

Please note that the slides describe
the draft strategy: work is continuing
and the strategy will be
published by summer 2014

MOPAC Business Crime Strategy: "Protecting Jobs and Growth in London"

Consultation on draft proposals

M O P A C

MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME



**METROPOLITAN
POLICE**

TOTAL POLICING

About this document

- In the Police and Crime Plan 2013-2017, the Mayor committed to establishing a business crime strategy for London.
- The following slides outline the proposed structure and content of that strategy.
- MOPAC and the Metropolitan Police Service (MPS) are consulting with partners before publishing a **final strategy in March 2014**
- The analysis is based on qualitative research conducted by MOPAC officials, MPS and other partners.
- This included:
 - ✓ Four specific MOPAC stakeholder workshops themed around shopping centres and retail crime, the night time economy and Business Crime Reduction Partnerships and Business Improvement Districts.
 - ✓ Two business crime breakfast seminars with police, banks, insurance companies and security companies.
 - ✓ Meetings with colleagues including business, Government and academia.
 - ✓ Conferences such as the annual British Retail Consortium loss prevention conference and a briefing for police and crime commissioners on cyber fraud.
 - ✓ Business crime leadership events for police and business to strengthen working relations
 - ✓ A review of evidence base including Home Office research, British Retail Consortium survey, the Home Office Commercial Victimization Survey.

Business Crime Strategy: Vision and Aim

The Mayor's vision is for London **"to be the best big city in the world"**. This includes helping the capital's businesses to thrive.

London's economy is integral to prosperity in the UK. London collects £5.4 billion of business rates each year - a tax take 15 times larger than that of the UK's second city, Birmingham. The income generated by the city's businesses ensures funding for public services across not only London but the entire country. This makes MOPAC's mission - and the performance of the Metropolitan Police - of national significance.

The aim of this strategy is for London to be the safest city in the world in which to do business, and for crime not to be a brake on growth, regeneration and confidence. MOPAC and the MPS recognise businesses are victims of crime too. This strategy proposes reforms to improve engagement, information sharing, and ultimately the service offered to businesses by the police service.

Given the level of threat to businesses, lack of business confidence in the police response and chronic under-reporting by businesses, the objectives of this business crime strategy are to

- Prevent London's businesses from being victims of crime (so more businesses take the proactive steps to reduce the threat from organised crime)**
- Drive an increase in reporting (to show that confidence in the police's ability to deal with these issues has improved)**
- Increase the number of business crimes solved (to encourage greater reporting of crime by businesses)**

Definition of business crime

There are many interpretations of the meaning of business crime.

This strategy uses a broad definition of business crime, namely *a crime that occurs against, in, or around a business*.

This definition will be measured through:

- the MPS Problem Profile data on business as victims of crime (i.e. crimes against businesses)
- the MPS Problem Profile data on town centre crime hot spots (i.e. crime in or around businesses)
- Action Fraud/National Fraud Intelligence Bureau data (i.e. crimes against businesses, in particular internet-enabled fraud)

This was chosen on the basis of feedback from stakeholders that a broad definition had greater scope to provoke an effective and relevant response from law enforcement partners and businesses.

We are in agreement with the **ACPO Business Crime group**, which defines business crime as *any criminal offence that is committed against a person or property that is associated by the connection of that person or property to a business*. *We believe our definition is simpler and achieves the same ends; That is recognising that businesses are the victims of crime too.*

Context: Global-to-local

The strategic context for business crime extends from the global to the local level

Globally: organised crime is global, facilitated by a number of factors including the ease of using technology across borders and instability in other countries. Many of the businesses based in London have a global reach.

Nationally serious and organised crime is a national strategic threat, with cyber crime specifically a tier 1 threat (set out in the 2010 National Security Strategy). The economic impact of cyber-crime is estimated at £27 billion by the Home Office.

Retail crime cost UK retailers £1.6 billion in 2011-12; this was an increase of 15.6 per cent compared with the previous year. This is equivalent to 135,000 full-time entry level jobs in retail.

Fraud is also a very significant crime. The National Fraud Authority estimate that in 2013 the loss to the UK economy through fraud is £52 billion. £27 billion of this fraud is enabled by cyber crime.

