

BRIEFING FOR THE MINISTER OF POLICE			
Priority	<input checked="" type="checkbox"/> Urgent <input checked="" type="checkbox"/> Time-Sensitive <input type="checkbox"/> Routine Agreement with Minister of Finance required by Tuesday 5 April to meet Budget 22 timeframes		
Title	Arms Safety and Control Detailed Business Case: corrections to two financial recommendations		
Date	1 April 2022	Ref	BR/22/28

Recommendations

Police recommends that the Minister of Police:

- a) note that Cabinet endorsed the Arms Safety and Control Detailed Business Case on 7 March 2022 and that two corrections to the financial recommendations are required;
- b) note that without these corrections, funding for the Arms Safety and Control Programme may not be secured, jeopardising the future of the arms regulatory work;
- c) note the corrections must be agreed jointly by the Minister of Police and the Minister of Finance;
- d) agree to correct the table at recommendation 15 of SWC-22-MIN-0021 that shifts the indicative spending profile between categories within the Multi-Category Expenses and Capital Expenditure to reconcile spending within the appropriation; Yes/No
- e) agree to replace 'capital expenditure' with 'capital injection' in the table at recommendation 20 of SWC-22-MIN-0021 to recognise the new funding as opposed to the expenditure of existing funding; Yes/No

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- f) agree to sign and forward the letter at Appendix 1 to the Minister of Finance seeking his approval by 5 April 2022. Yes/No

Minister's comments and signature

..... / / 2022

Hon Poto Williams
Minister of Police

PROACTIVE RELEASE

BRIEFING FOR THE MINISTER OF POLICE

Arms Safety and Control Detailed Business Case: corrections to two financial recommendations

Purpose

1. This briefing seeks your agreement to correct two of the financial recommendations in SWC-22-MIN-0021. As joint agreement with the Minister of Finance is required by the Cabinet Office, a letter to the Hon Grant Robertson is attached at **Appendix 1**.

Key messages

- Cabinet endorsed the Arms Safety and Control Detailed Business Case on 7 March 2022
- Two technical errors in the financial recommendations require correcting to ensure the funding for the Arms Safety and Control Programme can be secured
- These corrections must be jointly approved by the Minister of Police and the Minister of Finance by 5 April 2022

The arms regulatory programme is at risk without correcting Cabinet's recommendations

2. Cabinet endorsed the Arms Safety and Control Detailed Business Case on 7 March 2022 [CAB-22-MIN-0052] following SWC's consideration of it on 2 March 2022 [SWC-22-MIN-0021].
3. Two technical errors have subsequently been identified in the financial recommendations. These were picked up internally after the paper had been to Cabinet. Correcting these errors is necessary for the Arms Safety and Control Programme to proceed.

Joint Ministers may approve corrections to certain financial recommendations

4. Authority for altering these recommendations is found in Cabinet Office Circular (18) 2: *Proposals with Financial Implications and Financial Authorities*. The

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circular permits joint Ministers to approve certain changes to baselines, including the kinds of corrections proposed in this paper. Approval by the Minister of Police and Minister of Finance is therefore required.

Changing the transfer of revenue recommendation

5. Under recommendation 15 of SWC-22-MIN-0021, the fiscally neutral adjustment (FNA) for the transfer of revenue to the new appropriation was set against the overall Multi-Category Expenses and Capital Expenditure (MCA), and not a specific output class. While this was appropriate, the amounts of the component categories will need to be reforecast for the 2022/23 Estimates (or 2021/22 Supplementary Estimates), to reconcile the reduced amount of the MCA as a whole.
6. Paragraph 24.1 of CO (18) 2 (fiscally neutral adjustments) provides the authority for amending this financial recommendation. If this correction is not made, the appropriations will not balance, which is necessary for Budget 22.

Changing the tagged contingency recommendation

7. Recommendation 20 of SWC-22-MIN-0021 approved the drawdown of the capital tagged contingency and the corresponding changes to appropriations. However, the financial expenditure table incorrectly referred to Police Capital Expenditure, when this should have read Police Capital Injection.
8. Correcting this error will correct the corresponding impact on net core Crown debt, aligning with Cabinet's intentions. Without correction, the recommendation does not authorise new funding, placing the Arms Safety and Control programme in jeopardy.
9. Paragraph 24.5 CO (18) 2 (technical adjustments and technical approvals) provides the authority for amending this financial recommendation. CO (18) 2 permits technical adjustments and approvals necessary to give effect to Cabinet's decisions (paragraph 60).

Consultation

10. Treasury provided advice on the appropriate process and is comfortable with the attached draft letter.

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Next steps

11. If you are happy with the attached draft letter, please sign and forward it to Minister Robertson for his response. The corrections require authorisation by 5 April 2022 to meet Treasury's Budget 22 deadline.



