

BRIEFING FOR THE MINISTER OF POLICE			
<b>Priority</b>	<input checked="" type="checkbox"/> Urgent <input checked="" type="checkbox"/> Time-Sensitive <input type="checkbox"/> Routine Decisions are required to feed into Cabinet paper being considered by Cabinet on 5 December 2022		
<b>Title</b>	Additional support for small businesses to prevent aggravated robbery		
<b>Date</b>	1 December 2022	<b>Ref</b>	BR/22/118CH

### Recommendations

Police recommends that the Minister of Police:

- a) **note** that Police will begin delivery on the expanded Retail Crime Prevention Programme (RCPP) using the current allocated funding of \$6.000 million
- b) **note** that Police recognise that continued delivery of the expanded programme to include small businesses that have been the victims of aggravated robbery is expected to cost an additional \$6.000 million
- c) **agree** that \$6.000 million will be provided to meet these additional costs ☒ Yes ☐ No
- d) **note** the programme will now run into the next financial year and any remaining funds from the current allocation will need to be carried forward into the 2023/24 financial year
- e) **agree** to request Cabinet amend the date of the report back on the RCPP [CAB-22-MIN-0182] to the end of March 2023, to allow for establishment and bedding in of the aggravated robbery aspect of the programme ☒ Yes ☐ No
- f) **agree** that Police will seek draw down of up to \$6.000 million to complete the delivery of the programme in the March 2023 Cabinet paper ☒ Yes ☐ No
- g) **note** a further briefing on implementation of the Fog Cannon Subsidy Scheme will be provided to joint Ministers by the Ministry of Business, Innovation and Employment

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- h) **note** a further briefing on the implementation and funding for the partnering with councils on crime prevention will be provided to joint Ministers by the Ministry of Justice
- i) **sign** and forward this briefing to the Minister of Finance, Minister of Corrections, Minister for Small Business and Minister of Justice for their information. Yes/No

### Minister's comments and signature



..... 4 / 12 / 2022

Hon Chris Hipkins

Minister of Police

## **BRIEFING FOR THE MINISTER OF POLICE**

### **Additional support for small businesses to prevent aggravated robbery**

#### **Purpose**

1. This paper seeks your agreement on matters relating to the implementation of crime preventative measures to support small businesses following Cabinet decisions on 28 November, including:
  - a) more detail on the delivery of an expanded Retail Crime Prevention Programme;
  - b) an early indication of the direction and design of the Fog Cannon Subsidy Scheme and the initiative to partner with councils on crime prevention (further briefing coming from MBIE); and
  - c) further detail on funding towards partnering with local councils to support initiatives focused on Crime Prevention.
2. MBIE will brief further on the Subsidy Scheme and the Ministry of Justice will provide a briefing on the allocation of Proceeds of Crime Funding to local government and youth initiatives (already agreed) in the coming days.

#### **Background**

3. On 28 November, Cabinet agreed to fund two crime prevention initiatives to help prevent aggravated robberies and other retail offending and allocated a further \$1m for work with councils [CAB-22-MIN-0548]. The three initiatives are:
  - Retail Crime Prevention Programme (the RCPP)
  - Fog Cannon Subsidy Scheme
  - Partnering with selected councils on crime prevention.
4. The RCPP was established in mid-2022 to support small business retailers who have experienced a ram raid since 1 November 2021. Police are responsible for the design and operation of the programme.
5. The Fog Cannons Subsidy Scheme is a new initiative. The Ministry of Business, Innovation and Employment (MBIE) will provide a separate briefing to joint Ministers regarding implementation matters. A high level outline of the work is included in this briefing.
6. The programme relating to partnering with councils on crime prevention is being delivered by the Ministry of Social Development. Funding and implementation decisions are being sought separately in a briefing to be provided by the Ministry of Justice. A high level outline of the work is included in this briefing.

#### **Expanding the Retail Crime Prevention Programme to include victims of aggravated robbery requires further funding**

*The RCPP was established to address the impacts of ram raids on small business*

7. In May 2022, Cabinet agreed to establish a programme for funding small retailer crime prevention solutions (now known as the RCPP) to address the increasing

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number of ram raids in late 2021 and 2022, which were impacting retail business owners, particularly small business owners [CAB-22-MIN-0182]. Police was directed to design and implement the programme, including the specific eligibility criteria for applicants.

8. Cabinet agreed to allocate \$6.000 million for 2022/23 costs of the programme, to be funded from the Proceeds of Crime Fund.
9. The RCMP is currently applying the following criteria:
  - a) a store must have been the victim of a ram raid within the past 12 months (1 November 2021 – now) § 6(c) [REDACTED]
10. The programme involves visits to the retailer, the identification of risk, assessment of the security needs of retailers, identification of appropriate preventive equipment (including estimated costs), and the contracting of providers to install protective equipment for retailers. Protective equipment could include a fog cannon, siren, alarm, roller doors and bollards.
11. As of 24 November, the RCMP has 100 stores with installations either booked or under way, and installations at eight stores have been completed fully by external suppliers. A total of 268 stores have been contacted by RCMP staff and of those 158 have completed a Police assessment. To date, Police have committed around \$1.8 million for assessment and installation of protective equipment.