SMEs are particularly vulnerable. 93% of large and 87% of small businesses responding to a PwC survey reported security breaches in 2012. The rise was most notable for small businesses (up from 76% in 2012); SMEs are now experiencing incident levels previously only seen in larger organisations. SMEs are also more vulnerable, with less resources to dedicate to security both in terms of infrastructure and reporting.

Local issues affect the business community. The **night-time economy** can generate disorder that impacts on town centres, and **anti-social behaviour** can affect the look and feel of London, with the potential to damaging its reputation overseas.

Context: Crimes against businesses

Crime against business is significant but under-reported

Research carried out by the MPS for MOPAC shows the top ten areas in London where businesses were victims.

- In 2012/13, businesses were victims of 114,000 crimes i.e. **15% of all reported crime**.
- The **level of reported crime fell by 6,000 crimes (i.e. 5%) from 2011/12**.
- The most common types of crime suffered by businesses were theft and handling, fraud or forgery, criminal damage and burglary.
- There are examples of **ten hot spot areas** which should be targeted for crime reduction.
- However, surveys such as that done by the British Retail Consortium (BRC) show that businesses tend to under-report crime. For example, respondents to the 2012 BRC survey report that only 12% of their incidents were reported to police. This was a significant decrease on the 47% of crimes reported in 2011.

The main priority of this strategy is to increase businesses' confidence in the Metropolitan Police's ability to cut business crime. We will launch the first pan-London Business Attitude Survey so that we can understand where we are now and how confidence is improving. Increased confidence may however result in an increase in reporting; we will therefore also assess the proportion of business crimes solved.

Context: Crimes in and around businesses

Businesses need to be seen as victims, not generators of crime; better use of data can direct law enforcement and protective security to the hot spots where it is needed.

- Vibrant business, retail or entertainment areas create footfall and opportunities which are attractive to criminals or those committing anti-social behaviour. Business can be victims of theft, criminal damage, burglary, and violence against their staff who feel it's 'just part of the job'. Their customers are also affected. Issues such as aggressive begging and pickpocketing in the day, to street drinking, antisocial and unruly behaviour at night, all affect the look and feel of town centres. This can have a knock on effect and impact the wider economy around town centres, which in turn affects jobs and growth.
- MOPAC's analysis suggests there is a risk that the police sometimes perceive businesses as 'generators' of opportunities for crime. There is also a judgemental blame that is sometimes attributed to pubs and bars, even if they are proactive at following best practice - banning troublemakers and not promoting cheap drinks. The police response in the past has not always been consistent, and based on short term enforcement rather than longer-term tactics. Not all business, retail or entertainment areas, take available opportunities to design out crime.
- By using data and analysis to target hot spot areas, there is scope for police and businesses to work together better to direct enforcement and improvement activity in a more strategic and targeted way.
- There is also scope for greater use of tools to design out crime through the planning system so subsequent target hardening (installing additional security measures) is not required.

Context: Cyber-fraud

Cyber-fraud is an area of particular vulnerability

- As technology develops, so too do opportunities for crime. People use the internet for almost every aspect of day-to-day life, from online banking to interacting with Government departments. The technology which makes daily lives easier and transactions faster also exposes businesses and individuals to vulnerabilities. The operating model for the majority of businesses relies on technology, leaving them vulnerable to attack.
- Online retail sales were worth £29 billion in 2012. A BRC report found that e-crime cost the retail sector £205.4 million in 2011-12.
- The National Fraud Authority estimate that in 2013 the loss to the UK economy through fraud is £52 billion, with cyber-fraud in the UK costing at £27 billion per annum – for small and medium-sized businesses the breakdown was £9.5 billion, and for individuals £9.1 billion.
- Estimating the size of the problem is difficult as there is no single source of information. It is clear, however, that the scale and costs of cyber-fraud are substantial and rising. All sectors of the UK population remain at risk from fraud, which is often committed using a variety of internet-enabled techniques.
- **London should be as safe online as it is on the streets.** However, there is a clear consensus that current reporting, intelligence and enforcement mechanisms for fraud need improving. The lack of prioritisation being given to pursuing offences of cyber-fraud does not make a compelling case for businesses investing time and money into the bulk reporting tool being suggested by Action Fraud.
- Furthermore, the volume of crimes that retailers want to report are far in excess of the current limits being imposed by the current reporting system. It is not acceptable that current systems are not geared to accept evidence such as CCTV footage or analytical products that retailers often conduct to aid their own investigations.
- Casework shows many examples of businesses being dissatisfied with the police response (which often cites inadequate resources to deal with fraud cases), either in terms of pursuing the crime or dealing with the business as a victim.

