



Northern Ireland
Assembly

Committee for Justice

**OFFICIAL REPORT
(Hansard)**

Security Industry Authority

26 January 2012

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Paul Givan (Chairperson)
Mr Raymond McCartney (Deputy Chairperson)
Mr Sydney Anderson
Mr Stewart Dickson
Mr Seán Lynch
Mr Alban Maginness
Ms Jennifer McCann
Mr Basil McCrea
Mr Peter Weir
Mr Jim Wells

Witnesses:

Mr Bill Butler	Security Industry Authority
Baroness Ruth Henig	Security Industry Authority
Mr Dave Humphries	Security Industry Authority
Sir Desmond Rea	Security Industry Authority

The Chairperson: I invite members of the Security Industry Authority (SIA) to come forward. I welcome Baroness Ruth Henig, chairperson of the authority; Bill Butler, chief executive; Sir Desmond Rea, adviser to the board; and David Humphries, director of compliance, intelligence and communication. You are very welcome. This part of the meeting will be recorded by Hansard. I ask you to give an overview, and then members will have some follow-up questions.

Baroness Henig (Security Industry Authority): Thank you very much. We are very pleased to be here this afternoon. I will make a relatively brief opening statement. SIA licensing has been in place in Northern Ireland for two years. The implementation has been very smooth and effective, and I think everybody agrees on that. By the end of last year, close to 11,000 licences had been issued, and 53 companies are now members of our approved contractor scheme in Northern Ireland. Research that we carried out in 2008 and in 2011 showed that employers, employees and buyers all recognise and appreciate the benefits and consequences of SIA licensing and the approved contractor scheme: for example, exclusion of criminals from the industry, improved standards and increased public confidence. Indeed, when I was here last summer, I visited an approved contractor scheme company in Belfast, and it was very pleased with the regime. It was very enthusiastic about the way it was developing, and I was very impressed with the way that it worked. Therefore, it seems that businesses here in Northern Ireland are very happy with the way things are going, and that matters to us.

Partnership working is very important to us. We try to work very closely with partner organisations. That has been key to the success that has been achieved in Northern Ireland. We have worked closely with the Department of Justice, the police and other partners. With the Police Service of Northern Ireland, we have conducted joint compliance operations, which has helped to bring about a decline in the number of incidents at venues. That has raised the standards of door supervisors in particular.

Of course, effective sharing of intelligence with the Police Service is very important here. That is helping to reduce and combat criminality. Work also continues to build strong relationships with local authorities in Northern Ireland and to increase the take-up of SIA-delegated powers. We are working to build productive partnerships with the UK Border Agency, Trading Standards, Her Majesty's Revenue and Customs, and the British Security Industry Association in Northern Ireland. All of that is related to raising awareness and promoting regulation. In addition — it is important that I mention this — a good working relationship has been developed with the Private Security Authority, which is the regulator in the Republic of Ireland. We have very good relationships there. Indeed, our chief executive, Bill Butler, has visited the Tipperary offices on a number of occasions to share best practice.

I have no doubt that people will want to learn more about our proposals for a future regulatory regime. Those proposals aim to create a consistent approach throughout the UK. We must say to businesses that consistency is of great importance. Of course, the position in Northern Ireland will, ultimately, be decided upon by the devolved Administration. It is important to state that we understand that.

With regard to compliance and enforcement, there are two resident SIA investigators in Northern Ireland. I know that that has been welcomed by local partners. That has aided compliance. It means that any issues that arise can be addressed quickly. Over our lunchtime meeting today, businesses expressed their appreciation that there are officers on the ground here who can deal with problems.

Prior to the offence dates in Northern Ireland, we worked closely with businesses and individuals in the industry to ensure that they were familiar with the requirements of regulations. Meetings were also held with ex-prisoner groups to gain understanding of their concerns about conflict-related conviction issues and to identify solutions, where possible.

Following the introduction of licensing, inspections have revealed compliance rates in excess of 96%. Those compliance levels are higher than in England. In order to maintain that, we continue to undertake intelligence-led operations, both independently and with partners, and non-statutory sanctions may be issued.

