

National Fraud Initiative 2024/25 Work Programme and Scale of Fees

Consultation Feedback

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Introduction

Purpose

1. In April 2024, the Cabinet Office published a consultation on [GOV.UK](https://www.gov.uk) to invite feedback on proposals for the National Fraud Initiative (NFI) 2024/25 work programme and associated scale of fees. The consultation was relevant to public sector bodies in England that are required by the Cabinet Office under Schedule 9 (2) of the Local Audit and Accountability Act (LAAA) 2014, to submit data to the NFI.
2. This document summarises the responses to the proposals and sets out the position for the NFI 2024/25 work programme and fees after considering the feedback received.

Consultation proposals

3. The consultation proposed some specific changes for NFI participants to consider for the NFI 2024/25 work programme and fee scale. These included proposals to:
 - re-introduce adult social care datasets into the NFI work programme, subject to the completion of a Legislative Reform Order (LRO) to amend the Local Audit and Accountability Act (LAAA) 2014 and enable a legal gateway for sharing this data; and
 - uplift participant fees by 6% over a two-year period, to help cover the cost of the NFI exercise.
4. The consultation also sought views on existing aspects of the work programme and fee scale, including proposals to retain:
 - all existing NFI datasets as part of the NFI 2024/25 work programme;
 - the existing fee model which determines fees based on average dataset submissions and the number of high risk NFI matches by organisation type; and
 - the penalty for late or poor quality data submissions at 5% of the standard NFI fee for each organisation.

Consultation response rate

5. We invited 675 organisations to review our consultation proposals. This included existing mandatory NFI participants, and organisations that have an interest in the work of the NFI (or the work of bodies mandated to take part in the NFI), such as some government departments or other membership organisations.
6. We received 67 responses to the consultation which equates to an overall response rate of 9.9%.
7. We received feedback on proposals from most sectors. Responses from local authorities made up the highest proportion of responses at 70.1%. Local authorities also had the highest response rate of 14.8%. A breakdown of responses is set out in Table 1.

Table 1- Consultation responses by organisation type

Organisation Type	Number of organisations	Number of responses	Response rate (%)	Proportion of all responses (%)
Local Authority	317	47	14.8	70.1
Police	39	3	7.7	4.5
Fire Service	36	0	0.0	0.0
Combined Authorities	10	0	0.0	0.0
Other Local Government	8	2	25.0	3.0
NHS	257	13	5.1	19.4
Government departments or other public sector bodies	8	2	25.0	3.0
Total	675	67	9.9	100

Summary of results

8. We collated and analysed responses to the specific questions set out in the consultation to determine if participants were supportive or not of proposals and the reasons why. We analysed data further to identify the predominant themes from each consultation question, and considered whether the points raised warrant any changes to proposals.
9. A summary of the consultation questions and the Cabinet Office response is set out in Table 2.
10. After considering all feedback, we are satisfied that there is sufficient support to implement the proposals for the NFI 2024/25 National Exercise. The final NFI 2024/25 work programme and scale of fees is available on [GOV.UK](https://www.gov.uk).
11. The remainder of this document provides more detail on the comments made in relation to the consultation proposals and the Cabinet Office response to the feedback received.

Table 2 Overview of consultation responses and Cabinet Office action

Ref	Proposal/Question	Agree	Disagree	Neutral / No response	Cabinet Office Action
A	Do you agree with the proposal to mandate the social care datasets of residential care homes and personal budgets in the NFI 2024/25 exercise, once the Legislative Reform Order to amend the LAAA 2014 is complete?	78% (52)	4% (3)	18% (12)	We will include this data in the NFI 2024/25 work programme, with any data matching subject to completion of the Legislative Reform Order
B	Do you have any additional comments on the proposed data requirements for the 2024/25 work programme?	No specific proposal for this question. Opportunity to provide open feedback			We will make no further changes to the NFI 2024/25 work programme.
C	Do you have any comments on the proposal to retain the existing fee model for the NFI 2024/25 exercise? Please consider: i) the fee model used to generate the NFI 2024/25 fee scale; ii) the review of FraudHub use and its effect on match returns for the two-yearly NFI exercise; iii) the continued exclusion of social care data from the fee model and the proposal to supplement the cost of social care data matching through unspent funds from the NFI 2020/21 exercise.	15% (10)	13% (9)	72% (48)	We will retain the existing fee model for the NFI 2024/25 exercise
D	Do you agree with the proposal to uplift fees by 6% to reflect our operational cost increases between 2021 and 2023?	46% (31)	36% (24)	18% (12)	We will apply an uplift across all participant fees of 6%, rounded down to the nearest £5
E	Do you have any comments on the proposal to retain the penalty fee at 5% for late or poor quality data submissions?	12% (8)	16% (11)	72% (48)	We will levy a 5% penalty fee for late or poor quality data submissions, rounded down to the nearest £5

