



Home Office

Consultation on a future regulatory regime for the private security industry

Summary of responses

September 2013

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1. Introduction

Since its creation in 2003 the SIA has worked hard to raise standards across the private security industry. During this time the industry has developed in maturity and professionalism, which is a credit not only to the regulator but also to the many committed individuals and professional associations involved in sector-led improvement.

The Government considered the future of the Security Industry Authority (SIA) as part of the Public Bodies Review in 2010. The Government is committed to reforming public bodies in order to improve the transparency, accountability, and cost effectiveness of all public services.

Given the improvements in practice in the sector, the Government believes that now is the right time to give the industry a greater say in how it is regulated, and to give businesses more responsibility for the individuals that they employ.

On 20 November 2012 the Government launched an eight week consultation on its preferred option for reforming how the private security industry is regulated – the phased transition to a business regulation regime.

The consultation closed on 15 January. This document provides a summary of responses received, as well as the Government's response to the consultation. The HO is grateful to all those who responded to the consultation.

The Scottish Government and the Department of Justice for Northern Ireland (NI) have devolved responsibility for the regulation of the private security industry and have not yet decided whether they will adopt the Government's preferred option¹. Both have indicated that they are supportive of a single UK wide regulatory regime for the private security industry and, therefore, decided to participate in the consultation in order to capture views of the industry in their respective regions. Overall, there was good support for the Government's proposed reforms and the majority of respondents supported the introduction of business regulation, together with a new individual licensing process, as soon as possible.

The HO has used responses to the consultation questionnaire to develop further its plans for how a business regulation regime would be administered. For example, the industry clearly expressed that it would like the SIA to continue to issue licence cards for individuals. This will therefore continue under the new regime.

One of the key issues identified by the consultation was that any special provisions to help micro and small businesses to demonstrate compliance must be sufficiently robust and not provide any loopholes in regulatory requirements. The HO intends to address this whilst ensuring that any burdens placed on micro and small business are proportionate.

¹ The Private Security Industry Act (PSIA) licensing regime currently operates in England, Wales, Scotland and Northern Ireland (NI). Since police and justice is a devolved matter in Scotland and a transferred matter in NI, certain powers under the PSIA are exercisable by Scottish and NI Ministers, or can only be exercised by the Home Secretary after consultation with Scottish and NI Ministers.

The Home Office has also used the response to improve its understanding of how the industry perceives the proposed reforms. For example the consultation response was divided on whether the new regime would reduce the current regulatory burden on the industry.

It is therefore clear that the HO needs to further communicate how the regime will be deregulatory for the industry as a whole and will support the shifting of the regulatory burden between individuals and business. A key aspect to this will be the fee levels payable under the new regime, which will be announced separately to this document. There were a number of other issues raised by respondents which are included in the analysis which follows. These include businesses recognising that the reforms would give them greater control over employee recruitment and would contribute to driving out poor and criminal business practices.

Financial calculations for the new regime will be clarified in a revised Impact Assessment (IA) shortly.

2. Overview of responses

A total of 776 responses to the consultation were received. 760 of which were to the online questionnaire on the Home Office (HO) website. The rest were received by post or email.

The profile of respondents was as below:

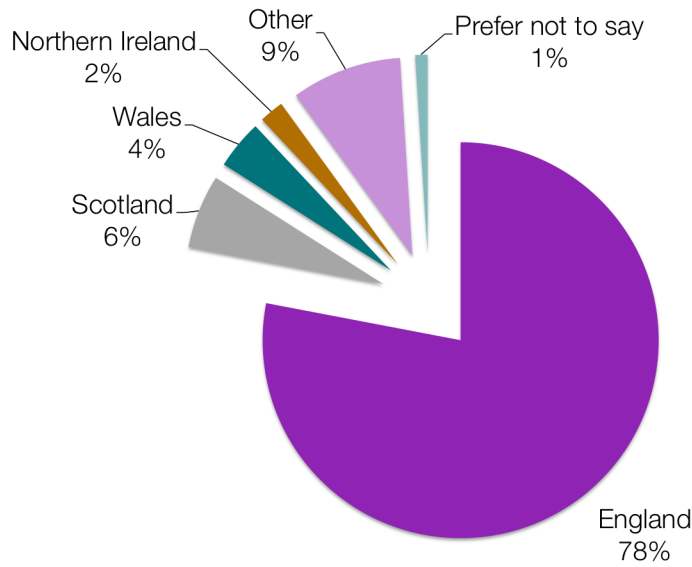
Security Suppliers	524
Security Suppliers who indicated they are members of the Approved Contractor Scheme	158
Security Buyers	63
Law Enforcement Agencies	35
Members of the Public	81
Other	113

Please note that these figures are taken from **question one**, which was a multiple response question. Therefore, some respondents are classified in more than one 'profile', which means the total number is greater than the number of responses we received to the consultation.

The British Security Industry Association (BSIA) provided a separate response to the Home Office based on a survey completed by 149 of its members. The results of the BSIA survey are referred to in this document, however the Home Office have not analysed the survey's methodology or underlying data.

Question 2

What region are you in?

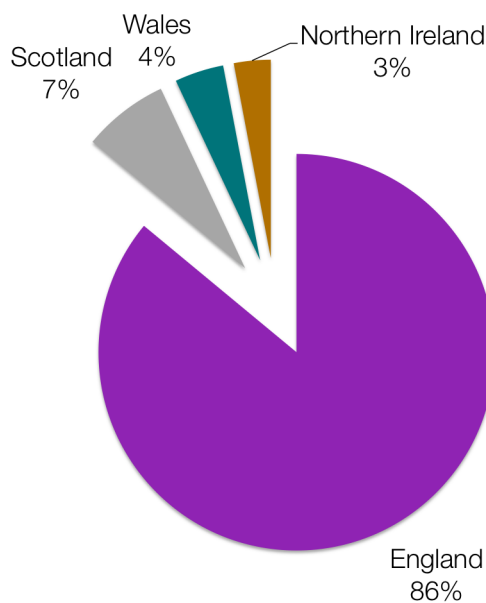


In total 78% of respondents came from England, 6% from Scotland, 4% from Wales, and 2% from Northern Ireland. 1% preferred not to say. 9% specified an 'other' region. 7% of these could be classified as national organisations and 1% as international.

Responses from Scotland and Northern Ireland have been included in this summary. They have also been sent to the devolved governments of Scotland and Northern Ireland (respectively) to aid their consideration of whether to opt-in to the Government's proposed reforms.

The pie chart below shows that the numbers of responses to the consultation are broadly representative of the overall number of SIA licences per country/region.

Count of licences by region



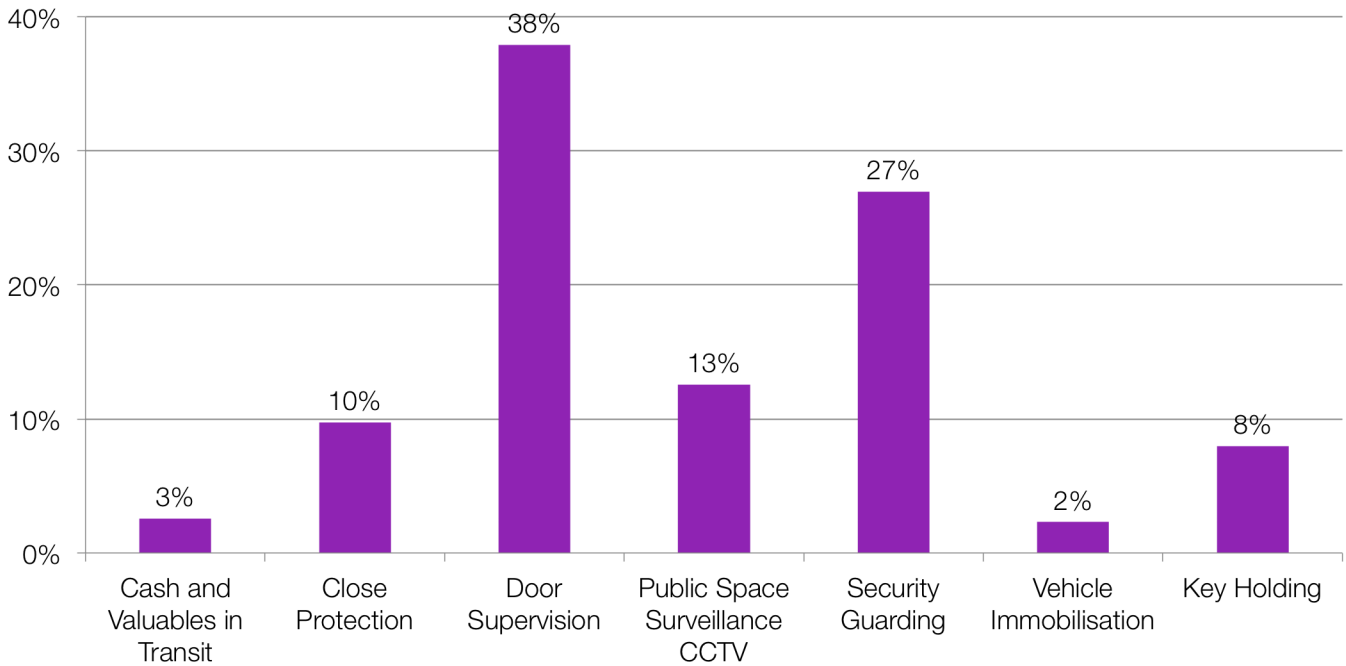
England – 327,145
Scotland – 25,520
Wales – 14,113
Northern Ireland – 11,115
Total – 377,333

Question 3

The response to question three – ‘if you are happy to do so please specify which organisation you work for’ – is provided in the list of participants section at the end of this document.

