



Cabinet Office

# **Proposed Work Programme and Scale of Fees**

## **National Fraud Initiative 2022/23**

April 2022

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# Introduction

## Purpose

1. This consultation sets out the Cabinet Office proposals for the National Fraud Initiative (NFI) 2022/23 work programme and the associated scale of fees. The consultation is undertaken to fulfil the requirements of statutory data matching powers set out in Part 6 and Schedule 9 to the Local Audit and Accountability Act (LAAA) 2014, which states that the Minister for the Cabinet Office must prescribe and consult on a scale of fees for mandatory data matching exercises.
2. The primary purpose of this consultation is to seek your views on the proposed fee scale for the NFI 2022/23 exercise. Additionally, it provides an opportunity to collate feedback on the proposed dataset requirements for mandatory participants.
3. When reading the proposals outlined in this document in relation to the NFI work programme, it is recommended that you consider and comment on proposals to:
  - remove social care datasets from the NFI work programme for relevant organisations
  - continue to mandate data, where appropriate, relevant to the coronavirus (COVID-19) grant relief programme (councils only)
  - mandate the submission of data to the NFI from Integrated Care Boards (ICBs) in place of Clinical Commissioning Groups (CCGs), in line with the reforms set out in Health and Care Bill 2021
4. When reading the proposals outlined in this document in relation to prescribed fees, it is recommended that you consider and comment on proposals to:
  - continue with the existing fee model which determines a fee scale for organisations that participate in the NFI, based on the number of datasets submitted and the volume of high risk NFI matches received by participants
  - adjust fees for relevant organisations to account for the removal of social care datasets from the NFI work programme
  - uplift fees in line with the average annual inflation rate of 1.75% per annum, for the period 2019 to 2021
  - continue with the existing policy to levy a 5% penalty fee where participants fail to comply with NFI data submission requirements as determined by the Cabinet Office
5. The Cabinet Office will review all consultation feedback and publish a summary and formal response on GOV.UK. Should the consultation feedback result in any revisions to the proposals set out in this document, these will apply to the final NFI 2022/23 work programme and fees.

## Consultation process

### Who will be affected by proposals?

6. This consultation is primarily for public sector bodies in England that have a requirement to submit data to the NFI, as determined by the Cabinet Office.

7. It may also be of interest to organisations that have an interest in either the NFI, or the bodies required to take part in the NFI, such as some government departments or other membership organisations.

### **Timing and duration of this consultation**

8. The consultation period will commence on 21 April 2022 and will be open to responses for four weeks.
9. The consultation will end at midnight on 19 May 2022.
10. A summary of consultation feedback and our formal response will be published in July 2022, along with the final work programme and fees for the NFI 2022/23 exercise.

### **How to respond**

11. Comments on the proposals set out in this consultation should be sent to Darren Shillington, Head of the NFI, at [nfiqueries@cabinetoffice.gov.uk](mailto:nfiqueries@cabinetoffice.gov.uk)
12. Some specific questions to consider as part of your consultation response are included in this document. A full list of these questions is available on page 19. You may wish to use this as a template for your response.

### **Confidentiality**

13. Please indicate in your response whether you are content for your comments to be published, with or without attributing them to you or your organisation.

### **Alternative formats**

14. Alternative format versions of this publication can be requested from [nfiqueries@cabinetoffice.gov.uk](mailto:nfiqueries@cabinetoffice.gov.uk)

## **Background**

15. The NFI is a data matching exercise that helps to detect and prevent fraud. It is conducted by the Cabinet Office under its statutory data matching powers set out in the LAAA 2014<sup>1</sup>.
16. The NFI is an important part of the Government Counter Fraud Function (GCFF) Centre of Expertise, helping to build the fraud detection capabilities of public bodies through sharing and matching data at a national level. By providing data and analytics services, the NFI helps to deliver one of the GCFF's strategic objectives to innovate in intelligence and use of data, to increase the detection and prevention of fraud loss across the public sector.

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<sup>1</sup> Prior to March 2015, the NFI was conducted by the Audit Commission under its statutory data matching powers set out in Part 2A of the Audit Commission Act 1998. Following the closure of the Audit Commission in March 2015, the NFI transferred to the Cabinet Office.

