

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT

Fifth Delegated Legislation Committee

DRAFT NATIONAL CRIME AGENCY  
(DIRECTED TASKING) ORDER 2023

*Wednesday 24 April 2024*

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor’s Room, House of Commons,

**not later than**

**Sunday 28 April 2024**

© Parliamentary Copyright House of Commons 2024

*This publication may be reproduced under the terms of the Open Parliament licence, which is published at [www.parliament.uk/site-information/copyright/](http://www.parliament.uk/site-information/copyright/).*

**The Committee consisted of the following Members:**

*Chair:* DEREK TWIGG

- |  |  |
|--|--|
| † Bristow, Paul ( <i>Peterborough</i> ) (Con)            | † Mann, Scott ( <i>Lord Commissioner of His Majesty's Treasury</i> ) |
| Burton, Richard ( <i>Leeds East</i> ) (Lab)              | † Morris, Grahame ( <i>Easington</i> ) (Lab)                         |
| † Duffield, Rosie ( <i>Canterbury</i> ) (Lab)            | Thewliss, Alison ( <i>Glasgow Central</i> ) (SNP)                    |
| † Firth, Anna ( <i>Southend West</i> ) (Con)             | † Timpson, Edward ( <i>Eddisbury</i> ) (Con)                         |
| † Fletcher, Colleen ( <i>Coventry North East</i> ) (Lab) | † Tugendhat, Tom ( <i>Minister for Security</i> )                    |
| † Green, Chris ( <i>Bolton West</i> ) (Con)              | † Watling, Giles ( <i>Clacton</i> ) (Con)                            |
| † Grundy, James ( <i>Leigh</i> ) (Con)                   | † Wheeler, Mrs Heather ( <i>South Derbyshire</i> ) (Con)             |
| † Holloway, Adam ( <i>Gravesham</i> ) (Con)              | Jonathan Finlay, <i>Committee Clerk</i>                              |
| † Jarvis, Dan ( <i>Barnsley Central</i> ) (Lab)          | † <b>attended the Committee</b>                                      |
| † Johnson, Kim ( <i>Liverpool, Riverside</i> ) (Lab)     |  |

## Fifth Delegated Legislation Committee

Wednesday 24 April 2024

[DEREK TWIGG *in the Chair*]

### Draft National Crime Agency (Directed Tasking) Order 2023

2.30 pm

**The Minister for Security (Tom Tugendhat):** I beg to move,

That the Committee has considered the draft National Crime Agency (Directed Tasking) Order 2023.

It is a pleasure to serve under your chairmanship, Mr Twigg. I will start with the context in which we are introducing the order. Hon. Members will no doubt know that the impact of serious and organised crime on the United Kingdom is significant and growing. Put simply, it poses a threat to our national security and prosperity.

In partnership with law enforcement and industry, the Government have taken concerted action to tackle economic crime, fraud, bribery and corruption, all of which severely harm the economy and cause significant suffering. If we are to keep pace with those threats properly and effectively, only a system-wide response will do.

To that end, the Government announced, as part of the 2023 serious and organised crime strategy, their intention to amend section 5(5) of the Crime and Courts Act 2013 to allow the director general of the National Crime Agency to direct the director of the Serious Fraud Office on matters relating to the investigation of suspected incidents of serious or complex fraud, bribery and corruption. This change will support strong, ongoing collaboration between the NCA and the SFO by enabling the director general of the NCA to direct the director of the SFO when the NCA requires the assistance, skills and expertise of the SFO, and satisfactory arrangements cannot be made under the existing voluntary tasking of the arrangement.

**Edward Timpson (Eddisbury) (Con):** Will my right hon. Friend give way?

**Tom Tugendhat:** I would be honoured.

**Edward Timpson:** It may be that my right hon. Friend will come on to this point, so I apologise in advance if he was going to, but I am just interested to know about the process for the NCA, given the workload that already exists for the SFO, its budget, its capacity, and also the prospects of a potential successful prosecution, when deciding whether to make a direction, so as not to overload the SFO and perhaps end up with less success as a consequence.

**Tom Tugendhat:** My hon. and learned Friend raises some good points. I will come on to them in a moment, if I may, and I will just continue for now.

With the addition of the director of the Serious Fraud Office to the list of agencies that can be subject to directed tasking, the measure will strengthen the National Crime Agency's ability to co-ordinate a national effort against serious and organised crime. It will also place the NCA's relationship with the SFO on the same footing as its relationship with police forces in England and Wales and the British Transport police.