Question 4

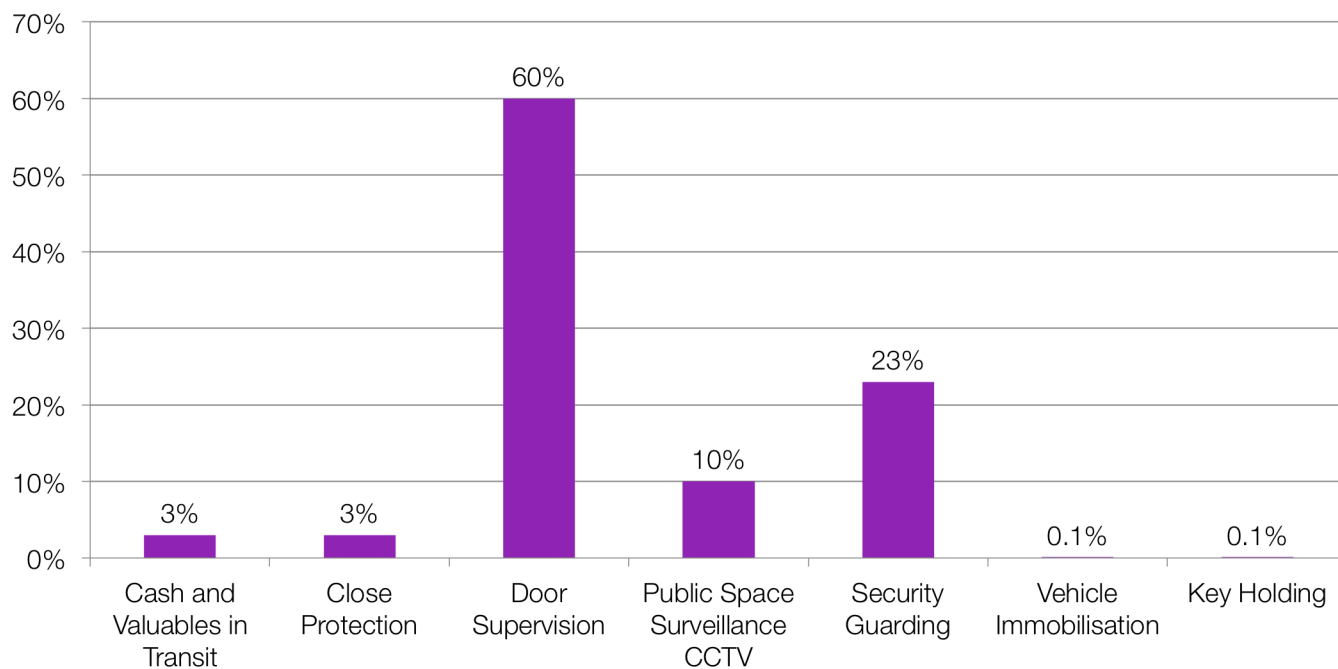
Are you or have you previously been licensed to work in any of the following designated activities? (Please choose all that apply)



In total 65% of all respondents were or had been licensed to work in the door supervisor and security guarding sectors. The next largest sector response came from public space surveillance CCTV, 13%, close protection operatives, 10%, and key holding, 8%. Both cash and valuables in transit, and vehicle immobilisation sectors each accounted for fewer than 3% of responses to the consultation.

As outlined by the table below this response is broadly representative of the number of SIA licences per sector. However, the door supervisor sector is underrepresented, while the close protection and key holding sectors are over represented.

Active SIA licences by sector

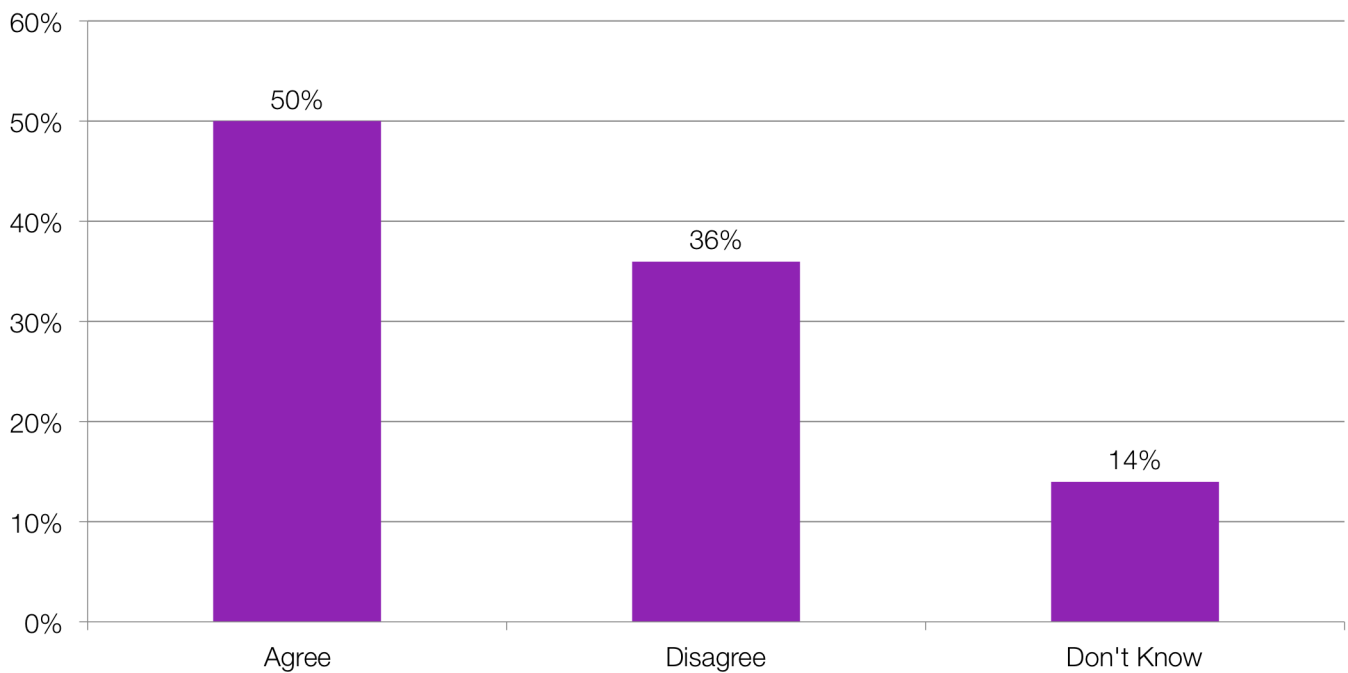


The response to question five showed that 43% of respondents had heard about the consultation through an SIA publication.

3. Analysis and summary of responses

Question 6

Do you agree or disagree with the Government's preferred option – a phased transition to a business regulation regime? Please explain your answer.



Half of all respondents agreed with the Government's proposals for a phased transition to a business regulation regime. 36% were against the proposals, while 14% didn't know.

The BSIA survey showed that 64% of its members were in favour of the Government's proposal, 23% were against, and 13% didn't know.

Home Office response

The response to this question shows there is support for the Government's preferred option of a phased transition to a business regulation regime.

Question 7

Please state which example framework business regulation criteria and conditions you agree or disagree with.

	Agree	Disagree	Don't know
Having a verifiable business name and address.	94%	4%	2%
Confirming the identity of those who hold certain positions, such as directors and partners of the business	95%	4%	1%
Meeting statutory insurance requirements.	95%	3%	2%
Where applicable, meeting HMRC registration and compliance requirements	92%	5%	3%
Ensuring that there are no outstanding County Court judgments, defaults or other adverse financial information	83%	13%	5%
Supplying a Companies House registration number, where applicable	94%	4%	3%
Supplying an end of year return to Companies House, where applicable	89%	7%	4%
Whether there is evidence of intentional obstruction, false information given to, or contravention of the requirements and standards of regulatory and other authorities	91%	3%	5%
Whether there has been any insolvency, liquidation or administration of a previous business	85%	11%	4%
Whether there has been any investigation, discipline, censure or criticism by a regulatory body, court or tribunal	88%	9%	4%
Demonstrating an appropriate level of competence for the licensable activities the business intends to carry out. This is likely to include conformance with relevant sector specific British Standard(s)	92%	5%	3%
Comply with relevant competence requirements, e.g. British Standards	89%	7%	3%
Notifying the regulator of certain changes, such as name, address and licensable activities undertaken	96%	3%	1%
Keeping the appropriate records	97%	2%	1%
Ensure that employees meet identification, qualification, and right to work requirements	96%	3%	1%

There was a very high approval rate at above 90% for most of the proposed criteria and conditions for business regulation. Only five proposed criteria had a lower approval rate, although these were above 80%.

Home Office response

The high level support for all proposed criteria and conditions demonstrates that the HO and SIA have identified an appropriate set of requirements for businesses to meet before they are approved to work in the industry. These will be further refined by the SIA through consultation and in the context of ensuring any requirements are proportionate and do not place unnecessary burdens on business.

Question 8

Are any important example criteria and conditions missing?

Comments received in response to this question focused on criteria and conditions for both businesses and individuals. As this question was intended to focus on criteria and conditions for business regulation, responses relating to individuals have been summarised in the out of scope section of this document, below.