17. Fraud is the most commonly experienced crime in the UK, accounting for around 40% of all crime. Data indicates that fraud levels are increasing. Latest data from the Crime Survey for England and Wales shows that there were 5.1 million reported instances of fraud in the year ending September 2021, a 36% increase compared to the year ending September 2019<sup>2</sup>.
18. In the public sector, the estimated cost of fraud is between £29 billion and £52 billion<sup>3</sup> per year. Fraud against the public sector can compromise public services and damage trust in government. Finding ways to help safeguard public funds through fraud prevention and detection programmes like the NFI are important for protecting vital public services.
19. Recently, the emergency response to the COVID-19 pandemic led to significant increases in government funding to support individuals and the economy through an uncertain and challenging period. The need to have in place fast and effective countermeasures to minimise fraud losses further highlights the importance of tools such as the NFI to protect public funds.
20. Fraud is constantly evolving, becoming increasingly complex and digitally enabled. Over the past 25 years the NFI has, and continues to respond to the ever-changing fraud risk landscape through exploiting new technologies to enhance data matching capabilities, and by broadening data sharing opportunities across the public and private sector. Cumulative detected and prevented savings identified from NFI data matching now exceed £2 billion.
21. Examples of recent NFI developments include:
  - taking a leading role in COVID-19 fraud prevention work by developing Bank Verification and Active Company Check products to flag anomalies in COVID-19 grant payment data
  - working with the department for Business Energy & Industrial Strategy (BEIS) to help identify and recover fraud losses from COVID-19 grant recipient funding
  - delivering an ambitious innovation plan with the NFI supplier Synectics Solutions, which includes enhancing NFI products Appcheck and Recheck, management information and council tax reports to improve usability and efficiency in data matching and data match reviews
  - continuing to grow the NFI pilot pipeline which has recently delivered counter fraud work in business rates, COVID-19 grant recipients, resident parking permits, and NHS student support
  - sharing NFI data more widely across government, including with the Department for Work and Pensions (DWP) and for use within other tools and products such as Spotlight and Quantexa
  - continuing to grow and develop the NFI FraudHub product, with enhancements such as dashboards and application programming interface (APIs)
  - publishing a consultation on the expansion of NFI data matching powers, to help identify and prevent errors, recover debt, prevent and detect crime, and apprehend and prosecute offenders

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<sup>2</sup> Source: [ONS Crime in England and Wales year ending September 2021](#)

<sup>3</sup> Source: [Fraud Landscape Bulletin 2019-20](#)

## Statutory Framework

22. The Minister for the Cabinet Office, as the “relevant minister” responsible for the NFI’s data matching exercises, conducts the NFI under the statutory data matching powers in Part 6 and Schedule 9 to the LAAA 2014. Under Schedule 9, the Minister for the Cabinet Office:

- may conduct data matching exercises, or arrange for them to be conducted on the minister’s behalf, for the purpose of assisting in the prevention and detection of fraud
- may require certain persons to provide data for data matching exercises
- may accept data submissions on a voluntary basis
- must prescribe a scale or scales of fees for mandatory data matching exercises
- may charge a fee to any body or person providing data, or receiving the results of a data matching exercise
- must consult mandatory participants, representatives of mandatory participants as the minister thinks appropriate, and other bodies or persons as the minister thinks appropriate before prescribing a scale or scales of fees for data matching exercises

23. Our aim is to ensure that, while upholding and protecting citizens' rights in relation to their personal data at all times, the NFI continues to serve the public interest by:

- safeguarding public money against losses from fraud or misappropriation
- making an effective contribution to the wider fight against fraud and potentially, other crime

## Proposed Work Programme

24. We have reviewed the existing NFI work programme to consider the datasets included in the NFI, as well as the list of organisations required to submit data. Our proposals are to:
- remove social care datasets from the list of mandatory data requirements for relevant organisations
  - continue to mandate datasets, where appropriate, relevant to the COVID-19 grant relief programme (councils only)
  - mandate the submission of data to the NFI from Integrated Care Boards (ICBs) in place of Clinical Commissioning Groups (CCGs), in line with the reforms set out in the Health and Care Bill 2021
25. [Appendix 1](#) sets out the proposed data requirements for all mandatory participants, by organisation type, for the NFI 2022/23 exercise.

## Mandatory Dataset Proposals

### Social care data

26. Datasets that target fraud, error and overpayments in the social care sector have been mandatory NFI submissions for local authorities in England for several years. These datasets include residential care homes data, which was included in the NFI work programme in 2004, followed by personal budget data in 2014. We match these datasets against deceased person data to identify cases where the local authority may have continued payments after a death has occurred. Personal budget data is also matched between local authorities to identify duplicate payments across one or more councils.
27. Social care data matches have generated over £25 million of savings for local authorities in this time.
28. In the NFI 2020/21 exercise, we postponed the collection of social care datasets to evaluate the effect of changes made to the National Health Service Act 2006, which reclassified this type of data as 'patient data'.
29. Our evaluation has concluded that while the NFI is able to match patient data on a mandatory basis, we can only disclose data matching results to a relevant NHS body. As local authorities are not relevant NHS bodies as defined in Schedule 9 of the LAAA 2014, the legislation would not permit the release of any social care data matches to local authorities.
30. Through engaging with NFI participants, we understand that social care data matches are valuable intelligence to help mitigate the risk of fraud and overpayments to care home providers and individuals in receipt of a personal budget. We are therefore working closely with legal representatives to explore alternative solutions to resolve this situation. These include:
- voluntary data matching options independent of the core NFI work programme, using alternative data matching powers such as the Digital Economy Act 2017 or local authorities' own powers
  - work to secure a legislative change to the restrictions on the use of patient data within the LAAA 2014