Context: Cyber Fraud as a problem in London

- Cyber crime presents a significant challenge to both individuals and businesses. It has been identified as a significant threat to national security and as technology develops, so too do the threats and methodologies. Threat assessments indicate there is often a strong link to organised crime, and although based around traditional crime types such as fraud and theft, the cyber aspect requires a new policing response. If a business or an individual falls victim to cyber crime, it is not always clear where crimes should be reported, or what happens to them when they are reported. Businesses hold considerable amounts of intelligence but for a number of reasons this is not always shared with law enforcement agencies. Capability to address these challenges is not clear.
- The current fraud response is led by the City of London Police. Action Fraud, run by the National Fraud Authority, receive all crime reports relating to fraud. The National Fraud Intelligence Bureau at the City of London Police then translate this data into actionable cases that are sent to local forces, where the apparent offender is located. The local police force is then responsible for solving the fraud case.
- The City of London Police produce a fraud profile for each police force. In London, this profile shows that:
- 16,001 reports have been received since Action Fraud's inception in February 2013. Of these,
 - 3,040 were cheque, plastic card, online bank account frauds (highest loss at £10.5m)
 - 2,985 were online shopping and auction frauds
- These reports were packaged into 7,393 solvable reports, which were sent on to the MPS (one report might be several fraud occurrences). Of this 7,393 reports, only 251 investigations have been solved by the MPS – this is **an outcome rate of just 3%**.
- The scale of the problem in London is massive compared to the rest of the country – since 2010 there have been 164,122 victims in London, **33% of the UK total**

The case for change – a new framework

Pursuing business crime is not as effective as it might be.

Evidence suggests that close co-operation between businesses and the police leads to better evidential cases and a higher conviction rate. However this is not happening consistently at present. For example, many retailers feel that they provide high quality evidential packages to Action Fraud/NFIB or, in the case of traditional crime, to the MPS in order to secure convictions, but little is done with the information.

Some stakeholders have informed us of a number of issues. Action Fraud was not set up for larger businesses to report large volumes of offences. It is also not set up to take reports of crimes in action where there are known suspects or other intelligence or evidence obtained via CCTV.

Stakeholders have also raised a number of significant concerns in relation to the police response to business crime reporting, investigation and enforcement. They are keen to report crimes and relevant intelligence but are finding it difficult to do so, especially in the MPS where there is sometimes difficulty finding a borough lead officer. Local police are having to prioritise their resources against competing demands. It is clear that business crime has not historically been a priority for the MPS.

The case for change (continued)

Preventing and protecting against business crime is not as effective as it might be, particularly for SMEs:

Preventing crime is one of the underpinning principles of policing, but cannot be delivered by policing alone. There is clearly a role for law enforcement agencies working with Government to provide advice and support and raise awareness. Businesses must also take responsibility for protecting themselves. Others play a key role too – urban planners and regenerators must have ‘secured by design’ as a core principle and local authorities and business partnerships have a key role in investing preventative measures such as CCTV and good lighting.

The owner of a small business does not have time to navigate the plethora of guidance available. As part of the strategic response to the cyber-fraud problem, MOPAC is proposing a joint initiative across London to make cyber-fraud crime prevention advice much more accessible for communities and SMEs. This would be a joint ‘proof of concept’ initiative, pioneered by MOPAC working alongside the Economic Crime Command within the National Crime Agency. This would then be rolled out by the NCA on a city by city basis, to contribute to changing the awareness of the country.

The partnership landscape is cluttered. There are good examples of local partnerships delivering crime and safety improvements. Real improvements to the look and feel of town centres have been happening in areas of **Business Improvement Districts**, especially when partnership activity is coupled through a Business Crime Reduction Partnership so that information on known offenders and problem hot spots is shared and enforcement activity is focussed. However there is no consistency across London.

All of these issues need a systemic and strategic focus.

