EXPLANATORY MEMORANDUM TO

THE PRIVATE SECURITY INDUSTRY ACT 2001 (DURATION OF LICENCE) ORDER 2006

2006 No. 427

THE PRIVATE SECURITY INDUSTRY ACT 2001 (DESIGNATED ACTIVITIES) ORDER 2006

2006 No. 426

THE PRIVATE SECURITY INDUSTRY ACT 2001 (EXEMPTION) (AVIATION SECURITY) REGULATIONS 2006

2006 No. 428

1. This explanatory memorandum has been prepared by the Home Office and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Description

2.1 The Private Security Industry Act 2001 (Duration of Licence) Order 2006 makes provision regarding the length of a licence issued to an individual by the Security Industry Authority ("the SIA"). It provides that the duration of a front line vehicle immobilisation licence is one year and allows for the unexpired period of a current licence to be added to the length of a renewed licence. Provision in respect of a front line vehicle immobilisation licence was made in a previous order which this instrument consolidates.

2.2 The Private Security Industry Act 2001 (Designated Activities) Order 2006 designates manned guarding, door supervision, vehicle immobilisation (including the restriction and removal of vehicles) and keyholding activities for the purpose of requiring them to be licensed under the Private Security Industry Act ("the 2001 Act"). This makes it a criminal offence to undertake licensable conduct involving those activities without an SIA licence from the 20th March 2006. Door supervision and vehicle immobilisation were designated under a previous designation order which this instrument consolidates.

2.3 The Private Security Industry Act 2001 (Exemption) (Aviation Security) Regulations exempt certain persons from the requirements of the 2001 Act on the basis that suitable alternative regulation is already in place. The Regulations set out the circumstances in which it would not be an offence under section 3 of the 2001 Act for a

person to work without a licence. The circumstances apply to certain persons performing aviation security functions under the Aviation Security Act 1982.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 This is the first time an exemption has been granted under section 4 of the 2001 Act.

4. Legislative Background

4.1 The 2001 Act received Royal Assent on 11 May 2001. The 2001 Act included powers for the creation of the SIA as the regulator of the private security industry.

4.2 The sectors (licensable activities) within the private security industry that will be subject to regulation by the SIA are door supervisors, vehicle immobilisers (including the removal and restriction of vehicles), manned guards, keyholders, security consultants and private investigators.

4.3 The SIA commenced the regulation of door supervisors on a geographical basis from 1 March 2004, and this was completed by 11 April 2005. The requirement to hold an SIA licence to undertake vehicle immobiliser activities commenced on 3rd May 2005. The manned guarding sector (which comprises the categories of security guards, cash and valuables in transit, close protection and public space surveillance CCTV operators) and the keyholder sector, will be required to hold a licence from 20 March 2006 by virtue of the Private Security Industry Act 2001 (Designated Activities) Order 2006. The smaller groups of private investigators and security consultants will be licensed in future years.

5. Extent

5.1 These instruments apply to England and Wales.

6. European Convention on Human Rights

6.1 As these instruments are subject to negative resolution procedure and do not amend primary legislation, no statement is required.

7. Policy background

7.1 The 2001 Act was brought in to regulate the private security industry in England and Wales. The industry has grown substantially in recent years and its work has changed from a largely passive role into one with far greater and more active contact with the public. Previously there had been little or no self-regulation and standards across all sectors of the industry varied widely. The 2001 Act was passed to protect and reassure the public by preventing unsuitable people getting into positions of trust, and to raise standards generally in the industry.

7.2 These instruments are necessary to ensure that applicants are not disadvantaged if they get their licence renewal application processed before their current licence expires, to designate certain activities as licensable so that it becomes a criminal offence to work

without an SIA licence from 20 March and to exempt certain activities from this requirement where Ministers are confident that suitable alternative arrangements are in place.

8. Impact

8.1 A Regulatory Impact Assessment was prepared for these orders and regulations and is attached to this memorandum.

8.2 The impact on the public sector is minimal.

9. Contact

John Cairncross at the Home Office Tel: [0207 035 0227 or e-mail: john.cairncross@homeoffice.gsi.gov.uk] can answer any queries regarding this Order.





FULL REGULATORY IMPACT ASSESSMENT

25 February 2005

REGULATIONS TO IMPLEMENT THE PRIVATE SECURITY INDUSTRY ACT 2001 IN RESPECT OF MANNED GUARDS AND KEYHOLDER

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FOREWORD

Dear Recipient

PRIVATE SECURITY INDUSTRY: FURTHER PROPOSALS TO REGULATE THE INDUSTRY

Since the Private Security Industry Act 2001 was passed the Home Office has been working with the Security Industry Authority to develop policies, structures and procedures under which the Authority will regulate the private security industry. The SIA was formally established as a non-departmental public body on 1 April 2003 and is responsible to the Home Secretary for its performance.

The SIA, under its Chairman Peter Hermitage and its Chief Executive John Saunders, has worked with a wide range of stakeholders to develop proposals for a regulatory scheme for the key industry sectors to be regulated. Following the introduction of licensing for door supervisors, which had effect from March 2004 (on a regional roll-out), the Government has decided that regulation should now be extended to the manned guarding and keyholders sector. The Home Secretary is keen to ensure that the proposals are fully available to interested stakeholders for consideration and comment. The regulatory impact assessment (RIA) document "Partial Regulatory Impact Assessment November 2004: Regulations to Implement the Private Security Industry Act 2001 in respect of Manned Guards and Keyholders" provided the opportunity for interested parties to respond with their views.

The consultation followed the Code of Practice on Consultation which can be seen at **Appendix 1**. The consultation period lasted for 8 weeks and not 12 weeks for the following reasons: -

- The proposals for the regulation of the private security industry and the SIA have been in the public domain for a number of years
- There has already been considerable ongoing consultations with the sectors involved
- Every effort has been made to consult a wide variety of stakeholders as part of the process

The consultation period has now come to an end. An analysis of the results can be found in part 2 and the answers to questions posed in the responses can be found in part 3 of this pack.

Nick Smith
Head of the Security Industry Section

1. PURPOSE AND INTENDED EFFECT OF MEASURE

The Objective

1.1 The objective of the Private Security Industry Act 2001 licensing scheme is to:

- remove from the private security industry those who seek to use their position to pursue criminal activities;
- raise standards of competence and professionalism in the industry;
- increase public confidence in the industry; and
- provide recognition for companies and individuals who do operate to high standards and who have invested in training and selective recruitment.

1.2 In order to achieve this set of requirements the regulations require all those who provide manned guarding or keyholding services under contract to hold a licence from the Security Industry Authority (SIA). The issue of a licence will be dependent on checks on an applicant's criminal record and competence to do the job. It will be a criminal offence to engage in licensable conduct without a valid licence. Employers, managers and directors who employ unlicensed operatives will also commit a criminal offence. For the purpose of this paper, manned guards[2] include the following job activities:

- security guarding (static and patrol guards, retail guards, store detectives, dog handlers and guarding at events);
- cash and valuables in transit (CVIT), *previously known as cash in transit;*
- close protection; and
- close circuit television for public space surveillance operatives (CCTV PSS)

1.3 Section 7 of the Act permits the SIA to specify the specific skills to perform a licensable activity. The SIA identified the four areas of manned guarding and has set the core competency required to match the activity performed. For a breakdown of the core competency requirement for each activity see **Appendix 3**.

1.4 For a further breakdown of licensable activities, who needs a licence and definitions of job titles see **Appendix 2**. (Note which other functions may be included as licensing requirements will depend on the type of work that is done rather than the title of your job.)

1.5 Those who will be indirectly affected are the buyers and customers of security services (for example, banks, retail stores, entertainment venues, and so forth) will need to be aware that the SIA will be raising the standards necessary to operate within these sectors. Therefore, they may possibly need to adjust their expectation levels as customers in terms of costs, and so on, in return for receiving an improved quality service. Other groups that may also be indirectly affected are the police, the armed forces and the wider police family. The Act provides the police with greater powers to take action against rogue operators/individuals and it will encourage greater partnership working.

[2] Door Supervisors (DS) are also included in activities carried out by manned guards, however, DS's will be excluded from this RIA as one was completed for this sector early this year. A copy of this RIA can be obtained from the Home Office and SIA websites.

1.6 It is not believed that the impact on those areas of public services exceed the Public Service Threshold Test. A Public Services Threshold Test is a preliminary evaluation that considers the time and money impacts of proposals on public services. Its purpose is to improve public service delivery, by thinking through at an early stage possible impacts on service delivery and the staff supporting it.

The Background

1.7 The Private Security Industry Act 2001, hereafter referred to as "the Act", was brought in to regulate the private security industry in England and Wales. This industry has grown substantially in recent years and its work has changed from a largely passive role into one with much greater and more active contact with the public. Previously there had been little or no self-regulation and standards varied widely. The Act was passed to protect and reassure the public by preventing unsuitable people getting into positions of trust in the private security industry; and to raise standards generally within the industry. It is expected that Scotland will be included in the Act in due course. A separate RIA will be undertaken on Scotland.

1.8 The Act provides for the regulation of a number of sectors in the private security industry. It provides a framework of controls, including the licensing of all individuals engaging in licensable activity in six industry sectors: door supervisors, vehicle immobilisers (wheel-clampers), manned guards, keyholders, security consultants and private investigators. The Act also provides for the establishment of the SIA, as a non-departmental public body, to be the regulating authority.

1.9 The Act was preceded by a White Paper (Cm 4254) which included an Initial Regulatory Impact Assessment (RIA). That RIA looked only at the high level risks, costs and benefits of regulation per se and considered the option of regulating only the manned guarding sector. Benefits of different options were measured against the Government's aim of reducing crime in the industry and fear of crime among the public. Compliance costs were roughly estimated. Consultation with the industry, including small business, indicated that the proposals for regulation were welcomed.

1.10 On 1 April 2002, a Chairman and Chief Executive were appointed by the Home Secretary to lead the Authority. On 1 April 2003, the Security Industry Authority (SIA) was established. The SIA is an Executive Non-Departmental Public Body responsible directly to the Home Secretary. The then Home Secretary David Blunkett appointed a new Chairman on 1 July 2004 and increased the size of the SIA Board from 4 to 5 members.

1.11 The Act does not prescribe in detail the form the licensing scheme will take. Since the passage of the Act, the Home Office implementation/sponsorship team and the SIA has been developing plans for regulation and the issue of licences. In doing so it has consulted and continues to consult through a number of channels with a wide group of stakeholders. More detailed information and proposals are now available on the SIA website about: -

- the form of the licensing scheme;
- the cost of a licence;
- the cost of training;
- the criteria for granting or refusing licences;

- the application process;
- the order in which different industry sectors will be designated for regulation under the Act; and
- the Approved Contractor Scheme.