In regard to businesses, many respondents agreed that businesses should be required to pass externally assessed competency requirements. A number of different accreditation processes were suggested, including British Standards for current designated activities, and Operational Health and Safety Advisory Services (OHSAS) 18001. However, a similar number of responses stated that there should be less focus on businesses meeting accredited qualifications and a greater emphasis on demonstrating operational competence. Several responses thought this could be evidenced through the experience or track record of key figures such as directors within a business.

A smaller number of respondents suggested that businesses should be required to be a member of a professional organisation and/or a law enforcement partnership. Criteria and conditions in relation to how businesses treat their employees was also commonly raised including fair pay and conditions, appropriate health and safety procedures, as well as having Continuing Professional Development (CPD) programmes for staff.

Several responses commented that the key positions within a business should be subject to criminal record and identity checks and a small number of these suggested that checks should be extended to include shareholders and partners/spouses of directors, in order to target organised crime practices.

Financial probity was identified in a large number of responses as a critical requirement for businesses to meet. Many respondents supported criteria and conditions in relation to compliance with UK tax laws. Having transparent pay role details, including disclosure of self employed staff, was raised as an important issue. One respondent suggested that businesses should have to place a financial bond with the regulator, while another stated that company directors and partners should be required to have no personal debt.

Some respondents stated that prior investigations into a business should not be taken into account if the business had been cleared of any charges. Sub-contracting arrangements were also frequently raised. Some respondents suggested that businesses should be required to list any sub-contractors.

Ensuring proper business practice was also frequently raised including insurance, as well as having proper audit and data protection procedures in place. A smaller number of responses suggested that there should be a mandatory code of conduct for businesses.

Several respondents highlighted concerns about so called 'phoenix' companies² operating in the industry. However, no specific suggestions for combating them were raised.

2 A **phoenix company** is a commercial entity which has emerged from the collapse of another through insolvency. The new company is set up to trade in the same or similar trading activities as the former, and is able to present the appearance of "business as usual" to its customers.

Home Office response

The HO will consider responses to this question and work with the SIA to decide how best the issues highlighted by respondents can be addressed in the final criteria and conditions for a business regulation regime.

Question 9

Do you believe that companies providing in-house security should be regulated under the new regime?

Over 80% of respondents felt that 'in-house' security providers should be included within regulatory requirements for a business regulation regime.

In general the response to this question suggested that all security providers should be subject to the same requirements and standards. However, in most cases responses were focused on whether individuals working 'in-house' should be subject to licensing requirements. There were fewer responses on whether businesses that use in-house security should be regulated under the new regime.

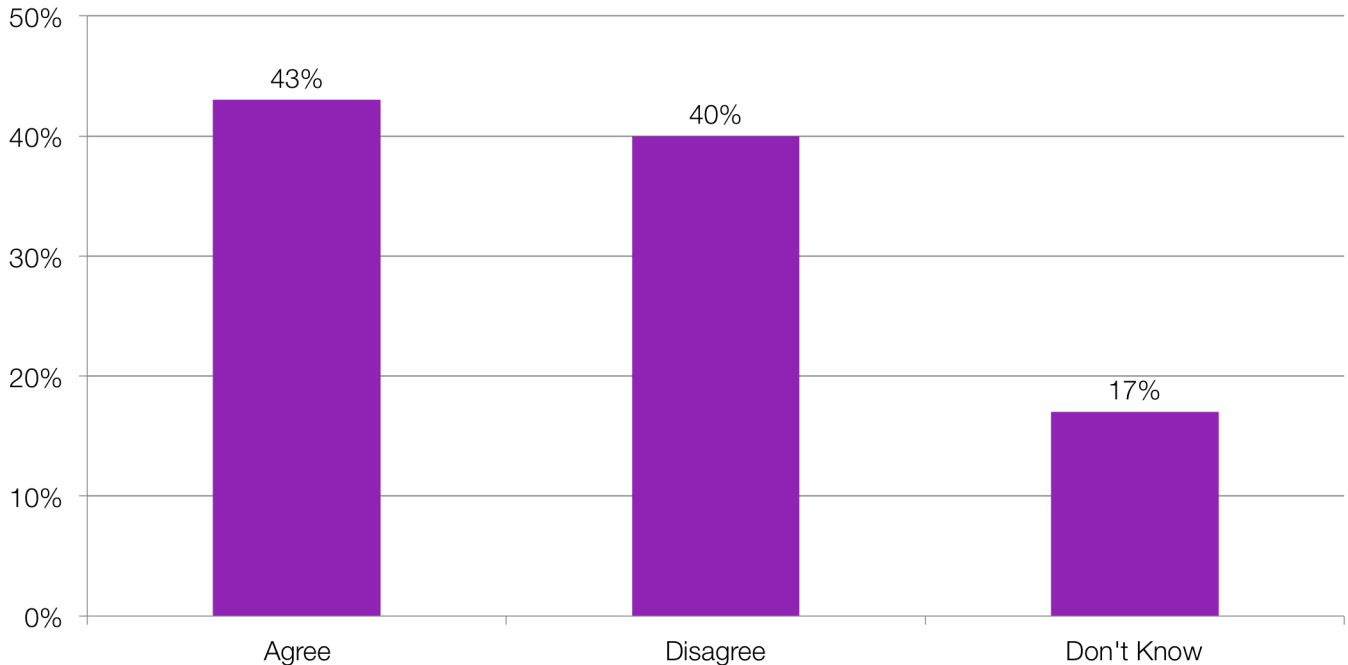
Many commented that if 'in-house' businesses were not included this would create a loophole, with one respondent stating that "more and more clients were [already] turning to in-house" as a way of circumventing regulation. However, one respondent thought that 'in-house' businesses should only be subject to regulation if they were in direct contact with the public. Others questioned what additional protection regulating 'in-house' businesses would achieve.

Home Office response

As outlined in the consultation document the HO has given consideration to whether 'in-house' security providers should be included within business regulation requirements, but believes that it would be better to review this issue after the new regime has been established. The responses to this question will be taken into account as part of that review along with the evidence relating to whether 'in-house' security operatives are in contact with or pose a threat to the public.

Question 10

Do you agree or disagree with the proposal that micro-businesses could demonstrate competence in a different way such as undertaking an on-line assessment of business approval requirements? Can you suggest any modifications that would help micro-businesses to demonstrate competence?



Similar numbers of respondents were for and against whether special consideration should be given to how micro businesses demonstrate competence, with 17% stating that they didn't know.

Respondents were also asked to suggest any modifications to the approval process that would help micro-businesses to demonstrate competence.

Respondents generally provided comments to qualify their response to the question. The critical concern for most was that any special provisions for micro-businesses must be sufficiently robust and not provide any loopholes in regulatory requirements. Of the comments received on possible modifications to help micro-businesses demonstrate competence, most focused on how on line assessments could be strengthened to reduce the opportunity of fraudulent activity; these included:

- Competent internal quality assurer to complete online assessment;
- Ability to upload or attach evidence that could be verified;
- Paper based assessment with face to face meetings with the regulator;
- Onsite assessment;
- Regular vetting; and,
- A comprehensive audit programme.

The National Security Inspectorate (NSI) suggested that a similar system to the Irish model could be introduced, whereby a start-up business could apply for a temporary six month approval based solely on fit and proper checks, during which time it would have to be assessed by a certification body and demonstrate competency standards.

Those respondents who agreed that special consideration should be given to micro-businesses, did so because they believed resource implications and cost of meeting British Standards would be prohibitive for existing micro businesses, and start-ups. They also believed micro business should be protected and needed opportunity and support to grow.

The position of those respondents who disagreed was usefully summarised by the Security Regulation Alliance (SRA), which stated in its response that “there needs to be a level playing field for all companies seeking to demonstrate competence, for reasons of commercial and competitive fairness, and public safety”.

Several respondents provided arguments against there being special provisions for micro-businesses. Some stated that it might cause larger companies to break up into smaller companies in order to avoid more rigorous requirements. The NSI stated that it could provide a disincentive for micro-businesses to invest in British Standards if there were cheaper and easier ways for them to demonstrate compliance.

Some respondents asked for more detail on how the regulator would define different sizes of business.

Home Office Response

We note that the size of businesses and how they are treated came across as a key factor for many respondents throughout the consultation. Strong views were expressed for and against having different ways of demonstrating compliance.

The HO will ensure that the regime will be proportionate in placing burdens on businesses. However, we note that a key concern expressed in response to this question is that special provisions for different sizes of businesses must be sufficiently robust and avoid creating loopholes in regulatory requirements.

Question 11

What enforcement measures should be available to the regulator so that it can maintain the integrity of a business regulation regime?

The most common suggestions to this question – those that were suggested by at least three respondents – were as follows:

- Civil Sanctions including: fines, fixed penalty notices, written warnings, improvement notices, the ability to revoke an approval, the power to close down a business, and the power to suspend a business' local authority premise licence. Several responses suggested that there should be a sliding scale where more punitive penalties were not brought into force unless a specific number of warnings had been imposed.
- That no new powers were necessary, but that the regulator should retain the SIA's current powers including criminal sanctions (punishable by a prison term), the power to prosecute both businesses and individuals, and powers of entry.
- The ability to carry out inspections and surprise visits.
- The capability to publicly name and shame non-compliant businesses, including through press releases and the regulator's website.

- The barring of directors from working in the industry if they had repeatedly failed to comply with the regulator’s requirements.
- That the regulator should have appropriate information sharing provisions with other government bodies and agencies such as HO Immigration Law Enforcement and HM Revenue & Customs (HMRC).
- That the police need to take greater responsibility for enforcement matters rather than the regulator.
- That an independent body, other than the regulator, should be responsible for deciding sanctions.

