



Accounting Officer Assessment: Fraud Reform Programme (FRP)

It is normal practice for Accounting Officers to scrutinise significant policy proposals or plans to start or vary major projects, and then assess whether they measure up to the standards set out in Managing Public Money. From April 2017, the Government has committed to make a summary of the key points from these assessments available to Parliament when an Accounting Officer has conducted an assessment of a project or programme within the Government's Major Projects Portfolio (GMPP).

This Accounting Officer Assessment considers the Fraud Reform Programme on joining the GMPP.

Background and Strategic Context

Fraud is the largest crime type, having made up c.40% of all crime¹ when the Fraud Strategy was published in May 2023, with levels of fraud spiking during the COVID-19 pandemic to over 5 million incidents in the year ending December 2021.² Fraud against individuals in England and Wales is estimated to cost society around £6.8 billion annually.³

Fraud increased⁴ significantly throughout the pandemic period due to increased opportunity and utilisation of technology: An estimated 80% of fraud is now facilitated by use of the internet and/or social media⁵ and over 70% of fraud cases have an international footprint with offenders operating outside the UK.⁶

Fraud causes financial harm to both individuals and businesses, causes emotional harms to victims, and threatens our national security by undermining public confidence in the rule of law and its potential negative effect on the UK's financial reputation.

To combat the growing threat of fraud to the public and economy, the government launched its Fraud Strategy⁷ in May 2023. The vision in the strategy is to cut fraud by 10% from 2019 levels, down to 3.33 million frauds by the end of this Parliament. It will do this by delivering reform across 3 pillars:

- **Pursue fraudsters**, disrupting their activities and bringing them to justice more often and quicker.
- **Block frauds** at source by dramatically reducing the number of fraud and scam communications that get through to the public.
- **Empower people** to recognise, avoid and report frauds and equip them to deal easily and appropriately with frauds that do get through.

The Fraud Reform Programme will deliver the Fraud Strategy and, since its initiation in April 2022, it has delivered significant changes across the fraud landscape. As of February 2024, the programme has:

- Executed hundreds of additions disruptions of criminal activity.
- Uplifted capacity within law enforcement, National Crime Agency (NCA) and the UK intelligence community (UKIC) with over a hundred new staff in post.

¹ Crime in England and Wales, ONS, 2024 [[CSEW Appendix tables: A1](#)]

² [Crime in England and Wales - Office for National Statistics \(ons.gov.uk\)](#) Appendix Table 2

³ HMG Fraud Strategy: Stopping Scams and Protecting the Public, May 2023 [[Tackling fraud and rebuilding trust \(publishing.service.gov.uk\)](#)] [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/732110/the-economic-and-social-costs-of-crime-horr99.pdf]

⁴ Using Telephone Crime Survey of England and Wales data from ONS

⁵ National Fraud Intelligence Bureau, Annual Assessment, Action Fraud, FY2020/21 [[2020-21-Annual-Assessment-Fraud-Crime-Trends.pdf](#)] [[actionfraud.police.uk](#)]

⁶ HMG Fraud Strategy: Stopping Scams and Protecting the Public, May 2023 [[Tackling fraud and rebuilding trust \(publishing.service.gov.uk\)](#)]

⁷ Fraud Strategy: Stopping Scams and Protecting the Public, May 2023 [[Tackling fraud and rebuilding trust \(publishing.service.gov.uk\)](#)]

- Delivered 19 actions set out in the Fraud Strategy, including:
 - Launched a new National Fraud Squad and set fraud as a priority for police forces through the Strategic Policing Requirement;
 - Appointed an Anti-Fraud Champion and agreed a new voluntary charter with the technology sector;
 - Rolled out key anti-fraud and cyber security skills to schools, by equipping teachers to deliver new anti-fraud lessons.

Tackling fraud is a priority for HMG, as set out in the HMG's Fraud Strategy (May 2023) and Economic Crime Plan 2 (2023).⁸ By cutting fraud, the Home Office will be directly supporting Outcome Delivery Plan⁹ (March 2021), specifically ODP1, and the Beating Crime Plan (2021)¹⁰ whilst also supporting other key priority areas across government in the National Cyber Strategy (2021).¹¹

Through its quantified benefits and activities including industry activity and voluntary sector charter actions, legislative change, and other Protect activity, the programme aims to cut fraud by 10% (from 2019 levels) by the end of this parliament. The Home Office is currently working with industry partners to quantify the scale of the impact from industry actions. Based on historic data, it is anticipated that the trajectory of fraud would remain relatively stable at 3.7 million incidents annually in the short-term without the proposed interventions of this programme. It is important to note that wider external factors also influence the volume of fraud, as seen with the COVID-19 Pandemic and could reduce the scale of the impact this programme would have on the total volume of fraud.