This consultation proposes the business crime strategy uses the framework the Government has developed for serious and organised crime and for counter-terrorism – identifying objectives, strategies to deliver those objectives and success measures.

Focus of the strategy – Four P's

There are many competing claims for priority focus. In order to frame our objectives we have used four Ps, in alignment with the Home office's Serious and Organised Crime Strategy.

P_{revent}

- Working in partnership with local authority planners and regeneration teams to ensure that crime is 'designed out' and that standards such as "secured by design" are adopted
- Create a hub of crime prevention best practice that undergoes rigorous academic evaluation
- Developing crime prevention guidance and regular threat assessments so that businesses can better protect themselves
- Make the most of s106 planning conditions, ensure business resilience is built in earlier in the process

Prevent business crime through designing it out in the first place

P_{repare}

- Drive the Met to create a business crime hub to better coordinate activity across the MPS, with dedicated SLT SPOCs in every borough
- Ensure sufficient resources on the ground through local SNT planning reflecting business crime priorities
- Support existing BCRPs, and develop new ones using the Safer London Business Partnership model where appropriate, in the top 20 business crime hotspots
- Encourage wider crime reporting by the business community so the police know the full scale of the problem
- Promoting use of extended policing family – CSAS, Cyber specials, private sector initiatives
 - Developing/using hotspot mapping to support local problem solving
 - Develop the first ever Business Attitudes Survey so we know we are on track

Understand the scale of the problem and mobilise governance structures and resources to deal with the threat

P_{rotect}

- Promote the benefits of membership of representative bodies and schemes such as "Pub Watch" and gain accreditation through the MPS gold standard for BCRPs
- Challenge business and law enforcement to 'Dare to share' intelligence more openly
- Work with the London Chamber of Commerce & Industry and the FSB on engaging particularly the SME sector to ensure they are cyber-diligent
 - Clearer signposting of advice and guidance for SMEs

Increase the level of protection within the business community

P_{ursue}

- Create a pan-London intelligence sharing MOU to ensure information on offenders is disseminated speedily and legally to the Met's new central intelligence service
 - Use town centre hot spot data to target enforcement activity
- Further develop opportunities for business to invest in policing, through funding police officers.
- Bolster the London response to cyber-fraud by creating a pan-London cyber fraud squad
 - Promote joint working and sharing of technical assets across CoLP, NCA, MPS
 - Challenge the Met to ensure consistent use of police powers

Pursue and disrupt people involved in defrauding and stealing from business

The following four slides set out the detail of the Four Ps, their objectives, what they will deliver, what impact we hope this will have and what the measure of success might be.

Prevent

Prevent business crime through designing it out in the first place

Objective	Strategies	Outcome/s	Measure
Prevent business crime through designing it out in the first place	Work in partnership with local authority planners and regeneration teams to ensure that crime is 'designed out' and that standards such as "Secured By Design" are adopted	The need for target hardening is reduced and places in and around business are secure from the outset	Number of s106 agreements with crime prevention clause embedded by end 2014
	Create a hub of crime prevention best practice that undergoes rigorous academic evaluation	Single point of reference for business and police to share knowledge, ideas and expertise established, centre of excellence	Portal goes live by end 2014
	Develop crime prevention guidance and regular threat assessments so that businesses can better protect themselves	Interventions are targeted at the business areas under the most threat of crime, resources directed effectively	Toolkit live by end 2014

Prepare

Understand the scale of the problem, mobilise governance structures and resources to deal with the threat