31. In the absence of a current legal power to mandate the inclusion of social care data in the NFI, we are proposing to remove both residential care homes and personal budgets data from the NFI 2022/23 work programme. These may be reintroduced in future work programmes should an appropriate resolution be found.

### Questions to consider:

A. Do you have any comments on the proposal to remove social care datasets from the NFI 2022/23 work programme, or any wider comments on the value of matching these datasets to identify fraud risks in this area?

### COVID-19 data

32. As part of the government's COVID-19 emergency response, significant measures were introduced to help alleviate social and economic pressures from the coronavirus pandemic. This included funding to support individuals and businesses through the provision of grants and payments, administered in part by local authorities.
33. To help provide a counter fraud response to these measures, the NFI 2020/21 work programme extended the mandatory data requirements for local authorities to include COVID-19 grant funding data. During the NFI 2020/21 exercise this data has, and continues to be, used as part of a national data matching pilot to identify individuals and businesses that have received COVID-19 grants and payments that they were not entitled to.
34. To date, in collaboration with BEIS, NFI data matching has identified overpayments across three COVID-19 grant schemes during the NFI 2020/21 exercise, including:
- small business grants fund
  - retail, hospitality and leisure grant fund
  - discretionary grant recipient schemes
35. The pilot also matched grant recipient data to watch list data and then provided results to the National Anti-Fraud Network (NAFN) for review. NAFN's review flagged new insights around impersonation fraud and they are now working with local authorities to help investigate potentially fraudulent matches.
36. Overpayments identified through this work are currently £5.4 million with continued savings still being realised. We are also continuing to target fraud across other COVID-19 grants through a second phase of matching in spring 2022.
37. For the NFI 2022/23 exercise, we will continue to work closely with BEIS and local authorities to understand any further benefits that NFI can offer from undertaking additional data matching on COVID-19 grants. To ensure we can act when needed, we are proposing to include COVID-19 grant recipient data in the NFI 2022/23 work programme; however, we will only mandate data submission(s) if or when it is appropriate to do so. Should we deem it appropriate to request this data, we will communicate the data requirements and timetable to local authorities when necessary.



38. As with the NFI 2020/21 exercise, we do not propose to levy additional fees to cover the cost of this work, however we will seek additional funding from alternative sources where needed.

### Questions to consider:

B. Do you have any comments on the proposal to continue to mandate data, as required, to target the fraud risks associated with COVID-19 grants or payments made by local authorities?

### Existing datasets

39. We have reviewed the inclusion of existing mandatory datasets in the NFI work programme by looking at the resulting benefits from our data matches. Our aim is to ensure that the data we collect and match is beneficial to participants and proportionate under data protection legislation to merit its inclusion in the exercise.
40. Our review highlighted that whilst the majority of datasets continue to show significant financial savings, benefits from right to buy (RTB) data are low in comparison to other data areas and to RTB savings reported in previous NFI exercises. Currently, we are not clear whether this is a one off reduction, or an indication of sustained reductions in future RTB benefits. We therefore propose to retain this dataset for the NFI 2022/23 exercise, but closely monitor its contribution through an ongoing assessment of benefits, and engagement with NFI participants and sector experts. This will enable us to make a more informed decision on its continued inclusion for future NFI exercises.
41. Therefore, with the exception of social care datasets as set out in paragraphs 26 to 31, we are proposing to retain all existing datasets for the NFI 2022/23 exercise.

### Pilot data matches

42. As well as reviewing the datasets included in our existing work programme, we have also assessed whether or not any data collected and matched as part of our pilot pipeline, should be included in the mandatory requirements for the NFI 2022/23 exercise.
43. During the NFI 2020/21 exercise, a significant proportion of our pilot data matching work focused on developing and delivering solutions to target COVID-19 grants and payments.
44. Other pilot data matching included using new data and / or existing data with different match combinations, however these still need further work before we can draw full conclusions on the level of fraud they prevent and detect. For example, a pilot data match using residents parking permit data to identify where individuals have multiple permits across different boundary areas has identified some promising early results. We are continuing to explore this work through a secondary phase before making decisions to replicate it at a national level.
45. Therefore, considering the position of our existing pilots, we are not proposing to mandate the inclusion of any additional data in the NFI 2022/23 work programme.
46. In addition to our pilot pipeline, we have continued to grow and develop our voluntary FraudHub product, which includes access to some of our current pilot datasets such as business rates data. One significant development due in summer 2022 will enable

FraudHub users to submit and match data using their own legislative powers, allowing them to undertake data matching to address local fraud risks. Where these local matches show promise and meet NFI legislative powers, we can consider integrating relevant data into future NFI work programmes.