1.12 The proposed schedule for the licensing of the security guarding sectors for a transitional period of between 6 to 12 months (as the security guarding and cash and valuables in transit sector occupy the larger part of the overall sector, they have been given more time) can be seen in the table below.

Table 1 **Licence Implementation Schedule**

Sector	Open for licensing from	SIA Licence required from
Security Guarding	10 January 2005	20 March 2006
Cash and Valuables in Transit	10 January 2005	20 March 2006
Close Protection	01 September 2005	20 March 2006
CCTV Public Space Surveillance	27 June 05	20 March 2006
Keyholders	2005	Yet to be decided

Recipients are invited to comment on the schedule.

1.13 The Home Office and the SIA are in the process of examining how regulations will be introduced for the keyholding sector.

Risk assessment

1.14 The initial RIA referred to evidence of the employment of criminals in the private security industry leading to a risk of offences being committed, either directly or by improper use of inside knowledge gained through employment in positions of trust. The enactment of the Act reflected Parliament's view that such a risk was sufficient to justify a compulsory licensing scheme. This view was supported by many expressions of concern from the public.

1.15 At the current stage of the development of the licensing scheme, the perceived risks to implementation of the proposed arrangements are:

- the scheme may not be sufficiently rigorous to exclude from the industry those whose criminal record or low professional standards make them unsuitable to work there; or
- the scheme may be too onerous on businesses who do seek to reach the required standards, to the extent that the market for providing the services in question is severely damaged.

Steps to mitigate these risks are set out in paragraph 2.3.

2. OPTIONS

2.1 The Initial Regulatory Impact Assessment considered the option of doing nothing about the employment of unsuitable individuals in the private security industry. It did not explicitly examine the option of encouraging self-regulation, but since this was already a feature of the status quo, it fell within the option of doing nothing. Responses to the White Paper were strongly supportive of legislation to provide national, consistent regulation of the industry. Extensive discussion during the passage of the legislation through Parliament dismissed the options of doing nothing or relying on self-regulation. The Act expressly charges the Secretary of State with establishing the Security Industry Authority and making regulations for the licensing of individuals in the private security industry. This RIA does not, therefore, re-examine the options of doing nothing or self-regulation.

2.2 This Partial RIA looks, therefore, at the options for the content of regulations and the sub-regulatory framework of SIA licensing for manned guards and keyholders, and invites recipients to offer their views and comments on the options discussed. The principal variables in preparing for regulation are the criteria for the granting of licences. Section 7 of the Act provides for the SIA to set criteria under three headings:

- to determine whether applicants are fit and proper persons to undertake the roles of manned guarding and keyholding ;
- to determine whether applicants have the training and skills necessary to engage in those roles; and
- any other criteria which the Authority thinks fit

2.3 The SIA has set the core competency requirements for training intended for manned guards and **Appendix 3** provides further information about this. As for keyholders, the SIA propose at this stage to set criteria in relation to the test for fit and proper persons and to necessary competencies and to set a minimum licensing age of 18.

2.4 The aim is to design a set of criteria which successfully addresses the risks identified above; i.e. that are sufficiently rigorous to make a real difference to levels of crime and fear of crime and also to establish appropriate standards of probity, but that are not so onerous that the industry cannot function. **This RIA looks in broad terms at the effect of a range of options in order to establish whether they are proportional to the risks faced and place no unnecessary burdens on the impact on the public and on businesses.**

- Option 1: Apply a very low criminality threshold and make no competency requirements

  The criminality threshold could be achieved by refusing licences only to those applicants whose criminal record includes serious offences. “Serious” would be defined as (1) serious arrestable offences appearing on the face of the Police and Criminal Evidence Act 1984 (e.g. murder, rape, possessing a firearm with criminal intent); and (2) other offences which the SIA considered to be particularly serious in relation to manned guarding and keyholding activities.

From its knowledge of the industry, the SIA estimates that this might result in 10 – 11.5% of licence applicants failing the criterion (assuming that everyone currently performing manned guarding and keyholding activities applied and that the criminal statistics for the general population as a whole are directly applicable to the two industry sectors).

- Option 2: Refuse a licence to anyone with any criminal record other than for minor offences.
  This option would exclude from licensing all those excluded under option 1 plus all those with other criminal offences on their record other than those of the most trivial nature – i.e. those offences which are triable only summarily and for which only non custodial sentences are available (e.g. minor motoring offences, causing a nuisance). From its knowledge of the industry, the SIA estimates that this might result in at least 25% of licence applicants failing the criterion (with the same assumptions applying as for option 1).

- Option 3: Establish a set of criteria which seek to balance the need to make a real difference to criminality and professional standards in the industry, with the need for the criteria to be proportionate to the risks faced, place no additional burdens on business and allow bona fide businesses to continue to be viable.
  This option would take into account a wider range of factors than simply the offences on the criminal record, including the intrinsic seriousness of the offence, the length of time elapsed since the last offence and, in some borderline decisions, the nature of the sentence imposed by the courts. This option has the benefit of being able to balance rigour with rehabilitation, since it would offset the criminal record itself against the length of recent time spent crime free. No single factor would predominate in the licensing decision, allowing a greater degree of perceived fairness, balance and transparency to be achieved. From its knowledge of the industry, the SIA estimates that this option is likely to result in 12 – 14% of applicants failing the criterion. Detailed information about the criminality check can be seen at **Appendix 4** and information about criminal records check on non British nationals or applicants who have spent time outside of England and Wales can be seen at **Appendix 5.**

2.5 It is difficult to estimate the exact figures that could be precluded because of having relevant criminal convictions. The figures above are estimates based on general population statistics, in addition to SIA estimations of the size of the industry. Owing to the nature of the individual activity, the figures may vary in the different sectors of manned guarding.

2.6 There are risks attached to each option. The chief risk of option 1 is that if standards are set too low, then the SIA will make no real difference to criminality levels and professional standards in the regulated sectors. This is a high risk and one which would carry significant costs for the public, the police and law-abiding operators in the manned guarding and keyholding sectors of the industry.

2.7 The closer a licensing scheme moved towards option 2, the greater the risk that the regulated sectors would become economically non-viable. Criminal statistics show that (in the knowledge that the industry is male dominated) between 29% and 34% of males aged between 18 and 40 will have a criminal conviction for a standard list

offence (Census Population File 1998). This figure is almost certainly higher in the sectors to be regulated. Applied to the maximum, option 2 would remove a substantially higher proportion of existing operators from the workforce than options 1 and 3. Option 2 would be likely to introduce recruitment problems for the industry and drive wages up to a high level for those who did qualify for a licence, thus resulting in far greater costs for the service users. If competency standards are set too high, the industry could be crippled by the effects of substantial numbers of existing staff failing to reach the required standards, provoking a substantial industry backlash.

2.8 An additional risk attached to Option 2 is that it would most probably be open to legal challenge on the principle of proportionality.

2.9 Option 3, almost by definition, minimises these risks but presents a considerable challenge to ensure standards are pitched at that optimum level.

3. BUSINESS SECTORS AFFECTED

3.1 There have always been problems in determining reliable figures for the number of people employed in the private security industry. However, this document attempts to provide estimates for the manned guarding sector but unfortunately it is difficult to approximate the number in the keyholding sector.

Manned (Security) Guards

3.2 Estimates put the size of the industry at between 153,000 and 204,000 individuals. This figure was obtained from three sources. An estimate provided by the Way Forward Group Manned Services Sub-Committee puts the overall figures in the manned services sector as high as 204,000. The primary research from the George & Button report estimates the sector size to be approximately 153,000, whereas the relevant Labour Force Survey occupational codes give a total of 191,000 in early 2001. During consultation with the industry since the establishment of the Security Industry Authority, information gathered from anecdotal evidence puts the size of this sector between 125,000 to 140,000. For the purposes of this paper, 125,000 to 140,000 has been used to reflect the predicted size of the manned guarding sector.

3.3 Although there have been previous attempts to estimate the size of the industry, fragmentation has impacted negatively upon these attempts. Some commentators claim that most estimates of size omitted parts of the wider industry. Although they did attempt an estimate of the size of what they considered to be the whole industry, they were unable to do so without a good deal of qualification. They stated that the true size would not be known until statutory regulation took effect, and may be not even then, as it is predicted that some individuals will decide to leave the industry or will not meet competency and/or criminality criteria.

3.4 Those who provide and/or carry out contracted security activities will require an SIA licence. The guarding activities defined as licensable by the Private Security Industry Act 2001 are:

- guarding premises against unauthorised access or occupation, against outbreaks of disorder or against damage;

- guarding property against destruction or damage, against being stolen or against being otherwise dishonestly taken or obtained;
- guarding one or more individuals against assault or against injuries that might be suffered in consequence of the unlawful conduct of others.

3.5 Those providing and/or carrying out licensable security activities will require a security licence unless the guarding activities fall within one of the specific sectors of the industry that have been identified by the SIA as requiring a separate licence: Cash and Valuables in Transit; Close Protection; and CCTV Public Space Surveillance. Sectors have been identified where licensable activities are distinctly different against national occupational standards in content and context and/ or where different controls are imposed by regulation. The guarding activities that are dealt with by separate sector licences are described below.

Cash and Valuables in Transit

3.6 Security operatives employed under contract using specially adapted vehicles for the safe transportation and custody of cash, property and other valuables, will require a Cash and Valuables in Transit licence. Estimates put the size of this sector at 15,000 individuals.

Close Protection

3.7 Security operatives employed under contract who establish and maintain a safe environment in which a specific individual can live and work, whilst continually minimising the risk of an attack or an invasion of privacy will require a close protection licence. Estimates put the size of this sector at 1, 000 individuals.

CCTV PSS

3.8 CCTV equipment which is operated either deployed into fixed positions or has a pan, tilt and zoom capability which enables the operator to:

- pro-actively monitor the activities of members of the public whether they are in public areas or on private property;
- use cameras to focus on the activities of particular people either by controlling or directing cameras at an individual's activities;
- use cameras to look out for particular individuals; and
- use recorded CCTV images to identify individuals or to investigate their activities.

3.9 A security operative employed under contract would need a CCTV licence. Estimates put the size of this sector at 7,000 individuals.

Keyholders

3.10 Keyholding is an activity carried out by security guards. It is also carried out as a dedicated or specific service by keyholder response companies. The industry estimates that 97% of keyholders activity is carried out by security guarding companies. Dedicated keyholder response companies carry out the remaining 3%. For this reason, it is difficult to estimate the number of people working in this particular sector.

ADDITIONAL BUSINESS MATTERS

Security Guards at Events (Stewards)

3.11 Security guards at events (Stewards) employed under contract at protests/demonstrations, sports and entertainment venues to keep order (i.e. performing a security function as defined under Schedule 2 of the PSIA 2001) are undertaking a form of manned guarding. They would therefore require a security guarding licence.

