



Cabinet Office

National Fraud Initiative (NFI)

Final Work Programme and Scale of Fees 2018/19

July 2018

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Introduction

1. This document sets out the work that the Cabinet Office will undertake as part of the National Fraud Initiative (NFI) 2018/19 and the associated scale of fees.

Background

2. The National Fraud Initiative (NFI) is a data matching exercise conducted by the Cabinet Office under its data matching powers set out in out in the Local Accountability and Audit Act 2014.
3. The NFI, which started in 1996, continues to prove an effective tool for detecting and preventing fraud and error across the UK. Analysis of the financial outcomes from the most recent NFI 2016/17 data matching exercise shows that the NFI exceeded its highest level of fraud, error and overpayments achieved in any two year reporting period since it began in 1996. Cumulatively the NFI has now enabled participants to prevent and detect fraud and overpayments totalling £1.69 billion.
4. To enable the NFI to continue its success, the Cabinet Office has recently procured a new IT contract to deliver and enhance the NFI service over the next four years. The partnership with Synectics Solutions Ltd places innovation and collaboration at the core, with both parties committed to developing the NFI and associated products to maximise the benefits for participants.
5. This new partnership has enabled us to produce an ambitious strategy for developing the NFI over the next four years. This will be launched in summer 2018.

Statutory Framework

6. The Cabinet Office, as the 'relevant minister' responsible for data matching exercises, conducts the NFI under its statutory data matching powers set out in Part 6 of the Local Audit and Accountability Act (LAAA) 2014.
7. Under this legislation the Cabinet Office:
 - may carry out data matching exercises for the purpose of assisting in the prevention and detection of fraud;
 - may require certain bodies 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 for voluntary data matching exercises; and
 - must consult mandatory participants and relevant stakeholders before prescribing the mandatory scale or scales of fees.
8. 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; and

- making an effective contribution to the wider fight against fraud and, potentially, other crime.

Consultation response

9. We received a limited response to our consultation on the 2018/19 work programme and scale of fees, with 38 responses equating to a response rate of 4 per cent. Responses were received from:
 - 21 local authorities;
 - 3 clinical commissioning group (CCGs);
 - 3 NHS trust;
 - 3 foundation trusts;
 - 2 police bodies;
 - 4 fire authorities;
 - 1 Passenger Transport Executive
 - 1 Health representative body
10. A summary of the consultation responses is available on [.GOV.UK](#)
11. Having considered all responses, no changes to the work programme and scale of fees are required. Although a relatively small number of bodies responded to the consultation, those that did so were generally supportive of the programme, in particular proposals to remove Insurance data from the list of mandatory dataset requirements, and keep fees at existing levels.

Final Work Programme and Scale of Fees

Work Programme

12. The final NFI 2018/19 work programme setting out mandatory dataset requirements by authority type is shown in [Appendix 1](#).
13. Existing data matches will continue to be a part of the NFI 2018/19 work programme, with the exception of Insurance data, which is now excluded from the list of mandatory data requirements.
14. There are no changes to the list of mandatory participants required to submit data to the Cabinet Office.

Fees

15. The NFI 2018/19 final scale of fees for mandatory participants is set out in [Appendix 2](#).

16. The scale of fees for mandatory participants will remain the same as in NFI 2016/17. Rather than increasing fees, the Cabinet Office will aim to meet increased operational costs through efficiency savings and increasing commercial income from the voluntary use of the NFI product range. The cost saving from the removal of Insurance data from the NFI work programme will also contribute.
17. The scale of fees is designed to recover the full costs of carrying out the data matching. If it appears to the Cabinet Office that the work involved in a data matching exercise is substantially more or less than that envisaged by the appropriate scale, the Cabinet Office may charge a body a fee that is larger or smaller.

Pilots

18. The Code of Data Matching Practice states that the NFI will undertake new areas of data matching on a pilot basis to test their effectiveness in preventing or detecting fraud. Only where pilots achieve matches that demonstrate a significant level of potential fraud do they become mandatory.
19. Where possible the Cabinet Office will fund approved pilot data matching initiatives from existing resources, with no participation fee levied during NFI 2018/19. In some instances however, we may elect to offer additional pilot initiatives on a voluntary but chargeable basis.

Invoicing arrangements

20. The NFI is run over a two year period, so the NFI 2018/19 work programme and scale of fees covers the two financial years 2018/19 and 2019/20. To avoid duplicating administration, mandatory participants will be billed in one instalment around December 2018.
21. A new billing section within the administration area of the NFI web application will be introduced to enable participants to specify details of invoicing arrangements such as contact addresses and purchase order information.
22. HMRC ruled in July 2011 that data matching is a non-business activity for VAT purposes. As a result VAT is not charged on the NFI invoices issued to participants.

Appendix 1 – Final NFI 2018/19 Work Programme

Authority type	Mandatory Dataset
<ul style="list-style-type: none"> London borough council Transport for London Metropolitan borough council County council Unitary authority District council 	<ul style="list-style-type: none"> Payroll Pensions Trade creditors' payment history and trade creditors' standing data Housing benefits Housing - Tenants, Waiting list, Right to buy Council tax¹ Council tax reduction scheme Electoral register Students eligible for a loan Private supported care home residents Transport passes and permits (including residents parking, blue badges and concessionary travel) Licences – market trader/operator, taxi driver and personal licences to supply alcohol Personal budget (direct payments)
<ul style="list-style-type: none"> Passenger transport executive Integrated transport authority 	<ul style="list-style-type: none"> Payroll Pensions Trade creditors' payment history and trade creditors' standing Concessionary travel passes²
<ul style="list-style-type: none"> Police body Fire and rescue authority Waste regulation or disposal authority 	<ul style="list-style-type: none"> Payroll Pensions Trade creditors' payment history and trade creditors' standing data
<ul style="list-style-type: none"> Pension authority (stand-alone) 	<ul style="list-style-type: none"> Pensions
<ul style="list-style-type: none"> Clinical commissioning group NHS trust Foundation trust Greater London Authority 	<ul style="list-style-type: none"> Payroll Trade creditors' payment history and trade creditors' standing data

¹ **Note:** Relevant Local Authorities are required to upload council tax and electoral register data every year as part of the annual CTSPD exercise. Submission dates for this data are different to other datasets, please refer to the [Council Tax Single Person Discount Exercise timetable](#) for further information.

² Passenger Transport Executives only

Appendix 2 – NFI 2018/19 Final Scale of Fees

Authority type	2016/17 £	2018/19 £
London borough council ¹	4,150	4,150
Metropolitan borough council	4,000	4,000
Unitary authority	3,650	3,650
County council	3,750	3,750
County council (with fire)	4,500	4,500
District council (large)	2,300	2,300
District council (medium)	2,200	2,200
District council (small)	2,100	2,100
Pension authority (stand-alone)	3,000	3,000
Greater London authority	1,000	1,000
Police ²	1,000	1,000
Fire and rescue authority	1,000	1,000
Integrated transport authority	1,000	1,000
Passenger transport executive	1,000	1,000
Waste regulation or disposal authority	1,000	1,000
NHS trust	1,000	1,000
Clinical commissioning group	1,000	1,000
Foundation trust	1,000	1,000

¹ Transport for London will be charged the same rate as a London borough council

² Both police and crime commissioners and police chief constables are mandatory participants. A fee of £1,000 will be charged to the police body in each area which will submit data on behalf of both bodies