Detailed Consultation Feedback

Feedback on NFI 2024/25 Work Programme Proposals

12. In the consultation, we asked for feedback on proposals relating to the NFI 2024/25 work programme, which sets out the data we intend to mandate from each participant. Specifically, we asked for views on re-introducing the adult social care datasets of Residential Care Homes and Personal Budgets as mandatory requirements, subject to the completion of a Legislative Reform Order (LRO) to enable us to match and share the data.
13. We also asked for any additional comments on the data requirements for the work programme, following our review of the data and our intention to retain all existing datasets.
14. A summary of the main points raised by respondents are set out below, along with our response to this feedback.

Question A- Summary of feedback

Ref	Question	Positive	Negative	Neutral	No comment	Total responses
A	Do you agree with the proposal to mandate the social care datasets of Residential Care homes and Personal Budgets in the NFI 2024/25 exercise, once the Legislative Reform Order to amend the LAAA 2014 is complete?	78% (52)	4% (3)	9% (6)	9%(6)	67

15. Over three quarters of respondents agreed with the proposal to reintroduce adult social care data into the NFI work programme, indicating that they consider this a useful and beneficial dataset. Many referenced previous positive results from adult social care data matching within the NFI, including the good quality of the matches and the significant financial recoveries that they were previously able to make.
16. A number of respondents in agreement with proposals said that adult social care fraud and error is a significant concern to local authorities due to it being a high spend area. In addition, some noted that exclusion of adult social care data from the NFI programme in recent years has made the management of fraud risks within the sector more challenging. Others felt that the reintroduction of this data will provide additional checks and assurances for social care functions, helping to detect and prevent service misuse and financial loss to protect council budgets.
17. One organisation in disagreement with this proposal raised concerns over cost implications and future NFI fee increases from reintroducing the data back into the NFI programme. A further two organisations not in favour of proposals, along with those that provided a neutral response to the question, commented that social care data is not relevant to their organisation.
18. Six consultation respondents did not comment on this proposal.

Question A- Response to feedback

19. We note the substantial support, in particular amongst councils responsible for adult social care provision, for our proposal to provide Residential Care Homes and Personal Budget data matching as part of the NFI 2024/25 work programme.
20. As set out in the consultation document, matching adult social care data is subject to the completion of a Legislative Reform Order (LRO) to amend the Local Audit and Accountability Act (LAAA) 2014, and allow a legal gateway for us to collect, process and return match results to local authorities. The inclusion of this data in the NFI 2024/25 work programme is to enable matching to resume should the LRO be successfully implemented.
21. In order for the LRO to be implemented, it must be laid before parliament with the opportunity for scrutiny by relevant House of Commons and Lords Committees. It must pass each stage of the process, including a parliamentary debate before being signed in law.
22. Following the 2024 General Election, the LRO will need to be added to the legislative timetable under the new parliament. To facilitate this, we are engaging with Ministers and parliamentary colleagues, with the aim of securing approval to lay the LRO before parliament at the earliest opportunity.
23. At this stage we are unable to confirm any timings regarding the approval of the LRO and subsequently, if and when we will be able to collect and match adult social care data as part of the NFI 2024/25 exercise. We will monitor the progress of the LRO and communicate the result with relevant participants as soon as possible.
24. Should the LRO be successful, the collection of adult social care data will follow a separate timetable to the rest of the data in the NFI work programme, with matches shared as part of a supplementary match release at a later date.

Question B- Summary of feedback

Ref	Question	Responses with comments	No comment	Total Responses
B	Do you have any additional comments on the proposed data requirements for the 2024/25 work programme?	18% (12)	82% (55)	67

25. This question included no specific proposal on the NFI 2024/25 work programme, however it offered the opportunity to provide any additional views on the proposed data requirements for organisations taking part in the NFI.
26. There was limited feedback on this question with most respondents (55) indicating they had no additional comments. Of the 12 organisations that provided a response, 7 indicated that the data requirements for the NFI are reasonable and continue to help target fraud risks relevant to their organisation.