In-House

3.12 It is acknowledged that many within the industry have expressed an opinion that the Act should be extended to include in-house. This option is currently being examined separately, and if a proposal is made to extend regulation to include in-house, it will be subject to a separate dedicated RIA to allow for a full consultation process to be undertaken.

Volunteers

3.13 Those individuals who provide security guarding at events (and others) on a volunteer basis will not be subject to regulation, unless they receive payment in kind, or reward. It is important to understand what does or does not constitute payment in kind or a reward and to apply common sense. The principles on what constitutes payment in kind or reward are in line with those set out by HM Revenue and Customs (HMRC) (previously the Inland Revenue). In short, HMRC identifies a payment in kind or reward as whether it is liable to either PAYE (Tax) or National Insurance Contributions.

3.14 The list provided on the Inland Revenue website (link below) is comprehensive, but not prescriptive, and if in doubt, individuals or organisations should consult the SIA.

http://www.inlandrevenue.gov.uk/employers/ebik/ebik2/table-of-contents.htm

3.15 Examples

- The provision of a meal or meal vouchers for the individual during the working day is acceptable. The provision of vouchers to be exchanged for, for example, ‘lunch at the Ritz’ would be considered a reward.

- The ability to view the event while working would not be considered a reward. However, preferential treatment or discounted rates for premium tickets (e.g. Men’s Final on the Centre Court at Wimbledon, or a Cup Final match) could be.

- The provision of a uniform or appropriate ‘kit’ for the job would not be considered payment in kind or a reward, nor would certain other items of clothing such as a motif tie.

3.16 It is not possible to set out every possible scenario, but the HMRC conditions are clear, and if in any doubt, individuals and businesses should consult the SIA direct.

Exemptions

3.17 Some people undertaking security activities may already be subject to a type of vetting that is equivalent to that established under the Private Security Industry Act (PSIA) 2001. In these circumstances, the Secretary of State may make regulations under section 4 of the PSIA 2001 to establish such exemptions where he is satisfied

that the vetting procedures to which the individual is subject are a properly valid alternative to those undertaken by the Authority.

4 BENEFITS

4.1 Benefits, although very real, are nonetheless difficult to quantify. One of the intended benefits of the legislation is to reduce offending in the private security industry and to give the public greater confidence in the industry. Quite often it is those more vulnerable elements of society that are more likely to be at risk from unscrupulous operators. An attempt has been made to assess the economic and social benefits. There is no environmental impact.

Option 1 - Apply a very low criminality threshold and make no competency requirements.

4.2 Economic - this option would have some, though low levels of benefit, and therefore a continuing cost to the public or the police. There would be some benefit to businesses in that few employees would be excluded from continued employment and so regulation would not inherently give rise to significant additional recruitment costs. However, this must be balanced by the fact that by leaving undisturbed the current low standards within the industry, current high levels of staff turnover (estimated at 24% for the manned guard sector, no data are available for turnover in the keyholder sector) would be likely to persist.

4.3 Social - there would be little improvement over current levels of criminality and competency in these industry sectors and the public and police confidence would remain low.

Option 2 - Refuse a licence to anyone with any criminal record other than for minor offences.

4.4 Economic - Benefits would exist for those individuals and companies that were able to meet the very demanding criteria. They would be in a very strong position in a substantially reduced market, but would have had to meet significant training and recruitment costs.

4.5 Social - there would also be a benefit to the police and public who would have high levels of confidence in the quality of individuals and companies providing door supervisor and vehicle immobilising services. However, if the effect of the licensing criteria was such that the industry was unable to recruit sufficient licensed staff, then a shortage of manned guards or keyholders would have a significant negative impact on the confidence and safety of customers.

- **Option 3** - Establish a set of criteria which seek to balance the need to make a real difference to criminality and professional standards in the industry, with the need for the criteria to be proportionate to the risks faced, place no additional burdens on business, and allow bona fide businesses to continue to be viable.

4.6 Economic - There is likely to be a particular benefit for those more vulnerable members of society, often the elderly and children, who rely on security guards for their safety in public places. Security guards with higher levels of skill in first aid, drug awareness and conflict management would make their environment a much safer place. For licensed individuals and their companies, the achievement of worthwhile recognition of their professional standards should lead to greater job satisfaction. As a result, there could be lower levels of staff turnover, lower recruitment costs and higher skill levels. Licensed individuals and their employers would be able to charge more for demonstrably higher standards of service, and these increased fee levels could cover the costs of additional training.

4.7 Social - Achieving an appropriate balance between the need to raise standards in the industry and the need to do so in a manner that allows genuine businesses to thrive, carries a wide range of benefits. Standards would be raised to a degree that increased the level of public confidence in the regulated sectors. Similarly, increased police confidence could lead to progressive levels of partnership within the wider police family. A reduction in crime and distress to members of the public should also be achieved.

5. COSTS

5.1 The term “costs” can be misleading in that some will be economic costs to the individuals requiring an SIA licence, some will be applicable to companies providing the services, and a third kind may be passed on to the users of such services. Typically, the individual applicant would meet the SIA licence fee, but in some cases this cost might be borne by contracting companies. Similarly, the cost of the time taken to apply for a licence would initially fall on the individual applicant. In both cases, however, it would be reasonable to expect that these costs would feed through to wage levels and thereby be passed on to service users.

5.2 If regulation fails to make a positive difference to levels of criminality, there will be social costs. The harm caused by the fear of crime and low professional standards was identified in the initial RIA and recognised by Parliament in the Act, and this would not be addressed. Social costs are extremely difficult to estimate. In “The economic and social costs of crime” by Sam Brand and Richard Price (Home Office Research Study 217, 2000), it is calculated that violent crimes make up nearly a quarter of the volume of offences but account for nearly three-quarters of the total cost to society. The same report stated that it was not possible to calculate the cost of fear of crime which would persist if the criminality levels remained at current perceived levels.

5.3 In analysing the costs of each of the optional approaches to regulation, it is assumed that the cost of the licence fee set by the Security Industry Authority would remain the same in each case. It is government policy that regulatory bodies such as

the SIA should be self-financing and it would not be appropriate to use public funds to subsidise regulation of the industry, or to use regulation to raise public funds from the industry. The level of the fee for the granting of an SIA licence is therefore determined by the cost of operating the regulatory scheme, including the cost of running the Authority, and the demand for licences. The variables tested by the three optional approaches – the standards of criminality and competency that will be required in order to gain an SIA licence – would not entail different procedures within the Authority that would lead to a change in the overall cost of the scheme or in the level of the licence fee. Option 1 however, might have the effect of deterring fewer people with criminal records from applying for a licence, thereby increasing demand and reducing the unit cost of a licence.

5.4 The application fee for an SIA licence (which will be valid for three years) is currently set at £190; this includes the cost (£28) of obtaining a Disclosure from the Criminal Record Bureau (CRB). It has always been the Home Office's intention that the SIA should be self-funded by means of the charges that it makes to those who use its services, and that it should not be a drain on taxpayers. The licence fee has therefore been set at the level necessary to meet the full cost of running the SIA. This includes not only the direct cost of processing licence applications, but also the Authority's other running costs relating to, for example, its investigations and compliance function. This fee level will be used in the costing of each of the options.

5.5 Earlier this year the SIA was able to secure an agreement with the Inland Revenue that the licence fee would be tax deductible. This means that where employees in the private security industry pay their own licence fee, they will be able to claim tax relief against their taxable income. There will also be no tax or National Insurance liability where an employer pays the fee on behalf of his employees. For employees paying tax at the basic rate, this is worth £41.80.

5.6 The analysis also assumes that the application process would be the same, or very similar, for each option. Variations in the criteria to determine applications would not affect the process. Licence application time is only relevant as a cost to industry where the applicant is currently employed in the sector and would not be able to continue employment until a full SIA licence was granted and where insufficient time was allowed for the application to be processed before the regulations came into effect. The SIA communication strategy will aim to minimise the percentage of late applications. Where relevant, application time is calculated as the average number of hours worked in the period of time it takes to receive the licence multiplied by the average hourly wage.

5.7 Training costs will fall most heavily on new entrants to the industry since some existing qualifications can be transferred for a much smaller cost. The SIA estimates that training will cost between £250 - £350. For the Cash and Valuables in Transit (CVIT) sector, the vast majority of existing staff are likely to be fully exempt owing to prior training qualifications. Again for the new staff and those not fully exempt, it is believed the cost of training is likely to be met by the medium to large companies.

5.8 Current CCTV Public Space Surveillance staff are likely to have to undertake training to pass the assessment and get the SIA approved qualification. There may be some part exemptions against the training requirement for practical skills although in

the main, this is likely to apply to current staff. In line with the other sectors, it is believed the cost is likely to be met by the employer.

5.9 The training and qualification specification for the Close Protection sector has yet to be completed.

5.10 In terms of funding, all the SIA approved qualifications will be eligible for LSC funding. Although an arrangement such as that available to door supervisors may not be available, many SG/CVIT companies have tapped into local LSC funding through initiatives such as Employer Training Pilots (ETP) and the Workforce Intervention schemes.

5.11 The SIA is working with the LSC to explore funding mechanisms for the larger companies which cover multiple LSC regions

5.12 Wage levels in both industry sectors are a cost borne by users of the services, with manned guarding wages currently ranging from £5 to £8 per hour[3]. However, this figure can be as high as £10 in certain areas. (Wage levels in the CP, CCTV and CVIT are likely to be higher than the ones stated above, owing to the specialist nature of the activity performed.) Keyholders are a specialist sector born out of the security guarding sector and may command the higher level of the wage range. We assume that these levels would increase in the short term, if the licensing criteria resulted in excluding substantial numbers from the pool of available labour. This would be a particularly relevant factor under Option 2. In the longer term, wage levels could also be expected to increase to reflect demonstrably higher standards of competency. However, at this stage we do not have sufficient information to allow us to predict or estimate the impact on the market of increased wage levels.

5.13 The following paragraphs examine the cost to the industry for both individuals and companies of the different options. The breakdown of anticipated costs under each option for typical companies in both sectors can be found in **Appendix 6.**

Option 1

5.14 Option 1 sets a low criminality criterion, so it is assumed that relatively few applicants would be refused a licence. Where applicants are refused a licence, they will be barred from engaging in licensable activities. Users and providers of services will have to recruit replacement licensed staff.

5.15 Under Option 1, there are a number of social costs. If the criminality criteria for the grant of licences are set too low, and no competency criteria are set, it is unlikely that regulation will make a positive difference to levels of criminality. These business sectors would retain a low level of public and police confidence, which would affect their capacity to market their services as skilled and professional. High levels of staff turnover would be likely to persist, perpetuating high recruitment and training costs.

5.16 Total costs to the industry of Option 1 would include licence fees, application times and ongoing recruitment costs. No estimate can be made of increased costs that might be incurred by marketing services in which public confidence remained low.

