

Address to the 'SIA: The Changing Agenda' Conference, 9 May 2007
Baroness Ruth Henig
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.

I am delighted to welcome everyone here today, security providers and purchasers, our partners and stakeholders, and thank Leicester University, Perpetuity Group and Prof Martin Gill for enabling us to hold it here in the Gilbert Murray conference suite. Some of you may know that Martin Gill and I share a very important passion — we are both Leicester City supporters. But whereas his is a fairly recent obsession, I was born and brought up in Leicester — and so it gives me particular pleasure to be hosting this conference here in Leicester, in the centre of England.

The purpose of this conference is to evaluate what the SIA has achieved through introducing licensing and regulation of the private security industry and to look at the changing agenda and priorities for the future.

A lot has been achieved in a short time and there have been successes and challenges, and I will come to these later, but today should not all be about looking backwards. It is an opportunity to review the first stage of licensing — how effective has it been, its impact on the industry, and the performance of the SIA as a regulator, but more importantly, today will enable us to look forward — to the consolidation of licensing and the Approved Contractor Scheme and to the future of regulation.

Are there things we at the SIA need to do differently or better? Are there lessons to be learned; what sort of strategic relationships do we need to establish or strengthen with the private security industry, with those bodies who represent it, with Skills for Security, with awarding bodies, and with central and local government?

We have an unrivalled cast of expert speakers here today — no expense has been spared to secure the best. And so we look forward to hearing the views of Bruce George MP — the godfather of licensing — of Brian Kingham, Prof Martin Gill, ACC Peter Davies, former Chief Constable Richard Childs, from the acting Chief Exec of the SIA Andy Drane, someone well known to you all David Dickinson of the BSIA, and from the vice chair of the Board, and founder member of the SIA, Robin Dahlberg.

The First Four Years

First of all, as the new kid on the regulation block - albeit a mature entrant into the world of licensing - I want to look briefly at the first four years of the operation of the SIA, on the successes and challenges, at what we have

learned as an organisation, at what has worked well and what needs to be improved. I then want to go on to outline our new stakeholder engagement strategy, which we approved last week at our April Board meeting. You may already have accessed our Corporate and Business plan for 2007-08 which is on our web site. And the priorities outlined in that plan, together with our stakeholder engagement strategy, will point the direction pretty clearly in which we believe we need to travel in the next three or four years. But our journey has to be a collaborative one - it has to be travelled in step with the private security industry and alongside all our stakeholders and partners. Because we need to become, and to be recognised as, not only a first class regulator, but a valued and respected strategic partner — to government and its agencies, to the industry and its representative bodies, to training organisations, the police and other public sector bodies.

Let me start by reminding us all why regulation was introduced four years ago. It was to contribute to the public protection agenda and to crime reduction by introducing regulation as a catalyst to stimulate change and improvement within the private security industry. The aim was to eliminate as far as possible criminal elements in the industry, set and maintain higher standards of probity and help to drive forward the professionalism and continued professional development of all those working in private security. Large numbers of people in the industry wanted licensing for all these reasons, they welcomed it and have helped to make it a success.

Why? Because they wanted to improve the image of private security industry, to enhance its reputation, to develop the quality of its operations, to promote public confidence and to improve the industry's commercial position.

Four years on, there are still challenges that need to be tackled. There is still cut-throat bidding over contracts, wafer thin margins, wages are still very low, hours long and working conditions far from ideal. But, there have been significant changes across the industry, and many success stories – especially in the door supervision sector.

Since the start of licensing:

- over 335,000 SIA approved security qualifications are now held – a huge body of people demonstrating their commitment to security;
- 210,000 SIA licences have been granted;
- 354 security companies have gained Approved Contractor status;
- and 7,000 unsuitable people have been prevented from working in positions of trust. However an industry commentator recently estimated nearer 20,000 people had left or been prevented from entering the industry due to their criminal activities. This is a sure sign that regulation is removing the criminality from the industry.

There is evidence that regulation has engendered trust and fostered a closer working relationship between the police and private security. This is clearly demonstrated by initiatives such as:

- Local authorities and police utilising SIA licensed security staff to patrol late night taxi queues and takeaways
- SIA licensed door supervisors employed by Torbay and Paignton Councils to patrol the streets in a bid to reduce car crime
- Licensed door supervisors working with the police in Newport, Gwent to ensure single women going out to pubs and clubs are being responsible about whom they leave with.

All this is evidence that today's private security industry is a completely different animal, more successful, healthier and more confident.