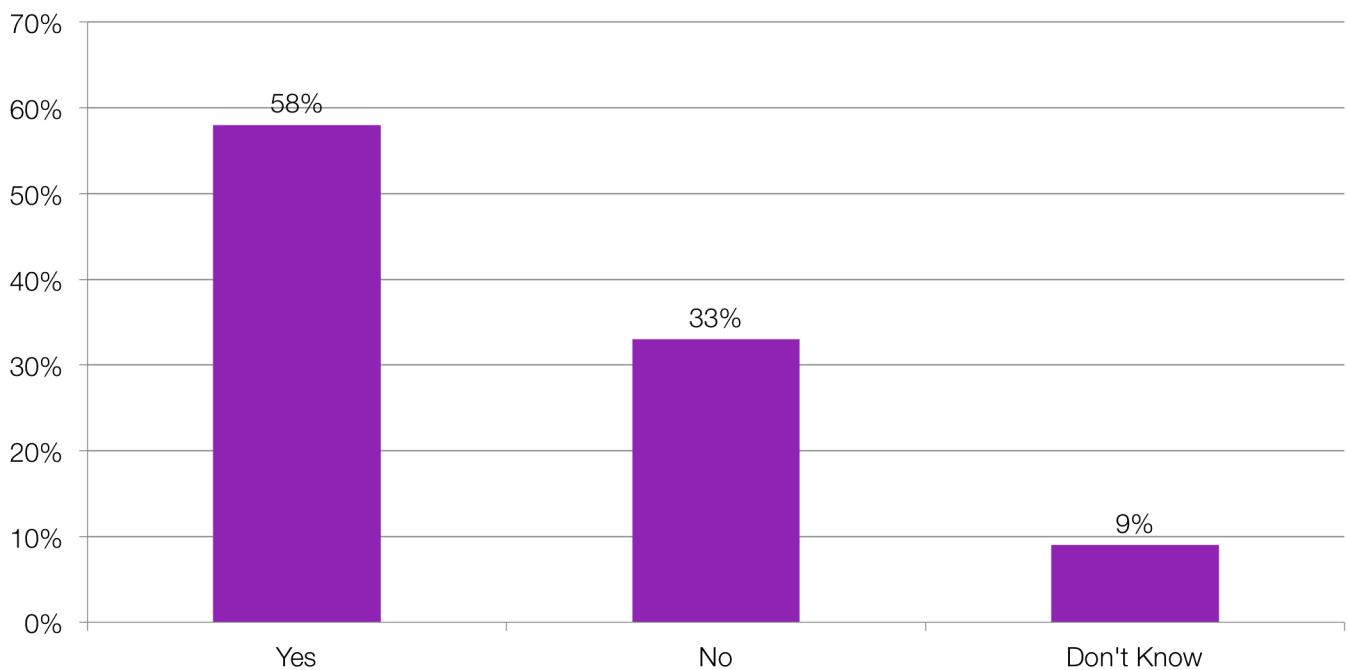
Some respondents commented throughout the consultation that the SIA should be taking further enforcement activity, particularly action against training malpractice. This has been covered in the out of scope section below.

Home Office response

We will consider all of these constructive suggestions in line with any legislative and operational requirements.

Question 12

It is proposed that business regulation and a new individual licensing process are introduced as soon as possible, with the provision of other aspects of the new regulatory regime, such as making necessary reforms to the regulator's powers and sanctions, being introduced over a longer period of time. Are you content with this approach?



58% of responses supported the introduction of business regulation and individual licensing as soon as possible, while 33% were against and 9% didn't know.

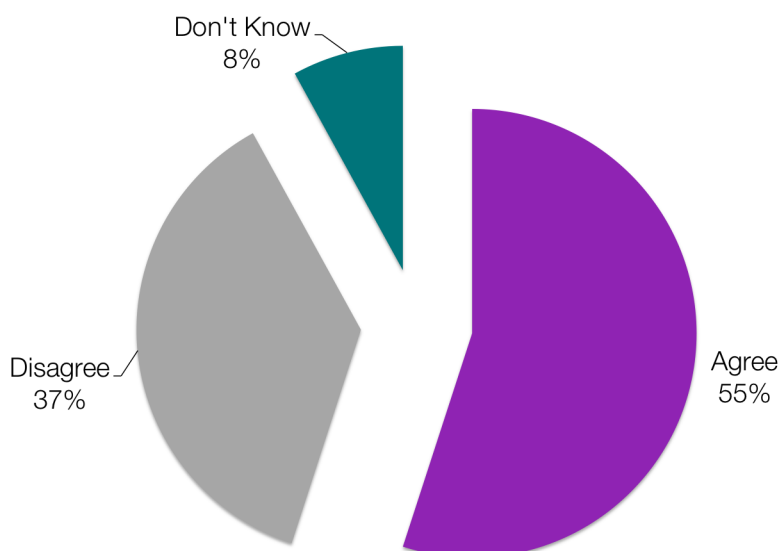
The BSIA survey showed that 60% of its members who responded to its survey agreed with this question, 32% disagreed, and 8% didn't know. The Security Regulation Alliance (SRA) stated that it agreed "with the stage approach as a matter of practicality, but feels that the implementation should be effected within a clear and limited timescale, with robust primary legislation at its core".

Home Office response

We are pleased to note that the response to this question shows the majority of respondents support introduction of business regulation and a new individual licensing process as soon as possible, with other aspects of the regime being introduced over a longer period of time.

Question 13

It is proposed that the current Approved Contractors Scheme (ACS) hallmark standard be passed to an industry body to administer in order to give the industry greater responsibility for setting standards. Do you agree or disagree?



55% agreed that the Approved Contractors Scheme (ACS) should be passed on to an industry body to administer. 37% disagreed and 8% were unsure.

The BSIA survey showed that 64% of its members agreed with this question, 24% disagreed, and 11% were unsure. The BSIA also stated that "the proposal for transition a future hallmark standard to the industry was welcomed but in the current economic climate, pressure remains to reduce the cost burden further than increase it, and this – together with the overall cost of any future regulatory regime – must be considered carefully by the HO and SIA as part of the consultation".

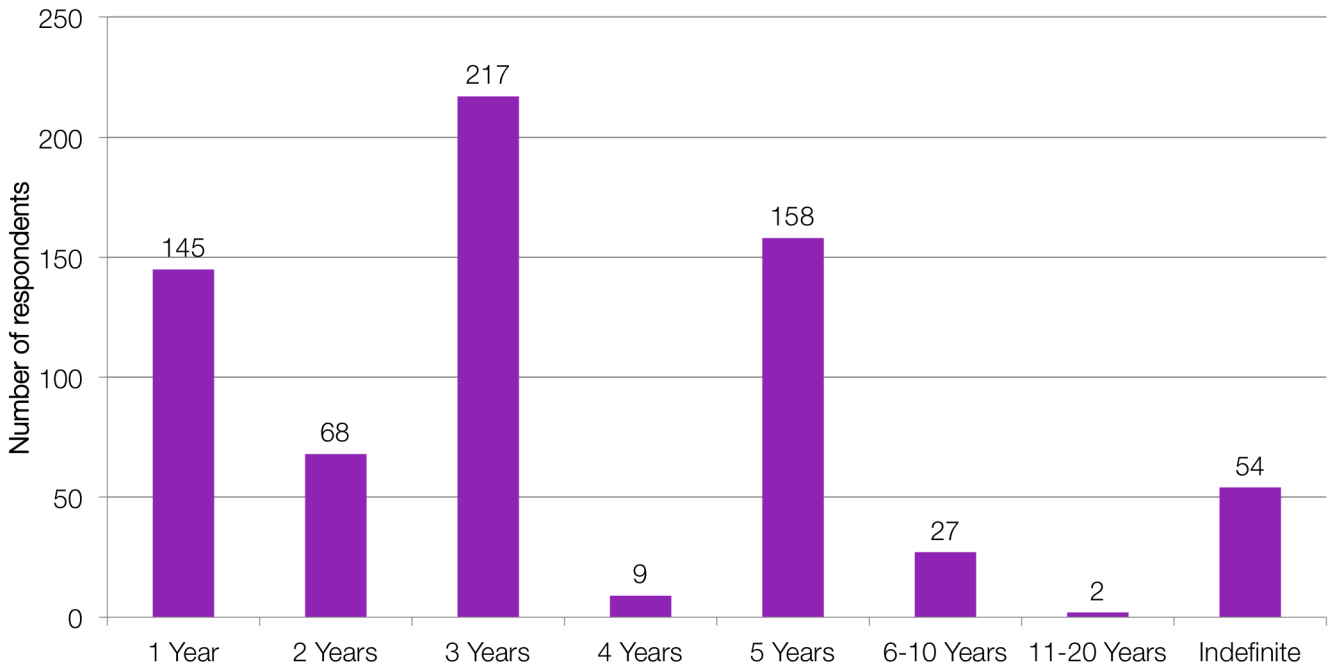
Home Office response

We note that the response to this question shows that there is support for transferring the current ACS hallmark standard to an industry body to administer. Further consideration will be given to how the scheme would operate and its relationship to mandatory business regulation.

Question 14

How many years do you think a business approval should be for?

The breakdown of responses to this question is as set out below:



A significant number of responses gave a range rather than a single figure, for example 'three to five years'. Where this was the case, for simplicity, this analysis records the highest number of that range. Several of those respondents that suggested five years, or above, thought that this should include annual checks or appraisals.