[3] According to the Jobcentre Plus website

Option 2

5.17 Option 2 sets the criminality criteria very high and also requires evidence of high levels of competency. Businesses or individuals would have to pay for training in order to provide the required evidence. It must be assumed that a high proportion of those currently working in these business sectors would fail to meet the criminality standards as would be the case on professional competences, and potentially a reduced ability to transfer existing qualifications. This would therefore result in a higher number of individuals being excluded from employment under Option 2, resulting in significant recruitment costs for companies both supplying and using the services.

5.18 For Option 2, the social costs are complex. On one hand, setting licence standards very high might lead to an increase in public and police confidence and a reduction in crime around these sectors of employment. However, setting standards too high would be likely to have three negative effects:

- high levels of evasion
- continuing unlicensed activity
- severe shortage of licensed operators, running the risk that places of work would be under-supervised.

This option could also encourage those who have been refused a licence, but have remained crime free, to return to a life of crime.

5.19 The total industry costs of Option 2 would include licence fees, application times, training costs and ongoing recruitment costs. Inflated wage levels resulting from scarcity of licensed operators are difficult to estimate but would be an additional cost.

Option 3

5.20 The criminality criteria proposed under Option 3 would exclude some currently working in the industry, and this would result in recruitment costs. There would also be training costs in order to reach the required levels of competency. However, these costs would be offset by the benefits of lower staff turnover, as employees recognised the benefits of a higher status career, and greater marketability, as higher standards were recognised by customers.

5.21 There would be few social costs under Option 3 and a number of benefits as outlined in paragraphs 4.6 and 4.7.

5.22 The total industry costs of Option 3 would include licence fees, application times, training costs, and ongoing recruitment costs. Inflated wage levels resulting from some scarcity of licensed operators are difficult to estimate but would be an additional cost.

Other Costs

5.23 The public sector costs include those to the Home Office of setting up the SIA. These set-up costs of £21.2 million will not be recouped by the collection of licence fees.

5.24 There will be a cost to the Department for Constitutional Affairs in respect of appeals to Magistrates' Courts and Crown Courts, which will be refunded by the SIA.

6 EQUITY AND FAIRNESS

6.1 Whichever option is chosen for the level of criteria applied to the granting of SIA licences, those criteria will be fair and transparent. They will apply equally to individuals in different sizes of business and in all parts of the country. However, it is also desirable that regulations should be proportionate in their application. Option 2, setting very high standards of criminality and competency, would have a disproportionate effect on business in relation to the aim of the regulations. Option 3 seeks to apply proportionate requirements on the industry in order to address the aim of reducing crime and raising professional standards**.**

6.2 It is further expected that the training and licensing scheme under option 3 may well be the most effective at increasing involvement from other sectors of society that have hitherto not considered employment in the security industry, not least by attracting women into what is seen by many as a male-dominated industry. This approach should also level the playing field for low-income employees and the raising of skills and standards should increase employment opportunities.

6.3 When designing the assessment systems for the qualification, awarding bodies are asked to ensure that provision is made for any candidate with special needs. For example, any candidate who is dyslexic can be supported by a reader during the tests. However, any candidates from overseas will be required to demonstrate that they can speak English effectively in order to fulfil the general requirements of communication, health and safety at work and emergency situations. Although this may well be a barrier to some foreign nationals, or individuals living in the UK to whom English is only a second or third language, opportunities do exist for these individuals to undertake basic English language training free of charge. This will enable them to be in a position of equality in relation to the SIA licensing scheme with those who speak English as a first language.

6.4 The SIA announced on 23 September 2004 that the door supervisor licence had been extended to cover the activities of security guards. One single SIA door supervisor licence will allow an individual to work across both sectors. The new extended licence will allow security staff to work at premises or locations where alcohol licensing boundaries are extended, or where security activities overlap such as sports grounds or outdoor festivals. The SIA will take a pragmatic approach when looking at cross sector entitlements.

7 RACE EQUALITY

7.1 In assessing the proposed policy against the issue of racial equality, we have addressed the following points

Is there any reason to believe that the policy of manned guarding regulation…

- will affect people differently, according to their racial group, for example, in terms of access to a service, or the ability to take advantage of proposed opportunities?

- will affect organisations differently, for example, those with high proportions of any racial group?
- will discriminate unlawfully, directly or indirectly, against people from some racial groups?

7.2 It is at present difficult to assess whether the proposed criminality criterion will have a disproportionate impact on certain ethnic groups. However, it seems safe to conclude that if there is any such impact, it will be as a result of imported disproportionality from the criminal justice system from which the SIA takes its data, rather than as a result of its own criteria and processes. However, given that we are unable to form a view of an individual's probity as regards criminal history other than on the basis of disposals by the criminal justice system, it is difficult at present to see any grounds for modifying the proposed criminality criterion from the ones explained in Appendix 4.

7.3 The SIA does not believe that any ethnic groups will be disadvantaged by the requirement to demonstrate professional competence, given the arrangements described for supporting candidates who may lack basic and/or key skills (see 6.3).

8. THE SMALL FIRMS' IMPACT TEST

8.1 Although the Small Business Service has been consulted in the preparation of this RIA, a specific impact test using its 'Small Firms Consultation Database' has not been undertaken.

8.2 However, in view of the specific nature of the private security industry, the SIA has, as part of its extensive communications strategy **(see Appendix 7 and 8)**, sought to inform, consult and seek opinion from business of all sizes within the industry, as well as from those who are buyers of security services. The SIA has worked in close partnership with the British Security Industry Association (BSIA) which represents some 80% of the businesses in the industry (of all sizes), as well seeking views from other major umbrella organisations such as the Joint Security Industry Council (JSIC) the Security Industry Training Organisation (SITO) the National Security Inspectorate (NSI) and the International Professional Security Association (IPSA).

8.3 In addition to involvement with a large number of conferences, seminars and exhibitions, the SIA has sought to target those smaller businesses who may not attend such events. This has been done through publications in the trade press, and that of security purchasers.

9. COMPETITION ASSESSMENT

9.1 In line with the OFT Guidelines for Competition Assessment (OFT355 February 2002), this section of the RIA looks at the link between the regulation and competition, in particular, if the proposals will have either positive or negative impacts on competition in the manned guarding sector. Most importantly, it is essential to identify those aspects of the regulation that are most at risk of having a detrimental effect on competition.

9.2 Although there are somewhere between 125,000 & 140,000 individuals working in the industry (Paragraph 3.2) it is understood that 80% of the industry is covered by 60 companies[4].

9.3 The provision of manned guarding and keyholding services incorporates several different services (e.g. security guarding, cash and valuables in transit, close protection). Customers will require a guard for a specific task (e.g. retail guard) and may not be able to substitute guards provided for one service to another (e.g. retail guards to guarding cash in transit). While some firms provide only some of these services, other companies will operate across a number of areas. We have also been informed that companies do not normally switch labour between different services (e.g. individuals who are normally retail guards are not switched to guarding cash in transit). These different services may therefore constitute separate economic markets. If we look at the industry as a whole, there is no single company commanding a controlling share, although the 20 largest manned guarding companies were estimated by the BSIA in 2002 to control just over 61%. (These estimates would suggest that the recent merger of Securicor and Group 4 gives the new company an industry share of around 17-18%.)

9.4 The introduction of regulation into the industry aims to level the playing field and ensure fair competition for companies of all sizes. The regulation may result in some rationalisation of the industry, in that those who cannot meet the licensing requirements may exit the market. It is not possible to estimate this aspect of the regulations' impact, but it is not believed that it will adversely impact on enough firms to result in a significant reduction in the number of firms competing for customers. Purchasers of security services will have the confidence of a known level of professional competence and trust, regardless of the company size, or profile.

9.5 In ensuring fair competition, it is important to examine whether the cost of implementing the regulation will have a disproportionate financial impact on firms for any reason such as size, specialisation, diversity etc. The £190 cost of a licence is the same for all sectors of the industry, and although there will be some differences in training costs in those more specialised areas, these should not be disproportionate and can to some degree be mitigated by the market forces governing the cost of training, and available subsidies.

9.6 In light of the financial equality of the licence, it is unlikely that regulation will lead to higher set up costs or on-going costs for new or potential firms that existing firms do not also have to meet. However, as identified in paragraph 5.7, some training costs may fall more heavily on new entrants. The positive competitive benefit of regulation is that it will not be possible for 'fly-by-night' companies to be set up with little or no professional competence, who are then able to undercut responsible professional companies, and offer little or no protection to the public.

9.7 The market structure of the industry is well established, and while regulation aims to 'transform' the industry, it will do so through raising professional standards and public protection, not by trying to alter the fundamental structure of the marketplace.

[4] provided by KITCATT NOHR ALEXANDER SHAW

9.8 It is also important to assess the potential impact of the proposed options on competition. In this regard, the different criminal thresholds that would be applied may have an impact on competition. As identified in paragraph 5.12, Option 2 of the proposals (refuse a licence to anyone with any criminal record other than for minor offences) will reduce the pool of available labour and may result in higher recruitment costs. These will naturally fall on all companies but may favour the larger companies if, for example, they have a better ability to finance such recruitment costs. Options 1 and 2, which impose lower thresholds, will have a lesser impact in this area.

9.9 Finally, it is expected that on the coat tails of higher standards and greater professional competence, the regulations will in the long term drive up standards of employment, and resultant wages. Although this may well be reflected in the cost to purchasers of security services, it will not in itself restrict the ability of providers and purchasers of security to dictate the price, quality, range or location of the service they either provide or purchase. It is envisaged that the transformation of the industry will lead purchasers of security to seek contracts on the basis of the quality of the service, not the lowest possible common denominator of price per man hour.

10. ENFORCEMENT AND SANCTIONS

10.1 The regulations will be enforced by a strategy that includes -

(i) Partnership with the police and other enforcement agencies

The SIA is working to develop strategic partnerships with the police and other enforcement partners in order to maximise practical co-operation in areas of common concern. In setting and maintaining standards of probity and by generally raising the standards within the industry, the Authority working with other agencies such as the police, will help towards the reduction of crime, disorder and the fear of crime. The Authorities licensing regime and targeted compliance activity will be a constraint on individuals and businesses operating as part of the informal economy. This provides clear overlaps of interest with agencies such as the Department for Works and Pensions and HM Revenue and Customs.

(ii) Management of Intelligence

The SIA's strategies for compliance and enforcement will be intelligence led. The SIA's own enforcement and compliance activities, and those in which it seeks to engage its enforcement partners, will be determined by its receipt, analysis, prioritisation and dissemination of information, using the principles of the standard National Intelligence Model (NIM).

