

Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Retail Crime Prevention Programme: Update and Additional Funding

Portfolio Police

On 17 July 2023, Cabinet:

- noted that on 16 May 2022, Cabinet agreed to allocate \$6.000 million to establish a programme for funding small retailer crime prevention solutions drawn from the Proceeds of Crime Fund [CAB-22-MIN-0182];
- 2 **noted** that on 11 April 2023, Cabinet agreed to allocate \$9.000 million to extend the Retail Crime Prevention Programme (RCPP) from the Budget 2022 between-budget contingency or the Prime Minister's Emerging Priorities Fund [CAB-23-MIN-0147];
- 3 noted that when Cabinet agreed to the additional investment referred to above, it was indicated at that time that if the flow of occurrences of ram raids or an aggravated robbery increased, and if the average cost of interventions increased, this would have a significant impact on RCPP delivery;
- 4 **noted** that the funding required for the RCPP has increased due to a significant increase in aggravated robbery occurrences in recent months, the proportion of victims meeting the criteria for support increasing, and the average cost of interventions also increasing;
- agreed that each eligible business (including those within the pipeline) will receive a refined set of preventive measures, which will include fog cannons, alarm, siren and bollards, and CCTV tailored to the need of each business;
- **invited** the Minister of Police to report back to Cabinet in due course on the future of the RCPP;



8 s 6(c)

9 noted that Police has implemented measures to provide operational assurance, including working more closely with the Ministry of Business, Innovation and Employment (MBIE), developing a forecasting model and an escalation system, and are establishing a joint steering group to oversee the Police and MBIE programmes;

Financial implications

- agreed to draw-down \$8.241 million from the Proceeds of Crime Fund (PoCF) to fund the Programme for FY2023/24;
- approved the following changes to appropriations to give effect to the above decision, with a corresponding impact on the operating balance and net debt:

	\$m - increase/(decrease)				
Vote Police Minister of Police	2023/24	2024/25	2025/26	2026/27	2027/28 & Out-Years
Policing Services MCA					
Departmental Output Expenses					
- Crime Prevention	8.241	-	-	-	-
- Investigations and Case Resolution	-	-	-	-	-
- Policy Advice and Ministerial Services	-	-	-	-	-
- Primary Response Management	-	-	-	-	-
(Funded by Revenue Crown)					
Total Operating	8.241	-	-	-	-

- agreed that the changes to appropriations in 2023/24 above be included in the 2023/24 Supplementary Estimates of Appropriations and that, in the interim, the increases be met from Imprest Supply;
- agreed that while there is a corresponding impact on the operating balance and net debt, the appropriation will be funded by the recovered funds and therefore will be fiscally neutral and not counted against any Budget allowances.

Rachel Hayward Secretary of the Cabinet



Cabinet

Summary

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Retail Crime Prevention Programme: Update and Additional Funding

Portfolio Police

This paper seeks agreement to changes to the design of the Retail Crime Prevention Programme (the RCPP), and seeks approval of funding of \$8.241 million (from the Proceeds of Crime Fund) to continue the RCPP until 31 December 2023.

The RCPP delivers protective equipment and additional prevention advice to retailers who have been the victim of a ram raid or an aggravated robbery. As at 6 July 2023, 472 businesses have had installations completed and have exited the RCPP. There are 162 businesses in the process of being assessed and having security improvements fitted – 93 of these businesses are currently unfunded.

Police has considered how to better identify those businesses most in need, manage costs and provide greater assurance. Their analysis is in the **attached** A3 document.