This change does not impact the existing working practices and arrangements in relation to Scotland and Northern Ireland. The National Crime Agency ensures that its activity within both jurisdictions takes full account of their specific and differing legislative, operational and political requirements while respecting the primacy of the respective police forces and prosecution authorities.

The Government's aim, as set out in the recently published serious and organised crime strategy, is to reduce serious and organised crime in the UK. We will do that by disrupting and dismantling organised crime groups operating in and against the United Kingdom.

There is no doubt that the social and economic cost of serious and organised crime to the UK is eye-watering, running to at least £47 billion a year, but, extraordinary as that figure is, it does not begin to tell the whole story—a story of lives disrupted and of unimaginable suffering caused by heinous criminality such as sexual exploitation, drug abuse and human trafficking. Beyond the enormous financial and human costs, serious and organised crime threatens the legitimacy of the state. It damages our national security and prosperity. Our mission is to reduce the impact of serious and organised crime, including fraud.

The threat from fraud has increased in volume over recent years. The Government are implementing the fraud strategy, which includes launching a national fraud squad, blocking frauds at source and empowering the public to respond. That includes committing £100 million, as part of a wider £400 million package, to tackle economic crime and improve the law enforcement response to fraud. We have also set ourselves the target of reducing fraud by 10% from 2019 levels by the end of this Parliament. To help to achieve that target, in March the Home Secretary hosted the inaugural Global Fraud Summit to galvanise the international response and strengthen collaboration.

The National Crime Agency has been crucial to our response. It leads and co-ordinates the United Kingdom law enforcement response to serious and organised crime. We have strengthened the agency's ability to combat organised criminals, increasing its budget by 44% to more than £870 million since the start of this Parliament—*[Interruption.]* That includes support to Canterbury. The Serious Fraud Office is also a critical partner in the fraud system; it has recovered more than £160 million in proceeds of crime, put 16 executives behind bars and forced big business to pay more than £1 billion in fines in the last five years alone.

The order forms part of the Government's ongoing fight against economic crime, which causes significant harm to the United Kingdom. Subject to proper safeguards, it brings the investigative capability of the Serious Fraud Office's work within scope for direction by the director

general of the National Crime Agency, akin to the arrangement that already exists in relation to police forces in England and Wales. In practice, that means that, where it is assessed that improving the intelligence picture and/or the operational delivery is required as a priority to tackle a threat, decisions on voluntary and directed taskings are taken following discussion with the national strategic tasking and co-ordination group. To answer the question asked by my hon. and learned Friend the Member for Eddisbury, that will effectively be taken forward as a joint effort between the DG NCA, as he is called, and the director of the SFO.

The order provides a welcome additional power that will assist in sharing tools and expertise to fight serious and complex fraud, bribery and corruption. The relationship between the National Crime Agency and Serious Fraud Office is already extremely good, and the existing voluntary tasking arrangements are working. The order provides the mechanism for directed tasking, should it be needed, and I commend it to the Committee.

2.37 pm

**Dan Jarvis** (Barnsley Central) (Lab): It is a particular pleasure to serve under your chairship, Mr Twigg. I thank the Minister for his remarks.

As the Minister set out, the order amends the Crime and Courts Act 2013 and the Criminal Justice Act 1987. Doing so will provide the director general of the National Crime Agency with the power to direct the Serious Fraud Office to perform specified tasks in investigating financial crime. As the Minister knows, the Opposition will always work with the Government on countering serious and organised crime. We therefore support the order, because it is crucial that there is a joined-up response across our law enforcement agencies to fight serious and organised crime, including fraud.

Fraud is the single largest crime type in the UK. The crime survey for England and Wales estimates that 40% of crimes against individuals are frauds. Britain should be a hostile environment for all types of serious and organised crime, with an approach from our police and law enforcement agencies that is ruthlessly relentless in countering what constitutes some of the most pernicious criminal activity. Therefore, although I will endeavour to be brief, I want to make a few points and ask some questions about the context and detail of the order, and I would be grateful if the Minister responded to them, either when he rises to his feet or by letter.

Before I do so, I pay tribute to all those in the NCA, the SFO, and all our police and law enforcement agencies who fight serious and organised crime. The nature of their work means that they serve in the shadows, and some of their work, for instance fighting financial crime, may perhaps be a little less gritty than some of their colleagues', but it is no less important. The old adage "follow the money" continues to be a sound one. After meeting some of them recently, my huge respect for them has only grown. They do not always get the recognition that they deserve, and I am sure the Minister and the entire Committee will join me in thanking them for their service.