## **Extension of Legislative Powers**

47. In February 2021, we launched a 12 week consultation on the proposed extension of legislative data matching powers that NFI uses to permit matching to:

- assist in the prevention and detection of crime (other than fraud)
- assist in the apprehension and prosecution of offenders
- assist in prevention and detection of errors and inaccuracies
- assist in the recovery of debt owing to public bodies

48. These new powers can be included in schedule 9 of the LAAA 2014 via an affirmative statutory instrument (SI), passed by both the House of Commons and the House of Lords.

49. Work to secure additional data matching powers remains ongoing, however it is outside the scope of this consultation, which focuses on NFI data matching to prevent and detect fraud. Should Parliament enact any additional legislative powers, we would set out and consult on proposals for the work programme and associated scale of fees before mandating any data to use these powers. The data we mandate for counter fraud purposes such as the requirements set out in this document may not be used for other purposes.

### **Questions to consider:**

C. Do you have any additional views on the proposed NFI 2022/23 work programme in relation to the required data submissions set out in Appendix 1?

## **Mandatory Participants**

### **Clinical Commissioning Groups**

50. The Health and Care Bill 2021 sets out proposals to reform the delivery and organisation of health services in England. It seeks to put Integrated Care Systems (ICSs)<sup>4</sup> on a statutory footing, empowering them to support better collaboration across health and care services.

51. As part of these proposals, structural changes to ICSs include establishing 42 Integrated Care Boards (ICBs) to lead the existing ICSs and take responsibility for NHS functions and budgets. ICBs will assume the commissioning responsibilities currently undertaken by Clinical Commissioning Groups (CCGs). Subsequently, once ICBs are legally established, CCGs will cease to exist as statutory organisations. These changes are due to come into effect from 1 July 2022.

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<sup>4</sup> ICSs are partnerships that bring together providers and commissioners of NHS services across a geographical area with local authorities and other local partners to collectively plan health and care services to meet the needs of their population. Prior to the Health and Care Bill 2021 they had no basis in legislation and no formal powers or accountabilities

52. CCGs are a 'relevant' authority' for the purposes of the LAAA 2014 and have previously been mandated to provide data to the NFI under paragraph 2(2) of Schedule 9 to the LAAA 2014. Therefore, should the scheduled transfer of CCG functions to ICBs take place before the NFI data collection in autumn 2022, we propose to mandate the inclusion of ICBs in the NFI 2022/23 work programme. This will include the submission of payroll and creditors data.
53. We will work with the relevant participants, either CCGs or ICBs, at the appropriate time to agree how best to collect the mandatory data for NFI 2022/23.

**Questions to consider:**

- D. Do you have any comments on the proposal to mandate the inclusion of Integrated Care Boards in the NFI 2022/23 exercise, following the planned abolition of Clinical Commissioning Groups in July 2022?

## Proposed Scale of Fees

54. The NFI fee scale sets out the fees charged to NFI participants for delivery of the NFI exercise. The fees levied cover the cost of delivering the NFI exercise including the collation, processing and matching of participant data.
55. We have reviewed the existing NFI fee scale and propose the following in respect of the NFI 2022/23 exercise:
- the existing fee model which determines fees based on average dataset submissions and the number of high risk NFI matches by organisation type will be applied again for NFI 2022/23
  - fees for relevant organisations will be reduced by £220 to recognise the removal of social care datasets from the NFI 2022/23 work programme
  - fees will increase by 1.75% per annum in line with average annual inflation for the period 2019 to 2021
  - the policy to levy a 5% penalty fee where participants fail to comply with NFI data submission requirements will remain in place for the NFI 2022/23 exercise
56. Table 1 details proposed NFI 2022/23 fees by organisation type. It shows:
- NFI 2022/23 standard fee – including 1.75% per annum inflationary increase and adjustments for the removal of social care data
  - NFI 2022/23 penalty fee – 5% increase on the NFI standard fee
  - NFI 2022/23 uplifted fee – the sum of the NFI standard fee, plus the penalty fee, applicable to organisations that do not comply with data submission requirements
  - NFI 2020/21 standard fee – for comparison to the previous NFI fee scale
57. Fees are rounded to the nearest £5 following the application of inflationary increases and penalties.

