

'Commitment to Regulation'
SIA Conference, 12 October 2011
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 read from. There may therefore be some variation in the final wording and phrasing that Ruth used.

Thank you all for coming today. It is a great pleasure to welcome you here. In recent years, we have brought you to Leeds and to Manchester. As a national body we believe it is essential for us to hold our conferences and events in different parts of the country, and not always in London. So this year it is the turn of Sheffield to host our second conference of the year – Commitment to Regulation. I'm delighted that so many of you have joined us in South Yorkshire. In particular, we at the SIA are very aware of the challenging business environment in which companies are currently operating. Margins are tight, conditions are difficult and many businesses are struggling to survive. That makes it all the more important that we do everything we can to bring down our own costs, and to ensure that regulation is properly targeted and risk based. What we want to do today is share with you the SIA's latest plans for our transition to a new regulatory regime. During the course of the day I hope we will gain your views and input, and be able to answer all your questions on our direction of travel and about the changes that are likely to take place in the next couple of years.

I would like to start by outlining the achievements of the SIA so far. In some seven years of regulation, we have excluded close to 50 thousand individuals unfit to work in positions of trust within the industry, through refusal or revocation of their licence. Despite the challenges of the past year, from our continued compliance and enforcement activity we know that compliance with licensing requirements remains at above 90%. In the past 12 months, as well as supporting partners, such as the police, in taking forward many prosecutions, the SIA itself has successfully prosecuted 12 cases and issued more than 100 written warnings and improvement notices. The number of valid SIA licences currently stands at more than 366 thousand, and, demonstrating how licensing has helped to improve skills and training, more than 767 thousand licence-linked security qualifications have been passed.

March of this year marked the fifth anniversary of the ACS scheme – a scheme that continues to go from strength to strength. During this time, more than 1,200 applications have been made and ACS membership is currently in excess of 700, with approved contractors supplying around two thirds of all regulator security services and employing more than 130 thousand individuals. We have also removed around 50 companies from the scheme, ensuring that only those meeting the highest standards hold ACS

status. Equally, if not more importantly, is the growing requirement to be an ACS member to gain public sector contracts. This has been led by the Scottish Government, but is spreading increasingly widely. The ACS scheme provides an excellent basis on which to develop effective business licensing.

There are also sectors of the industry where we have not yet reached our goal. One of the most important of these is Private Investigations. This is a sector that I would like to see included in the new regime for the protection of the public and I know that many in the sector want regulation to be introduced. We had made preparations for licensing PIs, but this work was stopped because of the uncertain future of the SIA at that time. We have been required to give evidence on private investigators to the Leveson Inquiry and we will review private investigations and the feasibility of regulating this sector as we develop our plans.

I am sure you will agree that we all now have a solid platform on which to build, reflecting the commitment and support of the industry together with the efforts of the SIA. So, we must now ensure that together we build upon previous achievements in regulation, and develop a regime suitable for an evolving industry. We know that regulation needs to change and adapt to remain relevant in years to come. As I have said previously, this means a lighter touch for compliant businesses and individuals, lower cost approach, focussed on business licensing with businesses taking primary responsibility for vetting and registering their employees, and the industry taking increased responsibility for driving up professionalism and standards.

So far regulation has focused on security sectors and not on the regulatory risks that we need to mitigate in the private security industry. We know that, since regulation was established, the industry world and risks have changed. The current legislation was developed in the early 2000s. Since then we have seen the increasing importance of the industry's role in preventing terrorism and supporting the much expanded night time economy. There has also been a huge shift in the use of technology, both in terms of risks, such as cyber crime and systems abuse, but also in terms of opportunities – security guards and CCTV operatives are increasingly making use of this technology for monitoring. And we have, of course, to bring technology into the services we provide – we need to (and have indeed begun to) implement e-services, such as online applications and alerts via text messaging – the latter a service we launched two weeks ago. These are all facilities that you should expect to be offered, and rightly so, by a modern regulator focused on customer service. Regulation as it is set up at present is not geared towards this evolution, but this can and will be taken into account as we plan and shape regulation for the future.

Another key element of the new regime will be driving increased professionalism and standards through training and development of skills.

This is an area with which we expect the industry to be tasked within the new regime and we at the SIA will work closely with industry to look at how we operate in this area in future, and how higher standards are achieved. Driving up the standards of those working in the sector will be a mark of the industry's maturity. A good example of such an opportunity is the additional training that has been introduced for door supervisors. New entrants to this sector undertake the physical intervention module as part of the licensing requirements, and I believe it is important for the industry and for public safety that this training is also undertaken by those who are already licensed. We have already begun to encourage those working in door supervision to undertake this additional training on a voluntary basis. In Scotland and Northern Ireland there appears to be a willingness if necessary to take this forward as compulsory for existing licence holders, and this may be introduced by the devolved administrations even if it cannot be implemented in England and Wales at this time.

So to conclude, while we must not lose sight of the progress we have made so far, it is now time for us to move forward. The Government has made it clear that there will, at the earliest opportunity be legislation to create a new regulatory regime with a new regulator, a clear focus on business licensing and a reduced overall burden. We need to continue to work with industry to develop a new regime that satisfies these requirements and one which will be fit to regulate the future shape of the industry. Steve and Hazel will be talking in more detail on the current plans later today.

But we must also bear in mind that, with so many competing priorities, the final timetable for the Government's new primary legislation has yet to be confirmed. If this legislation does take time to put in place, then it is vital that we do not stall; that with the industry we keep up the momentum of change and continue to move forward, working with you to decide what the priorities are and begin now to make changes.

Even without immediate primary legislation, with Government support there are still plenty of options for developing regulation and introducing key elements of the planned changes. These could include the introduction of business licensing and developing individual registration – the key elements of the new regime. And we will be developing new systems for licensing that include improved forms, better use of technology and hopefully lower costs. We certainly must not stand still now that changes to regulation are beginning to take shape. I ask that during this conference today you share with us what you see as the priorities, so that we can work together to ensure adequate and appropriate regulation for the future.