

Address to the 'The SIA Journey: have we gone far enough?'
Conference, 21 May 2009
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SIA Chair

Please note that the text below is not a transcript of the speech given but the draft text that Ruth Henig read from. There may therefore be some variation in the final wording and phrasing that Ruth used.

Thank you, Robin, for welcoming everyone here today. I am delighted to see so many of our stakeholders, partners, security suppliers and buyers here in Manchester for our annual conference as we approach the halfway mark of what has been, so far, a busy and eventful year. Today's conference tracks the SIA journey so far – the obstacles and successes – and looks to the future; considering the challenges and goals that lie ahead.

The SIA is not a lone traveller on the road to higher standards. At this time, there does not seem to be a commonly shared view as to the relative roles of the regulator and the industry in raising standards. I hope today will bring us closer to that. We are very much looking forward to hearing from our three speakers who will set the work of the SIA in context: Adam White will give us an historical overview and set the scene in which the SIA came about; we are delighted to welcome Peter D'Arcy who has come all the way from Abu Dhabi to speak to us today to offer a global comparison of regulation of the private security industry; and finally Graeme McCabe will describe the better regulation framework within which the SIA operates.

Today, I will speak further on stakeholder engagement and how we are working to improve services for our customers. I will provide an overview of our enforcement activity; outline a few of the changes we have in the pipeline; and briefly mention the challenges and opportunities that face the private security industry, and therefore we in the SIA, in the coming years.

Firstly, I would like to take this opportunity to announce the appointment of our new chief executive. I am very pleased to announce that Bill Butler will be joining us later in the summer. Bill is currently director of corporate services at the Gambling Commission, and I look forward to working with him to meet our objectives as we move forward.

The principal reason we are here today is because we are eager to hear what you have to say, and we have arranged three seminar sessions which will be repeated in the afternoon to give you a chance to contribute to more than one topic. Please do use this opportunity to work with us and each other to help us develop regulation of the private security industry. Key to our own performance and development as a regulator is input from our stakeholders; and it is vital that we communicate with you our goals and progress.

Customer Services

While of course it is no secret that we have had our fair share of problems in the past, I believe that in the first five months of this year we have made huge leaps forward, seen our organisation stabilise and strengthen significantly. Our licensing processing times have improved and we are now running smoothly as an effective, proportionate regulator, and are striving to improve our customer service. We are not complacent, and although much has already been done, we will continue to work hard to further improve the service and services we provide to you.

There have been considerable improvements to customer services by improving our licence application process. Last month 90% of all properly completed licence applications were processed within 40 working days – with 93% of those from UK and EEA nationals processed within 33 working days. Our database management system and our call centre response time have been improved – we receive around 42,000 calls each month, and for the month of April 93% of these were answered within 30 seconds. In addition, last year we underwent several reviews – A delivery review, a Hampton review, an NAO report and an organisational structure review, resulting in clear objectives for the year ahead and an organisational restructure that has promoted efficiency and effectiveness.

In the primary area of our work, licensing, we have already responded to a 35% increase in applications, and continue to fine tune the licensing process. Having met our target of dealing with 80% of applications within 33 days, we have now increased this target to 85% going forward. We have been working closely with our contact centre to improve waiting times and quality of service – and we will be increasing our telephone response time target to 95% of all calls answered within 30 seconds. We plan to achieve this by focusing on improving efficiency whilst keeping fee levels static for this financial year – and I will speak further on licensing costs later on. We are also currently looking at ways to improve our online facilities and the online licence application process. To better address customer service improvements we have set up a customer experience forum – to understand your needs and to improve your contact with us. The first meeting has taken place, and now we will focus on working together to improve the SIA customer experience.