Organisation	NFI 2022/23 Standard Fee £	NFI 2022/23 Penalty Fee <sup>5</sup> £	NFI 2022/23 Uplifted Fee <sup>6</sup> £	NFI 2020/21 Standard Fee £
London Borough Council	4,130	205	4,335	4,200
Metropolitan Borough Council	4,130	205	4,335	4,200
Unitary authority	3,820	190	4,010	3,900
County Council	3,715	185	3,900	3,800
County Council (with fire)	4,310	215	4,525	4,375
District Council	2,535	125	2,660	2,450
Pension Authority	2,485	125	2,610	2,400
Combined Authority	1,240	60	1,300	1,200
Passenger Transport Executive	1,240	60	1,300	1,200
Transport for London	1,240	60	1,300	1,200
Police <sup>7</sup>	1,240	60	1,300	1,200
Fire and Rescue Authority	1,190	60	1,250	1,150
Waste Regulation or Disposal Authority	1,190	60	1,250	1,150
Greater London Authority	1,190	60	1,250	1,150
NHS trust	1,190	60	1,250	1,150
Integrated Care Board	1,190	60	1,250	1,150
Foundation Trust	1,190	60	1,250	1,150

Table 1 – Proposed Fees for NFI 2022/23

<sup>5</sup> A 5% penalty fee may be levied for late or inaccurate data submissions

<sup>6</sup> Includes the standard NFI fee plus the penalty fee

<sup>7</sup> Both police and crime commissioners and police chief constables are mandatory participants. The fee is applicable to one police body in each area, who will submit data on behalf of both bodies.

## Fee Model

### Fee model review

58. For the last NFI exercise, we consulted on and implemented significant changes to the NFI fee model, which generates the fee scale for mandatory NFI participants. This was in response to previous challenge from participants over the fairness of the fee scale, as well as the development of the NFI programme over time.
59. The existing fee scale now prescribes fees by organisation type, underpinned by the number of datasets submitted to the NFI and the proportion of high risk matches that each organisation type receives. Dataset submissions are relevant because they determine the costs we incur to process and match NFI data. A greater number of datasets means higher data processing charges. The inclusion of high risk data matches is relevant because these matches are a good indicator of potential savings and benefits that could be realised by participants.
60. Organisation types are scored based on their average datasets and high risk matches, with higher fees applied to organisations with higher scores. The aim of this model is to levy higher fees to participants that have the potential to gain the most out of NFI matching.
61. We have undertaken a reasonableness check on the existing model, which involved recalculating organisation scores using the most recent data from the NFI 2020/21 exercise. This did not flag any anomalies, demonstrating that the fee model continues to produce a fair and consistent fee scale. Subsequently, we propose to retain and implement the existing model to produce the fee scale for the NFI 2022/23 exercise.

### Questions to consider:

- E. Do you have any comments on the proposal to retain the existing fee model to generate the fee scale for the NFI 2022/23 exercise? This model determines fees based on the number of datasets submitted and the volume of high risk NFI matches received by participants.

### Adjustment for Social Care Data

62. As set out in paragraphs 26 to 31, social care datasets including residential care homes and personal budget data will not be included in the mandatory data submission requirements for the NFI 2022/23 exercise. To recognise and reflect this reduced work programme in the fee scale, we feel it is appropriate to adjust fees accordingly for organisations that would normally submit this data. These are:
- County Councils
  - County Councils with Fire
  - London Borough Councils
  - Metropolitan Borough Councils
  - Unitary Authorities
63. We recognise that in some cases, councils from the list above may not usually hold, or submit social care datasets to the NFI. However, we prescribe NFI fees on the

assumption that data is typically held, and submitted for a particular organisation type, irrespective of individual local circumstances. Therefore, any fee amendments to reflect the removal of social care data will be applicable to all organisations within the categories listed above, regardless of whether or not they have previously submitted social care data to the NFI.

64. We explored three different options to model the removal of social care datasets from existing NFI fees. Two of these options considered what proportion of NFI dataset submissions and high risk matches derive from social care datasets, and then applied this reduction to the fees. These models resulted in fee reductions ranging from £100 to £300 per organisation, averaging at a reduction of £221 and £213 respectively.
65. The third option linked the discount to the additional programme costs associated with the inclusion of these datasets in the NFI. In this model, fees for relevant organisations would reduce by £220.
66. Following this review, our proposal is to apply a fee reduction of £220 for the organisations listed in paragraph 62 to acknowledge the removal of two social care datasets from the NFI work programme. We feel this is the fairest and simplest approach, which provides the same fee reduction for all relevant organisations. It also aligns with our overall fee model principles to levy charges in part, based on the volume of data submitted.

