

'Crime against Business' Policy Summary

Key points

- 1. A National definition of 'Crime against Business' is essential if the economic damage caused by crime is to be fully recognised.**
- 2. 'Crime against Business' (CaB) must be a performance indicator for the Police.**
- 3. The FSB will encourage its members to report any crime they suffer to help raise the profile of such offences.**
- 4. The FSB is concerned at the way certain crimes such as theft from shops is being downgraded and may be 'decriminalised'. Such a move is unacceptable.**
- 5. At SW level the FSB will work with the SW Fraud Forum and the SW Business Crime Stakeholders group to raise the profile of 'CaB', and ensure actions are appropriate for small businesses.**
- 6. At local level, the 'Crime and Disorder Reduction' Partnerships are increasingly responsible for setting local policing priorities and frequently have little or no business representation.**
- 7. Fear of crime is impacting on business development and as such is damaging the economy.**
- 8. Crime prevention advice is appreciated by members who have used it, and there is a concern that it will now be charged for. The FSB would like to see better co-operation between police and insurance companies to advise and incentivise small businesses to improve their security practices.**

1. A National definition of 'Crime against Business' is essential if the economic damage caused by crime is to be fully recognised.

'Crime' is one issue where the FSB survey 'Barriers' has made a tremendous difference. Problems with definition mean that Government Statistics are not very good at revealing levels of 'Business Crime' or as we should be describing it, 'Crimes against Business' (CaB).

Work in South Wales and in Manchester found 15% of crime in South Wales and 19% in Manchester is business crime. Warwick University used a definition of 'crime on business premises' and found 26% of all recorded crime to be business crime on that definition.

This clearly shows that there is a problem with the definition and how Police Statistics are recorded but one which must be solved.

2. 'Crime against Business' (CaB) must be a performance indicator for the Police.

The problem with definition outlined above is given as the reason why CaB is not a performance target for the Police.

However, it is quite clear that scarce resources are focussed on ensuring targets are met. It follows that if we want crime against business to be taken seriously, then it has to be a performance target.

There has been much in the press about the success of the 'zero tolerance' initiative in New York. A key element of their success was their refusal to treat any offence as 'minor'. The FSB would welcome the same approach.

3. The FSB will encourage its members to report any crime they suffer to help raise the profile of such offences.

For some years it has been recognised that not all crimes are reported. This is certainly the case with small businesses. 'Barriers' in both 2004 and 2006 revealed considerable under reporting, with an average of just 2/3rds of crimes reported. This varies from 100% on some matters such as burglary down to 0% on matters such as employee theft.

The FSB is seeking to improve reporting rates. However this will require co-operation from local police services as some members report problems getting police staff to accept and record such matters.

4. The FSB is concerned at the way certain crimes such as theft from shops is being downgraded and may be 'decriminalised'. Such a move would be unacceptable.

Members considered that an attempt by the Government to 'decriminalise' theft from shops is actually having the effect of increasing levels of this crime.

The impact on a retail business of such thefts is poorly understood. Not only does the business suffer the loss of the item, but they may even incur the additional cost of paying the VAT as if it had been sold in the normal way. To avoid such additional costs, they need to keep records of losses. Small independent stores have been forced out business by VAT demands on stock shrinkage.

Larger stores are able to pay for CCTV, security staff, specialist staff training and have the facilities and resources to detain thieves. This is not an option for small businesses. Indeed the police advice is to watch, record, ideally by CCTV and then report theft to them. Members might be more inclined to take such action if they had any confidence that action would follow.

Some retail areas have combined to form 'Shopwatch'. The package includes message trees using radios or phones and security staff in day glo jackets. Where there are enough members to make activities obvious, there has been a noticeable reduction in crime. Business has increased as those who were afraid of hooligans have been attracted back. Members in other areas have not found their local schemes to be effective and hence are of poor value.

5. At SW level the FSB will work with the SW Fraud Forum and the SW Business Crime Stakeholders group to raise the profile of 'CaB', and ensure actions are appropriate for small businesses.

The first meeting of the SW Business Crime Stakeholder Group took place at the end of November. Although the group is still very much in the formation stage, it was very clear that the quality and effectiveness of various 'Shop Watch' and 'Business Watch' schemes varies enormously across the South West. Just raising all to the current standard of the best would make a great improvement for SW small businesses.

The SW Fraud Forum is modelled on the North East set up. They have been trying to achieve the same success as in the North East by replicating their programme. However, the business structure of the NE is very different from the SW. Their economy is dominated by large firms and by the public sector. Ours is dominated by small businesses. Evidence from 'Barriers' is proving invaluable in pointing the way to go: fewer dedicated training days and greater use of intermediaries.

6. At local level, the 'Crime and Disorder Reduction' Partnerships (CDRPs) are increasingly responsible for setting local policing priorities. The FSB is very concerned that such groups have little or no business representation and will work to remedy the situation.

The 1998 Crime and Disorder Act established partnerships between the police, local authorities, probation service, health authorities, the voluntary sector, and local residents and businesses. Notice how businesses come last.

The document advising such bodies on 'Involving your community' does not have the word 'business' anywhere.

Add to that meeting times during the day, and it can be seen how divorced such bodies are from small businesses.

However, there are some in the SW that are different. Again, the SW Business Crime Stakeholder Group includes them. And again raising the rest to the standard of the best will make a big difference to our members. The FSB at local and at SW level will be working to change this, not least because the CDRPs have a key role in setting out the Policing Strategy and priorities for their area.

7. Fear of crime is impacting on business development and as such is damaging the economy.

Barriers 2006 clearly shows that small businesses are wary of using the internet for fear of fraud. Yet for many small businesses, the internet is probably the only practicable way of finding new markets for the business.

In the SW, businesses located on or near the M4 or M5 are finding themselves targets, often on a repeated basis, of out of area thieves. Their very

proximity to the motorway which is a business benefit start to turn to a serious disadvantage, such that business advisors are now commenting on changes in attitude to business expansion as a result.

8. Crime prevention advice is appreciated by members who have used it. There is a concern that it will now be charged for. The FSB would like to see better co-operation between police and insurance companies to advise and incentivise small businesses to improve their security practices.

25% of FSB members find crime prevention advice effective or very effective compared with just 14% who do not. Our objective must therefore be to get more members to use the help available.

As ever, the problem comes to one of time and getting the package right. If a business needing to diversify mentions 'crime' as a concern, then the advisor should be able to bring appropriate crime prevention support into the package. Otherwise the business will probably fail through lack of a suitable change/growth strategy.

Another link which would encourage small businesses to take notice of security is through their insurance broker/company. In the same way as more Health and Safety regulation is being covered by risk assessment with the support of insurance companies, the same approach should extend to crime. Insurance companies should be more explicit about premium reductions available in return for better security or better anti fraud procedures.

While security systems are eligible for the normal business tax relief, Government could, if it were serious, increase the levels of security by making special tax provision for such items.

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Amended 5th February to reflect conversation with Vat man following comments from Peter Ashton.