With regard to conflict-related convictions, we have done extensive work to develop a robust policy on licence applicants who have conflict-related convictions, dealing with them in a way that is consistent with decisions that relate to applicants from throughout Great Britain. It is important to say that the refusal rate in Northern Ireland is actually lower than in the United Kingdom as a whole. Just 3% of applicants have been refused. We believe that our policy on conflict-related convictions has been effective. However, I must say that, as with any licensing regime, there will be some difficulties. Clearly, we have to say that. Some issues remain that we are working through, together with our partners.

Going forward, we have identified several areas that will be our priorities in Northern Ireland. First, we want to increase the volume of intelligence that we receive from individuals and partners. We want to continue to build on the relationship with the Police Service of Northern Ireland in joint working towards tackling non-compliance with the Private Security Industry Act 2001, prosecution of offences, and combating serious and organised crime. We want to engage with the better regulation agenda and regulations forum. We will continue to build relationships with local authorities and on increased take-up of delegated powers. We will also continue to deal with non-compliance in a proportionate and robust manner. We want to increase the respect of and trust in the SIA with our partners and stakeholders in Northern Ireland. Finally, we must prepare our partners and stakeholders for transition to the new regulatory regime, subject, of course — you mentioned this earlier, Chair — to the consultation exercise that is being carried out by the Department of Justice in Northern Ireland.

In conclusion, the SIA as an organisation is in a period of transition. Our planning processes will include considerations for Northern Ireland. Of course, all of that, as we are well aware, is subject to

the decisions of the devolved Administration. At the same time, however, our goal is to try to achieve one regulatory regime for the United Kingdom as a whole.

At this point, I just want to say that, to help us in our work, the Home Office, as you may know, has just this week, I believe, started work to recruit a SIA board member for Northern Ireland. We believe that it is very important that we have someone on our board who can keep us informed of developments here. We very much welcome that.

We look forward to you, as our partners, working with us in shaping a future regime in which we all play our part in developing regulation and building on the success that I believe we have already achieved in regulation here in Northern Ireland. We are happy to answer any questions that the Committee may have.

The Chairperson: Thank you very much. It was useful to have the engagement over lunchtime. I am pleased that the entire board was able to come over for its meeting and to give due recognition to the importance Northern Ireland has for the board.

I want to pick up on a couple of points. Will you talk me through the Home Office proposals and their implications for Northern Ireland? You made the point that this is devolved, so, ultimately, we will decide whether to opt in or out of a more uniform system. Will you talk me through the implications of the Home Office's proposals for Northern Ireland?

Baroness Henig: Perhaps the chief executive will do that.

The Chairperson: Will you build on that answer to explain why you think having a uniform approach is beneficial? Where do you see that linking into the Republic of Ireland to achieve a uniformity of approach in dealing with the issue?

Mr Bill Butler (Security Industry Authority): Thank you, Chair. I will explain the Home Office's proposed building blocks. I should say that I am not seeking to avoid some ownership of that, because those building blocks are exactly what we described as our strategy as early as June 2010. We need to shift the focus on licensing to businesses rather than individuals. The burden on individuals needs to be reduced. To do that, we need to focus our compliance effort on those who do not comply rather than those who do. The industry needs to take more responsibility for the future.

The current proposals mean that there would be a new regulatory body that would still be independent and have a statutory basis, but which would not be a non-departmental public body, as the SIA currently is. The second element is that there would be business licensing. Individuals will still need to be registered, but most of that registration work will be done by the businesses to cut out the current duplication. We will have effective enforcement and administrative powers to make that system work. That is a view we support and one which has received widespread support from the industry. It is almost embarrassing as a regulator that the industry is so supportive of what we are doing — we want to make the industry's life uncomfortable, at least occasionally.

Those building blocks will give us a far better basis, going forward, for raising standards and building on the regime as it currently exists. That will allow us to focus far more and, I hope, at less cost than otherwise would have been the case in the private security industry to maintain that robustness and to make the industry — by which I do not just mean suppliers but those who buy and rely on private security — meet their responsibilities for making sure that this works.

We think that it will work well across the UK. We think that it will work well and build on what we already have in Northern Ireland. It will improve our opportunities for co-operation with the regulator in the Republic of Ireland because its system is based on business licensing. My opposite number, Geraldine Larkin, was at the reception today. She and I have had the opportunity for discussions yesterday afternoon and again today. This alignment is a really sound building block, not just in respect of the Republic of Ireland; I think that 17 other European nations have that basis. So we will be moving towards a far more consistent basis.