27. Some organisations provided feedback on the specific datasets included in the work programme, offering views on which data requirements are less useful to their organisation. Right to Buy (1), Residents Parking (1) and Creditors (2) were highlighted as providing limited value and financial recoveries, with suggestions to make these optional dataset areas to help offset fee increases.
28. Other organisations offered suggestions of new datasets from the public and private sector to be explored for NFI matching, to help identify household composition and other housing and benefit fraud risks such as single occupancy fraud, subletting, and abandoned tenancies.

Question B- Response to feedback

29. We accept that fraud risks faced by NFI participants vary, and subsequently organisations will have differing views on what dataset(s) are most useful to them for addressing those risks. We also recognise that organisational benefits from NFI matching may differ across datasets due to the prevalence of the fraud risk locally, as well as factors such as existing fraud prevention controls, the quality of data submitted for matching and the resource available to undertake thorough match investigations.
30. In advance of each NFI exercise, we consider the purpose and value of all existing datasets in the NFI work programme to ensure that they produce adequate benefits for the majority of participants. In the consultation document, we set out that all data areas returned significant results in the previous NFI exercise, with the exception of Right to Buy data which we intend to explore further to understand how the matching can be developed to better support housing fraud risks.
31. A further review of the most recent NFI 2022/23 exercise showed that two thirds of mandatory participants who worked on at least 5% of their NFI matches, recorded some financial outcomes. In addition, we found that the likelihood of identifying savings from the NFI increases in line with the volume of data matches that are investigated. Overall we are satisfied that the data in the NFI work programme has the potential to benefit most organisations who review and process NFI matches.
32. In response to comments that NFI participants should only submit data that is appropriate to local fraud risks, it is important to highlight how matching data between organisations in the NFI allows one organisation to provide intelligence to another. In the most recent NFI 2022/23 exercise, matching data between organisations helped to identify fraud and overpayments of over £20 million. Whilst we recognise that not all mandatory requirements will bring benefits for all participants, making data submissions optional would reduce the overall volume of data in the NFI and subsequently impact the value of matching data between organisations, to the detriment of protecting public funds on a wider scale.
33. Data acquisition to develop the NFI programme and better respond to new and existing fraud risks is an important part of our NFI strategy¹. In partnership with our IT contractor and other stakeholders, we will continue to explore datasets that could enhance our existing matching, or be used to solve new fraud problems not currently targeted through the NFI. We will continue to match viable data through our programme of pilot data matching, working with participants to refine and evaluate match results before making any decisions to bring the data into the full NFI work programme for future exercises.

¹ Due for publication in Autumn 2024

Conclusions on NFI work programme proposals

34. After reviewing the feedback received in relation to the NFI 2024/25 work programme, we do not intend to make changes to proposals. We therefore confirm that:

- The adult social care datasets of Residential Care Homes and Personal Budgets will be included in the NFI 2024/25 work programme. This data will be requested and matched subject to completion of the LRO, with timings communicated to relevant participants at a later date; and
- All existing datasets will be retained for the NFI 2024/25 exercise.

Feedback on NFI 2024/25 Fee Proposals

35. In the consultation we asked for feedback on our proposals for participant fees, including specific questions on the fee methodology, inflationary uplifts and retaining the penalty fee for late or poor quality data submissions.

36. A summary of the main points raised by respondents are set out below, along with our response to this feedback.

Question C Summary of feedback

Ref	Question	Agree	Disagree	Neutral	No comment	Total Responses
C	<p>Do you have any comments on the proposal to retain the existing fee model for the NFI 2024/25 exercise? Please consider:</p> <ul style="list-style-type: none">i) the fee model used to generate the NFI 2024/25 fee scale;ii) the review of FraudHub use and its effect on match returns for the two-yearly NFI exercise;iii) the exclusion of social care data from the fee model and the proposal to supplement the cost of social care data matching through unspent funds from the NFI 2020/21 exercise.	15% (10)	13% (9)	3% (2)	69% (46)	67

37. In total, 21 respondents provided comments on the proposal to retain the existing fee model for the NFI 2024/25 exercise. Of these, 10 organisations were supportive of this approach, indicating that the model remains fair and reasonable following a satisfactory review. Organisations in this group also welcomed the proposal to subsidise adult social care data matching through previous unspent funds, which they felt was a logical approach due to the dependency of the matching on the completion of the LRO. Some noted that the benefits of

any social care matching should be considered before implementing fees for the following NFI 2026/27 exercise.

