

Annex to SIA's letter response to the Manchester Arena Inquiry - 30th September 2021

How the SIA has Approached Consideration and Review of the Recommendations and Report Findings, and What Steps have been Taken

1. The Home Office set up a working group to take forward joint consideration of MR7 and MR8. Members are drawn from across different areas of the Home Office, including from the Homeland Security Directorate, which leads on terrorism and the Protect Duty, as well as the Directorate of Public Protection, which has the policy lead for all matters connected to private security and its regulatory regime. The Executive Director of Inspections and Enforcement of the SIA and three senior leads attend for the SIA. The chair of the Joint Working Group alternates between the Home Office and SIA.
2. Complementing, and in support of, the Joint Working Group, the SIA has set up its own internal executive working group ("Regulatory Affairs Board" or "RAB"), chaired and led by the Executive Director of Inspections and Enforcement. Its purpose is to manage and drive forward SIA consideration of Monitored Recommendations 7 (MR7) and 8 (MR8) and related matters. It works across and coordinates input from different areas of expertise in the SIA.
3. These steps have ensured SIA senior level oversight and coordination of the different workstrands related to MR7 and MR8, and that they were carefully examined from the SIA's perspective and timely progress made. The discussions have fed into the Joint Working Group referred to above. The SIA has prepared and shared a number of analysis papers with the Joint Working Group on different aspects of the regulatory regime related to the recommendations and their history. This was to enable a thorough and careful review and consideration of both recommendations to take place.
4. The RAB has also overseen the SIA's consideration, response and action beyond MR7 and MR8 to other observations, comments and findings in the Volume 1 Report relevant to the SIA and private security regulation.
5. Regular updates on progress from RAB have been provided to the Chief Executive and the SIA's Board. The SIA will continue to ensure the momentum of its consideration of and response to Volume One Report's recommendations.

Monitored Recommendation 7

MR7: *"The requirement that only those monitoring CCTV under a contract for services need to hold an SIA licence should be reviewed."*

6. The SIA has reviewed this and agrees in principle that the requirement that only those monitoring CCTV under a contract for services need to hold an SIA licence should be changed to include directly employed CCTV operatives.
7. The SIA is working with the Home Office through the Joint Working Group on more detailed proposals and its implications.

Why most in-house security provision is excluded from the PSIA

8. As part of its review, the SIA has looked further into why, historically, only those monitoring CCTV under a contract for services was required under the Private Security Industry Act 2001 ("PSIA") to hold a licence and the policy reasons for this.
9. The March 1999 Home Office White Paper on regulation of the private security industry proposed that in-house staff be within the scope of regulation. However, the Private Security Industry Bill [HL] introduced to Parliament in December 2000 did not include a requirement for in-house security to be licensed. Parliament was informed during the passage of the Bill that licensing in-house security was not necessary as companies would have sufficiently vetted their own employees, trained them appropriately, and would be responsible for improving the standards of their employees. Ministers at the time also stated that the Bill was flexible enough that in-house security could be regulated later if it became necessary or desirable.
10. In the absence of specific regulation by the state, it is effectively left to employers to manage and regulate their in-house security operatives - ensuring due diligence on them, confirming their identity, knowledge, skills, and experience to carry out the role, alongside providing them with appropriate training and support to enable them to carry out their job.
11. The SIA's view is that the licensing of in-house security operatives is required if there is evidence that employers are not taking appropriate steps to protect public safety in relation to otherwise unlicensed operatives. The SIA believes that the Inquiry has shown that one area does not have sufficient public assurance in relation to in-house CCTV, namely that appropriate / equivalent training is provided.
12. More generally, the SIA agrees that it can be somewhat confusing and hard to determine and distinguish between whether someone is in-house and

employed or provided under a contract for services. This can make clarity on a requirement for a licence and identifying if there has been a breach or not difficult, as highlighted by the situation in the case of the Manchester Arena. It also causes uncertainty and confusion for security officers and businesses.