(iii) A regional compliance and investigation team structure

The SIA has established a regional compliance and investigation team. This will eventually consist of approximately 50 staff and will include specialists to manage, analyse and disseminate relevant information to enforcement partners and others. Other tasks will be the promotion of compliance and best practice with employers and local users of licensable security services, and active management of the successful exploitation of overlaps with enforcement partners.

(iv) Prosecutions

Prosecution for one or more of the offences created by the Act will be an action of last resort. However, anyone operating in the private security industry in England and Wales without the appropriate licence could face prosecution. The penalty on conviction in a magistrate's court is up to six months imprisonment or a £5000 fine, or both.

11. MONITORING AND REVIEW

12.1 The SIA Board will report annually to the Home Secretary on the operation of the legislation and the performance of the Authority in meeting its aims and the report will be published. In addition, the SIA will publish annually its accounts and corporate and business plan. Furthermore, the SIA will carry out its own internal review process of the licensing roll-outs once they begin. The reviews will assess that the criminality criterion in terms of licensing decisions is robust, fair and balanced. The Authority will look at volumes of applicants applying in terms of licensing decisions, and success and failure rates at the Magistrates Court.

12. CONSULTATION

11.1 The SIA has undertaken a comprehensive communications strategy to ensure that everyone affected by its new licensing regime is fully aware of the fact. Communication and marketing activities to this end have, since early 2003, included regional information, attendance and publicity at industry exhibitions and conferences, advertisements in industry and commercial publications, and a dedicated SIA website. (Full details in chronological order are shown in **Appendix 7**.) In addition, details of the consultation regarding the SIA consultation on the transitional arrangements and the workshops can be seen at **Appendix 8**.

13. SUMMARY AND RECOMMENDATION

13.1 There is widespread support for the regulation of manned guards and keyholder sectors of the private security industry. The SIA has been working closely with interested parties to develop a regulatory scheme which is fair, efficient and effective in meeting its aims of reducing crime and raising standards in the industry. A summary of the options can be seen below. We recommend the approach in Option 3 which seeks to balance the need to make a positive difference to public safety without severely damaging the business interests of the industry. A regulatory scheme which follows the approach in Option 3 is more fully described in the Consultation Document and the views of the public, businesses and other interested parties are sought.

Option	**Benefit per annum Economic, environmental, social**	**Cost per annum Economic, environmental, social**
1. Apply a very low criminality threshold and make no competency requirements	• Low levels of benefit, and therefore a continuing cost, to the public or the police. • Few employees would be excluded from continued employment and so regulation would	• Few applicants would be refused a licence. • No positive difference to the levels of

	not inherently give rise to significant additional recruitment costs. • Little improvement over current levels of criminality and competency in these industry sectors and public and police confidence would remain low.	criminality. • Business sectors would retain a low level of police and public confidence. • High levels of staff turnover will continue. • High recruitment and training costs.
2. Refuse a licence to anyone with any criminal record other than for minor offences.	• Benefits for those individuals and companies that were able to meet the very demanding criteria. • Would be in a very strong position in a substantially reduced market, but they would have had to meet significant training and recruitment costs. • Benefit to the police and public, who would have high levels of confidence in the quality of individuals and companies providing security guarding and keyholding services. • Shortage of manned guards or keyholders could have a negative impact on the confidence and safety of customers.	• High proportion would fail to meet the standards. • Many would be excluded from employment resulting in significant recruitment costs for companies both supplying and using the services. • Might lead to an increase in public and police confidence. • Reduction in crime around these sectors of employment. • High levels of evasion • Continuing unlicensed activity. • Shortages of licensed operators. • Training costs • Ongoing recruitment costs.
3. Establish a set of criteria which seek to balance the need to make a real difference to criminality and professional standards in the industry, with the need for the criteria to be proportionate to the risks faced, place no additional burdens on business and allow bona fide businesses to continue to be viable.	• Reduce offending in the private security industry and to give the public greater confidence in the industry. • Benefit for vulnerable members of the public. • Can rely on security guards for their safety in public places. • Security guards with higher levels of skill in first aid, drug awareness and conflict management would make their working environment a much safer place. • Should lead to greater job satisfaction. As a result, there would be lower levels of staff turnover, resulting in lower recruitment costs and higher skill levels. • Licensed individuals and their employers would be able to charge more for demonstrably higher standards of service.	• Training costs • Cost for a licence • Lower staff turnover • Greater marketability • Staff recruitment

	• These increased fee levels could cover the costs of additional training. • Standards would be raised to a degree that increased the level of public confidence in the regulated sectors. • Similarly increased police confidence could lead to progressive levels of partnership within the wider police family. • A reduction in crime and distress to members of the public should be achieved.	

14. DECLARATION

I have read the full regulatory impact assessment and I am satisfied that the benefits justify the costs

Signed …….. Date

Hazel Blears
Minister of State
Crime Reduction, Policing, Community Safety and counter-terrorism and resilience issues.

Appendix 1

This Consultation Follows the Code of Practice on Consultation the Criteria for Which are Set Below.

The six consultation criteria

1. Consult widely throughout the process, allowing a minimum of 12 weeks for written consultation at least once during the development of the policy.

2. Be clear about what your proposals are, who may be affected, what questions are being asked and the timescale for responses.

3. Ensure that your consultation is clear, concise and widely accessible.

4. Give feedback regarding the responses received and how the consultation process influenced the policy.

5. Monitor your department's effectiveness at consultation, including through the use of a designated consultation co-ordinator.

6. Ensure your consultation follows better regulation best practice, including carrying out a Regulatory Impact Assessment if appropriate.

The full code of practice is available at: http://www.cabinet-office.gov.uk/regulation/Consultation/introduction.htm

Consultation Coordinator

If you have any complaints or comments about the consultation process, you should contact the Home Office consultation coordinator Pio Smith
by email at:
pio.smith31@homeoffice.gsi.gov.uk

Alternatively, you may wish to write to:
Mr Pio Smith
Consultation Coordinator
Performance and Delivery Unit
Home Office
50 Queen Anne 's Gate
London SW1H 9 AT

Appendix 2

Licensable activities, who needs a licence, and definitions of job titles

What is a licensable activity?
Guarding premises against unauthorised access or occupation, outbreaks of disorder or damage; guarding property against destruction (including providing a physical presence, or carrying out patrols or surveillance), damage or theft; and guarding one or more persons against assault.

Examples of a licensable activity

- Guarding premises or property.
- Guarding people against harm
- Guarding cash or other valuables in transit.
- Guards in supermarkets and shopping centres, guards at building sites.
- Personal body guarding.
- Security staff at concerts will need a licence if their services are supplied under contract and they are wholly or mainly employed to keep order.
- Stewards employed under contract at entertainment venues, sporting events, demonstrations, protests or similar events performing security duties.
- Security staff employed under contract to monitor CCTV screens and initiate a response as a result of activities identified against premises, property or persons.

Who needs a licence?
The following categories of people will need a licence if working in the relevant industry sector

- Security contractors, directors of security companies and partners of security firms;
- Employees of security contractors, security companies and security firms;
- Agency operatives performing designated duties; whether they are directors or partners of the agency, employees of the agency or individuals who work for the agency on a contract basis;
- Agency-supplied managers or supervisors of security operatives supplied under contract;
- Directors of security companies and partners of security firms who do not themselves carry out designated activities.

For further information on licensable activities, please visit the SIA website (www.the-sia.org.uk).

Definitions of job titles
Contractors
A person or firm that contracts to supply security labour and services with a client or customer. If the role involves no operative or public contact but is directly related to the security aspect of the organisation, then they need a manager's/director's licence. (For example, operations director, security manager, Head of Security, etc.)

Directors
A person appointed by the shareholders or members to manage a company.
Companies Act 1989 states "a director includes any person occupying the position, by whatever name called".
Directors have managerial roles but if that role involves direct contact with security operatives or with the public in a security context, then they will need a standard licence.

If the role involves no operative or public contact but is directly related to the security aspect of the organisation, then they need a manager's/director's licence.
(For example, operations director, security manager, Head of Security, etc.)

All directors (including finance directors and group directors) of a company or partner in a partnership that provides licensable security services will require, a licence. This will entail them only needing to pass the criminality check to obtain the directors licence with **NO** need to prove competency. Non-operational staff employed by the company will not require a licence.

Partners
A person who works in a firm and has a share in it with other partners.
If the role involves no operative or public contact but is directly related to the security aspect of the organisation, then they need a manager's/director's licence. (For example, operations director, security manager, Head of Security, etc.)

Worker
A person employed by another person, a company, firm or partnership and receives a wage, salary or remuneration for their services.

Manager
Head of a department in a company, firm, partnership or sole proprietorship. Any manager or supervisor or employee, performing a licensable activity, will require a licence.

Supervisors, managers and directors all have managerial roles but if that role involves direct contact with security operatives or with the public in a security context, then they will need a standard licence.

If the role involves no operative or public contact but is directly related to the security aspect of the organisation, then they need a manager's/director's licence. (For example, operations director, security manager, Head of Security, etc.)

Supervisors
A person, who manages, directs or oversees the performance or operation of others.
If the role involves no operative or public contact but is directly related to the security aspect of the organisation, then they need a manager's/director's licence. (For example, operations director, security manager, Head of Security, etc.)
Any manager or supervisor or employee, performing a licensable activity, will require a licence.

Agency workers, managers and supervisors
A person supplied under contract by another organisation to work, manage or supervise licensable security activities.

Supervisors, managers and directors all have managerial roles but if that role involves direct contact with security operatives or with the public in a security context, then they will need a standard licence.

If the role involves no operative or public contact but is directly related to the security aspect of the organisation, then they need a manager's/director's licence. (For example, operations director, security manager, Head of Security, etc.)
Please note: The titles above are not exhaustive -licensing requirements will depend more on the type of work that you do rather than the title of your job.

Who will not need a licence?

- Security guards employed in-house.
- Stewards employed directly in-house and carrying out guarding duties (except on licensed premises where they will be required to have a door supervisor's licence). Anyone working in an official capacity at an event or proceeding but only assisting by giving information, issuing directions, checking tickets and helping the general public.
- People who may occasionally be required to maintain order and discipline amongst individuals but are not security guards, such as teachers.
- People who carry out security activities incidentally to their main activities, e.g. a shop assistant who may be responsible for locking up at the end of the day.
- Those employed to check tickets, invitations or passes such as cinema ushers will not require a licence.
- Non operational support staff in the security guarding sector e.g. porters and handymen.
- Installers of CCTV equipment.

Job roles where licensing will not apply for company staff

Individuals may also undertake the following job roles in the private security industry without the need for SIA licences, if those are the only duties performed, as licensing requirements depend on the type of work that you do rather than the title of the job.
Please note: this list is not exhaustive and other areas may be included.