Looking now at our other key area, the Approved Contractor Scheme, we have exceeded our forecast for the number of approved contractors – there are now more than 600 companies approved, covering all licensable sectors and consisting of companies of all sizes, from sole contractors to large multinational companies. More than 95% of ACS companies re-registered during 2008 – with the annual registration fee remaining unchanged – and more than 150 companies applied for approval for the first time. These high levels of registration show just how much the scheme is valued by security

contractors and their customers. The future of the ACS is a much debated issue and one of the seminar sessions today will be looking at ways in which we can all contribute to further develop the scheme.

Working with Stakeholders

In everything we do, we need to know and understand two things; what is important to our stakeholders and what is the impact regulation has on the industry. We need to hear people's views about us so that we can respond to stakeholders' concerns or expectations, and to encourage open channels of communication. Last year, we undertook a review of our stakeholder engagement strategy, giving the opportunity for those who wished to give input to be involved in decision-making processes. Our approach is to work with you, the industry and wider stakeholders, and we welcome external input to push improvements in development of our policy, planning and process. Our successful self-perpetuating network meetings and ACS forums also provide opportunities for you to work face-to-face together with us.

There are many benefits of working collaboratively with the industry, and by listening to those, like many of yourselves, who have vast experience in the security sector, we can take advantage of this knowledge and harness it to help us better assess and manage risks and develop regulation. We can also better understand the business environment and developments in the market. Working closely with stakeholders allows us to collectively pool resources to solve problems, reach our objectives and to implement change.

We actively engage the industry in a number of ways. I hold regular strategic level meetings with key stakeholders to communicate our messages and gain feedback. We consult widely, calling for views on key decisions and policy making. We measure and assess the impact of SIA activities on sectors of the private security industry. We host roadshows – and already this year we have held three forums for ACS companies, and a series of workshops across Northern Ireland to communicate licensing in Northern Ireland. At operational level there are also many meetings with industry representatives, other Government bodies and regulators, industry or trade associations, and our enforcement partners such as the police and local authorities.

Enforcement and Working with Enforcement Partners

Working with our enforcement partners leads me to another crucial element of our work. The SIA regulates the private security industry to ensure that only fit and proper people are employed in positions of trust within our communities. For SIA licensing to be trusted by the public - and for it to work well - it is vital we have an effective compliance and enforcement strategy. We understand that you in the industry, who take pride in your businesses,

ensure high standards and meet regulation need to know that we are taking action against those who do not comply with the law.

We expect compliance with licensing requirements at all times. Our starting point is to try to help organisations and individuals to meet their legal obligations. We take an intelligence-led approach to compliance, working with partners to enforce and, where necessary, prosecute offenders. Our approach strives to balance the needs of the industry and business with public protection. We need to know that the use of our enforcement powers is appropriate – making sure our actions are risk-based, proportionate and targeted.

In all of this, we are intelligence-led – any information we receive is carefully analysed so that we can monitor trends and maximise the impact of our enforcement activity by targeting the areas at greatest risk of non compliance, and where the public is put at risk. Next year we plan to make preparations to ensure we benefit from the power to impose further sanctions such as fines and penalties, which fall short of prosecution, provided by the Regulatory Enforcement Sanctions Act 2008.

As I am sure you will be aware, we provide monthly online updates on the actions we have taken and on key regulatory activity. As an example, in March of this year we received 970 pieces of intelligence sent to us by the public and industry, through our partner Crimestoppers, from the police and other law enforcement agencies. In that month alone this information allowed us to revoke 26 licences, suspend 55, and risk assess 58 companies – 29 of which were judged to be of high or medium risk and were highlighted to our Compliance and Investigation team. We also shared 78 key pieces of information and intelligence with our law enforcement partners in order to reduce crime, disorder and the fear of crime more widely. Last year we issued 331 written warnings and 19 improvement notices, and revoked 3,618 licences.