Key issues

13. To progress this recommendation further, the SIA and Home Office will continue to work together to assess the regulatory impact of such a change, including the numbers potentially affected. It will also be necessary to identify and assess from a public policy perspective any other unintended consequences such a change may have.
14. The last research by SIA on in-house security was in 2007-2008. A more detailed evidence and research base will now need to identify how many in-house security are affected and what existing other provisions might be in place across different forms of employed CCTV operators. This research and evidence base will enable a fuller assessment, ensure the extent and limits of the case for reform are made out for all types of CCTV users/operators, and map out the impacts on business and other organisations. This research is likely to need to be extensive, and will take time to both set up and complete. This is likely to affect the timing of any final proposal as there are several issues that can only be properly considered on the basis of a robust evidence base. This issue applies equally to consideration of MR7 and MR8.
15. The SIA is examining what exact legal changes would be required to bring about MR7. These are likely to have different merits and potential consequences. The choice of which option for legal change ultimately proposed is also likely to be affected by what is proposed in relation to MR8 (see below).
16. CCTV monitoring is carried out in different contexts across society and businesses. This includes activity which is monitored by smaller organisations (e.g. independent corner shops, local museums). These organisations might struggle to meet the costs of new regulation, require skills and security expertise that is different from larger organisations, and may be at low risk of terrorist attack or other public safety threat.
17. Decisions will need to be made on what exceptions might be justified as unnecessary or disproportionate – for example, whether this should extend to situations such as an employee in a small corner shop that operates a single CCTV, and/or in the context of local authority CCTV monitoring. This should take into consideration the Inquiry's comments at paragraph 8.64 about consideration being given to whether local authorities should be subject to the

Protect Duty, and the importance of sufficient training to observe hostile reconnaissance and suspicious behaviour by them.

18. The PSIA also includes general exemptions and exclusions from licensing for the provision of security in particular contexts (e.g. prisons). This is to avoid double regulation (exemptions) and to ensure that PSIA regulation does not apply to activities outside its intended scope (exclusions).
19. Some employers require their in-house security operatives to achieve the SIA licence-linked qualification and may also ask them to obtain an SIA licence. This is even though neither of these are legal requirements for their roles. It is the SIA's understanding that some employers do this because they recognise the benefits of this learning and/or the checks done during the licensing process. While this is welcome, it may affect the impact of any reforms. The SIA will therefore be looking into this in more detail to understand the drivers and the numbers involved.
20. Some security services being provided within the UK are operated and/or managed outside the UK. For example, the SIA is aware of a small number of CCTV control centres in other countries that monitor the feed from CCTV cameras in the UK. The SIA has no jurisdiction under the PSIA for services performed outside the UK. The Joint Working Group will be considering the question of how assurance on these services might be affected and/or regulated.
21. Stakeholder engagement will also be critical in these next steps and need to be included in this phase of the work, not just with potential employers who would be affected, but with other public bodies and those public bodies that monitor CCTV.

Next Steps

22. The SIA will continue to work with the Home Office through the Joint Working Group to develop more detailed proposals for expanding licensing to in-house CCTV operatives and will carry out further work on a research and evidence base to help assess its impact.
23. Proposals for reform in this area need to be developed closely and in cooperation with the Scottish Government, and the Northern Ireland Government. It will be for the UK Government, the Scottish Government, and the Northern Ireland Government ultimately to make decisions which would implement the change, how far and when.
24. As a longer-term aim, the SIA has also raised with the Home Office whether licensing should be extended further to the in-house equivalents of other

licensable activities in the PSIA (e.g. Security Guarding, Key Holding). In-house Door Supervision and Vehicle Immobilisation are already licensable activities under the PSIA in most circumstances. Expanding licensing to the remaining activities would ensure coherence and consistency if the regulatory regime is already licensing in-house CCTV operatives. Changes outside MR7, such as this, will be dependent on the extent and nature of the evidence of the need to do so for public protection.

Monitored Recommendation 8

MR8: *"Consideration should be given to whether contractors who carried out security services should be required to be licenced."*

25. The SIA and Home Office have been working, and continue to work, through what this recommendation means and how, if taken forward, it might work in practice, its consequences, and how it might be affected by the Protect Duty being developed and finalised by the Home Office.
26. In general terms, the SIA understands and supports the underlying drive and assurance on public safety the recommendation is seeking to provide. The SIA has previously, long supported in principle the introduction of some form of business licensing.
27. However, there is further work to do in understanding what the change suggested in the recommendation's relationship with the Protect Duty is, and in exploring further the consequences of introducing business licensing. In the SIA's view, it is necessary to have certainty and clarity on what the emerging Protect Duty will include and expect of the private security industry.
28. The SIA has also raised and discussed business licensing more generally with the Home Office. Both the change suggested by the recommendation, and more significant changes such as business licensing more generally, need to be considered in the context of ensuring any changes to the existing regime and proposals developed will assure the public, improve public safety, as well as be practical, and proportionate in its regulatory impact.