- Accountants - would include individual finance assistants and financial controllers.
- Administrative support – would include secretarial support and office managers.
- Barristers
- Cleaners
- Concierge
- Employed to check tickets or passes
- Estate agents - (supervisor or managers)
- Financial controller
- Handymen
- Human resources managers
- Installers of CCTV equipment
- IT support staff
- Journalist/broadcasters
- Members of relevant professional bodies e.g. Institute of Legal Executives, Law Society, and Bar Council etc.
- Legal or financial advisers
- Porter
- Pub landlords receiving services under contract
- Receptionist
- Shareholder or member who is not involved in the running of the company
- Solicitors
- Theatre ushers
- Volunteers
- Wardens or their managers employed in-house in sheltered accommodation.
- Market researchers
- Marketing and Communications Executive/Staff

Appendix 3

CORE COMPETENCY TRAINING

In order to obtain a SIA licence for a front-line security role, you will need to show that you have received the approved standard of training for the particular job for which you seek a licence.

The training requirement does not apply to non front-line staff, who will need to pass only the identity and criminal record check.

In setting standards for training, the SIA has considered the changing roles of those already employed within the industry and the need for improved skills and knowledge.

The training qualification includes conflict management and communication skills, which are regarded as essential for all front-line security roles.

The SIA does not deliver training courses, award qualifications, or provide funding. However, it has endorsed specialist 'awarding bodies' to award qualifications and approve training companies on its behalf.

If you are a (PSS) CCTV, Cash & Valuables in-transit, or Close Protection operative, you will need to receive specialist training in order to apply for your licence. Please see the SIA website for updates on the training specification for CCTV, CVIT and CP and keyholding.

Training for Security Guards

Core competency training for Security Guards is delivered in two stages as follows:

Part 1: Knowledge based training and assessment

- Duration: 22½ hours
- Role and responsibilities of security guards
- Customer care and social skills
- Fire safety
- Health and safety
- Dealing with incidents and emergencies
- The law (civil and criminal)
- Procedures for the control of keys and equipment
- Assignment instructions
- Reporting

Part 2: Practical scenario based training and assessment

- Duration: 7½ hours
- Communication skills
- Conflict management

Training can be delivered over four days with an average course day of 7½ hours. However, training can also be undertaken over weekends and as evening sessions. For an up-to-date list of trainers, please refer to the website www.the-sia.org.uk or phone the helpline 08702 430 100.

Where to get your training

There are currently two awarding bodies who are authorised to provide the security guard training qualifications required for SIA licensing. These are:

Edexcel
Tel: 020 7758 5345
Website: www.edexcel.org.uk
Email: salessupport@edexcel.org.uk

National Open College Network (NOCN)
Tel: 01332 268080
Website: www.nocn.org.uk
Email: nocn@nocn.org.uk

City and Guilds and NCFE also plan to offer the security guard qualification from 2005.

These awarding bodies currently offer some of the exemption awards for the proposed Part 1 of the new qualification (please see the following table).

If you wish to attend a training course that will lead to a SIA recognised qualification, you should contact one of the above awarding bodies. They will provide you with the details of training organisations that offer the course. Don't forget to allow plenty of time to organise your training so that you can obtain the licence you need to work legally.

Training recognised by the SIA

If you have already achieved an award or qualification in a security discipline and hold a certificate, which has been awarded by a SIA approved awarding body, you may be exempt from Part 1 of the training.

Qualification held by Security Guards	SIA training required	SIA exam required
3 days Basic Job Training Award – SITO	Part 2	Part 2
3 days Basic Job Training Award - NOCN/SITO	Part 2	Part 2
2 day Basic Job Training Award – SITO (providing you have remained in continuous employment since the award)	Part 2	Part 2
2 day Basic Job Training Award - NOCN/SITO (providing you have remained in continuous employment since the award)	Part 2	Part 2
BTEC Intermediate Security Operations Award	Part 2	Part 2
NVQ Level 2 Security Guarding - SITO/City and Guilds/Edexcel	Part 2	Part 2
NVQ Level 2, Security, Safety & Loss Prevention – Edexcel	Part 2	Part 2
NVQ Level 2, Security, Safety & Loss Prevention - SITO/City and Guilds	Part 2	Part 2
SVQ Level 2, Security, Safety & Loss Prevention - SITO/SQA	Part 2	Part 2
Professional Guard Part 1 SITO/City and Guilds	Part 2	Part 2

Professional Guard Part 2 SITO/City and Guilds	Part 2	Part 2
IISec Diploma in Security Management NCFE	Part 2	Part 2
IISec Certificate in Security Management City and Guilds	Part 2	Part 2
Knowledge of the Professional Security Officer Level 2 - SITO/City and Guilds	Part 2	Part 2
Knowledge of the Professional Retail Security Officer Level 2 SITO/City and Guilds	Part 2	Part 2
Knowledge of the Advanced Security Officer Level 3 - SITO/City and Guilds	Part 2	Part 2
IPSA Induction Course for Security Personnel (2 day BJT)	Part 2	Part 2

Part 2 of the training that covers conflict management is compulsory for all front-line operatives. Any exemptions to this list will be listed on the SIA web site.

Public Space Surveillance CCTV Training

CCTV operators are not required to leave the control room to engage the general public. Therefore, they do not require training in communication and conflict management skills.

CCTV Operatives working in countries overseas (but monitoring footage within the UK) and are employees of a UK company, could be subject to UK law.

In each case, it would depend on:

a) the individual circumstances of the situation;
b) the country involved;
c) status of the operative; and
d) The status of the company or organisation registered in the UK.

The training requirements for a Public Space Surveillance CCTV licence are currently under development, but are likely to include the following training topics:

Legislation

Some areas of legislation are common to the security guarding qualification. However, CCTV operators need a thorough understanding of the specific legislation that affects their job and the implications of the work they do. This includes:

- The Data Protection Act 1998 and the Information Commissioner's Code of Practice for CCTV operators
- The Human Rights Act 2000 and its implications for the use of CCTV in respect of the rights of privacy and exemptions
- The Regulation of Investigatory Powers Act 2000 which has significant implications for the operation of CCTV systems in terms of directed or targeted surveillance at the request of another. The Surveillance Commissioners responsible for ensuring compliance with the Act have been carrying out

inspections of systems and interviews with CCTV managers to ensure awareness and compliance with the legislation

- Criminal Procedures and Investigations Act 1996
- Police and Criminal Evidence Act 1984

Maintaining and preserving evidence

You need to be fully familiar with the contents and implications of the Codes of Practice for CCTV systems. These Codes should be supported by detailed procedure manuals, logs and records for cataloguing and storing videotapes. It is your responsibility to ensure that the necessary procedures are followed. If they are not, the evidence you record may be declared inadmissible in a court of law.

Monitoring skills

This training provides the ability to use cameras to track a person and record images that are of a high enough quality to be used as evidence. You will also need to be able judge the most appropriate times to set cameras to perform automatic sweeps, record preset views, remain on fixed home positions. You will also need decide when to embark upon pro-active patrols based upon your knowledge of local crime patterns.

Dealing with stress and conflict

Training can help operators cope with the stress of witnessing violent or disturbing incidents such as accidents, fights, disturbances etc. Personal skills training will help you to remain calm and controlled, so that you are able to continue working in a professional way during difficult circumstances.

TRAINING FOR CASH & VALUABLES IN TRANSIT LICENCE

It is essential for all Cash & Valuables in Transit Operatives undergo a structured programme of training and education, resulting in recognised qualifications. In approving standards, the SIA has taken into consideration the existing National Occupational Standards (NOS).

Training Programme

The core competency training comes in two parts. These are delivered over a minimum period of 35 hours, which includes assessment. The training programme is mapped against the National Occupational Standards functional map for Transporting Property Under Guard. These are:

- Unit 1 Contribute to health and safety in the workplace
- Unit 2 Communicate with others
- Unit 3 Maintain effective working relationships
- Unit 4 Contribute to service level agreements
- Unit 5 Recognise and respond to confrontational situations
- Unit 6 Respond to potential and actual attacks
- Unit 7 Contribute to effective teamwork
- Unit 8 Carry out start of day duties

- Unit 9 Prepare to make deliveries and confirm integrity of loads to be transported
- Unit 10 Handle loads to be transported
- Unit 11 Drive on public roads
- Unit 12 Maintain safety and security of loads
- Unit 13 Deliver loads
- Unit 14 Collect loads
- Unit 15 Contribute to operational security
- Unit 16 Process cash deposits
- Unit 17 Process cash orders
- Unit 18 Carry out end of duty procedures
- Unit 19 Operate hand held IT equipment
- Unit 20 Replenish ATMs

Certification

Only full certification from a QCA/ACCAC recognised awarding body will be acceptable evidence of successful achievement of the core competency training.

Exemption from core competency training

If you have already achieved an award or qualification in a related discipline and hold a certificate, which has been awarded by a Qualifications and Curriculum Authority approved awarding body, you may be exempt from core competency training.

Three different criteria have been set for exemption for core competency training:

- Cash & Valuables in Transit operatives who have successfully achieved an award or qualification in a related discipline and hold a certificate which has been awarded since 1st January 2001 by a Qualifications and Curriculum Authority approved awarding body

Example: Level 2 Cash Transportation and Distribution Programme Award – NOCN/SITO

- Cash & Valuables in Transit operatives who have successfully achieved an award or qualification in a related discipline and hold a certificate which has been awarded between 1st January 1996 and 31st December 2000 by a Qualifications and Curriculum Authority approved awarding body as a precursor to the Level 2 Cash Transportation and Distribution Programme Award – NOCN/SITO

Examples: Cash-in-Transit Award – NOCN/SITO. Cash Transportation and Distribution Programme – NOCN/OCNCE. Security Industry Basic Training For Cash-in-Transit Personnel Award – NOCN/SITO. NVQ Level 2 Transporting Property Under Guard. Transporting property Under Guard Exam – City and Guilds.

Providing:

- There is evidence to show you have been in continuous employment within the Cash & Valuables in Transit sector since attaining your award.

- There is evidence to show continual professional development and refresher training throughout your employment period that relates to the Cash & Valuables in Transit sector. This will be subject to audit criteria set by the SIA, awarding bodies and associated organisations.

- Current Cash & Valuables in Transit operatives who have not successfully achieved an award or qualification in a related discipline and hold a certificate, which has been awarded by a Qualifications and Curriculum Authority approved awarding body may be exempted from core competency training. However, they will need to pass the necessary assessment examinations. Exemption from core competency training is at the discretion of the employee and the employer.

Detailed Training Programme

Owing to the confidential nature of most Cash & Valuables in Transit activities, and the associated risks, the details provided in this section are not as comprehensive as those given in other specifications and only the high level aims and objectives have been provided here.