The proposed changes to the RCPP include:

 focusing the support offered to a more limited, but still tailored, set of preventative measures (which will include fog cannons, alarms, sirens, bollards and CCTV depending on the retailer's assessed need);

•	s 6(c)
•	s 6(c)

The Minister of Police recommends that Cabinet:

- note that on 16 May 2022, Cabinet agreed to allocate \$6.000 million to establish a programme for funding small retailer crime prevention solutions drawn from the Proceeds of Crime Fund [CAB-22-MIN-0182];
- 2 note that on 11 April 2023, Cabinet agreed to allocate \$9.000 million to extend the Retail Crime Prevention Programme (RCPP) from the Budget 2022 between-budget contingency or the Prime Minister's Emerging Priorities Fund [CAB-23-MIN-0147];
- note that when Cabinet agreed to the additional investment referred to above, it was indicated at that time that if the flow of occurrences of ram raids or an aggravated robbery increased, and if the average cost of interventions increased, this would have a significant impact on RCPP delivery;

- 4 note that the funding required for the RCPP has increased due to a significant increase in aggravated robbery occurrences in recent months, the proportion of victims meeting the criteria for support increasing, and the average cost of interventions also increasing;
- agree that each eligible business (including those within the pipeline) will receive a refined set of preventive measures, which will include fog cannons, alarm, siren and bollards, and CCTV tailored to the need of each business;
- 6 invite the Minister of Police to report back to Cabinet in due course on the future of the RCPP;



- 8 s 6(c
- note that Police has implemented measures to provide operational assurance, including working more closely with the Ministry of Business, Innovation and Employment (MBIE), developing a forecasting model and an escalation system, and are establishing a joint steering group to oversee the Police and MBIE programmes;

Financial implications

- agree to draw-down \$8.241 million from the Proceeds of Crime Fund (PoCF) to fund the Programme for FY2023/24;
- approve the following changes to appropriations to give effect to the above decision, with a corresponding impact on the operating balance and net debt:

	\$m - increase/(decrease)				
Vote Police Minister of Police	2023/24	2024/25	2025/26	2026/27	2027/28 & Out-Years
Policing Services MCA					
Departmental Output Expenses					
- Crime Prevention	8.241	-	-	-	-
- Investigations and Case Resolution	-	-	-	-	-
- Policy Advice and Ministerial Services	-	-	-	-	-
- Primary Response Management	-	-	-	-	-
(Funded by Revenue Crown)					
Total Operating	8.241	-	-	-	-

IN CONFIDENCE

CAB-23-SUB-0310

- agree that the changes to appropriations in 2023/24 above be included in the 2023/24 Supplementary Estimates of Appropriations and that, in the interim, the increases be met from Imprest Supply;
- agree that while there is a corresponding impact on the operating balance and net debt, the appropriation will be funded by the recovered funds and therefore will be fiscally neutral and not counted against any Budget allowances.

Janine Harvey for Secretary of the Cabinet

Hard-copy distribution:

The Cabinet

Retail Crime Prevention Programme

Reducing repeat victimisations from Ram Raids and Aggravated Robbery



16 June 2023

STATUS AND UPDATE



RETAIL CRIME PREVENTION PROGRAMME: FINANCIAL POSITION AS OF 8 JUNE 2023

Financial Position of Programme	Quantity	Average Cost \$	\$ million
Budget / Funding Available*			15.000
Less: Actual Spend			10.261
Funding Remaining: Allocated as follows:			4.739
Commitments made – invoice expected pre 30 June 2023 (this reflects the higher of the range of estimate of \$1.200 million to \$1.500 million)			1.500
Commitments made – invoice expected post 30 June 2023			1.673
Expected commitments delivered in the new financial year with funding remaining			1.566

Funded Pipeline	Quantity	Average Cost \$	\$ million
Funded Pipeline			
Expected commitments delivered in the new financial year with funding remaining	93	16,837	1.566
Total Funded Pipeline	93		1.566

Unfunded Pipeline	Quantity	Average Cost \$	\$ million
Unfunded Pipeline to 30 June 2023			
<u>Unfunded</u> businesses in the pipeline	131	16,837	2.206
<u>Unfunded</u> Estimated new in June – not factored into Pipeline / Commitments	60	16,837	1.010
Total Unfunded Pipeline to 30 June 2023	191		3.216

s 9(2)(f)(iv)

