Group and the National Security Strategy Implementation Group for serious and organised crime.

5   We assessed the government's framework for managing performance using an established maturity matrix developed by the National Audit Office. With input from the Department and the NCA, we assessed previous and current performance management against three domains: developing a framework; reporting performance information; and using the framework. Under each domain, we rated performance management on a five-point scale, from Level 1 (Existing) to Level 5 (Optimising). We adapted the model to make it more suitable to evaluating performance management of a cross-government system rather than a single organisation.

6   We carried out a small number of in-depth case studies to understand better how individual crime types are tackled. We examined the government's approach to tackling illicit finance and economic crime, with a focus on how the new National Economic Crime Centre will work. We also looked at the NCA's methods and outcomes in two operations: the first a child sexual exploitation and abuse case and the second an organised immigration crime case.

7   We spoke to a range of staff across the Department and the NCA. This was to understand recent and planned activity to improve various aspects of their approach to tackling serious and organised crime. We spoke to representatives covering topics including threat assessment, strategy development, funding and finances, skills and capabilities, tasking arrangements, governance arrangements and performance management.

8   We consulted with partners from across local, regional and national law enforcement. We also spoke to representatives from the Chief Superintendents Association and the National Police Chiefs Council. This helped us to assess how they prioritise operational work, how they maintain and develop capabilities and how the current funding system affects them.

9   We interviewed stakeholders from other public and private sector organisations with a role in tackling serious and organised crime. This work was designed to understand what influences their approach to serious and organised crime, how they fund this work and how they align this work to that of other partners. We spoke to the Cabinet Office, the Crown Prosecution Service, the Department for International Development, the Foreign & Commonwealth Office, Her Majesty's Prison & Probation Service, HM Treasury, the Ministry of Justice and UK Finance.

10   We consulted stakeholders that could give us an independent view on the challenges that the government faces in delivering an effective response to serious and organised crime. We consulted with the HM Inspectorate of Constabulary, Fire & Rescue Services, the Royal United Services Institute and the University College London Organised Crime Research Network.

Appendix Three

Organisations involved in tackling serious and organised crime

1   More than 100 government departments, law enforcement bodies, agencies and other organisations are involved in tackling serious and organised crime.

Figure 17

Organisations involved in tackling serious and organised crime

Law enforcement	Policy and legislation	Justice	Intelligence and security	Other
National Crime Agency	Home Office	Ministry of Justice	Ministry of Defence	Department for Business, Energy & Industrial Strategy
43 territorial police forces	Cabinet Office	Her Majesty's Prison & Probation Service	UK Armed Forces	Financial Conduct Authority
9 regional organised crime units (ROCUs)	HM Treasury	The Attorney General's Office	National Ballistics Intelligence Service	UK Finance
40 police and crime commissioners[2]	Northern Ireland Executive	Crown Prosecution Service	National Prisons Intelligence Coordination Centre	Local authorities
British Transport Police	Scottish Government	Youth Justice Board	Government Agency Intelligence Networks	Ministry of Housing, Communities & Local Government
Civil Nuclear Constabulary	Welsh Government	Victim Support	National Fraud Intelligence Bureau	Citizens Advice
Border Force			Action Fraud	Department for Environment, Food & Rural Affairs
Immigration Enforcement			National Cyber Security Centre	Environment Agency
HM Revenue & Customs			Security and intelligence agencies	Department of Health & Social Care
Police Scotland			Centre for the Protection of National Infrastructure	Public Health England
Police Service of Northern Ireland			Stabilisation Unit	Department for Digital, Culture, Media & Sport
Serious Fraud Office			Maritime and Coastguard Agency	Department for Education
College of Policing			Marine Management Organisation	Intellectual Property Office
				Department for Transport
				Early Intervention Foundation
				Department for Work & Pensions
				Local Enterprise Partnerships
				Foreign & Commonwealth Office
				Department for International Development

Notes

1   Bodies include those identified in the government's 2018 serious and organised crime strategy. The extent of their involvement and collaborations with each other will vary. The list of bodies is not exhaustive.

2   Chief constables report to locally elected police and crime commissioners in 40 of the 43 forces. The Metropolitan Police Service, Greater Manchester Police and City of London Police have different arrangements.

Source: National Audit Office analysis of 2018 serious and organised crime strategy