Challenges of the First Four Years

On the other side of the coin, the SIA faced some headaches in trying to lay the foundations for licensing. The major one was estimating the size of the licensable sectors, and the potential number of licence holders. Information provided by the security industry in those early days was sparse or inaccurate; not surprisingly for an industry that was previously unregulated. Consequently, since the start of licensing we've been faced with a lower licensable population than expected. This led to tremendous financial problems for the SIA and, it has to be said, to difficult relations with the Home Office. I think I can say with some confidence that figures are now much more accurate — though there are still some disagreements on how extensive the annual rate of churn is in the industry.

Because the SIA is required to be self funding, the result of these early problems has been an increased licence fee. I regret this, but all I can say is that our aim is to run as tight a ship as possible; to be cost effective and to undertake a review of the licence fee on an annual basis.

One rumour that I have often heard, and would like to squash, is that the SIA moved into expensive flashy new offices in December, which is another reason why the licence fee was increased; absolutely not true – by moving we have reduced our accommodation costs by £100,000 a year.

The second big challenge was to try to provide a good customer service, especially at times of peak demand for licences, such as just before the deadline for manned guarding licences last March/April. We have to acknowledge that last year there were many periods when levels of customer service were well below the performance targets set by the SIA Board, and that we have to do much better than this. Significant changes will be made, particularly in relation to our call centre operation. Many of you have contributed to our consultation on improving the licensing process and

contact centre and we have been able to incorporate a number of your ideas. I'd like to thank you for your valuable contribution. Improving customer service is a major priority of the current financial year.

Enforcement has been an area which has generated much scrutiny and discussion in the first few years of the SIA's operations. I will leave our acting Chief Exec, Andy Drane, to talk about this topic, but again, increasing the confidence of the industry and of our partners in our enforcement and compliance activities is another major priority we have identified in our current corporate and business plan.

Communication and Engagement with the industry

What I'd like to turn to now is to the central issue of communication and of engagement with the industry, with leading individuals and representative groups within it, with strategic partners and with stakeholders generally. The SIA has engaged successfully and very effectively at operational level, through personal contacts and with individual sectors about specific issues; but you have told us pretty clearly that we have been less successful at a strategic level. Earlier efforts to develop a national stakeholder advisory committee failed, and we therefore, as a matter of urgency, need to address the gap which has opened up as a result.

The basic challenge we face, however, is the great range and diversity of our stakeholders across the public and private sectors. Just to give you some idea of how many there are, govt partners for us include the Home Office, the Better Regulation Commission, the Information Commissioner's office, the Equal Opportunities Commission, the new Commission for Equalities, the Parliamentary Ombudsman, the Office of Gov Commerce, the National Audit Office, the Welsh Assembly, Scottish Executive, plus many other government departments and let's not forget the 43 territorial police forces in England and Wales, the 8 Scottish forces, and of course, the British Transport Police. Then there are various criminal justice agencies, awarding bodies, a bewildering range of trade associations representing the private security industry and wider business and commercial concerns, and those individuals who run companies, large and small.

We cannot set up one strategic body which effectively represents such a large and diverse range of private and public interests. One reason is that to do so well would be to create a body which would inevitably become too large and unwieldy. But a second, and equally compelling reason, is that on different issues we need to engage with groups and individuals for a variety of reasons and in different ways. We will want to monitor the views of some organisations and govt departments. In other cases, we may just want to inform groups and trade associations of what we are doing. On a range of issues we will need to engage in active consultation on a regular basis with

a wide variety of bodies and individuals, and collaborate more fully and intensively on selected issues. Thus engagement will mean different levels of communicating and consulting. It could mean setting up real or virtual networks in some areas to enable diverse interests and individuals to contribute to SIA policy making. Or, it could mean establishing think tanks. It will certainly involve working with you, and utilising the knowledge and experience within the industry.

How we consult and who we consult has to be shaped by our aims and objectives. We aim to be a modern, efficient and collaborative regulator — working with the private security industry and conscientiously balancing the public purpose of regulation with the commercial implications. But our wider vision is not just for the SIA to be a model of good regulation and to be internationally recognised as a major contributor to the quality and effectiveness of the industry, but to help to reduce crime, disorder and the fear of crime by helping to drive up standards in the industry, enhancing public confidence and promoting a range of opportunities for expanding public-private security collaboration.

That vision must shape how we engage and consult. We want to learn even more than we have from stakeholders and listen to their views, and to improve our policy and planning processes. We want to ensure that we understand the business and commercial environment, market developments and new strategic opportunities, but equally that those who operate in the industry understand the concerns and agendas of the public sector. We want to continue the excellent work with our partners, and to pool resources to solve problems and achieve joint objectives, and collaborate to exploit opportunities and implement change.