Key Issues

29. The SIA has considered and understood MR8 in the context of observations and comments made by the Inquiry at paragraph 8.106 of the Inquiry Report. This referred to consideration being given to amending the SIA legislative framework to require that companies which carry out security work which may include a "counter-terrorism element" be licensed. This, the Inquiry said, would ensure that only fit and proper companies carry out this work. It would also ensure that they are aware of and guard against the risks of terrorist

attacks at the events where they operate and carry out proper procedures, including training to mitigate those risks.

30. The concept of a “counter-terrorism element” was referenced by the Inquiry in the context of a security business engaged to provide crowd management and security services at a large public event and venue, such as the Manchester Arena, had to involve a counter terrorism element. This involved both risk assessments and actions towards their own employees present, as well as those who might be affected by their activities at the event, so protecting the public, including those attending the event, against a potential terrorist attack.
31. The focus of MR8 on those companies engaged in work that involves a counter-terrorism element means that defining the scope of any proposed regulatory reform needs careful consideration as to which companies are included and which are not, and of how that regulation might work in practice.
32. Issues that have arisen in the work to date, and need to be worked through, include how MR7 and MR8 can both be achieved, and how MR8 relates to the Protect Duty, when -
 - a. Achieving MR7 involves reforming the existing system of individual licensing of security operatives under the PSIA, while achieving MR8 potentially includes a new regulatory regime of business licensing.
 - b. Concerns about regulatory burden have meant that earlier proposals for business licensing have involved substantial reform of individual licensing, including the suggestion that business licensing can only be introduced if individual licensing is abolished. This was because of concerns about the impact of the reforms on small and micro-businesses, and about the potential regulatory burden associated with maintaining some form of individual licensing/registration once business licensing had been introduced.
 - c. Implementing business licensing, while keeping the existing form of individual licensing and expanding it to include in-house security operatives, would be likely to involve requiring organisations that manage their own (in-house) CCTV operatives to get business licences.
33. These issues are particularly pertinent to decisions about what exact legal changes would be required to bring about business licensing. This is something that the SIA has identified preliminary options on. It will be developing these options further.
34. In the SIA’s view, on one analysis, it is difficult to see how mandatory business and individual licensing can be mutually exclusive, in light of how security

officers are employed and deployed (both as employees of venues and security companies, as individual peripatetic contractors that move between and are deployed by different security businesses, and directly by venues/buyers of security). The relationship between individual security operatives and those organisations who deploy them may present challenges for introducing business licensing. This is because:

- a. some security operatives are not employed by private security companies in the legal sense but are self-employed or otherwise freelance;
- b. an operative may have a transitory, temporary, or otherwise flexible relationship with a private security company; and
- c. an operative may have relationships with several private security companies, and these relationships may vary over time.

35. A central consideration as the proposals are developed is how to ensure that any new regulatory system is proportionate. For example, a crucial question that the SIA will consider is how to balance the need to set the standard for business licensing high enough to protect public safety and improve standards, with not setting the standard so high that it forces a disproportionate number of private security businesses to close.

Next Steps

36. The SIA and Home Office will continue their work to better understand the consequences and implications of this recommendation and explore and develop options in connection with potential licensing requirements in such circumstances. This will be done taking into account the nature of these and their relationship with the proposed Protect Duty.

37. As before, any proposals for reform in this will need to be developed closely and in cooperation with the Scottish Government, and the Northern Ireland Government. As with MR7, it will ultimately be for the UK Government, the Scottish Government, and the Northern Ireland Government to make decisions on any proposed changes, how far they should go and when.

Other Areas in the Inquiry's Volume One Report

38. Whilst the Inquiry has not asked the SIA for updates on matters other than MR7 and MR8, in order to provide assistance and assurance, a number of other updates are provided below.