Some respondents suggested that there should be some form of temporary licence for the first year and if the business demonstrated a sufficient standard of compliance then an extended renewal period of, for example, five years.

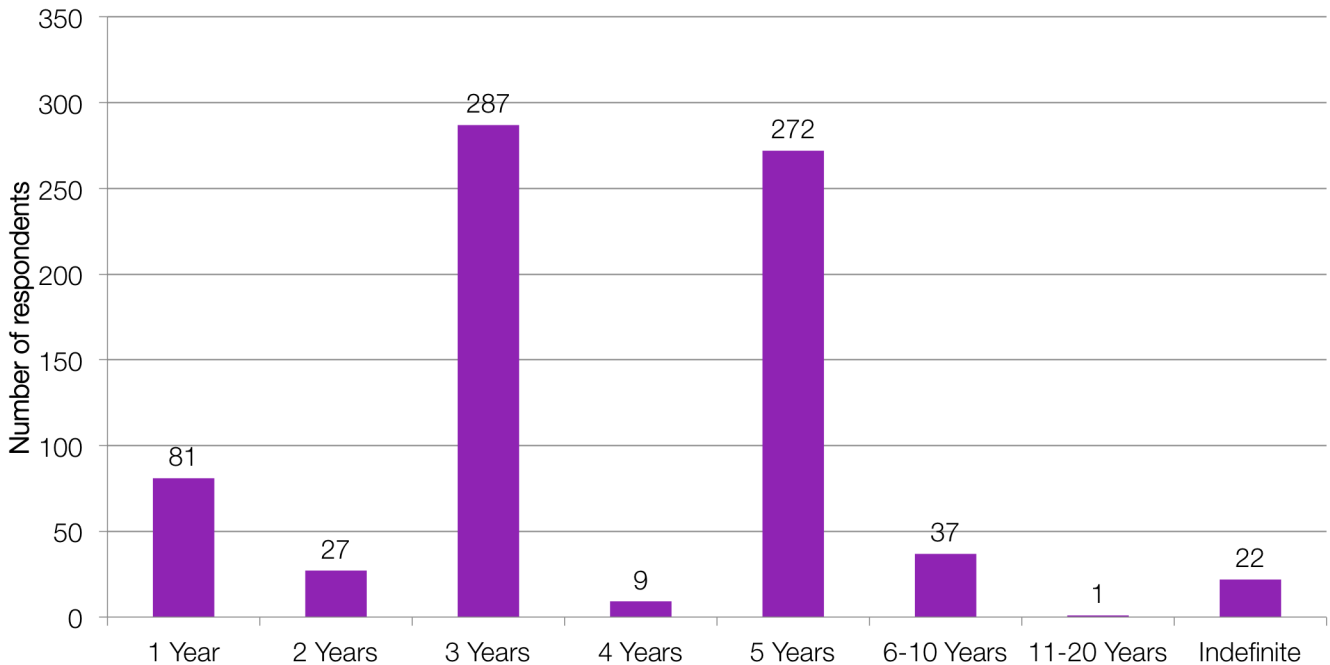
Home Office response

We will consider the response to this question when setting the length of a business approval. Other factors that will be taken into account are ensuring that the length of approval will provide a sustainable financial model for the regulator, as well as providing the best value for money for the business.

Question 15

Currently individual licences are valid for three years. How many years do you think a new individual licence should be for?

The break down of responses to this question is as set out below:



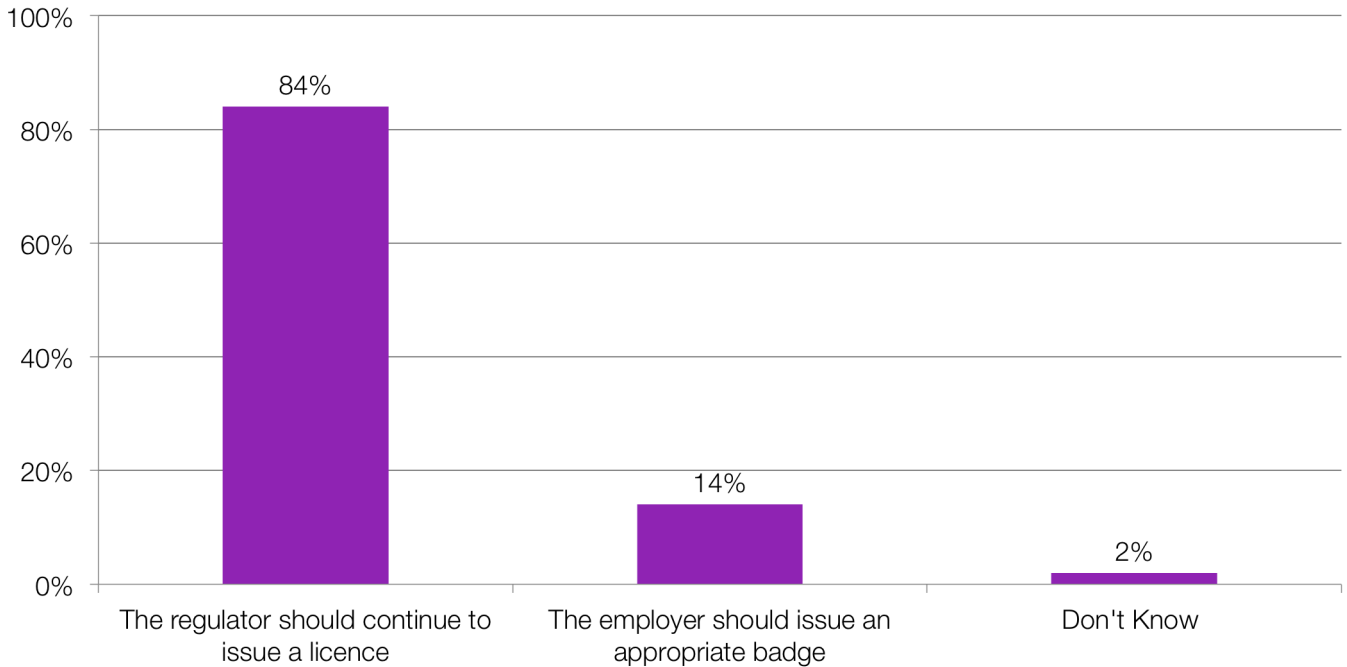
A significant number of respondents suggested a range in their answer, for example 'three to five years'. In these cases this analysis records the highest number of that range. Several of the responses that suggested a licence period of five years or above thought that this should include annual checks or appraisals. Both the BSIA and GMB stated that a longer period of licence was preferable as it would reduce administrative activities by the businesses and the regulator.

Home Office response

We will consider the response to this question when setting the length of an individual licence. Other factors that will be taken into account are ensuring that the length of licence will provide a sustainable financial model for the regulator, as well as providing the best value for money for the individual.

Question 16

Should the regulator continue to issue individuals with a licence card or should it be left to the employer to issue individuals with an appropriate badge so that they are easily identifiable while being deployed? Please explain your answer.



The majority of responses (84%) expressed the view that the regulator should continue to issue licences for individuals.

Respondents were also invited to suggest an alternative system of identification. One respondent suggested that businesses could be supplied with a smart card reader to enable a licence to be checked. A number of respondents also suggested that the licence should be more akin to a driving licence allowing multiple sectors to be included on a single licence.

However, the majority of comments in relation to this question focused on the current SIA licence and were broadly in agreement that the regulator should continue to issue a licence card, as it was instantly recognisable, minimised the risk of forgery and fraud, maintained public confidence and was easily recognisable to law enforcement agencies.

Respondents also commented that requiring employers to issue a licence could create confusion for those individuals who worked for multiple employers and those customers who received security services from multiple companies.

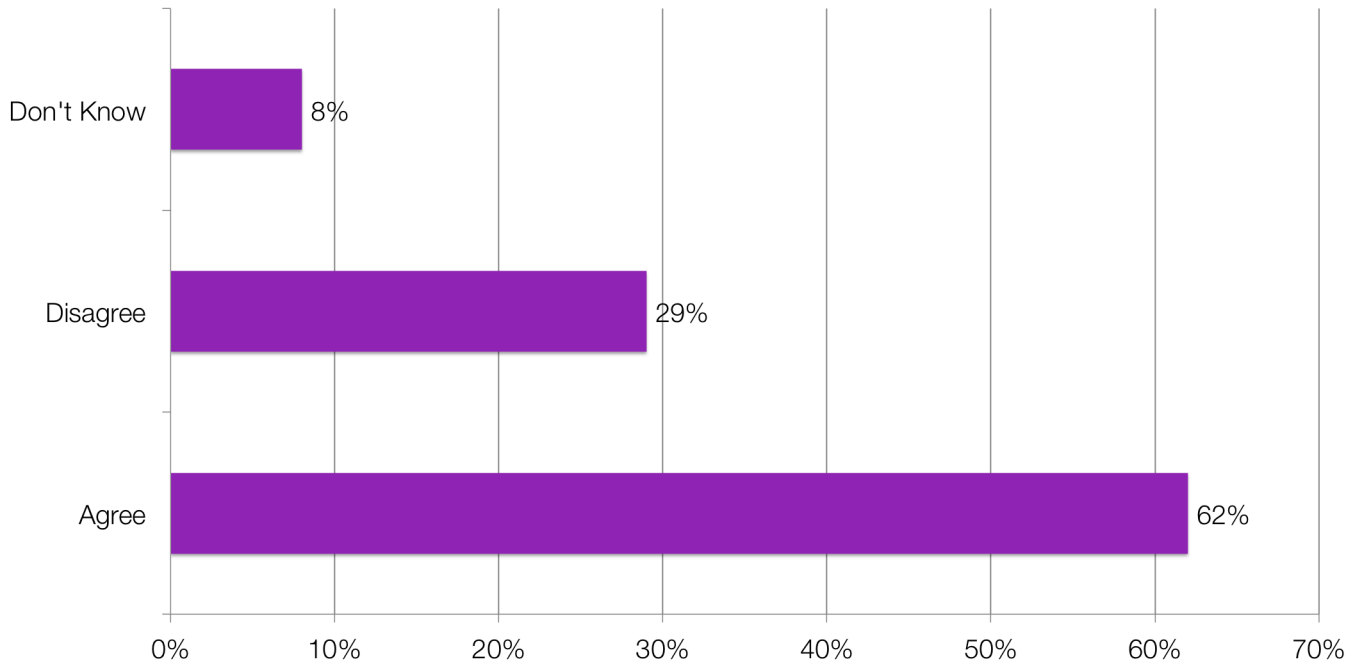
A significantly smaller number of respondents believed that employers could issue a licence because it would be more cost effective and would give employers more control. However, they stated that it would be essential to ensure that the employer had been sufficiently vetted.