Part One: Cash Transportation. Industry Induction

- Identify the range of Cash & Valuables in Transit services
- State the organisation of a Cash & Valuables in Transit branch
- Identify conditions of employment, rules, procedures and benefits, to include an awareness of the Race Relations Act, the Sex Discrimination Act, the Disability Discrimination Act and the Employment Equality Act (Sexual Orientation) and (Religion and Belief).
- State the mediums by which a Cash & Valuables in Transit company communicates with staff
- State Cash & Valuable in Transit procedures for security at work
- Identify the responsibility of employer and employee in maintaining health and safety at work
- Identify relevant aspects of fire safety
- State a procedure for safe manual handling
- Recognise factors relating to Cash & Valuables in Transit policy on customer care
- Identify relevant aspects of quality assurance

Part Two: Cash Transportation. Professional Cash & Valuables in Transit operative

- Understand the Cash & Valuables in Transit industry and the services offered to customers

- Understand UK and relevant EU transport legislation that affects Cash & Valuables in Transit operations
- Plan and prepare for a trip
- Load and unload the vehicle
- Operate Cash & Valuables in Transit vehicles
- Comply with operational security
- Produce all relevant documentation
- Use self seal containers, seals and labels
- Carry out Collections and Deliveries
- Use pavement and vehicle security protection devices
- Deal with emergencies and incidents
- Communicate effectively with others
- Minimise and contribute to health and safety risks in your workplace
- Give customers a positive impression

What if you already hold a licence or qualification awarded oversees?

Even if you hold a valid licence to work in the private security industry that was issued overseas, you will still be breaking the law if you work in the UK without the correct SIA licence for a job. If you submit an application for any SIA licence that is based on an existing licence or qualification that was granted overseas, you must tell the SIA of any changes to the validity or conditions of that licence or qualification. You must also inform them of any disciplinary action taken against you, or pending, in connection with your licence. Please see the SIA website for updates on the training specification for CCTV, CVIT and CP and keyholding.

Appendix 4

The Criminality Check

In determining the criminality criterion for licensing, the SIA must be able to demonstrate rigour, reasonableness, consistency, transparency, rehabilitation, stakeholder confidence and cost effectiveness. Key concepts in judging criminality are:

- use only established data – convictions, cautions and warnings
- assess the record on the basis of:
  - the relevance of offences to the sectoral licence sought
  - how long ago the applicant became free of sentence restrictions 0-2, 2–5 or over 5 years ago
  - the relative seriousness of offences as defined in the Police and Criminal Evidence Act (PACE) or separately by SIA judgement

In all cases individuals are advised to undertake the self assessment criminality check on the SIA website prior to submitting an application, as application fees are non-refundable

This is the link to the criminality record indicator –
http://www.the-sia.org.uk/licences/security-criminality.asp

The effect of these factors produces the following assessment grid:

	0 – 2 years from last sentence expiry	2 – 5 years from last sentence expiry	5 years + from last sentence expiry
Serious offence(s)	Reject	Reject	Consider additional factors
Other significant offence(s)	Reject	Consider additional factors	Grant
Minor / irrelevant offence(s)	Grant	Grant	Grant

In determining how to deal with "consider additional factors" the SIA must

- maintain the principles already agreed, i.e. relevance, how recent and seriousness
- ensure that the additional criteria needed are objectively verifiable, rational and transparent (i.e. by using the offending profile – the number, type and timing of offences on the record and the type and length of sentence(s) imposed for these offences).

The method proposed is a "points system" which

- first establishes whether there are any serious offences on the record (the threshold to getting a licence should always be higher when this is the case)
- takes into account the cumulative record of all serious offences and of other offences in the relevant 2-5 year period

- takes account of the culpability of the most recent offence, as reflected in the sentence imposed by the courts and, by according different weights to non-custodial and custodial sentences of 2+ or 4+ years imprisonment reflects the proposed new buffer periods from the review of the Rehabilitation of Offenders Act
- recognises efforts at rehabilitation by giving appropriate credit for accrued crime-free time above the required minimum of 2 or 5 years
- the more serious the record, the longer rehabilitative period is required – starting from the end of sentence restrictions – before the SIA should consider the individual suitable for a licence

The system allows all of these factors to be taken into account while allowing none to predominate. The result aims to be a balanced and sensitive system allowing reasonable decisions to be made on a rigorously consistent basis

Relevant, Serious and Other Offences used in the Criterion

Potentially any offence can be argued as relevant, given that it raises doubts as to an applicant's honesty and trustworthiness. However, the SIA has taken a realistic view that some offences are sufficiently minor and / or irrelevant to the test of fitness to be discounted – e.g. minor motoring offences causing a nuisance etc.

The SIA will divide the remaining (i.e. the great majority of existing) offences into "serious" and "other significant" categories.

- "Serious" offences are those listed on the face of Schedule 5 of the Police and Criminal Evidence Act 1984 as "serious arrestable offences" or those are otherwise considered as serious, using best judgement to apply the principles set out in section 116 of PACE for determining whether other offences should potentially be considered "serious arrestable" (i.e. which lead, may lead or are intended to lead to serious harm to the State or public order, interference with the course of justice, death or serious injury or substantial financial loss or gain). Examples of offences in this group include murder, rape, grievous bodily harm, robbery, burglary, indecent assault, possession with intent to supply a controlled drug, forgery, and possession of a firearm.

- "Other significant offences" are those which, while not of the serious nature as defined above, are considered to be particularly objectionable in connections with the holder of an SIA licence. Examples of offences in this group include common assault, battery, indecent exposure, possession of a controlled drug and driving while over the alcohol limit.

Appendix 5

OVERSEAS RECORDS AND OVERSEAS NATIONALS

The SIA has a duty to check on the record of anyone who applies for a licence for a minimum of five years and the Authority must be satisfied that the information it receives comes from a reputable and competent source. The Authority also has a duty to apply the same licensing criteria to everyone. Jobs in the private security industry are positions of trust, and the Authority has a statutory duty to check that anyone awarded a licence is a fit and proper person. Where applicants have been based for six continuous moths or more overseas in the last five years, he or she would need to provide a criminal record certificate from the country or countries concerned.

These rules apply regardless of nationality; for example, if a UK citizen had been based overseas for six months or more he would also need to obtain criminal record certificates from those countries. In any case of doubt, the SIA requires all documents to be verified, for example by an embassy, and all criminal history records, from whatever country, are liable to be checked if necessary back to source.

War zone countries or countries with no verifiable criminal record systems
Where countries have no system for recording criminal offences, the SIA will exceptionally consider written evidence of an individual's history from organisations of recognised standing, comparable to a Government source, who are working in that country. Examples might include government agencies or international agencies such as the United Nations, NATO, Red Cross or bodies of similar standing. A reference from a private employer will not be sufficient.

Confirmed UK Refugees who are in danger from their country of origin
The SIA will need the original document issued by the Home Office as confirmation of an individual's refugee status. If that is satisfactory, the Authority will exceptionally consider written evidence of history from organisations of recognised standing, comparable to a Government source, who have been working in that country, such as, the United Nations, NATO, Red Cross or bodies of similar standing. A reference from a private employer will not be sufficient.

Appendix 6

BASIC COST MODEL FOR A 'TYPICAL' BUSINESS

Security guarding (and some Keyholding) companies

1. Market forces essentially drive the cost of training and the scale of prices involved can vary dramatically. Businesses and individuals are advised to shop around for a competitive price. Costs for a typical security guarding business, with 50 licensable staff, are discussed using a series of assumptions as explained in paragraphs 2-9.

2. Wage levels range from £5 to £10 per hour at the current level of the available labour market, and this wage level has been used in Option 1.

3. A substantially reduced labour market, under the toughest level of criminality criteria and competency requirements in Option 2, could raise the wage levels to a range of £8 to £15 per hour.

4. A partially reduced labour market, under increased levels of criminality criteria and competency requirements in Option 3, could raise the wage levels to a range of £7 to £13 per hour.

5. Training costs for staff would range from £60 to £90 per day for a modular four day training course. This would not be the same for all security guards currently in the industry because it is known that a number of individuals have already completed comparative and acceptable training. However, for these calculations it has been assumed that no training has been previously completed. In addition, no reductions have been made to the training costs through available subsidies.

6. Specific recruitment costs per member of staff range from minimal administration costs of £200 to £350 or more for a full advertising campaign. In addition to advertising, new staff (not previously employed and licensed) will need to undergo training, and licensing. Although churn rates vary significantly across the industry, an average churn rate of 24% could be applied to any calculations. Owing to the number of variables in recruitment costs, the calculations below have not included such an element and have instead concentrated on the one-off costs of licensing all staff in time for the commencement of regulation.

7. In addition to the licence application fee cost, a cost of approximately £35 will be applied by awarding bodies for the registering of qualifications.

8. When calculating time taken to apply for an SIA licence, this RIA has used the figure of 160 hours. This has been calculated by multiplying the number of working hours lost during the time taken if the applicant applies once the regulations come into effect and cannot, therefore, legally work while waiting for the licence application to be processed (does not apply if the business has signed up to the Approved Contractor Scheme). The average time to process a licence application is estimated to be 4 to 6 weeks (for the purposes of the model below, the estimations are based on the application process taking 4 weeks. The reason behind not using the 6 week application time is that existing arrangements in the deployment of security personnel could be offset against the extra 2 weeks.) This would cover a four week period when a manned guard might reasonably be expected to work up to 8 hours per working day. However, given the marketing and communication programmes that the SIA has established, this cost has only been applied to 10% of employees per company, with the other 90% applying for their licences in advance of regulation.

9. The costs are calculated using the same equation of a+b+c+d = total cost to company of 50 employees, assuming the company is paying for all the licence applications, and training costs :

   a. Total licence cost: 50 licences @ £190 per licence (although the licence covers a 3 year period)
   b. Registering qualifications @ £35 per individual (paragraph 4 above)
   c. Training costs per day x 50 employees x 4 days. (In a number of cases this will be lower by virtue of accredited prior learning)
   d. Time taken to apply for a licence: 224 hrs x £160 wage range per hr x 5 licences (10% of employees as in paragraph 5 above)

10. Option 1 Costs £

a.	9,500	(£190 for a SIA licence fee)
b.	1,750	(£35 Registering qualifications)
c.	12,000 to 18,000	(£60 to £90 training costs range per day)
d.	4,000 to 8,000	(£5 to £10 range of wage level)

Total costs £27,250 to £37,250

11. Option 2 Costs £

a.	9,500	(£190 for a SIA licence fee)
b.	1,750	(£35 Registering qualifications)
c.	12,000 to 18,000	(£60 to £90 training costs range per day)
d.	6,400 to 12,000	(£8 to £15 range of wage level)

Total costs £29,650 to £41,250

12. Option 3 Costs £

a.	9,500	(£190 for a SIA licence fee)
b.	1,750	(£35 Registering qualifications)
c.	12,000 to 18,000	(£60 to £90 training costs range per day)
d.	5,600 to 10,400	(£7 to £13 range of wage level)

Total costs £28,850 to £39,650

Further to the costs above, additional costs such as improved terms and conditions to attract and retain staff who meet the minimum requirements to get a licence will have a financial impact on companies. It is envisaged that a higher criminality threshold will impact on the average wage rate of employees. The options above attempt to show this.