38. Four organisations commented on the proposal to keep FraudHub and National Exercise fees separate, agreeing that the data matched through FraudHub is not yet broad enough to significantly reduce match returns and potential benefits from the main NFI exercise. Some noted that this may change with increased membership and usage of the FraudHub product, with suggestions that the NFI should invest in Fraudhub developments to increase benefits for FraudHub members, before reassessing the position for the next exercise.
39. The majority of negative comments in response to the fee model proposal referenced the overall cost of the NFI exercise as opposed to how the fee model has been applied. Amongst the 9 negative responses, almost half (4) challenged why there is a mandatory charge in place for participation, arguing that the NFI exercise should be either free of charge, funded from central government, or made optional like it is for government departments. A further two organisations questioned whether the NFI has sought opportunities for efficiency savings through use of IT and Artificial Intelligence (AI) to streamline processes and reduce NFI workload so that savings can be passed onto participants.
40. Other comments indicated that fees are not fairly weighted between different council types, or reflective of the differences in the amount and type of data submitted by each organisation. They suggested additional data such as population size and housing stock should be included in the model to better reflect the level of fraud risk for an area and the subsequent benefits that could be gained from NFI matching. Linked to this, two comments challenged the use of high risk matches in the model as a measure of potential benefits, citing flaws in the NFI risk scoring process.
41. Two organisations provided a neutral response to this question, commenting that they would prefer more clarity over how the fee model has been applied. The majority of consultation respondents (69%) indicated that they did not have any comments to make on this proposal.

Question C- Response to feedback

42. The fee model uses data from the last NFI exercise to find:
 - i) the average number of datasets submitted and processed for each organisation type; and
 - ii) the average number of high risk matches received for each organisation type across all fraud risk areas
43. The model scores this data, weighting scores 3:1 in favour of high risk matches to place more importance on the potential benefits that organisations can gain from NFI matching. The score determines organisations' position on the fee scale, with the final fee allocated after an assessment of the income and expenditure required to deliver the full NFI programme.
44. Over the last few years we have used participant feedback and AI/machine learning to develop our risk scoring process and improve the accuracy of risk scored matches. In the last NFI exercise, we applied new Precision risk scoring to a number of datasets which uses predictive analytics and algorithms to identify the matches with the most likelihood to produce results. Evaluations of this work have shown correlations between high risk scored matches and financial savings, in particular around the value of savings for high risk

matches compared to lower risk scored matches. Similarly, as part of our review of the fee model, we found that the average savings reported by each organisation type are broadly in line with their position on the fee scale, with organisations at the top and bottom of the fee scale receiving the highest and lowest average savings respectively.

45. Our work to review and refine risk scoring will continue into the next NFI exercise, however based on our recent evaluations we are satisfied that the risk scoring is currently robust enough to warrant continued use in the fee model.
46. In response to comments that we should factor population and housing stock into the fee model, we acknowledge that larger organisations with a wide range of responsibilities may have greater fraud risks, and subsequently have the potential to gain more from NFI matching. However, it is also important to recognise that there are many other internal and external factors that could affect fraud risks such as local fraud prevention strategies, location and layout, demographic and socioeconomic factors and the uptake of public benefits and services. The high risk matches returned in the NFI are a by-product of all these contextual factors and therefore such factors are indirectly accounted for in the fee model.
47. After reviewing consultation feedback, we are satisfied that the current model produces a fair and reasonable fee scale for NFI participants. We accept however, that as we seek to evolve under our new NFI strategy and IT contract, it may be appropriate to explore other fee model options for future exercises to ensure fees remain relevant and value for money to our service users. Future fee model reviews will continue to consider the benefits and value of individual datasets within the NFI, as well as the use of additional NFI products such as FraudHub.
48. Finally, we acknowledge that participation is a mandatory requirement for some public sector organisations, which currently, in line with existing legislation, is a chargeable service. Working within these legislative constraints we have an ongoing commitment to finding ways to help offset high fees and promote value for money. We discuss this more in our response to question D.

Question D Summary of Feedback

Ref	Question	Positive	Negative	Neutral	No comment	Total responses
D	Do you agree with the proposal to uplift fees by 6% to reflect our operational cost increases between 2021 and 2023?	46% (31)	36% (24)	12% (8)	6% (4)	67

49. Almost half of the consultation respondents (46%) were in support of the proposal to uplift participant fees by 6%, with comments indicating that the uplift is reasonable and proportionate compared to the current rate of inflation.
50. A number of responses in support of proposals accepted that the NFI costs have increased and that a fee uplift is necessary to help sustain the NFI programme and maintain data

matching services. Similarly, organisations that provided a neutral response to this question recognised that the public sector, including the NFI, are facing similar cost pressures which makes uplifts understandable, if not favourable.