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Jevon McSkimming

Deputy Commissioner (Strategy & Service)

First contact	Gillian Fergusson	s.9(2)(a) OIA
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Hon Poto Williams

MP for Christchurch East

Minister for Building and Construction

Minister of Police

Associate Minister for Children

Associate Minister of Housing (Public Housing)



Tēnā koe Minister Robertson

Arms Safety and Control Detailed Business Case: approval of corrections to two financial recommendations

Cabinet endorsed the Arms Safety and Control Detailed Business Case on 7 March 2022 [CAB-22-MIN-0052] following the Social Wellbeing Committee's (SWC) consideration of it on 2 March 2022 [SWC-22-MIN-0021].

Unfortunately, two technical errors in the recommendations have subsequently been identified. Treasury has advised that joint Ministers' agreement is required to approve the following corrections pursuant to paragraph 24.5 of Cabinet Office Circular (18) 2. The corrections are necessary to give effect to Cabinet's policy and funding decisions. I agree with the corrections being made. I am now seeking your agreement to them.

1. Under recommendation 15 of SWC-22-MIN-0021, the fiscally neutral adjustment (FNA) for the transfer of revenue to the new appropriation was set against the overall Multi-Category Expenses and Capital Expenditure (MCA), and not a specific output class. While this was appropriate, the amounts of the component categories will need to be reforecast for the 2022/23 Estimates (or 2021/22 Supps), to reconcile the reduced amount of the MCA as a whole.

Cabinet agreed to the following table (errors highlighted):

	\$m - increase/(decrease)				
Vote Police Minister of Police	2021/22	2022/23	2023/24	2024/25	2025/26 &
					Outyears
Departmental Output Expense:					
Arms Safety and Control; (funded by revenue Crown)	-	8.100	8.100	8.100	8.100
Arms Safety and Control; (funded by revenue other)	-	2.000	3.016	4.106	5.416
Multi-Category Expenses and Capital Expenditure:	-	(10.100)	(11.116)	(12.206)	(13.516)
Policing Services MCA:					
- Crime Prevention					
- Policy Advice and Ministerial Services					

- Primary Response Management					
- Investigations and Case Resolution					
- Road Policing					
Total Operating	-	-	-	-	-
Total Capital	-	-	-	-	

The new table should read:

	\$m - increase/(decrease)				
Vote Police	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Minister of Police					
Departmental Output Expense:					
Arms Safety and Control; (funded by Revenue Crown)	-	8.100	8.100	8.100	8.100
Arms Safety and Control; (funded by Revenue other)	-	2.000	3.016	4.106	5.416
Multi-Category Expenses and Capital Expenditure:					
<u>Policing Services MCA:</u>					
Crime Prevention	-	(7.497)	(7.497)	(7.497)	(7.497)
Policy Advice and Ministerial Services	-	(0.001)	(0.001)	(0.001)	(0.001)
Primary Response Management	-	(0.341)	(0.341)	(0.341)	(0.341)
Investigations and Case Resolution (funded by Revenue Crown)	-	(0.261)	(0.261)	(0.261)	(0.261)
<u>Policing Services MCA:</u>					
Crime Prevention	-	(1.852)	(2.792)	(3.800)	(5.013)
Policy Advice and Ministerial Services	-	0.000	0.000	(0.001)	(0.001)
Primary Response Management	-	(0.084)	(0.127)	(0.173)	(0.228)
Investigations and Case Resolution (funded by Revenue other)	-	(0.064)	(0.097)	(0.132)	(0.174)

Total Operating	0.000	(0.000)	(0.000)	(0.000)	(0.000)
Total Capital	-	-	-	-	

As this correction involves shifting the indicative spending profile between categories of a MCA, with no change to the overall appropriation, I seek your agreement to approve it under CO 18 (2), paragraphs 24.5 and 59.4.

- Recommendation 20 of SWC-22-MIN-0021 approved the drawdown of the capital tagged contingency and the corresponding changes to appropriations. However, the financial expenditure table incorrectly referred to Police Capital Expenditure, when this should have read Police Capital Injection. Correcting this error will correct the corresponding impact on net core Crown debt, aligning with Cabinet's intentions (paragraphs 24.5 and 60, CO (18) 3) in the original minute. Please approve the replacement of 'expenditure' with 'injection' in recommendation 20 so that correct table reads:

	\$m - increase/(decrease)				
Vote Police	2021/22	2022/23	2023/24	2024/25	2025/26 &
Minister of Police					Outyears
Departmental Output Expense: Arms Safety and Control; (funded by revenue Crown)	-	-	-	-	-
New Zealand Police Capital Injection	7.264	3.736	-	-	-
Total Operating	-	-	-	-	-
Total Capital	7.264	3.736	-	-	-

I am advised that these corrections require authorisation by 5 April 2022 to meet Treasury's deadline for all Budget 22 and other approvals.

Thank you for your assistance in rectifying these matters.

Nāku noa, nā

Hon Poto Williams
Minister of Police