The Chairperson: Will the onus be on the business to vet the individual?

Mr Butler: The registration of each individual will still be held by the regulator, but the processing of their application — checking their identity and making sure that they have the right training for their deployment, etc — will rest with the business. We will police the business to make sure that that operates properly.

The Chairperson: How many companies in Northern Ireland are involved in this field of work?

Mr Butler: I do not know exactly how many companies there will be eventually. When business licensing was introduced in the Republic of Ireland, the experience was that, when people shook the tree, a lot of things fell out that they were not aware of. We think, in total, that — it is difficult to say because a lot of companies work across the UK — there are between 4,500 and 5,000 companies in the UK. Today, we invited representatives from 53 approved contractor scheme (ACS) companies that operate in Northern Ireland. I think that I am right in saying that there are 15 ACS companies based in Northern Ireland, but they are the tip of the iceberg, because there are a lot of other companies that, until we start licensing, we will not find.

The Chairperson: If we had our own regulatory system for Northern Ireland as opposed to being part of the uniform approach, what would be the implications for those Northern Ireland companies?

Mr Butler: The first would be cost. As our chairperson said, we license approximately 11,000 individuals in Northern Ireland. In total, we license 372,000 individuals in the UK. So the first thing is that the unit cost would be significantly higher. Secondly — businesses have reflected on this — it does not prevent transferability between the Republic of Ireland and Northern Ireland and the rest of the UK, but it does make it far more difficult. It adds costs to businesses, because people would be licensed and registered twice, and would have two business systems to accommodate.

Nevertheless, we recognise that having a consistent UK-wide regime does not mean that it cannot reflect the priorities and needs of devolved Governments. As with Northern Ireland, we are trying to work closely with Scotland to ascertain the flavour that we should add there, what its priorities are, and where they should be reflected in the regime. We can make that work. Part of that — our chairperson touched on this in her introduction — is that we have quite a lot of expertise in regulating private security, and we can demonstrate that we can do that reasonably well. We need to blend that with the particular needs of Northern Ireland, and that is where, in the consultation, the feedback from the Committee and the Assembly and community groups becomes important. We need to make sure that we get the right flavour and the right operation here.

Mr Lynch: Thank you for your presentation. I want to ask you about conflict-related issues. You said that you were working with ex-prisoner groups, or political ex-prisoner groups, as we would call them. I welcome that, because those groups represent a sizeable constituency in this part of Ireland. You said that some difficulties and issues remain. What are they?

Mr Butler: I hate to appear obtuse, but I am about to. A judicial review affecting conflict-related convictions is due to go before the courts tomorrow. You will, therefore, forgive me if I tread very carefully, because it is sub judice at the moment. The paper that we have circulated sets out the policy that we have been working to on conflict-related convictions. I have been over here on two occasions to meet former prisoners' groups and community groups. I understand absolutely that this is a key part of getting our approach right.

It is very difficult to say exactly how many individuals with conflict-related convictions are covered by licensing, because, in some cases, those convictions would have been spent anyway, so we do not record them. As our paper records, 74 individuals have said that their convictions are conflict related, and we have managed them effectively within our current arrangements. As our chairperson said, it is very difficult to get any new regime right; it would be wonderful if we did. However, we ended up in judicial reviews in England, where we got things wrong in our original set-up. I do not mind the fact that we are being judicially reviewed. In fact, I welcome the opportunity to have difficult issues considered in that way. You will forgive me if I do not say any more.

The Chairperson: No other members have indicated that they wish to ask a question. There is just one other issue that I want to pick up on. How do you deal with the 4% who do not comply?

Mr Dave Humphries (Security Industry Authority): In the main, we do that through finding and working with individuals who are not licensed. We work with them. We also work with the people they work for; we will trace it back to the business. If necessary, we will issue written warnings or improvement notices. Ultimately, we have the right of prosecution. We have not had a prosecution here yet, but we have one in the pipeline, and the PSNI has three in the pipeline. That is the broad range of sanctions that we employ.

The Chairperson: A compliance rate of 96% is high. No other member wishes to ask a question. Thank you very much for attending this afternoon's meeting.

Members, that takes us to the Department's consultation paper on the review of this issue. Are members content for the current draft of that paper to be issued? Obviously, it will return to the Committee with responses, and we can have further discussions on it at that point.

Members indicated assent.