51. Several respondents both for and against the proposal referenced the value of the NFI exercise in terms of the cost-benefit of participation. Whilst some respondents noted that the proposed fees are reasonable compared to the return on investment, others in disagreement with proposals argued that the exercise is not good value for money due to minimal financial returns from previous participation.
52. Financial pressures and budgetary restrictions were a prominent theme amongst the 24 organisations in disagreement with proposals, with over half of them (13) indicating that increased fees are unaffordable and unwelcome during a period where public sector organisations are under pressure to balance budgets. Some felt that it is unfair that mandatory participation means they have no option but to reduce spending further in order to accommodate the unavoidable fee.
53. Linked to this point, some respondents argued that as it is mandatory to participate, the cost of the NFI programme should be subsidised by central government, with any necessary fee increases supplemented through internal efficiencies within the NFI or wider Public Sector Fraud Authority (PSFA).
54. One organisation questioned why, after the 6% uplift, the fee was rounded up to the nearest £5 as opposed to rounding the value downwards.

Question D – Response to feedback

55. When reviewing the fees for the forthcoming exercise, we were mindful of the financial challenges across the public sector and the drawbacks of significant fee increases on participant budgets. Our aim was to levy manageable fee increases that would generate sufficient income to help offset our operational costs and sustain NFI activity. We note that a high number of respondents agreed with this proposal, appreciating our balanced approach.
56. We understand that for some participants any fee uplift is unwelcome, however we maintain that the monetary implications are not significant ranging from £70 to a maximum of £260 over a two year period (an average of £35 to £130 per year). We are satisfied that after a review of our projected income and expenditure, fees have been uplifted by the minimum amount necessary to meet the NFI budget requirements. Additionally, the 6% fee increase is well below the CPIH inflation rate for the same period.
57. In response to comments that NFI fees should be subsidised by central government, under our data matching powers set out in the LAAA 2014, there is a duty to prescribe a scale of fees for data matching. Any deviation from this would require legislative change.
58. With regards to other funding and efficiencies, in recent years the PSFA has secured central government funding to develop the NFI business development workstream focusing on pilot data matching (often free of charge) and product development to benefit NFI users. It is anticipated that further PSFA funding will be used to develop this work in the medium term. We have also worked hard to expand our private sector and commercial work, which not only provides us with access to a wide range of data for counter fraud purposes, but helps to generate additional income to support the NFI budget. Recently the NFI has procured a new and ambitious IT contract which focuses on improved technology and

processes to enable us to deliver more for less. The successful procurement of this contract secures continued value for money over the next four years.

59. With regards to comments on the cost-benefit of participation, our review of results from the previous NFI exercise showed that some sectors, notably those that raised concerns around value for money, had low engagement with the NFI. On average 72% of participants reviewed more than 5% of NFI matches, but this ranged from 33% -100% across different organisation types. As highlighted in our response to question B, most organisations that undertake thorough NFI match reviews can expect financial returns. For others, NFI matching can provide valuable assurance on the robustness of existing fraud controls.
60. We are committed to helping participants get the most out of their NFI matches. User engagement is a priority work area and a core part of our strategy. We recognise the importance of good user engagement to ensure we are communicating effectively, listening to feedback and offering support to facilitate efficient match reviews. We will do this through continuation of our interactive user training workshops, as well as increased site visits, surveys and focus groups to ensure all participants maximise benefits from the NFI.
61. Finally, we accept the point about rounding and will ensure all fees are rounded down to the nearest £5 after the fee uplift has been applied, which aligns with the approach taken by other government departments. This only affects fees for district councils, who will have a £5 reduction on the standard fee, from initial proposals. Final fees are available to view on GOV.UK.

Question E Summary of Feedback

Ref	Question	Positive	Negative	Neutral	No comment	Total responses
E	Do you have any comments on the proposal to retain the penalty fee at 5% for late or poor quality data submissions?	12% (8)	16% (11)	3% (2)	69% (46)	67

62. Less than a third (21) of the 67 respondents provided comments on the proposal to retain the penalty fee policy of a 5% fee uplift for data submissions that are late or that fail to meet our minimum data quality standards.
63. Of the 11 organisations that provided a negative response, several indicated that non-compliance to the NFI data requests can be unavoidable, citing reasons such as the complexities in co-ordinating data from different service areas, stretched resources, staff turnover, missed communications and genuine errors.
64. Three organisations questioned the appropriateness of a penalty which, if levied, could add financial pressure on stretched budgets, and penalise tax payers. A further three challenged whether the cost to administer the penalties outweighs any benefits to levying them.
65. Other comments noted that the NFI is a paid for service which should not incur penalties, and that more developments should be done to automate data cleansing at the point of data upload to improve efficiency and avoid the need to penalise for poor quality data.