The Programme Business Case (PBC) was approved by the Home Office Finance & Investment Committee (F&IC) in March 2022. A refreshed PBC was approved by F&IC in July 2023 and by HM Treasury in October 2023.

Due to the Whole Life Cost (WLC) of the programme being in excess of £100m over 10 years, and the programme's inclusion in the GMPP, an Accounting Officer Assessment is required.

Assessment against the Accounting Officer standards

Regularity

There are a number of legislative dependencies for the FRP: some of the actions in the Fraud Strategy will be completed by the passing of legislation (so require parliamentary time), whilst others have activities that were dependent on the passing of the Online Safety Act¹² and the Economic Crime and Corporate Transparency (ECCT) Act.¹³

Expenditure on the FRP can be made under section 169 of the Criminal Justice and Public Order Act 1994.

Whilst the FRP has limited commercial activity, we will procure a communications campaign as part of the 'Raise Public Awareness' activity. The procurement route will comply with HMG Commercial Standards and, where applicable, any strategic partner's commercial policies. Commercial best practice will be followed when exercising procurement, using existing public sector frameworks where possible. The

⁸ [Economic Crime Plan 2 2023-26 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

⁹ [Home Office Outcome Delivery Plan: 2021 to 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

¹⁰ [Beating crime plan - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

¹¹ [National Cyber Strategy 2022 \(HTML\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

¹² [Online Safety Act - Parliamentary Bills - UK Parliament](https://www.parliament.uk)

¹³ [Economic Crime and Corporate Transparency Act - Parliamentary Bills - UK Parliament](https://www.parliament.uk)

programme will be assessed and approved by the Cabinet Office Commercial Capability Team and HM Treasury.

Therefore, I consider the programme to conform to the Regularity Accounting Officer standard.

Propriety

The proposed course of action complies with managing public money (3.3.3 Value for Money).

Funding is available for the FRP for FY23/24–24/25 from the department's Spending Review 2021 settlement and this allocation has been incorporated into the cost model for the programme. The forecasted WLC of this investment is £346m (discounted) for the purposes of the PBC and is a budgeted position spanning the 10-year lifecycle of the FRP. The forecast WLC of the programme at PBC is assessed as being affordable.

FRP funding made available to law enforcement partners for work necessary to deliver the Fraud Strategy is governed under appropriate grant agreement and Memorandum of Understanding controls. These controls and governance structures ensure the proper use of public funds given that the FRP is recognised as a ministerial priority and a key mechanism for meeting Home Office and wider HMG commitments.

The effective management of these funds is overseen by robust governance and reporting arrangements that fully meet Home Office requirements. A Programme Board is in place, chaired by the Director-General for Homeland Security, to support effective, timely delivery of the Fraud Strategy and realisation of FRP benefits. Ministerial oversight is provided through the Joint Fraud Taskforce, chaired by the Minister of State for Security, and the Economic Crime Strategic Board, jointly chaired by the Home Secretary and the Chancellor of the Exchequer. Operational delivery partners have established their own governance arrangements at the appropriate classification-level to report directly to the Fraud Reform Programme Board.

It is anticipated that the programme will continue to remain compliant with Parliamentary control procedures and expectations. In line with these expectations, the programme's funds are being managed with impartiality, honesty, and with the avoidance of personal gain, waste, and extravagance. The programme continues to have due regard for the Public Sector Equality Duty at section 149 of the Equality Act 2010 and is complying with data protection legislation, overseen by the Home Office assurance boards.

Therefore, I consider the programme to conform to the Regularity Accounting Officer standard.

Value for Money

In the first iteration of PBC (March 2022), a short-list was presented after analysis following the principles and guidance in HM Treasury's Green Book,¹⁴ with the 'Balanced Investment' option identified as the preferred way forward. In the updated PBC (March 2023), this option continues to provide the best combination of fit to strategic objectives and strong value for money, delivering benefits of £1,282m (Present Value) over 10-years, with discounted costs of £346m, a positive Net Present Value (NPV) of £936m and strong Benefit Cost Ratio (BCR) of 3.7.