Training

39. By way of assistance to the Inquiry, further clarification is provided on when e-learning is currently used in training for the licence-linked qualifications.
40. E-learning, that is self-directed learning using an on-line learning package, is used and allowed for some, relatively small, parts of the training leading to licence-linked qualifications. Licence-linked qualifications are assessed by a mix of knowledge-based and practical methods, organised so that all learning is assessed and verified. If a candidate does not retain or understand the information, then they cannot pass the assessment to gain the qualification.
41. Self-study (which might include e-learning) in licence-linked qualifications is similarly only allowed for a very limited number of topics. The learning outcomes covered in this way are knowledge-based and never require a demonstration of skills. The rules in place for awarding organisations and training centres include a robust and auditable method to ensure all learners have completed the self-study.
42. The SIA has developed robust quality measures to support and enable delivery of some aspects of training via virtual classrooms. This was originally as a pilot to enable licence linked training for security guards to continue during the pandemic. By virtual classrooms the SIA means face-to-face delivery of training using tools such as Zoom and other programmes that allow people to conduct meetings online. Any qualifications that were awarded using this method of training were done so under government regulatory arrangements that were adapted during the first lockdown period. Qualifications regulators analysed this method of learning and found that it delivered robust learning leading to valid qualifications. This method was used to deliver training for Security Guarding and Public Space Surveillance (CCTV) qualifications.
43. The qualifications regulator Ofqual does not specify the method for learning that must be used to obtain a qualification. Their rationale is that the assessment of learners is robust and backed up by regulatory arrangements to assure the quality of outcomes. Only those learners that have been trained effectively and retain knowledge and skills will succeed in this form of assessment.
44. The SIA also expects that employers and business train their staff for specific deployments. This training is and should be over and above the baseline qualifications the SIA requires before a licence is granted. Security businesses that are in the Approved Contractor Scheme (ACS) must also

demonstrate they meet quality outcomes which includes further operative training and development.

45. The assessment process to become or maintain approved contractor status includes interviews with some operatives to check what training has been delivered and consideration of their training records. Fuller consideration of the assessment methods for approved contractors is considered below, under the Approved Contractor Scheme.
46. The SIA's powers are currently limited to checking approved contractors in the voluntary ACS scheme. It cannot inspect training records of businesses that are not approved contractors and does not have powers to specify the mode of learning that additional training provided by them, or other employers or contractors of security should use.
47. The SIA is, however, requiring for the first time, from the 1st of October 2021, that all existing Door Supervision and Security Guarding licence holders take additional licence linked training. This training includes First Aid and updated counter-terrorism training, all of which is examined and will lead to the awarding of a nationally recognised qualification. This qualification will be required for operatives seeking to renew their licence. As well as levelling up standards with new entrants, this will also particularly help ensure those operatives not necessarily employed by ACS businesses have had additional training since they first obtained their licence.

Specific, Individual Training Concerns

48. In part 3, the Inquiry referred to criticism from two witnesses about the quality of licence linked training received. The Chairman made clear his expectation that now the SIA's attention had been drawn to them, it ensured they should be investigated further.
49. The SIA confirms to the Inquiry that those concerns have been followed up by with SIA with the relevant awarding organisations, who are responsible for assuring the quality of qualifications and investigating allegations of training malpractice.
50. In one of the cases, the relevant training centre has had their accreditation withdrawn by the relevant awarding organisation after a loss of confidence in the centre's management and administration. The training centre has since closed.
51. In the second case, the awarding organisation found no evidence to substantiate the allegations made about the conduct of its courses.

Checks on Training Providers

52. At paragraph 3.27, the Inquiry suggested the SIA should ensure there are regular and unannounced checks on training providers and consider whether it should carry out spot checks on training quality with a learner once they have been granted a licence.
53. The SIA confirms that arrangements are in place to ensure that all training providers are visited by awarding organisations regularly. These visits may be announced or unannounced.
54. Spot checks focussed on individual licence holders were carried out in the past but were not continued as they did not generate evidence of non-compliance.
55. Whilst, as the Inquiry pointed out, awarding organisations already do spot checks, the SIA does also perform spot checks on training centres. These are in addition to the verification visits carried out by awarding organisations to check that training and assessment is being developed properly. Last year, the SIA employed consultants to spot check approximately 15-20% of training centres. These efforts have uncovered some areas for improvement, but no serious malpractice of the type described in the evidence given at the Inquiry.
56. The area of the SIA's business responsible for individual and training standards currently has targets to carry out nearly 100 spot checks this year on training providers. New rules on the delivery of qualifications include the requirement for training providers to record assessments. The awarding organisations and the SIA sample the recordings to ensure assessment has been conducted properly. The SIA is also exploring with Ofqual the possibility of their involvement in spot checks.

Approved Contractor Scheme

57. The Inquiry observed at paragraph 3.38 that if the ACS scheme is continued or expanded, it is important that the ACS brings with it a quality assurance on which the public can rely.
58. The SIA has already commenced discovery work on a future business standards strategy. This review will consider the comments and observations from the Inquiry, as well as engage with key stakeholders from all parts of the private security industry in order to ensure the scheme remains fit for purpose and flexible to support the changing landscape of the industry. Once agreed the strategy will provide the basis for agreeing the SIA's future approach on how we work with industry to raise business standards.