We have strong relationships with the Home Office and other government departments, local authorities and police forces – as well as those bodies that represent them, the UK Border Agency and the Serious Organised Crime Agency. We have worked with these types of bodies to ensure that the success of our investigations is maximised. Together with the police and local government licensing officers, SIA investigators visit towns throughout Britain each and every week to carry out targeted or random checks for compliance with the law, checking that security operatives across the sectors – door supervisors, security guards, vehicle immobilisers – are working in line with licensing rules.

Less visibly, we dealt directly with 300 security businesses that we had assessed as high risk in terms of compliance; this included 160 security guarding businesses and 86 door supervisor businesses. Whilst we will help businesses where appropriate, we will also prosecute if necessary. We have

26 prosecution cases involving over 200 offences either completed or going through the Courts – some cases have been given a high profile. Our right to prosecute was challenged in the High Court last year but the Court came down firmly in our favour.

As has been widely reported in the press, we were recently involved in the largest operation ever mounted in Scotland to tackle rogue security companies. SIA investigators joined officers from Strathclyde and Lothian & Borders Police forces, the UK Border Agency and the Department of Work and Pensions, to target rogue security firms working at construction sites across mid Scotland. We pooled intelligence to tackle companies that were believed to have links with serious and organised crime, targeting 120 security operatives at more than 200 construction sites operated by 37 different security companies. The operation was a huge success, with 23 operatives reported for working without an SIA licence, one manager reported for deploying unlicensed operatives, four operatives reported for failing to display their SIA licence, as well as others reported for benefit irregularities, and immigration, fraud and drugs offences. The scale of this operation shows the commitment of the SIA and our partners to target those who disregard the law.

The Future of Regulation

The past two years have seen considerable change for the SIA. We have seen a significant increase in licensing applications. We have stabilised the processing of right to work checks for applicants from outside the European Economic Area. The Approved Contractor Scheme now covers around 60% of people working in the private security industry. There have been major convictions sending a strong positive message that we will take action against those that flout the law. We have reviewed ways in which extending our remit could further contribute to public protection. We are in the process of introducing regulation to Northern Ireland, ensuring standards of training and professionalism are the same across the whole of United Kingdom – applications are now being accepted from individuals working in the private security industry to gain their licences, and from security suppliers wishing to apply for ACS. We have started planning to regulate Enforcement Agents, or Bailiffs as they are more commonly known – and licensing Private Investigators, and, subject to government go-ahead, anticipate licensing of both will be in place by 2012.

We are currently revamping the core competency framework for qualifications, and will be making an announcement on this in the summer. Subject to the current Home Office consultation – to which you may wish to contribute – we will develop plans to introduce compulsory business licensing, starting with vehicle immobilisers, which I believe will enhance our regulatory impact. We are also considering how to improve and develop the ACS, and we will carry out work this year to consider whether there is scope

to recognise differing levels of excellence within the scheme – a matter on which I know many of you have strong views and we look forward to hearing them in the seminars later today.

Most recently we have announced that after a solid review of the arguments and evidence put forward to us in relation to licensing in-house security guards, further regulation will not be introduced in this area. While I know that there are some in the industry, and most likely some of you here today, who have called strongly for the introduction of regulation across the security industry as a whole, we were not presented with substantiated evidence of risk to the public that would justify its introduction. We have published the findings of the report so that we are open and transparent – showing the rationale for the decision, and have requested that anyone wishing to comment should contact us. We will revisit the matter in three years time to look at whether the arguments and evidence remain unchanged. So, if you feel strongly about this issue, please make sure that you pass on to us concrete evidence about risks and problems arising from the current situation, which we can feed into the next review.

Another area in which there is of course great interest is the matter of the licence fee. The main issue here is the competing priorities of service cost against customer service levels – and this is certainly a debate that will need to be had with the security industry to gauge your views. Over the coming year we plan to consider this in some depth. The bottom line is whether customers wish to pay more for an exemplary level of service from the licensing system; and also whether or not the fee should fund higher levels of enforcement activity.