The FRP has modelled the benefits of investment based on the key measurable levers that will contribute to achieving the reduction in fraud. These are: law enforcement capacity uplift; law enforcement operating model capability improvement; some UK Intelligence Community-enabled disruption activity; activity to

¹⁴ [The Green Book \(2022\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/102222/green-book-2022.pdf)

raise public awareness of the threat of fraud; and support for victims of fraud to reduce the rate of revictimisation. Over the three-year life of the Programme, it is estimated that the Programme will contribute to a 10% reduction in Fraud (from 2019 levels).

Due to limitations in evidence and data, we have not been able to quantify the impact of a number of the activities in the Programme. Where project benefits have not been monetised, an estimation has been provided to indicate the scale of the expected benefits:

- **Protect:** As well as engaging through the communications campaign and through using protect officers to prevent victimisation, protect activities can reduce emotional harms for existing victims.
- **Raise public awareness:** The comms campaign is likely to produce significant benefits. Public communications will increase the likelihood that individuals can spot fraud and prevent themselves from becoming victims by adopting protective behaviours.
- **Block frauds pillar:** The Fraud Strategy includes a number of industry interventions which should have a significant impact on fraud. Sector charters will encourage tech companies to actively work to stop frauds, while interventions in the telecoms sector, including spam filters and a ban on cold calling, will address vulnerabilities to prevent scam calls and texts.
- **Deterrence:** Visible HMG action and higher prosecution rates will deter criminals from committing fraud.

Optimism bias has been assessed in line with the HMT's Green Book guidance and applied to all options presented in the PBC. Sensitivity analysis has been conducted to evaluate key areas of uncertainty within the programme e.g., non-monetised benefits (see above) and the uncertainty surrounding the cost of fraud and victim numbers. On presentation of this sensitivity analysis and its impact on the programme's NPV as part of the FRP PBC, the Home Office F&IC was satisfied with the conclusions and confirmed that FRP offered sufficient value for money to proceed.

Value for money assessments will be conducted at each project level to satisfy approval requirements in line with Home Office governance arrangements.

The appraisal concludes that the preferred option will deliver strong value for money and meet the strategic and SMART policy objectives with an ambitious, but achievable, scope that sits within a reasonable cost budget.

Therefore, I consider the Fraud Reform Programme will deliver value for money.

Feasibility

FRP delivery is aligned with some legislative change, however there are no legal time limits that the Home Office is required to comply with around delivery although there is commitment to deliver through the publication of the Fraud Strategy.

The Fraud Reform Programme Team is responsible for the day-to-day delivery of the programme, with central oversight through the Home Office's Project and Portfolio Delivery (PPD) Directorate. The FRP team is adequately resourced and has established structured delivery controls, including a detailed delivery plan which is regularly monitored and robust change control procedures with active risk and issue management and defined escalation routes to the SRO and senior boards. The resourcing of teams within

key delivery partners is closely tracked by the FRP team to ensure there is skilled resource to deliver the programme benefits.

The programme is following best practice and adhering to all internal review and approval processes. The actions taken on recommendations from these regular internal assessments and assurance processes are borne out by the results of the external (Infrastructure Projects Authority) Gateway review undertaken in July 2023. The programme has acted on recent recommendations from the IPA to make further improvements to project management mechanisms.

The FRP continues to forecast delivery within its agreed schedule, cost, and quality constraints, therefore I am satisfied that it meets the feasibility standard.

Conclusion

The Fraud Reform Programme conforms to the Accounting Officer standards of regularity, propriety, value for money and feasibility. As the Accounting Officer for the Home Office, I have considered and approved this assessment of the FRP and approved it on 22 March 2024.

I have prepared this summary to set out the key points which informed my decision. If any of these factors change materially during the lifetime of this project, I undertake to prepare a revised summary, setting out my assessment of them.

This Accounting Officer Assessment will be published on the government's website (GOV.UK). Copies will be deposited in the House Library and sent to the Comptroller and Auditor General, Treasury Officer of Accounts and Chair of the Public Accounts Committee.



Sir Matthew Rycroft KCMG CBE

Permanent Secretary