Home Office response

We note that the response given to this question shows that there is a high level of support for the SIA continuing to issue individual licence cards under the new regime, and that there is little appetite for it to be the responsibility of the business.

Question 17

Do you agree or disagree that the cost of fees should be based on the size of the business so that the fee is proportionate to its number of staff? If not, please use the comments box to suggest an alternative system for calculating fees.



Nearly two thirds of responses agreed that the cost fees should be based on the size of the business.

Respondents were invited to comment in particular if they disagreed with the proposal.

Of the comments received suggesting alternative approaches, more were in favour of a standard, flat fee for all businesses than any other idea. A smaller number wanted a fee calculated on the basis of turnover, or a combination of turnover and staff numbers, with one respondent noting that some smaller businesses are highly profitable depending on the kind of clients they worked with whereas some larger ones are less so. Some supporting these alternatives felt they overcame the risk that businesses would not be honest in reporting headcount. Those in favour of the standard flat fee also thought it would avoid penalising businesses for their success in increasing staff numbers.

A greater number of respondents chose to comment in support of the proposal for a fee based on staff numbers, with many expressing views about how this could be made to work fairly. Many were in agreement with the proposal as outlined, but more wanted to see the fee reflect full-time equivalent staffing to acknowledge those companies with seasonal peaks in activity (such as those in the events security sector) or businesses with staff working fewer hours on average (for example in the door supervisor sector). Some commented that it was also important to count only those staff actually deployed in a given period, rather than all those on a company's books. A small number felt that a 'banding' approach should be taken, so that companies with, for example, 1-10 staff would pay one fee whilst those with 11-40 staff would pay a different, higher fee. In addition, several commented that there should be a maximum cost, a ceiling, so that the largest businesses did not pay excessive fees, whilst one respondent suggested a minimum flat fee for the smallest businesses before a headcount calculation applied.

Several respondents emphasised that costs should be kept as low as possible, while others felt there should be no fee at all. Views were expressed about how the fees might affect small or large businesses, start-up companies and sole traders, and in general these respondents asked for a fair treatment for these groups or special treatment, for example with disproportionately lower fees or no fees. A small number of respondents noted that the fees should simply recover the costs incurred by the regulator, so should reflect the amount of effort required for each business or type of business.

A number of respondents appeared to be unclear about the distinction between the individual and the business fee and several asked for more information about the fees.

Home Office response

We note that the majority view expressed was that fees should be based on the size of the business and proportionate to its number of staff. Views about how this could be made to work more fairly are being considered as part of the process for calculating fees payable to the regulator. The emphasis some respondents gave to costs being kept as low as possible and that the regime should levy fees simply to recover the costs incurred by the regulator is in line with the Government's approach to regulation of the sector.

Question 18

Do you currently pay the individual licence fee of your employees operating in the regulated security industry?

Of the 431 respondents (57%) that answered this question (i.e. did not chose 'not applicable') the following percentages of responses were given.

Yes – all of them	25%
Yes – most of them	8%
Yes – some of them	20%
No – none of them	46%

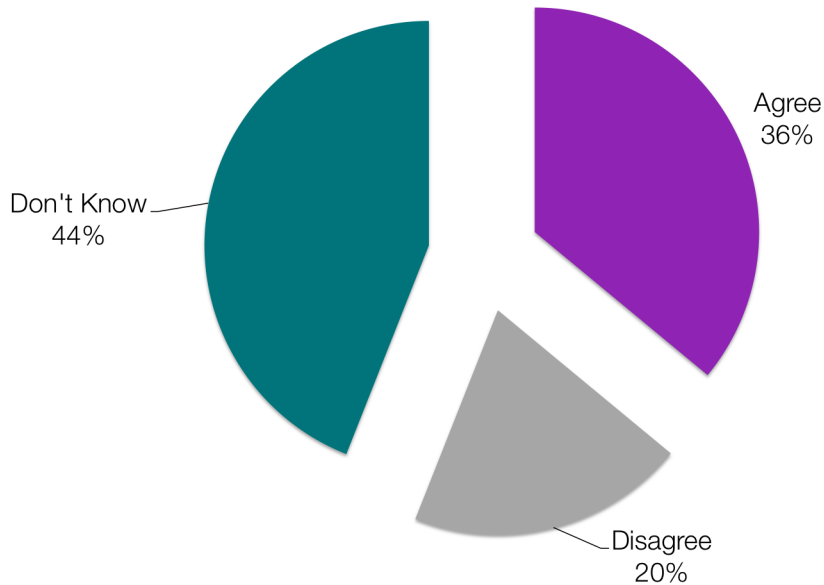
The BSIA survey showed that 46% paid all, 13% paid most, 32% paid a few, and 8% paid none of their employees individual licence fees.

Home Office response

The response to this question has been used as the basis for calculating how many businesses currently pay for the cost of their employees individual licence fee. These calculations are being reflected in the financial modelling for a business regulation regime and will be included in the Impact Assessment for this consultation.

Question 19

Do you agree or disagree with the cost estimates supporting the administrative cost of applying for a business approval, as outlined in the consultation impact assessment supporting this document? If no please explain your answer.



36% of responses agreed with the cost estimates for applying for a business approval, and 20% disagreed. However, the majority of responses (44%) didn't know whether the estimations were correct.

The BSIA survey showed that of its respondents 43% agreed with cost estimates, 31% disagreed, and 26% didn't know.

Respondents were asked to provide comments if they disagreed with the cost estimates contained in the impact assessment. The most common answer was that they had not read the impact assessment or did not feel that they had sufficient information to form an opinion. Some asked that more information be provided.

Of those who disagreed with the cost estimates, several commented that time, resource and costs implications for employing staff and complying with the regulatory regime had been underestimated. Several identified the cost of conforming to British Standards as an area that had been underestimated. Several thought that estimations looked cheap in comparison to the costs associated with the ACS.

Some questioned the impact assessment's assumption of how many micro-businesses were currently compliant with British Standards. A few respondents also disagreed with some of the calculated benefits, particularly insurance premiums.

Several responses stated that for some businesses the new regime was likely to increase costs as they take on additional responsibility for registering individuals, as well as potentially deal with two forms of approval – the mandatory business approval and the quality business hallmark scheme (ACS). The new regime was regarded by some as moving costs and burdens from the regulator onto businesses.

A number of respondents were concerned that small businesses would not be able to afford business regulation, particularly any initial costs for achieving relevant standards. Some asked for greater differentiation between sizes of company and the burdens that would be placed on them.

Some responses highlighted that training costs for individuals had not been taken into account. Some raised concerns that the current costs to work in the industry were too high, and there should be a fixed ceiling for how much individuals had to pay.

A smaller group of respondents used the comment section of this question to state that they thought the impact assessment's calculations were sound.