*Cabinet has agreed to expand the RCMP to cover small business victims of aggravated robbery*

12. Cabinet has decided to expand the RCMP to include victims of an aggravated robbery. Therefore, the criterion will be amended to be:
  - a store must have been the victim of a ram raid OR an aggravated robbery within the past 12 months (1 November 2021 – now) § 6(c) [REDACTED]
13. Police estimate the expanded criteria will cover an additional 500 small businesses impacted by aggravated robbery. This figure was arrived at after consideration of the following matters:
  - a) Police is aware of 341 aggravated robberies at unique locations from 1 November 2021 to 22 November 2022.
  - b) Early analysis suggests that potentially 84% of those 341 would be eligible small businesses, which equates to 263 locations.
  - c) Based on current experience we consider up to an additional 240 small businesses are likely to become victims of aggravated robbery over the next 12 months.

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14. Police will build on the knowledge gained from delivering the RCPP to victims of ram raids to develop appropriate processes for delivering to the victims of aggravated robbery.
15. Police are working to start delivery of the expanded programme as soon as practicably possible. The rollout will face the same multi-stage process and limitations in pace of delivery experienced in the RCPP to date, based on supply chain issues, retailer premises access and staffing limitations.

*Police will continue to deliver under current funding, but additional funding will be required to complete delivery*

16. As indicated on the RCPP dashboard, the current average spend per store under the current programme settings is (\$10,700). For 263 additional stores an additional \$2.8 million would be required. If the number of businesses assisted by the RCPP is increased to 500 stores due to confirmed incidents of aggravated robbery, this could equate to a cost of \$5.35m. Based on the past 12 months experience, this full funding would enable support to be provided for around a further 11 months (i.e., to October 2023). If patterns of offending change, this estimate will change accordingly.
17. Any businesses which have been victim of a ram raid and/or an aggravated robbery will be assessed and supported once, so any crossover may reduce the total number of victims.
18. Additional capacity to deliver this extended programme will be required. Police estimate managing the expanded criteria would require four to five additional FTEs, including new assessors, data analysts and project support. This is estimated at a total cost of \$400,000 over a 12-month period.
19. Police will continue to deliver the expanded programme from the existing budget. However, projections indicate that it is very likely further funding be required.
20. The programme currently has a budget of \$6 million to 30 June 2023, with \$1.8 million already committed to the purchase and install of products alone.
21. Current forecasts indicate that most of the fund will be committed by the end of June 2023. However, given the increase in scale to support victims of aggravated robbery (from 1 November and potentially for the coming 12 months) and factors influencing delivery timelines outside of Police's control (such as supply chain, staffing and retailer premises access issues), it is clear that the programme will now run into the 2023/24 financial year. Therefore, some funds may need to be carried forward into the 2023/24 financial year.
22. We will update you in March 2023 on whether funding will need to be carried forward and what scale of additional funding is required.
23. The delivery and implementation costs remain uncertain and Police considers it appropriate to include a \$250,000 contingency budget to enable delivery of the programme. This could cover Police's operating costs or changes in the costs of delivery. Therefore, we estimate broadening the programme's criteria could cost up to an additional \$6.000 million.

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### *Police propose deferral of report back on the RCPP scheduled for December 2022*

24. Police proposes Cabinet agree to amend the date of the report back on the Crime Prevention Programme [CAB-22-MIN-0182] to the end of March 2023 to allow the new element of the programme to be established and bedded in prior to reporting back. The report-back paper was intended to be considered by the Cabinet Social Wellbeing Committee at the final meeting on 15 December.

### *Risks to RCPP*

25. A key risk associated with Police not seeking additional funding at this stage, is uncertainty about whether additional funding will be made available and the potential for the fund to be depleted earlier than anticipated due to higher than forecast demand from retailers. This could lead to Police being unable to deliver the programme to all retailers impacted by ram raids and aggravated robberies, who express interest in receiving assistance and have significant impact on trust and confidence in Police.
26. This risk can be mitigated by Ministers confirming the agreed \$6m budget with Police drawing down the final required budget in March 2023 for allocation in the 22/23 and 23/24 financial years.
27. The following risks have been regularly communicated to your office by Police. The likelihood of these risks impacting delivery has now increased given the increased volume created by the expanded criteria:
  - a) Longer than expected lead times for installation of equipment. Mitigations include contracting suppliers and pre-purchase of protective equipment.
  - b) Long timelines for identifying eligible stores. Mitigations include continuing to recruit additional staff for the programme.
  - c) Delays due to awaiting responses from insurance companies. Mitigations include continuing to install other protective measures (e.g., fog cannons) to ensure a level of protection is in place.
  - d) Higher than expected supply and installation costs. Mitigations include continuing to monitor and review costs to determine whether there is a business case to seek additional funding.
  - e) Unavailability of some suppliers over the Christmas break. Mitigations include continuing conversations with suppliers to continue working over Christmas, and Police staff managing retailer expectations.