It is difficult to quantify the indirect costs that companies may face with the introduction of regulation. These can be identified as:

- Management costs
- Communication with customers
- Contract renegotiation
- Replacement staff
- Staff briefings
- Record maintenance
- Insurance implications, etc.
- Union negotiations

Owing to the number of variables in quantifying these costs, the calculations below have not included such an element and have instead concentrated on the one off costs of licensing all staff in time for the commencement of regulation. The greater degree of confidence within the industry and savings that companies may receive (i.e. insurance costs) would be offset against the costs above and therefore outweigh the investment companies may face.

Although the SIA licence is the property of the individual, it is envisaged that a number of companies will either pay for or subsidise their employees' licence and training costs as part of improving employment conditions, and encouraging staff retention and development. (Therefore, the costs above are the maximum direct costs a company may face.) It is also understood that some companies are considering retention clauses when paying these costs to retain the financial benefit of the investment in their staff.

This appendix looks at the basic cost model for a typical business in the security guarding sector. Please note that although the factors taken into consideration are likely to be similar for CVIT, CP and CCTV sectors, wage levels do vary across the sectors. Wages levels are likely to be similar in the keyholding sector and higher in CVIT and close protection sectors.

SIA COMMUNICATIONS FOR SECURITY GUARDING LICENSING **APPENDIX 7**

The table below shows the marketing and communications activity undertaken by the SIA to ensure that the security guarding sector is aware of licensing, the obligations associated with licensing and what is required.

Date	Event / Communication	Objective/Messages	Target audience
Feb/Mar 03	Regional Seminars x 5 (Newcastle, Manchester, Birmingham, London and Bath)	Raise awareness re impact of the PSIA 2001 and promote key messages of the SIA relating to licensing, competency and ACS	Senior / key representative from supplies and procures of security services
April 03	Joint Security Industry Council annual conference	Creating awareness of the SIA, licensing opportunities, benefits and implications	JSIC members & some purchasers
May 03	IFSEC - Birmingham	Creating awareness of the SIA, licensing opportunities, benefits and implications	Suppliers, operatives and buyers of security services
June 03	Trading Standards Institute Conference & Exhibition – Edinburgh Conference Centre	Creating awareness of the SIA, licensing opportunities, benefits and implications	Suppliers and buyers of security services
July 03	Security Seminar – Institute of Directors – Speech (JS)	Creating awareness of the SIA, licensing opportunities, benefits and implications	Security managers / buyers of security services (London based firms).
July 03	GMB Conference Group 4 – Manchester – Speech (AD)	Creating awareness of the SIA, Licensing, criminality, implementation and compliance	Suppliers and buyers of security services
Oct 03	Parkex International - Exhibition	Creating awareness of the SIA, licensing opportunities, benefits and implications	Buyers and suppliers of VI services
Oct 03	Securex, London – Exhibition	Creating awareness of the SIA, licensing opportunities, benefits and implications	Buyers and suppliers of security services
Oct /Nov 03	BSIA Seminars – London, Bristol, Manchester, Coventry and Newcastle – Speech (JS)	Creating awareness of the SIA, licensing opportunities, benefits and implications	BSIA member clients / purchasers of security services

Nov 03	International Risk & Security Congress – Regents Park – Speech (JS)	Creating awareness of the SIA, licensing opportunities, benefits and implications	Heads of security, operations risk management (buyers / suppliers)
Nov 03	The Publican Show – annual conference – Exhibition	Creating awareness of the SIA, licensing opportunities, benefits and implications	Buyers of security services
Nov 03	Crowd Management Conference – Speech (GT)	Creating awareness of the SIA, licensing opportunities, benefits and implications	Buyers of security services
Nov 03	Licensed Victuallers Assoc. General Meeting – Scarborough – Speech (MM)	Creating awareness of the SIA, licensing opportunities, benefits and implications	Buyers of security services
Feb 04	Security Institute Annual General Meeting. Speech (AD)	Creating awareness of the SIA, licensing opportunities, benefits and implications	Buyers and suppliers of security services
Mar 04	Inform Security Conference. Nottingham University – Speech (JS)	Creating awareness of the SIA, licensing opportunities, benefits and implications	Buyers and suppliers of security services
Mar 04	Security Seminar QE11 Conf Centre – Exhibition / Speech (JS)	Awareness re The Impact of Security Licensing and preparing for 2005.	Directors, heads of facilities and senior procurement specialists.
Mar 04	Pub & Bar – Olympia. Exhibition	Creating awareness of the SIA, licensing opportunities, benefits and implications	Buyers and suppliers of security services
Mar/Apr 04	13 Adverts in 7 industry magazines: Estates Gazette, Property Week, Retail Week, Premises & Facilities Management, Professional Security, Security Management and Industry Today, Security Voice.	Creating awareness and setting expectations of Licensing and the impact and benefits to business	Procurers of security services
Apr 04	Deutsche Bank's Annual Global Security Conference. Speech (JS)	Creating awareness of the SIA, licensing opportunities, benefits and implications	High profile delegates from suppliers and buyers of security services.

Apr 04	Assoc of University Chief Security Officers. Speech (PH)	Briefing re SIA development and the impact on educational facilities.	Chief Security Officers
Apr 04	IFSEC, NEC, Birmingham. Exhibition. Launch of security industry careers booklet	Creating awareness of the SIA, licensing opportunities, benefits and implications	Suppliers, operatives and buyers of security services
May 04	Luminar Annual Management Conference. Speech (AD)	Lessons from pilot and licensing roll-out.	Senior Management from Luminar Leisure.
May 04	International Institute of Security. AGM. House of Commons. Speech (PH)	Keynote address	Senior suppliers/buyers of security services.
May 04	Perpetuity Group Conference. Speech (PH)	Impact pf Licensing for the client	Buyers / suppliers of security services.
May 04	Direct mail campaign	SIA vision of the future of the private security industry, likely dates for further announcements and what security companies should be planning for	Suppliers of security services
Jul 04	BSIA Seminar. Grosvenor Hse Hotel. Speech (JS)	Impact of regulation for cash-in-transit	BSIA membership.
Jul 04	London Chamber of Commerce Security Event. Speech (JS)	Licensing, Regulation and the impact and benefits to the industry.	Senior suppliers/buyers of security services.
Jul 04	CBI Magazine – Business Voice. Advert	Create aware of the importance of security, risk management and responsibilities.	Senior executives of procurers of security services.
Aug-Dec 04	30 Adverts in 8 industry magazines: The Publican, Morning Advertiser, Free House Owner, The Pub Business, Club Mirror, Theme, Night, Class.	Creating awareness and setting expectations of Licensing and the impact, benefits and implications to business	Primarily targeting procurers of DS security services.

Aug-Dec 04	40 Adverts in 12 industry magazines: Estates Gazette, Property Week, Retail Week, The Grocer, Premises & Facilities Management, Facilities Management Journal, Shopping Centre, Professional Security, Security Management and Industry Today, Security Voice, Parking News, Parking Review.	Creating awareness re the impact of licensing for Vehicle Immobilisers and the criteria for providers and procures of these services	Buyers and suppliers of VI services.
Sept 04	Parkex. GMex Manchester. Keynote (PH)	Creating awareness re the impact of licensing for Vehicle Immobilisers and the criteria for providers and procures of these services	Buyers and suppliers of VI services.
Oct 04	Securex. Earls Court	Creating awareness of the SIA, licensing opportunities, benefits and implications	Buyers and suppliers of security services.
Oct 04	Security Excellence Awards. Keynote (PH)	Real Solutions for Real Security Problems	Predominantly suppliers, but some buyers of security service.
Oct 04	Sito conference and exhibition. Speech (JS)	Raising professionalism through training in the Private Security Industry.	Procurers of training services.
Oct 04	International Sports Summit	Summit to provide an intensive knowledge-sharing forum. Identifying threat, security strategy and the PSI.	All those who have a stake in ensuring security in and around sports events.
Oct 04	Regulation Booklet (proposal stage). Joint BSIA /SIA initiative.	Creating awareness of the SIA, licensing opportunities, benefits and implications	Procurers of security services
Nov 04	Temple Security. Speech (JS)	Licensing – the opportunities and implications to business	Customers and prospects of Temple Security Services
Nov 04	Watch Security. Speech (JS)	Licensing – the opportunities and implications to business	Targeting Midland based procurers of security services, who are customer of BSIA member companies.

Nov 04	Tec Sec. Exhibition and Seminar. Speech (TBC)	Licensing – the opportunities and implications to business	Buyers and suppliers of security services.
2004/05	Double Page ad. BSIA Annual Directory.	Licensing – the opportunities and implications to business	Predominantly targeting BSIA membership.

Appendix 8

Industry Consultation on the Transitional arrangements for Security Guards

Since the consultation on the development of the competency for licensing, where views on licensing in general were received from the industry, the SIA hosted a comprehensive workshop in January 2004. The aim of workshop, which consisted of directors of security guarding companies, industry and SIA representatives, was to provide an opportunity for all to voice their views and/or concerns on the impact of licensing and the way forward. The workshop tasks involved addressing the following questions:

a. What are the opportunities for your commercial needs provided by the regulation (as it is currently framed) and the transition to regulation?
b. What are the threats to your commercial needs provided by the regulation (as it is currently framed) and the transition to regulation?
c. As SIA Board or Executive, what are "the must haves" for the SIA to be effective in its role of regulating the security guarding sectors?
d. As a senior industry leader, what are "the must haves" for your industry to be commercially viable within a new regulatory regime?
e. What does the industry already know that will enable you to start your planning or regulation?
f. To enable you to plan for regulation, what are the key pieces of information you need and what are the lead times for each piece of that information?

An initial discussion with key industry perspectives to explore feasible solutions to meet both the SIA requirements and address the industry critical transitional issues was arranged on 7 May 2004.

A wider consultation of the transitional proposal was under taken. This included an invitation to the British Security Industry Association and the International Professional Security Association (IPSA) to;

- collate the views of their security guarding members
- accept the agreements outlined and make an offer of monthly licence application profiles for their members spread over the transitional period covering all security guarding sectors e.g. SG, CP and CVIT

The transitional proposal was also send to small and large companies.

The SIA delivered workshops (awareness sessions) on security guarding transition and licensing. The details of these awareness sessions can be seen below:

DATE	Venue/ Location	Attended
Thursday 23 Sep 04	London	32 BSIA members
Wednesday 6 Oct 04	BSIA offices - Worcester	34 BSIA members
Wednesday 13 Oct 04	North - Manchester	32 BSIA members
05 November 2004	London	25 Non BSIA members