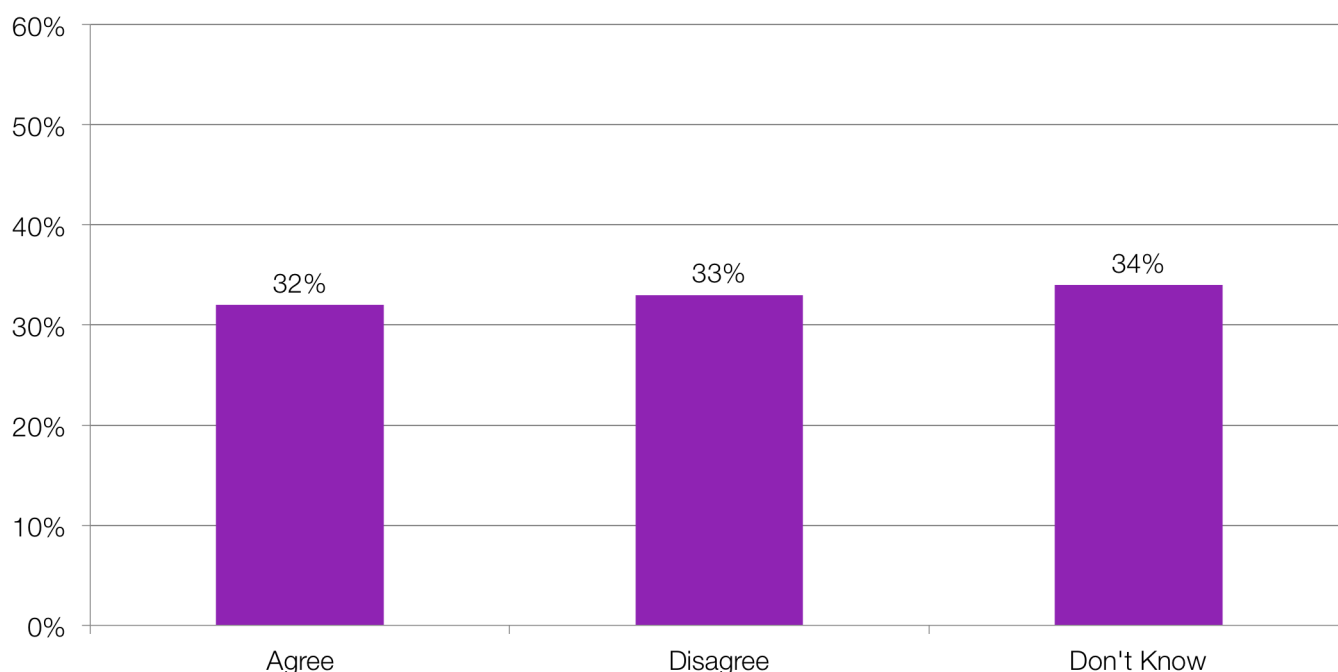
Home Office response

The issues identified above have been used to test the calculation of costs and benefits contained in the draft impact assessment. All new calculations are included in the final impact assessment for this consultation.

That the largest single response to this question was 'don't know' is perhaps indicative of the fact that precise details of the future funding model have yet to be confirmed. Further information will be available as part of the Impact Assessment to be published in the autumn.

Question 20

Do you agree or disagree that the business regulation regime outlined in this consultation would reduce the current regulatory burden and cost on the private security industry? Please explain your answer in the comments box below.



There was a nearly equal response rate to all three answers on whether a business regulation regime will reduce the overall burden and cost on the industry.

The BSIA survey asked its respondents to clarify what they thought was the biggest benefit. 9% thought that it was reducing the administrative burden, 11% thought that it was reducing costs, 46% thought it was both the administrative burden and costs, while 17% disagreed that it would have any benefits.

All respondents were invited to explain their answer to this question. Many felt the cost and burden would increase under the proposed regime, however the views of these respondents were nuanced, with a significant number stating they were nevertheless in favour because the current level of regulation should be maintained or increased. A significant, but smaller number of respondents thought that costs and burdens would remain broadly the same, and a similar number thought that they would decrease. Slightly fewer commented that they did not know, some saying that there was not sufficient information on costs and on the new regulatory system as a whole to decide. One respondent thought that the costs of setting up the new regime would outweigh subsequent benefits.

The Security Regulation Alliance (SRA) stated that it believed “that the proposed new regime should reduce the administrative and cost burden to business, but does not currently have enough information about the proposed financial aspects to make an informed judgement on the issue”.

A number of respondents noted that burdens would shift from the regulator to either businesses or individuals, with mixed views on whether this was to be welcomed. Some of those who did not welcome the change commented that the SIA was currently an effective regulator and achieved economies of scale, which could be lost under the proposals. Others expressed concern that the new regime would increase the risk of criminality and of reduced standards in the industry. Some anticipated that businesses would find ways to recoup any costs from employees on the frontline – a view held by a number of frontline staff themselves. A small number commented that the burden would fall disproportionately on small businesses.

Those who welcomed the shift in burden away from the regulator felt businesses would gain from greater control over the process and some said they would be more efficient. Some thought the change would reduce burdens on companies with robust systems already and would be very challenging for companies with weak systems, helping to drive poor practice and criminality out of the sector. One respondent suggested that increased responsibility would help to change the management culture in the industry for the better.

There were smaller numbers of respondents who disagreed with the overall approach.

Home Office response

The similar response rate across all three possible options for this question suggests that it will be important to communicate more clearly how business regulation will reduce the overall regulatory burden and cost on the industry.

Key aspects to this are setting the fee level payable to the regulator under the new regime, as well as clarifying the amount of any additional burden that will be placed on businesses and third parties.

These issues will be clarified further in the final impact assessment.

Question 21

Do you agree or disagree it would be beneficial to continue to have consistent regulation of the private security industry across the UK?

94% agreed that it would be beneficial to continue to have consistent regulation of the private security industry across the UK.

The response to this question broken down per region was as set out below:

	Agree	Disagree	DK	For (%)	Against (%)
England and Wales	668	25	12	95%	4%
Scotland	38	3	1	90%	7%
Northern Ireland	13	0	0	100%	0%

Home Office response

The response to this question clearly shows a preference for a consistent regulatory regime for the private security industry across the UK.

Question 22

Are there any operational issues specific to the region you are in?

173 respondents answered this question and topics raised covered a very wide range of issues, most of which have been covered in the out of scope section of this document.

Responses specific to Northern Ireland (NI) related to concern over the licensing of individuals with conflict convictions, interoperability of the regime with the Republic of Ireland, minimal evidence of enforcement, and suggestions for a NI specific scheme.

Responses specific to Scotland related to the difference in the law, reducing police enforcement in favour of SIA enforcement, the requirement for business providing services to the Government to be ACS accredited, and the ability of the police, HMRC or the regulator to tackle the organised criminal element in the industry.

Home Office response

All regional issues identified above have been passed onto the SIA, and devolved administrations to consider further.

Question 23

If you have any other comments on the consultation, please outline them below.

317 respondents answered this question. Some respondents used this question to underline that they were not in favour of the Government's proposal and that they valued the current regulatory regime. Some of those respondents thought that option 1 – 'do nothing' – could have been explored further. A similar number however expressed dissatisfaction with the

current regulatory arrangements, although this wasn't necessarily coupled with support for the Government's proposal.

Several respondents raised concerns in relation to the securing of primary legislation to complete 'phase two' of transition ('phase two' was outlined in the consultation document and involves, in particular, replacing the SIA with a successor regulator outside of the public sector). Many respondents stated that the longer-term credibility of the regime depended on primary legislation being secured and asked the Home Office to provide reassurance that it would be seeking primary legislation, as well as setting out a clear timetable for reforms. Mentioned the most frequently was establishing the SIA's successor body and providing further enforcement powers.

In regard to a successor organisation to replace the SIA, many respondents expressed concerns that if it was to operate in the private sector it would seek to profit from fees or be anti-competitive. Those respondents who raised this issue in the main stated that it was critical for the new regulator to be fully independent of the industry.

Several respondents asked for further information on how Trusted Service Providers and Meditated Access Partners would operate and how they would be effectively monitored and quality controlled.

Some respondents asked which industry body would be responsible for operating the future quality business hallmark scheme. Some respondents supported automatic entry for current ACS businesses into the mandatory approval regime, but others raised concerns that there was a lack of compliance with the ACS requirements and that ACS companies should not, therefore, be given automatic entry.

Some respondents underlined the importance of self employed individuals being regulated appropriately under the proposed regime.

A number of sporting associations who replied sought assurance that current exemptions for in-house security staff at sports grounds where a safety certificate is in place would continue.

The majority of respondents raised other issues that have been categorised as out of scope for this consultation. They are, however, acknowledged in the section below.

Home Office response

It is noted that option 1, keeping the status quo, was considered a credible alternative by some to the Government's preferred option. However, as stated in the consultation document the Government believes that the creation of a business regulation regime will bring a number of significant benefits to the industry in line with the public bodies review.

The HO is seeking to secure primary legislation to enable all proposed reforms to be achieved. It will be working with other government departments and Parliament to put enabling legislation in place as soon as possible. In relation to the organisation that replaces the SIA, the HO is clear that its governance framework must ensure the regulator's full independence from those whom it regulates.

The HO and SIA will communicate further information and detail on how business regulation will work, as part of the roll out period for the new regime. We recognise that sufficient time is required to allow for the industry to be ready for the new regime.

4. Out of scope

Issues not directly related to the consultation were raised by respondents. The most commonly raised issues, along with an indication of the views expressed, were:

Individual vetting requirements – some felt there should be enhanced Disclosure and Barring Service (DBS) checks for security operatives. Others thought that there should be annual checks on DBS records. Police National Computer (PNC) checks were suggested as a way to vet individuals. The SIA should continue to do 'right to work' checks on individuals according to some.

Individual standards – It was suggested that the number of required training hours should be brought into line with other EU countries. Some felt there should be specific training requirements for dealing with children and vulnerable adults, and first aid or that there should be physical and mental testing or indeed English and maths testing. It was noted that many individuals work cash in hand. Several responses also raised concerns about the cost and locality of training. In addition, some respondents commented that they felt that the existence of SIA mandatory training has led to a decrease in 'on the job' training provided by employers.

SIA enforcement activity – There were a range of comments, including criticism of current SIA enforcement needing to be more effective in the future.

Training malpractice – Some commented that many training providers are focused on achieving pass marks, sometimes falsely, compromising training standards. Companies responsible for training should therefore be more closely regulated, to ensure the services they provide meet required standards and are not fraudulent. More enforcement by the SIA is needed on this issue according to those respondents.

Licensing for other sectors – There were comments that the private investigation sector should be regulated. Some felt that dog handlers should be regulated and others that security systems and security installers should be regulated.

The Security Regulation Alliance stated that there was a view in the industry that the term 'security guard' should be replaced by the term 'security officer'. These issues have been noted and will be considered by the HO, SIA and devolved administrations in relation to current regulatory arrangements for the private security industry.