### **Establish a Fog Cannon Subsidy Scheme for Small Retailers**

28. Cabinet agreed to establish a new fog cannon subsidy scheme, open to any small business that requests it, with no requirement to have been the victim of a ram raid or aggravated burglary (CAB-22-MIN-0548). Funding of \$4,000 will be available for each retailer to have a cannon installed. The scheme would be administered by MBIE.

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29. MBIE is seeking decisions from Ministers on the following matters to inform the further development of the subsidy scheme:

- a) Decision One: Eligibility. MBIE recommends that 'small shops' for the purposes of the scheme be defined as retailers with up to two outlets and no more than five employees across both. MBIE also recommends that the retailer has a street frontage (eg not be in a mall or another enclosed area where security is already provided), and the retailer is independently owned and operated, and not a franchise or part of a chain.

While these eligibility criteria are not fully aligned with the RCPP (which aims to support victims of serious crime <sup>s 6(c)</sup> [REDACTED]), MBIE considers that this is appropriate, given the different purposes of the two schemes.

- b) Decision Two: Pricing for retailers. MBIE recommends that retailers make up the difference between the \$4,000 subsidy and the actual cost of having a fog cannon installed. Another option is to cap the retailer's contribution to a fixed amount, as per the RCPP, but this is likely to add complexity to the scheme and delay its implementation by requiring a procurement or other process to cap the amount suppliers could charge.

- c) Decision Three: Design of the scheme. The two basic approaches are:

Approach One: establish a market led scheme, or

Approach Two: integrate it into the existing RCPP process.

If the decision is to prioritise a scheme that is low burden for retailers, scalable, cost effective and timely, MBIE recommend Approach One. If, however, the decision is to prioritise the ability to target to need, best value for money, and maximising integrity, then Approach Two would be preferable. MBIE would not be able to deliver Approach Two.

Police do not recommend integrating the subsidy scheme into the RCPP, as this would increase administrative complexity and those who were at risk (but had not been victims of crime and eligible for fog cannons only) would not be highly prioritised for assistance under the RCPP.

30. MBIE have done some initial work on the costing of the scheme. Costs will depend on the uptake of the scheme and the approach chosen. Detailed advice is included the briefing on implementation of the Fog Cannon Subsidy Scheme which will be provided to joint Ministers by MBIE.
31. A risk of the scheme for Police is that if it under-delivers this may be seen as being a failing of the Police, due to limited public understanding of the separate nature of this scheme and the RCPP.
32. The advice will inform further Cabinet consideration of the initiative package on Monday 5 December.

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### **Partner with councils on crime prevention**

33. Cabinet agreed on 21 November 2022 to allocate \$1m additional funds from Proceeds of Crime for crime prevention activities would target high risk areas in the upper North Island, including Auckland, Hamilton and the Bay of Plenty [CAB-22-MIN-0528]. Following further Cabinet approval of an additional \$1 million [CAB-22-MIN-0548], funding for each Council will be capped to foster local crime prevention programmes, as follows:
  - i. Auckland maximum of \$2 million
  - ii. Hamilton maximum of \$1 million, and
  - iii. Bay of Plenty region maximum of \$1 million.
34. Regional Public Service Commissioners (RPSCs), alongside their relevant regional leadership groups, and Police are actively engaging with local authorities in Auckland, Hamilton and the Bay of Plenty region policing districts to identify initiatives that may be suitable for co-funding.
35. These initiatives are likely to be focused on Crime Prevention through Environmental Design (CPTED) opportunities in areas being commonly targeted, which could include street scaping, planter boxes, bollards and other measures designed to prevent criminal offending.
36. Local authority initiatives may take some time to identify, prioritise and develop depending on the type of initiative proposed and council funding available. Discussion is continuing to ensure whether all local councils will be in a position to match funds of the proposed government contribution
37. Police will continue to contribute to development of this work as required to support partnerships with Auckland Council, Hamilton City Council and councils in the Bay of Plenty to deliver crime prevention measures.
38. Conversations that Police have been involved in to date have focused on the types of crime prevention initiatives that could be implemented if funding from central government was available. These include opportunities for crime prevention through environmental design (CPTED), improvements such as street lighting, CCTV cameras, planting and streetscape design, as well as capable guardianship provided by additional council wardens. Other options being considered include youth engagement initiatives.
39. Following requests from Councils, for further information RPSCs are liaising with respective Councils on further details on the arrangement. Further advice on the implementation of this funding will be proved over the next day from the Ministry of Justice.

### **Consultation**

40. MBIE was consulted on this briefing and contributed to the content in relation to the Fog Cannon Subsidy Scheme section.



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Chris de Wattignar

Assistant Commissioner: Iwi & Community

<b>First contact</b>	Assistant Commissioner Chris de Wattignar	s 9(2)(a)
<b>Second contact</b>	Deputy Commissioner Wally Haumaha	s 9(2)(a)