Objective	Strategies	Outcome/s	Measure
<p>To have structures and resources in place to hold the police and business jointly accountable for improvements in this strategy</p>	<p>Support existing BCRPs, and develop new ones using the Safer London Business Partnership model where appropriate, in the top 20 business crime hotspots</p>	<p>MPS has the full intelligence picture cascaded up through the BCRPs and no blind-spots</p>	<p>Number of crime hotspots covered by a BCRP by end 2014</p>
	<p>Integrate the London response to complex and organised crime such as cyber crime and fraud.</p>	<p>Clear governance arrangements between the MPS, NCA and City of London so that each organisation can be held accountable for their contribution to reducing business crime</p>	<p>Increased Sanction detection rate for fraud by end 2014</p>
	<p>Further develop the Strategic Business Crime Forum, chaired by the Deputy Commissioner of the MPS so that it is underpinned by an effective governance structure as well as delivery groups focused on key priorities</p>	<p>Joint engagement and problem solving on key priorities. Better police-business relations</p>	<p>In force by April 2014</p>
	<p>Drive the MPS to create a business crime hub to better coordinate activity across the MPS, with dedicated SLT SPOCs in every borough</p>	<p>Continuity of local contact in the police for businesses</p>	<p>Number of BOCUs with dedicated SLT-level (Chief Inspector) SPOCs by end 2014</p>
	<p>Ensure sufficient resources on the ground through better local prioritisation that reflects the improvement business crime priorities, including the use of hotspot analysis</p>	<p>Business crime is prioritised locally and built into day-to-day business for the Met</p>	<p>Decrease in crime against, in or around businesses in 3 target hotspots.</p>
	<p>Encourage wider crime reporting by the business community, so the police have the full intelligence picture</p>	<p>Work with City of London Police and others to better promote Action Fraud and drive better outcomes for victims of fraud</p>	<p>Increase in % of business crime reports as measured through the BRC/new MOPAC Business Attitude Survey</p>
	<p>Develop the first ever Business Attitudes Survey so we know we are on track</p>	<p>The extent of business-police relations can finally be base-lined</p>	<p>Full MOPAC BAS in place by end 2014, London-wide</p>

Protect

Increase the level of protection within the business community

Objective	Strategies	Outcome/s	Measure
<p>Improve the level of protection within the business community</p>	<p>Promote the benefits of membership of representative bodies and schemes such as “Pub Watch” and gain accreditation through the MPS gold standard for BCRPs</p>	<p>Agreed expectations between the police and businesses on what each will deliver as part of the new partnership – and this will be consistent across London</p>	<p>Number of BCRPs signed up to the standard by end 2014</p>
	<p>Challenge business and law enforcement to ‘Dare to share’ intelligence more openly</p>	<p>Better understanding of the threat and how to address it.</p>	<p>MOU agreed among partners by end 2014</p>
	<p>Work with stakeholders to raise awareness around the need to be cyber-diligent: for example SME awareness event and banks working to upscale cyber-diligence</p>	<ul style="list-style-type: none"> • Cyber fraud is consider as a key risk at Board level • Support SMEs to improve their understanding and better enable them to protect themselves. • Proof of concept cyber-fraud awareness pilot with NCA • Banks provide SME clients as part of their services advice and system fixes 	<p>Level 3 of the cyber-maturity model reached by end 2015</p>

Pursue

Prosecute and disrupt those engaged in committing crime in, around or against a business

Objective	Strategies	Outcome/s	Measure
To prosecute and disrupt those engaged in committing crime in, around or against a business	Create a pan-London intelligence sharing MOU to ensure information on crime is disseminated directly to the Met's new Central Intelligence Service	Information about offenders is disseminated speedily, in real time, and legally	Number of MOUs in place across BCRP/BIDs by April 2015
	Use town centre data to target robust enforcement activity	Lower crime rates in town centres, increased business confidence	Change in crimes reported in 2012/13 hotspots
	Further develop opportunities for business to invest in policing, through funding police officers.	Resources on the ground bolstered, enforcement response more robust	Officer numbers in business hubs and hotspots
	Improve the MPS capability to deal with fraud and cyber crime.	More and better trained teams.	Increased Sanction detection rate of by end 2014
	Promote joint working and sharing of technical assets across City of London Police, National Crime Agency and MPS	Better tasking and coordination across the law enforcement landscape	Increased Sanction detection rate of by end 2014
	Promote use of extended policing family e.g. Community Safety Accreditation Scheme (CSAS,) Cyber specials and private sector initiatives	Enforcement response more robust	CSAS scheme extended to BOCUs by end 2015 Number of cyber-specials in post in NCA by end April 2015
	Challenge the Met to ensure consistent use of police powers	Increased confidence of retailers in police response	Survey, qualitative

Overall strategic outcomes

By implementing this strategy, the Mayor anticipates the following outcomes:

- **Businesses treated/recognised as victims of crime**
- A better understanding of the extent and impact of business crime based on more reporting
- Increased confidence in policing by the business community
- Strong partnerships between the MPS and the business community at regional and local level underpinned by effective communication, information sharing and joint problem-solving
- More effective approaches to tackling serious crime such as fraud and cyber-crime, underpinned by robust strategic assessments and effective joint working between law enforcement agencies as well as better intelligence sharing between law enforcement and businesses.
- A greater awareness of the threat posed by cybercrime to individuals as well as businesses, leading to better protection from the threat.