### Questions to consider:

- F. Do you have any views on the proposal to reduce fees by £220 to reflect the removal of social care data from the NFI work programme for relevant organisations?

## Fee Increase

### What will the increase be?

67. For the NFI 2020/21 exercise, we consulted on and, levied a 9.4% increase to participant fees, following a long period of fee freezes. This increase derived from a need to cover cost pressures and the ambition to invest more money into the NFI, enabling us to develop better technologies, data sources and data matching techniques to provide more benefits to NFI participants.
68. Participant responses to the NFI 2020/21 fees consultation indicated that large fee increases can be difficult to manage and that smaller incremental increases linked to inflation are a more favourable approach.
69. Taking on board this feedback, we are proposing to uplift existing fees for the NFI 2022/23 exercise by the average annual CPIH<sup>8</sup> inflation rate of 1.75% per annum for the period 2019 to 2021<sup>9</sup>. This uplift will apply to all organisations' mandatory fees and the resulting income will cover increases in NFI operating costs, with any balance invested in NFI developments.

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<sup>8</sup> The consumer prices index including owner occupiers' housing costs (CPIH) is now considered to be the most comprehensive measure of consumer price inflation, as it extends the CPI to include owner occupiers' housing costs (OOH) and Council Tax

<sup>9</sup> Source: [ONS CPIH Consumer Price Inflation Time Series](#)

70. We remain committed to keeping our NFI mandatory fees as low as possible. Our approach includes seeking to increase our income streams from our voluntary products and participants. We will also explore alternative funding options, for example securing funding for innovative developments, which realise net gains for the investor and wider benefits for other participants.

### Questions to consider:

G. Do you agree that it is reasonable to increase fees in line with the average annual inflation rate of 1.75% per annum for the period 2019 to 2021? Please provide your reasons why.

### Penalty Fee

71. In the NFI 2020/21 exercise, we introduced the policy of a penalty fee, which uplifts a participant's fee by 5% where they fail to comply with NFI dataset submission requirements. This policy was introduced to improve the timeliness and accuracy of data submitted to the NFI<sup>10</sup>.
72. Providing data on time and to good quality standards is beneficial to all NFI participants and helps to ensure efficient delivery of the NFI programme. Late or poor quality data submissions result in additional work to undertake supplementary match run(s) following the main scheduled match release. This requires additional NFI resource, which then affects other aspects of the NFI programme. In addition, because the NFI undertakes data matching between participants, late or poor quality submissions can generate additional work for others, which risks hindering the effective and thorough follow up of data matches. This is unfair on those participants that do comply with data submission requirements.
73. Following the implementation of the data penalty policy, the proportion of expected datasets received on time for the NFI 2020/21 exercise increased to a record 95%. The number of organisations that failed to submit data by the deadline reduced by 46%, and we delivered only one supplementary match run compared to two in NFI 2018/19. Our data processors also indicated that there was an improvement in the overall quality of data submissions, which helped to reduce the need for multiple resubmissions.
74. Given the improvements shown in the last exercise, there is evidence to suggest that the penalty fee policy encourages better compliance, which in turn reduces our costs and helps maximise efficiency of the exercise. We therefore propose to continue with this policy for the NFI 2022/23 exercise, with any income generated used to fund the work to deliver supplementary match runs. Any remaining monies will fund further developments and enhancements to the NFI product range.
75. As in the last NFI exercise, we will endeavour to support NFI participants with their data submissions as far as possible, and ensure we communicate the NFI timetable and supporting information around expected data quality standards well in advance of the data submission deadline. We will apply leniency for mitigating circumstances that we

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<sup>10</sup> The Cabinet Office can only mandate the provision of data already held by participants. We cannot mandate the collection of additional data to satisfy data specification requirements and therefore no penalties can be levied where a participant does not hold specific data on their system



deem beyond a participant's control. Each case will be assessed on its merits with a review process to ensure any penalty fees levied are fair and consistent<sup>11</sup>.

**Questions to consider:**

H. Do you have any comments on the proposal to continue with the policy to levy a 5% penalty fee for late or poor quality data submissions?

## Invoicing arrangements

76. Each NFI data matching exercise is run over a two year period, so the NFI 2022/23 work programme and scale of fees covers the financial years 2022/23 and 2023/24. To avoid duplicating administration, participants will be billed in one instalment between January and March 2023.

77. The NFI web application includes a dedicated billing page, which enables participants to provide billing information and purchase order numbers for inclusion on the invoices.

## Timetable

78. A provisional timetable for the NFI 2022/23 exercise is set out in Table 2. The final timetable will be communicated to participants once this consultation has concluded. It will also be available to view on GOV.UK.