DEMAND MODELLING ASSUMPTIONS WITH COST IMPLICATIONS TO 31 DEC

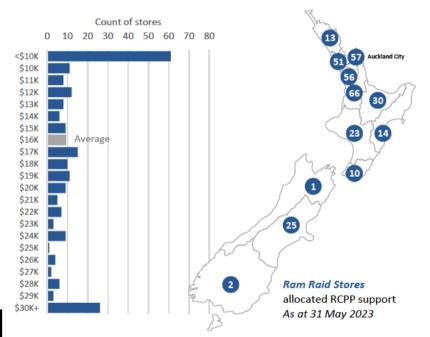
	Estimated Advice included in April Cabinet paper	Actual	Increase
Number per month	35	80	45
Average cost	\$15,706	\$16,837	\$1,131
Eligible percent (Agg Robb)	16%	34%-74%*	
Eligible percent (Ram raid)	24%	48%-62%*	
Total cost for 6 months	\$3,298,260	\$8,081,760	\$4,783,500

^{*} Lower rate for period 1 Nov 21 – Mar 23; higher rate 1 Feb – 30 May 2023

RAM RAID EXPENDITURE & DISTRIBUTION

235 eligible businesses

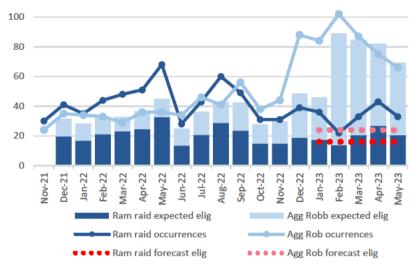
Typical installation: bollards fog cannon, integrated alarm, siren, CCTV



Type of Preventive Measures installed Varies by nature of store	Actual costings range per store		
Fog cannon integrated with alarm and siren	\$5,319 - \$14,034		
Fog cannon integrated with alarm and siren, CCTV and monitor	\$5,914 - \$15,698		
Bollards / Above Ground Vehicle Deterrents	\$1,075 - \$29,547		
Window Strengthening	\$2,044 - \$23,324		
External Roller Doors	\$4,048 - \$26,087		
Internal Mesh Grilles	\$1,325 - \$28,434		
Store Mirrors	\$988 - \$2,796		
Exterior Lighting upgrade	\$1,904 - \$5,886		

MONTHLY VOLUMES OF OCCURRENCES AND EXPECTED ELIGIBLE OCCURRENCES

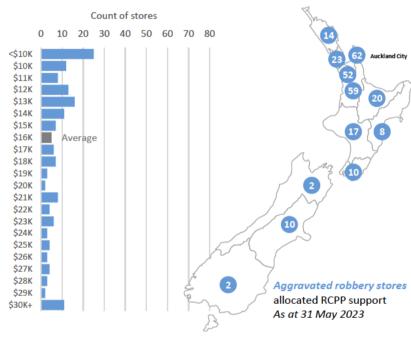
Two factors have impacted on the accuracy of the forecasting of volumes: the number of victimisations, and the number of businesses eligible for the programme. Due to the time required to process new victims, eligibility was not confirmed at the time of forecasting in March. While eligibility levels were assumed to be higher than previous months, the actual conversion rate was higher.