List of consultation participants

The consultation asked respondents to specify the organisation they work for. The responses of those that were happy to do so are listed below. Please note this is a list of the company/organisation that respondents specified that they worked for, and this does not mean that the response was necessarily on behalf of that company/organisation.

Abbey Security Training Ltd.
Acclaimed Security
ACPO – Association of Chief Police Officers
Acrosec UK Ltd
Advance Security UK Limited
AFA Fire And Security LTD Whitburn West Lothian
Aitch-Gee Investigations Ltd
Akita Group Ltd
Alarm Response and Keyholding Ltd
Alfords Building & Property Services
Alsecure Group Ltd
American Express Services Europe Ltd
Amwell Consultancy Limited
Antonine Security & Risk Solutions Ltd
Archimedes Services Ltd
Armadillo Shield
Arup Resilience, Security and Risk
Assist Security Ltd.
Association of Licensed Multiple Retailers
Atticus Risk
Audio 10 Marine parade Brighton Sussex.
Avantgarde (Scotland) Ltd
Axis Security
BAE Systems
Balfour Beatty Workplace
BDI Securities UK Ltd
Bernic U.K., Birkenhead, Merseyside.
BGP Global Services Ltd
Bradsons Event Services
Brighton & Hove Business Crime Reduction Partnership
Brighton Marina Estates Management Company Ltd
Britannia Hotel
British Beer and Pub Association
British Education Studies Association (BESA)
British Film Institute (BFI) National Archive
British Security Industry Association
Cairnstar Ltd
Calibre International security Limited
Cambridge Regional College
Canterbury Cathedral
Caple Security Services Ltd
Capricorn Security Limited
CAVA Guard
CCTV Training.com LTD
CE Facilities Services
CH2M Hill – Formally of the Olympic Security Team
Chamber Certification Assessment Services
Charnwood Training Group Ltd
Check Your Staff Limited
CIS Security Limited
City University London
Coin Co International Plc
Control Risks Group Limited
Corinthian Security
Cre-Namic Security solutions
Credit Industry Fraud Avoidance System (CIFAS)
Crime proofing Ltd
Crownlinks Int
Custódio Barreiros
DanSan Associates Limited
Darlington Borough Council
Dartford Borough Council
Daventry District Council
DCL Security
Decline
Defacto Intl
Dept of Justice – NI Courts and Tribunals Service
Derbyshire and Nottinghamshire Chamber of Commerce
DFDS Seaways
Doorsafe Security
Drug Detection K9 Company

Dss Security Services
 Eboracum Security
 Elite Security (NW) Ltd
 Emcor Facilities Services
 Emerald security consultants ltd
 Empire Event Security
 Entourage Security Limited
 ESTC Group
 Eventsec Limited
 Evolution training services
 Exclusive Training & Recruitment
 Experian
 FAR Solutions Limited
 FCO UK Government
 Festival Republic Ltd
 FGH Security Ltd
 First Security (Guards) Ltd – Interserve
 First Security Group
 First Stop Security
 G4S
 Gainsborough Events Management Limited
 Garda World
 Global Security Ltd
 Global Support Services (UK) Ltd
 GMB
 GMS Security Services Ltd.
 Grimsby Council
 Group Controlled Solutions Ltd
 Guarding UK Ltd
 Hampton Security Consultancy Limited
 HANA Management Systems Ltd
 HDS Securities Contracts Ltd
 Hermes Parcelnet ltd
 Herring Security Services Ltd
 High field Awarding Body for Compliance
 Home Guard Services Ltd
 Hull College
 ICTS LTD
 IMP K9 Ltd
 Incognito security LTD
 Infinity SDC
 Initial Facilities Services
 Inn-dispensable Business Services
 Institute of Licensing
 Institute of Licensing Northern Ireland Branch
 Institute of Munitions Clearance and Search
 Engineers
 Institute of Professional Investigators
 Institute of Public Policy Research
 Integrated Security Consultants Limited
 Interconnective Limited
 International Professional Security Association
 International Security Network (UK) Limited
 Interserve FM
 Intime Investigations LTD
 ISARR
 ISC LTD
 ISOQAR
 ISS Security
 Izon Security Ltd
 Jayfort Security Services Limited
 JCB Security
 JD Wetherspoon PLC
 John Guest Ltd
 Johnson Controls – Global Workplace Solutions
 K9 SOLUTIONS UK
 Kent Independent Security Ltd
 Key Control Services Ltd
 KeyPlus Security Ltd
 Knightwood Leisure Ltd
 Lancashire Police
 Life Science sector
 Light Ray Security Services Ltd.
 Local Authority – Ipswich Borough Council
 Local Authority in Central London
 London Borough of Enfield
 London Borough of Lambeth
 London Legacy Development Corporation
 Loomis
 M.A Dog Training and Services
 Major Security Solutions
 Manage Security Services Ltd
 Manforce UK Ltd
 Merloc Ltd
 MILTON KEYNES SECURITY SERVICES LTD
 Minimal Risk Consultants
 MITIE Security Ltd
 MOD Alarms Ltd
 MOD Guard Service
 Moray Security Limited
 MULTILINK
 Multisec (UK) Limited
 NASDU – National Association of Security Dog
 Users
 National Association of Licensing and
 Enforcement Officers
 National Doorwatch
 National Health Service
 National Monitoring
 National Security Inspectorate (NSI)
 Nationwide security services
 NDSS Ltd
 NEC Limited
 NHS Protect

NIACRO
 Nokia Siemens Networks
 Norguard Limited
 North Yorkshire Police
 Northern Security Ltd
 Northumbria Police
 NWG – Tackling Child Sexual Exploitation
 Ocean Security Services
 OCS Group UK LTD
 ODB Network Ltd
 Oltec Group
 OPTIMA Defence & Security Ltd
 Outrider Security Training Academy
 Oxford Brookes University
 P J I SECURITY LTD
 Parking & Enforcement Agency Ltd
 PCL Whitehall Security Group
 Persona HR Ltd
 Phoenix Eye Limited
 PHOENIX EYE LTD T/A PHOENIX SECURITY
 PK Consultancy LTD
 Plan International
 Police Federation of England and Wales
 Post Office Ltd Cash Services
 Potters holiday resort
 Praesidium
 Precreate Security Solutions
 Primus Protective Consultants Ltd
 Priority Investigations Group
 Professional Bodyguard Association
 Professional Security Management Limited
 Profile Security Services Ltd
 Protex Security.
 Provide SESS LTD
 PRP Security
 QPR FC
 Radius Security Ltd
 Recovery UK Ltd
 Regional Organised Crime Unit – West
 Midlands Police
 Repton Security Ltd – ACS Company
 Resource (United Kingdom) Limited
 Response Security Training
 Retail Crime Operation (Birmingham) Ltd
 RFA Security Services Ltd
 Riber Security & Investigations Ltd
 Risk Advisory Group plc
 RJD Group (Scotland)
 Royal Air Force
 Safeguard Security Group
 Safer Swansea Partnership
 Savills UK
 Savvy Sec
 Securi Group Scotland
 Securitas Security Services (UK) Ltd
 Security Advice Limited
 Security and Facilities Management Services Ltd.
 Security east midlands
 Security Management South West Limited
 Security Plus + Ltd
 Security Regulation Alliance
 Sefton Council Security Services
 SELECT SECURITY SERVICES NW LTD.
 Senator Security Services Limited
 Serco Security Support Services RAF Brize
 Norton
 SFM Training Wales
 SGL security ltd
 Shadow Security Services (Exeter)
 SHIELD GUARDING COMPANY LTD.
 SHOW AND EVENT SECURITY LTD
 Showsec International Ltd
 Sjm Executive Security Consultancy Ltd
 Skills for Security
 SLRS Limited
 SODEXO
 Soul Music Enterprises Ltd
 South West Trains
 Southern Railway
 Sovereign CCTV Ltd
 Specific Training Ltd
 Sports Ground Safety Authority
 SPS Specialist Protection Services Ltd
 SSAIB
 Stag Security Services
 Static Guarding
 STEAMERS LIMITED
 Stockton Borough Council
 Stonegate Pub Company
 Storm Operative Security Ltd
 Sunwin Managed Security
 Surrey Police
 Surveil
 Sussex Police
 Swansea Metropolitan University
 T-Class Security Ltd
 Tate Group
 Teams Enterprise Partnership Limited T/A Valley
 Watch
 Teesside University
 Telehouse LTD
 Thames Water Utilities Ltd
 Thanet & East Kent Chamber Ltd
 The Association of British Investigators

The British Institute of Innkeeping Awarding Body
The CCTV User Group
The Club Nightclub St Austell
The Football Association
The Football League
The Lumianr Group
The Premier League
The Racecourse Association Ltd
The Restaurant Group
The RISC Authority
The Royal Horticultural Society
The Rugby Football Union
The Shield Guarding Company Ltd
Total Security Services
Trafford MBC
Trident operations Limited
Triforce Security Solutions Limited
TSO (The Parliamentary Press)
TSS (Total Security Services) LTD
Tyler Security Ltd
Ultimate Security Services Ltd
Umbra protection
United Kingdom Professional Investigators (UKPIN)
University of Portsmouth
University of Warwick
Valero Energy UK Ltd
Vega Systems
Vespasian Security Ltd
VSG Security Services
Wakefield MDC
Walford Security LTD
Ward Security
Watford Borough Council
Wembley National Stadium Limited
Wentloog Security Ltd
Westminster Abbey
Wonga Group Ltd
Yeovil Town Football club
Youngs Seafoods