79. Please note the timetable for any COVID-19 related work will be communicated to local authorities separately as required.

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<sup>11</sup> For NFI 2020/21 we acknowledged the ongoing public sector challenges in the context of the COVID-19 pandemic and subsequently decided not to proceed with levying the penalty fees due.

Activity	When
Issue NFI draft data specifications <sup>12</sup>	By 8 April 2022
NFI 2022/23 work programme and scale of fees consultation begins	21 April 2022
Consultation ends	19 May 2022
Publication of the final NFI 2022/23 work programme and scale of fees	By 29 July 2022
Issue NFI final data specifications	By 29 July 2022
Issue the instructions to bodies participating in NFI 2022/23	By 29 July 2022
Extract data from systems in accordance with the data specifications and upload data to the NFI web application	Between 7 October and 18 November 2022
Cut off for NFI 2022/23 data submissions <sup>13</sup>	2 December 2022
The 2022/23 exercise matches are available	From 26 January 2023

Table 2 – Provisional timetable for NFI 2022/23

## Next Steps

80. This consultation will close at midnight on 19 May 2022.
81. All consultation responses will be reviewed and considered by the Cabinet Office. For information about how we treat your personal data when you respond to our consultation, please see the privacy notice set out in [Appendix 2](#).
82. A summary of consultation feedback and the Cabinet Office response will be published on GOV.UK in July 2022.
83. The final NFI 2022/23 work programme and scale of fees, which will include any amendments made in response to this consultation, will be published in July 2022.

<sup>12</sup> Data specification changes fall outside of the remit of this consultation, however we will publish draft data specifications, highlighting any changes on [GOV.UK](#) for review by participants

<sup>13</sup> Data that is not received **and processed** by close of business on Friday 2 December 2022 will be deemed late and may be subject to a penalty fee

## Questions to Consider

84. A full list of the questions included within this consultation are set out in Table 3. You may wish to consider these questions in your consultation response, along with any other comments you may have about the proposals on the NFI 2022/23 work programme and scale of fees.

Ref	Consultation Question
A	Do you have any comments on the proposal to remove social care datasets from the NFI 2022/23 work programme, or any wider comments on the value of matching data to identify fraud risks in this area?
B	Do you have any comments on the proposal to continue to mandate data, as required, to target the fraud risks associated with COVID-19 grants or payments made by local authorities?
C	Do you have any additional views on the proposed NFI 2022/23 work programme in relation to the required data submissions set out in Appendix 1?
D	Do you have any comments on the proposal to mandate the inclusion of Integrated Care Boards in the NFI 2022/23 exercise, following the planned abolition of Clinical Commissioning Groups in July 2022?
E	Do you have any comments on the proposal to retain the existing fee model to generate the fee scale for the NFI 2022/23 exercise? This model determines fees based on the number of datasets submitted and the volume of high risk NFI matches received by participants.
F	Do you have any comments on the proposal to reduce fees by £220 to reflect the removal of social care data from the NFI work programme?
G	Do you agree that it is reasonable to increase fees in line with the average annual inflation rate of 1.75% per annum for the period 2019 to 2021? Please provide your reasons why.
H	Do you have any comments on the proposal to continue with the policy to levy a 5% penalty fee for late or poor quality data submissions?

Table 3 – Questions to consider

## Appendix 1 – NFI 2022/23 Proposed Work Programme

Organisation	Mandatory Dataset Requirement (where data is held by the organisation)	Notes
<ul style="list-style-type: none"> <li>● London Borough Council</li> <li>● Metropolitan Borough Council</li> <li>● County Council</li> <li>● County Council with Fire</li> <li>● Unitary Authority</li> <li>● District Council</li> <li>● Combined Authorities<sup>14</sup></li> </ul>	Blue badges	Supplied by Blue Badge Digital Service
	Concessionary travel permits	
	Council tax	Annual data submission
	Council tax reduction scheme	
	COVID-19 grants and payment data	To be determined
	Electoral register	Annual data submission.
	Housing benefits	Supplied by DWP
	Housing tenants	
	Housing waiting list	
	Payroll	
	Pensions	
	Resident parking permits	
	Right to buy	
	Students eligible for a loan	Supplied by Student Loans Company
	Taxi driver licences	
	Trade creditors' payment history	
	Trade creditors' standing	
<ul style="list-style-type: none"> <li>● Passenger Transport Executive</li> <li>● Transport for London</li> <li>● Greater London Authority</li> </ul>	Concessionary travel permits	
	Payroll	
	Pensions	
	Residents parking permits	
	Trade creditors' payment history	
	Trade creditors' standing	
<ul style="list-style-type: none"> <li>● Police</li> <li>● Fire and Rescue Authority</li> <li>● Waste Authority</li> </ul>	Payroll	
	Pensions	
	Trade creditors' payment history	
	Trade creditors' standing	
<ul style="list-style-type: none"> <li>● Pension Authority</li> </ul>	Pensions	
<ul style="list-style-type: none"> <li>● Integrated Care Board</li> <li>● NHS Trust</li> <li>● Foundation Trust</li> </ul>	Payroll	
	Trade creditors' payment history	
	Trade creditors' standing	