AGGRAVATED ROBBERY EXPENDITURE & DISTRIBUTION

163 eligible businesses

Typical installation: fog cannon, integrated alarm, siren, CCTV



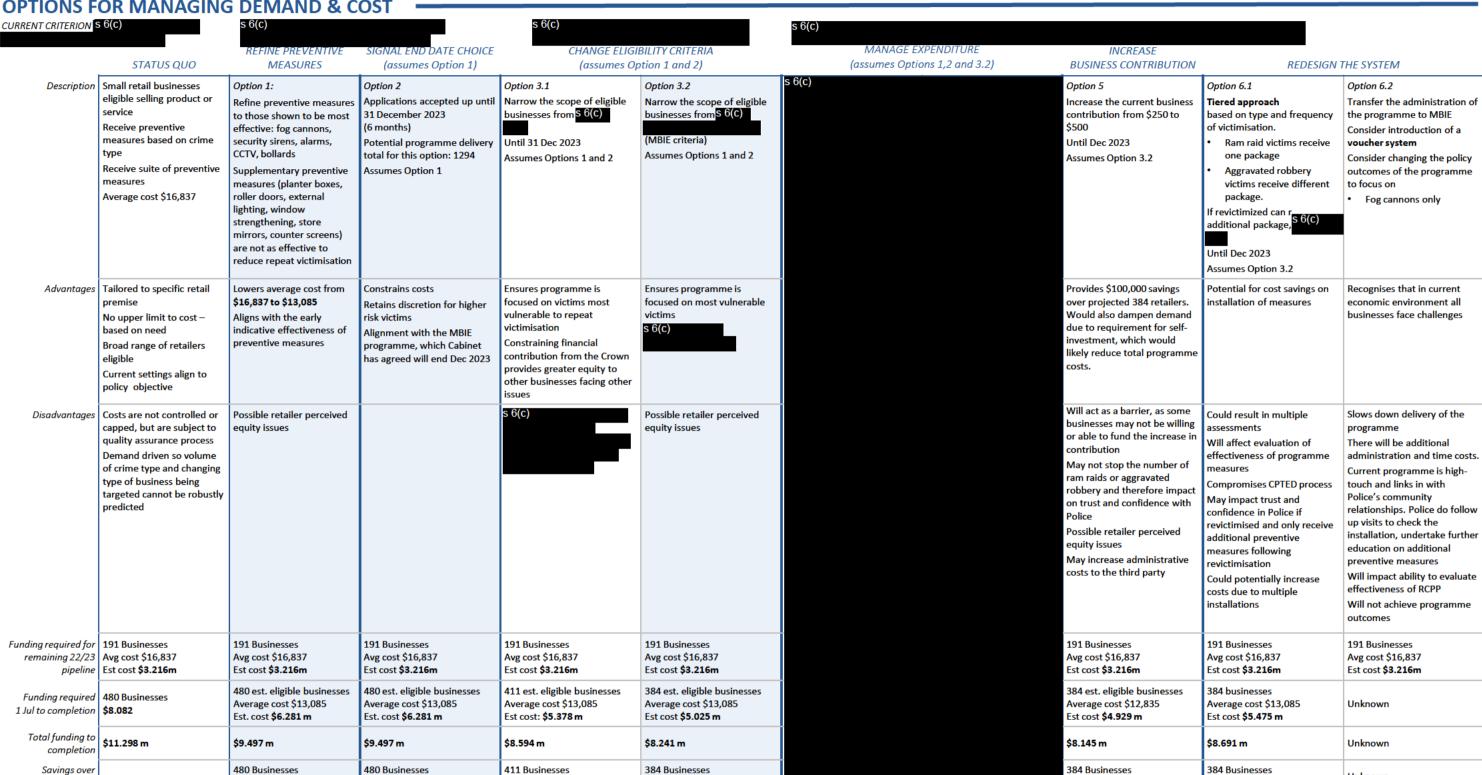
EFFECTIVENESS OF PREVENTIVE PACKAGES – EARLY INDICATIONS

As at 30 April, 322 completed stores had full installation of preventive measures. Comparing the rate of repeat victimisation between those that had standard measures (fog cannon security siren, alarm, CCTV, bollards) with those that had standard plus supplementary measures (planter boxes, roller doors, external lighting, window strengthening, store mirrors, counter screens), there was no greater reduction in repeat victimisation rates with the supplementary measures compared with the standard measures alone.

These are early indications based on a small sample size.

Retail Crime Prevention Programme

OPTIONS FOR MANAGING DEMAND & COST



OPERATIONAL ASSURANCE



status que

Recommendation

Increased reporting to the Minister via the weekly report including numbers in the pipeline and the financial implications, and analysis of the financial situation. Police will draw on MBIE's small business services tools and procurement experience as appropriate.



\$1.801 m

Recommended

Build forecasting and escalation model with MBIE with lead indicators for:

\$3.057 m

Recommended

- Demand victimisation
- Conversion rate (actual versus eligible)

\$2,704 m

- Average cost
- Total spend



Continue to work closely with MBIE, drawing on their project, procurement, small business expertise and financial assurance



\$96,000

Not recommended

GOVERNANCE

\$2,607 m

Establishment of joint governance arrangements to oversee MBIE and Police programmes

Unknown

Not recommended

\$1.801 m

Recommended