Let me turn to some specific examples. What do we see as our priority areas for engagement and for consultation activity in the coming year?

- a) first of all, we need to challenge what is perceived as our lack of engagement with some specific sectors and the view that our engagement activity is targeted pretty well exclusively at the major players in the manned guarding sector, with little attention paid to small operators and those not represented by the BSIA. We want to make the point, loudly and clearly, that this is not the case – and as a priority to encourage small businesses and specific sectors to engage with us. We want to work with them and help them to establish and develop networks, both real and virtual, to canvas their views.

Incidentally, of the current 354 Approved Contractors, 107 of them, 31%, are micro or small companies, which have up to 25 employees. But only 58, or 16%, of those approved are listed as large companies

- b) secondly, we recognise the need to overcome perceptions that compliance and enforcement activity is inadequate or unfairly prioritised. As far as the SIA is concerned, there is a level playing field out there on which there is no such thing as respectable offending — and Andy will say more about this, and how we will challenge such perceptions, later this morning.
- c) Another priority for us is consultation about the potential for prolonged delay to licensing of Security Consultants, and we have already written to those who have previously expressed interest in this subject, to canvass views about the proposal. Subject to that consultation raising no significant issues that have previously been overlooked, we will recommend to the Minister that consideration of the sector is delayed until 2010.
- d) Similarly, we agree that further consultation about the desirability for licensing in house security guards is necessary. We are planning to host a ‘think tank’ to discuss this issue with interested parties.
- e) We agree that we should review the possibilities for further licence integration, and that we should try to resolve any remaining confusion about licensing of Public Space Surveillance (CCTV) operatives. We will undertake a paper consultation exercise on licence integration and we will seek advice from key stakeholders on resolving confusion about Public Space Surveillance licensing.
- f) Another issue that has been raised with us relates to reported training/qualifications malpractice. The majority of allegations in fact were unsubstantiated, but where a malpractice was confirmed, there was co operation from the awarding bodies and qualification regulatory authorities in sharing information, and effective resolution, particularly where licence decisions were affected. We accept there is a need to challenge perceptions that training malpractice is rife and not adequately dealt with, and will ensure that we communicate effectively with awarding bodies, and continue to build on our strong partnership with Skills for Security to ensure there is rigour in the management of training subcontracting.
- g) A positive point; we agree that there is a need to revisit arrangements for providing feedback to information providers and whistle blowers, so that they will feel it worthwhile to continue engaging with us. Any law enforcement agency that receives information must be guided by legal processes to protect both the informant and the subject. After all, would any of you want us to share sensitive information about you with your competitors? I think not, and it would be wholly inappropriate to do so.

However, we will consult with police partners to learn lessons from them about ways to give updates to our sources of information and to keep a good flow of intelligence coming to us.

- h) And finally, we aim to be actively and positively engaged in the Security industry's planning for its contribution to the security of the Olympics in 2012, and will collaborate fully with our partners on this important event.

I hope you will feel that we have been listening very hard to what the industry and you, our partners have been saying over the past few months. I know that some of you have expressed a wish for the establishment of a national stakeholder panel through which to resume a constructive strategic dialogue with the SIA. We want to try a range of alternative strategies for consultation and engagement, but we don't want to rule anything out if it could be useful in achieving our common aims. We are also considering holding a number of consultation events around the country later this year, to enable us to meet a wider cross section of the industry, and to hear what you have to tell us about your experience of regulation, and your thoughts about future developments.

And lastly, but by no means least, I have asked the Home Office whether it would be possible to expand the Board of the SIA, to include a place for an individual who has significant experience in the private security industry or has extensive knowledge about it.

Conclusion

It is often said that timing in life is everything. Well, I certainly feel that I got my timing right in starting at the SIA as its Chair in January of this year. Four years on, we should all celebrate the successful introduction of licensing and the Approved Contractor Scheme. But I would like to add my personal tribute to all those involved, to our partners and those in the SIA, for achieving all this in such a short time.

The foundations are in place, the industry is changing, and positive benefits are starting to emerge. We are now entering a phase of consolidation and much closer strategic collaboration; working together to improve what has been established. There is still a lot of work to be done, and challenges to be faced - but widespread agreement on what we all need to do now. That is; to facilitate continuous professional development in the industry, to encourage the industry to expand and to develop more professional services, and, most importantly, to continue our joint contribution to public protection.

Despite some challenges the SIA has delivered a great deal in the first four years of its life. We all have a challenging but exciting future ahead of us, and I look forward to leading the SIA over its next 3 years.