<sup>14</sup> Only payroll and trade creditor data is mandatory for Combined Authorities, however any other data held can be submitted on an optional basis.

## Appendix 2– Privacy Notice

1. This notice sets out how we will use your personal data, and your rights. It is made under Articles 13 and/or 14 of the General Data Protection Regulation (GDPR).

### Your Data

#### Purpose

2. The purpose for which we are processing your personal data is to obtain the opinions of members of the public, parliamentarians and representatives of organisations and companies about departmental policies, proposals, or generally to obtain public opinion data on an issue of public interest.

#### The data

3. We will process the following personal data: name, address, email address, job title (where given), and employer (where given), as well as opinions.
4. We will also process additional biographical information about respondents or third parties where it is volunteered.

#### Legal basis of processing

5. The legal basis for processing your personal data is that it is necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in the data controller. In this case that is statutory consultation on departmental policies or proposals, or obtaining opinion data, in order to develop good effective policies.
6. Sensitive personal data is personal data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person's sex life or sexual orientation.
7. The legal basis for processing your sensitive personal data, or data about criminal convictions (where you volunteer it), is that it is necessary for reasons of substantial public interest for the exercise of a function of the Crown, a Minister of the Crown, or a government department. The function is statutory consultation departmental policies or proposals, or obtaining opinion data, in order to develop good effective policies.

#### Recipients

8. Where individuals submit responses, we may publish their responses, but we will not publicly identify them. We will endeavour to remove any information that may lead to individuals being identified.
9. Responses submitted by organisations or representatives of organisations may be published in full, unless there is an expressed wish for comments to remain confidential.
10. Where information about responses is not published, it may be shared with officials within other public bodies in order to help develop policy.

11. As your personal data will be stored on our IT infrastructure it will also be shared with our data processors who provide email, and document management and storage services.
12. We may share your personal data where required to be law, for example in relation to a request made under the Freedom of Information Act 2000.

### **Retention**

13. Published information will generally be retained indefinitely on the basis that the information is of historic value. This would include, for example, personal data about representatives of organisations.
14. Responses from individuals will be retained in identifiable form for three calendar years after the consultation has concluded.

### **Where personal data have not been obtained from you**

15. Your personal data were obtained by us from a respondent to a consultation.

## **Your Rights**

16. You have the right to request information about how your personal data are processed, and to request a copy of that personal data.
17. You have the right to request that any inaccuracies in your personal data are rectified without delay.
18. You have the right to request that any incomplete personal data are completed, including by means of a supplementary statement.
19. You have the right to request that your personal data are erased if there is no longer a justification for them to be processed.
20. You have the right in certain circumstances (for example, where accuracy is contested) to request that the processing of your personal data is restricted.
21. You have the right to object to the processing of your personal data where it is processed for direct marketing purposes.
22. You have the right to object to the processing of your personal data.

## **International Transfers**

23. As your personal data is stored on our IT infrastructure, and shared with our data processors, it may be transferred and stored securely outside the European Union. Where that is the case it will be subject to equivalent legal protection through the use of Model Contract Clauses.

## Contact Details

24. The data controller for your personal data is the Cabinet Office. The contact details for the data controller are: Cabinet Office, 70 Whitehall, London, SW1A 2AS, or 0207 276 1234, or [publiccorrespondence@cabinetoffice.gov.uk](mailto:publiccorrespondence@cabinetoffice.gov.uk).
25. The contact details for the data controller's Data Protection Officer are: Data Protection Officer, Cabinet Office, 70 Whitehall, London, SW1A 2AS, or [dpo@cabinetoffice.gov.uk](mailto:dpo@cabinetoffice.gov.uk).
26. The Data Protection Officer provides independent advice and monitoring of Cabinet Office's use of personal information.

## Complaints

27. If you consider that your personal data has been misused or mishandled, you may make a complaint to the Information Commissioner, who is an independent regulator. The Information Commissioner can be contacted at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF, or 0303 123 1113, or [casework@ico.org.uk](mailto:casework@ico.org.uk). Any complaint to the Information Commissioner is without prejudice to your right to seek redress through the courts.