Operationally, there are several priorities for the year that will allow us to operate more efficiently. We have started the planning for re-tendering the outsourced contact centre service and, if we do change to a new provider, we will need to ensure this is done without negatively affecting service levels. We are building capacity to deliver a more consistent level of customer service and to improve performance across the licensing process. We are committed to developing staff to reach higher levels of customer service and professionalism. We will manage the change programme to extend to new regions and sectors subject to impact assessments and Parliamentary approval, such as business licensing, enforcement agents, private investigators/pre-cognition agents and Northern Ireland. And, importantly, we will maintain and develop our network of compliance and enforcement partnerships to build on recent successes.

Reading the Future

Looking forward to the future, it is imperative that we are able to respond to a changing security industry and try to predict challenges such as the implications of the current economic situation, or key events such as the 2012 Olympics and the 2014 Commonwealth Games in Glasgow. We are

currently developing our Corporate and Business Plan for the next three years, which will be published alongside the Annual Report later this year. The corporate plan will set out how we intend to deliver our mission to be an effective, fair and efficient regulator. This acknowledges various challenges and operational risks to which we may be exposed in that time. It is evident to us that most of the regulated private security industry now complies with the Private Security Industry Act 2001. A key challenge for us is how to develop communications channels to reach all of our stakeholders – because, as I have already outlined, an open debate with stakeholders is essential to enable us to perform strongly.

A key challenge for the near future will be the Olympics when they are held in 2012. Over the past year we have been raising awareness of our role with key Olympics stakeholders to minimise the risk of non-compliance with regulation both before and during the games. We are also considering initiatives to support heightened demand for security industry services before and during the games. Going forward we will be contributing to the Home Office's Olympic Security Programme, and working with the London Organising Committee.

Any challenges or changes in the industry are set against the backdrop of the current economic downturn, and there is a possible causal link between the economic climate and an increased risk of crime. We recognise the potential for increased demand for private security industry services – and the potential subsequent increase in licence applications. In order to prepare for this eventuality we have implemented a more robust process to forecast demand, and have expanded flexible staffing to deal with potential surges in licence application demand but keeping additional costs to a minimum; and will continue to work, and share information with, agencies such as the criminality disclosure providers and UKBA to improve the quality and timeliness of criminal records checks and right to work information. We are also keeping track of work by such agencies to implement new technologies. There are developing technologies, for example biometrics, that could help us to fulfil our public protection agenda, and improve efficiency and customer service.

Our efforts to improve our service to customers and deliver value for money have largely focussed on improving the service from our outsourced contact centre. We have recently made a range of changes and implemented increased capacity to accommodate rising levels of information, upgraded our IT system to improve performance, and made improvements in the way we monitor capacity to deal with increased volume of licensing applications. Our contract with the current provider is due to expire next year, so we have started the process to procure a new supplier so that we can continue to provide value for money and offer services to meet the needs of the industry. We are committed to the Government's target to cut red tape by

25% by 2010, and as part of our ongoing improvement in this area we plan to introduce an online application process.

Summary

We welcome the ongoing challenges to ensure that we keep the impact of regulation on the industry proportionate as we extend regulation to new sectors. We will continue in our approach to be targeted, risk-based and proportionate, and going forward will further enhance working with compliance and law enforcement partners to multiply our capability. Our enforcement activity will continue to be focused on areas where there is the greatest risk of non-compliance, and risk to the public. In doing this we will continue to be open, consulting with you as our stakeholders to seek out your input, support and knowledge of the industry to help us meet our goals.

We achieve the most when we work together and understand each other's aims and objectives. We also need to understand each other's roles in raising standards. During the coming year, in an uncertain economic climate, is it more important than ever to maintain close relationships and to have effective and open channels of communication. We can't always agree, and we at the SIA can't promise to achieve all of our goals all of the time, but having met so many of you across the industry, I am confident that you will continue to make sure we work effectively with you to deliver public protection and to improve the quality of private security.