59. As a direct result of the Inquiry's findings, the SIA is also reviewing its assessment planning guidelines. These guidelines inform certification bodies on sample sizes for annual assessments. In addition, the SIA has commissioned an internal audit to identify whether these guidelines have been correctly applied by certification bodies over the last 2 years.
60. The SIA is also in the process of scoping out a new programme of spot checks on approved contractors as part of its future planning. Depending on resourcing availability for next financial year, spot check sampling sizes being explored are 5%, 10% or 20% of approved contractors.
61. Work is also underway to see how the SIA could further strengthen indicators around PSIA compliance at all levels within an approved contractor, either through the scheme itself or through a different approach to the SIA's supervision strategy.

The SIA's Enforcement Regime

62. In part 3, the Inquiry looked at the SIA's then 2015- 2017 approach to looking into reported concerns and its then enforcement regime; raising concerns about its adequacy to identify breaches and security practices at venues. The Inquiry also made some observations in part 8 about the need to ensure there is sufficient resourcing to carry out proper enforcement in all and any regulatory regimes.
63. The SIA's approach to enforcement is rooted in the Regulators' Code, with the SIA adhering to the principals of good regulation. These are –
- a. Regulatory activities should be carried out in a way which is accountable, transparent, proportionate, and consistent.
 - b. Regulatory activity should be targeted only at cases in which action is needed.
64. As the Inquiry heard in evidence, the SIA's approach prior to, and in, 2017 was weighted towards a mainly reactive response to intelligence being received and processed. Since 2017, the SIA has gradually transitioned to operating more aligned to the principles of the National Intelligence Model (NIM). This has resulted in a more sophisticated identification of threat, risk, and harm. This also enabled the SIA to shift its centre of balance away from a wholly reactive response to a predominantly proactive approach to compliance, supervision, and enforcement. There is more the SIA can and wants to do in this area.

65. Over the last 12 months, the SIA has restructured and brought together the Compliance and Inspections, Criminal Investigations and Intelligence and Risk Management teams under one directorate. This has enabled the SIA to combine experience, knowledge, and subject matter expertise with some tangible benefits. These include refreshing the SIA's strategic threat assessment, the development of in-depth risk profiles, including in respect of venues and events such as festivals, outdoor events, and publicly accessible locations of high footfall. This work will enable the SIA to embark on proactive programmes of early engagement and intelligence-led inspections to reduce risk, confirm compliance and ultimately, ensure and improve public safety.
66. Consolidation of these changes and future developments aimed at improving public safety will be driven by new and refreshed Compliance, Supervision and Enforcement strategies. These sets out the SIA's aspiration to increase the volume of inspections the SIA carries out in the future, which its Board is supportive of. This increased, proactive, highly visible work will increase the SIA's presence as the industry regulator and enhance its role in protecting the public. It will also increase opportunity and ability to detect non-compliance at early stages and allow the SIA to intervene to reduce the risk of harm to the public. This will be enhanced through even greater engagement and joint working with other public agencies operating in these spaces, which the inquiry has also made reference to.

Other Recent SIA Actions of Interest

67. The SIA has been working closely with the CTSA cadre in local police forces, NaCTSO, police and local authority licensing teams, and private security industry companies to continue to develop and deliver live role play exercises with counter-terrorism content. The scenario-based exercise programme for 2021/22 called "Operation Sentry" has been introduced to provide an environment in which the private security industry can demonstrate the level of training and preparedness possessed by private security operatives when faced with terrorist or mass casualty incidents. Operation Sentry offers the opportunity to apply the principles of *Run, Hide, Tell, and Remove, Remove, Remove* as well as utilising the knowledge acquired from a new ACT Security e-learning product.
68. The new ACT Security e-learning is a free bespoke training product for front line security operatives. The custom-built training has been developed and supported by funding from the SIA in close partnership with NaCTSO and CPNI to provide further counter-terrorism knowledge to SIA licensed security operatives. This initiative supports raising standards, and provides more tools and guidance to assist security operatives in preparing for, and responding to, terrorist incidents whilst on duty.

69. When taken with existing NaCTSO core ACT Awareness e-learning, it covers the entire counter-terrorism content for the security officer's licence-linked qualifications (introduced for new applicants in April 2021) and new top-up training requirements (coming in on 1st October 2021). The five modules cover:

- the role of a security operative in counter terrorism;
- current terrorist attack methods;
- identifying and responding to suspicious activity;
- incident response planning; and
- responding to a terrorist incident.