It is important to note that the order originates from the Government's serious and organised crime strategy published in December. That document, which provides important direction in countering some of the worst

crime in the country, should have the soundest of foundations. However, it states that the estimated financial cost of serious and organised crime to the UK is £47 billion, a figure the Minister mentioned earlier—interestingly, I think he said "at least £47 billion". By my maths—I am happy to be corrected if I have got this wrong—£47 billion is an inflation-adjusted figure from the £37 billion in the 2015 report. With fraud alone recorded to have doubled in 2023, according to the accounting firm BDO, the £47 billion figure cannot properly reflect the reality of serious and organised crime now, and therefore cannot properly inform the response required from Government to disrupt and defeat it.

I would be grateful if the Minister gave us his assessment of the very latest actual cost of serious and organised crime to the UK. If he has a good memory, he might remember that he said in his answer to my written question on 23 January that the Home Office would publish an updated figure. On 8 February, the Minister for Legal Migration responded to my follow-up written question on this matter, saying that a research report on the cost of serious and organised crime would not be published until 2025. I have to say, that is not good enough. Why cannot that important information be published sooner? Why could it not have been calculated in time to be included in the serious and organised crime strategy that was published back in December?

On the arrangements that will support the order, I draw the Minister's attention to two issues. The first lies with a specific type of direction the NCA will give the SFO to carry out. The complex nature of fraud and financial crime cases means that they can be connected to other ongoing investigations into other aspects of serious and organised crime that could be the responsibility of the NCA, but not of the SFO. It is entirely understandable, and indeed necessary, that the Minister will not want to say anything that would compromise capability, but it might be helpful to the Committee if he could say something about the thresholds that need to be met before the NCA gives direction to the SFO to conduct specified tasks. Does he also have an estimate, even if it is approximate, of how many direct orders the NCA could issue over the next 12 months?

The order specifies that the NCA will meet the costs of the SFO's completing a specified task. However, there are still questions about how the SFO will deliver, because it is not yet clear that it will have sufficient resources such as staff, offices, payroll, equipment and so on. Can the Minister give an assurance that the SFO will have sufficient resources to deliver on what is being asked of it by the NCA? If not, what work has taken or is taking place with the Attorney General's Office to ensure that it can? Also, if the cost of an NCA-directed task carried out by the SFO exceeds the payment made by the NCA, who will pay the difference?

The Opposition welcome the strengthening of the close working relationship that already exists between the NCA and the SFO, and we support the order. However, we seek assurances from the Minister that the right infrastructure is in place to facilitate the new working arrangements between the NCA and the SFO. I am sure the Minister will continue to appreciate the constructive spirit of our remarks in these Committees as we work together in the national interest on these important matters.

2.44 pm

**Tom Tugendhat:** I welcome the hon. Member's contribution to this debate and his good grace and approach. He raised some appropriate and some slightly more challenging questions than I wanted on the £47 billion. As a loyal listener to "More or Less", as I am sure he is, I may have to look for further guidance on this. That is the inflation-adjusted figure from £37 billion. If he will forgive me, he is not quite right to say that adding the fraud stats into that will make a different figure. It may or it may not. Of course, fraud has replaced a lot of other crime types that would have been counted in earlier figures. I assure him that I will not make him wait until 2025. I will chase the figures and come up with a better answer for him as soon as possible. I will write to him on that.

The hon. Member's point about thresholds is a good one. That will be looked at by the director general of the NCA in consultation with the director of the SFO. Clearly, the resources can be spent in many different areas all the time. We are always looking to prioritise the most important and most high-impact investigations—not necessarily the ones with the greater financial burden, but those that have the most pernicious effect on people's

lives, directly or indirectly. Resourcing is always a challenge, so the threshold will depend on the different circumstances. There is not a blunt answer. It is a more complex approach that the director general of the NCA and the director of the SFO have to look at.

On who will pay, the costs will be discussed between the SFO and the NCA and, if need be, between the Home Secretary and the Attorney General. The Attorney General has been extremely supportive and active in making sure the SFO has the resources for investigations. I am sure that approach will continue and be followed by whoever may replace her. She has been a fantastic champion of the SFO.

I hope the Committee will support this fantastic order. It will make a difference to the NCA's ability to direct and co-ordinate criminal investigations, and it will ensure that we have security and the protection that the British people expect against fraud. It is part of a larger effort and a wider package. It is a strengthening measure, which I commend to the Committee.

*Question put and agreed to.*

2.47 pm

*Committee rose.*