66. For the 8 organisations in support of this proposal, the majority indicated that the penalty fee policy is a useful tool for encouraging compliance with the NFI data requirements. Comments highlighted the importance of good quality data for producing valuable match returns, and how timely data submissions improves programme efficiency to the benefit of all participants. One organisation questioned whether the penalty fees are high enough to compensate for the work to resolve late and poor quality data, suggesting that the penalty fee amount should be increased.
67. The two organisations that provided a neutral response to this question felt that penalty fees should only be applied on a case by case basis, following due consideration of exceptional or mitigating circumstances that may have affected capacity to comply with data submission requirements.

Question E – Response to feedback

68. The penalty fee policy was introduced in 2020/21 as a tool for encouraging participants to comply with the NFI timetable and data specifications. Late data delays the data matching process and increases the need for supplementary match run(s), to the detriment of NFI resources. It also negatively impacts compliant participants who receive untimely data match results generated from matching between other organisations' late data. Poor quality data takes additional time to cleanse and can cause false positive data matches, wasting valuable investigative resources. We note that many respondents acknowledged the benefits of this policy for improving efficiency and match results for all users.
69. Our statistics suggest the policy has proved effective over the past two NFI exercises, with expected data submissions increasing to a record 95.6% in the NFI 2022/23 exercise. Our data processing team also reported an increase in the quality of data in terms of its adherence to data specification fields and formatting requirements. Subsequently, the number of organisations in scope for a penalty decreased by almost half between the NFI 2020/21 exercise and NFI 2022/23 exercise.
70. We appreciate that co-ordinating NFI data submissions can be challenging, in particular for organisations with multiple data requirements and / or competing priorities. To support the process and assist with preparation, we publish and communicate draft data specifications several months before the data submission deadline. We also aim to keep data specification changes to a minimum, only implementing changes that we believe will significantly benefit or refine resulting matches. For support with data quality, we produce a summary of each organisation's data quality compliance from the previous NFI exercise, highlighting areas that can be improved. This provides participants with the opportunity to review previous data quality issues, which they can seek to rectify prior to the next exercise.
71. Under our new IT contract we are committed to finding ways to continually improve data cleansing and processing to produce timely and high quality data matches. For the NFI 2024/25 exercise we are working to reduce the time taken to produce data matches, with the aim to publish match results up to four weeks earlier than in previous NFI exercises. This will require a shorter window for participants to submit their data. For this to be successful, it remains important that NFI participants work with us to adhere to data specifications and formatting requirements as closely as possible to facilitate this work.
72. Organisations can challenge penalties through an appeals process, led by an independent panel. In the last NFI exercise, a fifth of penalties were waived after due consideration of

mitigating circumstances deemed beyond reasonable control. With an established process refined from previous NFI exercises, the work to levy penalties is undertaken as part of our operational delivery work programme. Subsequently we believe that the benefits of the policy currently outweigh the resources to administer it, however we will keep this under review for future.

73. Based on the consultation feedback and the evidence outlined above, we believe it is reasonable to retain the data penalty policy for the NFI 2024/25 exercise.

Conclusions on fee proposals

74. After reviewing the feedback received on the proposals for NFI 2024/25 fees, we can confirm that:

- the existing fee model which determines fees based on average dataset submissions and the number of high risk NFI matches by organisation type will apply to the NFI 2024/25 fee scale;
- fees for the NFI exercise and the voluntary FraudHub product will remain separate;
- the cost of any adult social care data matching will be subsidised through unspent funds from the NFI 2020/21 exercise;
- fees will increase by 6% for all organisations, rounded down to the nearest £5; and
- a penalty of 5% of the standard NFI fee (rounded down to the nearest £5) will apply for late or poor quality data submissions.

Next Steps

75. The Cabinet Office has complied with its statutory duty to consult before prescribing the fee scale for the NFI 2024/25 exercise. Following consideration of all responses, the final NFI 2024/25 work programme and scale of fees is available to view on [GOV.UK](https://www.gov.uk).
76. We will now commence work on the NFI 2024/25 exercise. The full NFI 2024/25 timetable will be communicated to participants, along with final data specifications and participant instructions during August 2024.