Measures of success

The need for a Business Attitude Survey

- The objectives under Pursue, Prevent, Protect and Prepare all contain measurements of success – in many cases drawn from existing measures.
- However, there is one notable gap. At the heart of this strategy is confidence – and the historic lack of confidence between business and police. Greater confidence will mean more crime reports, better intelligence and a joined-up, robust police response. However there is currently no London-wide business satisfaction metric.
- Starting in May 2014, MOPAC will introduce the first systematic, London-wide Business Attitude Survey. This will baseline the current situation and we can then assess, a year on, what progress has been made.
- However no one indicator can be used in isolation, therefore in the strategy we are also proposing to use:
 - MPS business victim problem profiles (crime against businesses themselves)
 - MPS town centre profiles (business crime in and around businesses)
 - Data from Action Fraud and the National Fraud Intelligence Bureau at the City of London Police (cyber-fraud).
 - Performance against the strategy will be judged in an annual strategic review, and we will release quarterly performance bulletins so we know how we are trending.

Governance

- The Deputy Commissioner leads on business crime for the Metropolitan Police Service
- The Strategic Business Crime Forum, chaired by the Deputy Commissioner will act as a reference group supporting the delivery of the strategy. Membership will be reviewed in light of the publication of the final strategy, to include key representation from across the business community and different sectors.
- Organised crime is a considerable factor in business crime. The Government has published an Organised Crime Strategy. In establishing its regional response, MOPAC and MPS, working with the new National Crime Agency and City of London Police, will ensure that the synergies with this strategy are effectively managed.
- Similarly, we have spoken with stakeholders about the need for a counter terrorism response to be detailed in this document. On review, the strategic response to counter terrorism is already picked up in the Home Office's CONTEST strategy, and made operational through the MPS as the lead force in London. Therefore we do not feel it need to be covered in another strategy document.

Questions for consultation

MOPAC now invites written responses to this draft document (details on next page). The following questions may be helpful in framing your response:

- Does the draft strategy identify the right strategic context (i.e. crimes against business, hot spot areas, fraud and cyber-fraud)?
- Is there any more evidence / analysis on which MOPAC can draw?
- Is the Pursue / Prevent / Protect / Prepare framework helpful?
- Are the right priorities, objectives, and success measures identified?
- Are the delivery mechanism right?
- Can your organisation contribute in any way?

Next steps

Consultation responses should be sent by email to:
businesscrime@mopac.london.gov.uk , or by post to:

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- Consultation closes **Friday 7 February 2014**
- The final strategy will be published in **March 2014**

About MOPAC

- **The Mayor’s Office of Policing And Crime (MOPAC)** was established on 16 January 2012, replacing the old Metropolitan Police Authority. MOPAC is a strategic oversight body led by the Mayor of London, Boris Johnson, and supported by **Stephen Greenhalgh**, the Deputy Mayor for Policing and Crime (DMPC).
- The Mayor, as occupant of MOPAC has several key roles, most importantly, **setting the strategic direction and accountability for policing**, and as such has formal oversight of Scotland Yard, including budget-setting, performance scrutiny, and policy development. Operational decision-making on day-to-day policing matters remains the responsibility of the Metropolitan Police Commissioner.
- The Mayor is responsible for ensuring the Metropolitan Police Service is run efficiently and effectively, so that Londoners receive the best service possible from their police, within the available resources. In this role, the Mayor has **extensive financial responsibilities**. He is tasked with setting a budget for policing and has considerable powers to commission services and provide grants for community safety projects in boroughs across the capital.
- The role of MOPAC is broader than policing as its legal remit covers “crime reduction”. This is an important and complex task that extends to the whole criminal justice system. For the first time, the Mayor has a broad mandate to oversee and shape London’s criminal justice landscape, which includes exercising MOPAC’s new commissioning responsibilities to full effect. In all their work, the Mayor and MOPAC must ensure that the voices of the public and victims are represented.