

CHANGING

Private security is a multibillion-pound industry, with personnel outnumbering police officers by 18 to one. The marketplace is booming despite the low margins – but more needs to be done to improve licensing and regulatory requirements. *Dean Gurden* investigates

OF THE GUARD

Around 1,000 security officers can be found on London's Oxford Street at any one time – more during the festive season. The number of Metropolitan Police officers in the same area can be counted on three fingers, according to the Security Industry Authority (SIA). Manned security is business necessity.

There are approximately 360,000 licensed security operatives in the UK compared with 20,000 police officers. "The security industry has increasingly become part of the police family," says Abbey Petkar, managing director of Magenta Security Services. "We've taken over lots of its responsibilities. The Royal Parks used to be part of the Met Police's duties, for example, but we've been doing that for the last 17 years."

Petkar has been in the security industry for 35 years and witnessed substantial changes during that time. Back in the day, security officers were unlicensed and the jobs were often quite menial, such as manually lifting barriers to let personnel in and out.

"These days we're so much more high-tech. At Magenta, for example, we control temperatures on chillers in Sweden from London with our guys being trained in that particular programme. The role of the security officer has been enormously enhanced. We're now more of an integral part of our

customer's business and not simply somebody standing at the gate," Petkar explains.

It's an exciting time for the industry, but how healthy is the current market in these days of uncertainty? According to Infologue's website, the estimated turnover of the UK's regulated security industry in 2018 was £4.1 billion; and it's a relatively accessible market.

"You and I could set up a security company tomorrow if we wanted," says Brendan Musgrove, managing director at Cordant Security. "There are no barriers to entry, but it's a very low-margin business with typical 1-2 per cent bottom line profit. I'd also say it's easy to set up at a local or regional level, but really difficult to break in nationally."

Speak to most of the big outfits in the security industry – and some of the smaller players too – and they'll all tell you that this relative ease of access is a real problem. And the root cause comes down to licensing and regulation.

Licence to secure

"If you're in the industry, then you are probably familiar with the licensing landscape, but if you're new, it's confusing to say the least," says Richard Jenkins, chief executive of the National Security Inspectorate (NSI), an independent, not-for-profit certification body.

"The first challenge FMs have is where to go to find a reputable business. As there is no licensing of businesses in this sector, there isn't the holy grail of a master register of approved businesses."

Essentially, the sector is regulated

and overseen by the SIA, a statutory organisation that has two main areas of activity: the management and issuing of mandatory licences to operatives working in the industry and the administration of the Approved Contractor Scheme (ACS), an approval scheme for businesses working in the sector. The NSI is one of SIA's assessing bodies for the ACS.

"When the Private Security Industry Act was put on the statute book in 2001, Parliament unfortunately decided it would not cover business licensing," Jenkins explains. "The industry continues to aspire to having business licensing for all organisations working in the sector, but it still doesn't exist. And with the ACS being a wholly voluntary scheme, there is a wide variety of opinion about its effectiveness."

To add to the confusion, NSI also offers Guarding Gold, an approval system based on British Standards that runs alongside the ACS. It has about 100 operators listed that have been audited to obtain a premium accreditation. "The SIA wrote the ACS's set of requirements and, in parallel, there is a whole raft of British Standards for the sector that have been around for years and have evolved over time," says Jenkins.

For FMs looking to source a reputable manned security supplier, Jenkins suggests that their first port of call should be the SIA website with its 800-odd listed businesses as well as NSI's own website that hosts the NSI Guarding Gold listings. Jenkins advises those in the market for security personnel to avoid unregistered companies.

Unfortunately, searching for registered security companies limits the number of potential service partners considerably.

Of the 4,200 companies working in the industry, the 800 or so registered on the ACS represent only around 20 per cent. "But that 20 per cent probably makes up about 80 per cent of the employees in the industry," Petkar says.

"THE TERRORISM THREAT HAS PUT A BIT MORE PRESSURE ON RECRUITMENT"

"So you've still got approximately 50,000 employees that are working for companies that are not ACS. And therein lies the problem. Instead of trying to educate the FMs and buyers about what is a good security company and why they should go to them, we need to be telling the buyers or their CEOs about the risks of not using an ACS company," Petkar warns.

However, the 'rogue element' is not as bad as it used to be, according to Petkar. The SIA performs checks and audits on companies and, based on information from its website, it successfully prosecuted six operators in September for using unlicensed guards. This sort of activity seems to be happening predominantly in the night-time economy and in event management.

"HMRC are also now involved and will investigate where they see anomalies," Petkar adds. "It's a

BREXIT EFFECT

As with almost every other market, Brexit is having an effect on the manned security industry. "We already know that a lot of Eastern European security operatives have gone back home or are planning to because they are concerned about the attitude within the UK or their own economies have improved," says Abbey Petkar, managing director of Magenta Security Services.

Brexit is also having more of an effect in the south than the north of England. Petkar argues: "It's definitely noticeable that customers are not investing because they are waiting to see what will happen."

The uncertainty of Brexit means security companies need to build in resilience planning to accommodate staff leaving the organisation. "We've risk-assessed it and looked at the guards who are non-UK nationals," Paul Heyman, sector director at VINCI Facilities, says. "The Security Industry Authority is also currently contacting licence holders that are non-UK nationals to confirm their right-to-work status."

"There's possible uncertainty ahead and therefore we've taken on a few more guards in strategic areas to make sure we can cover the shifts. It obviously costs to have guys waiting about on the off-chance, but that's just the way it has to be."



more joined-up approach and [more] professional than it used to be, but there is still some way to go."

Jenkins also highlights the increasing prevalence of 'labour providers' that are supplying agency labour into the security guarding sector. "This practice has grown over the last few years and it's a potential risk to the client base," he says.

Smarter procurement

Fortunately, FMs are becoming more professional in their buying processes. "There are still some that buy on price," says Petkar, "and they will always exist because they have a budget to work to and don't look at anything else. But many are increasingly looking at partnerships

– at what the security company can bring to the table to enhance the service levels to them, their service providers and their customers."

The clients focused on better partnerships with their providers are increasingly contracting for three to five years, so there is longevity in the partnerships.

"It's good to see that at least 75 per cent of the people I deal with are professional buyers who have a better understanding of both the standards and the industry," Petkar explains.

Those same buyers have also become more demanding about vetting officers because of an increased awareness of terrorism risks. "They often want proof of counterterrorism skills," says Paul Heyman, operations director at VINCI Facilities. "It's good to see, but sometimes offering a guard a job is subject to them getting a counterterrorist check, which can take six weeks to two months and the guy might decide he doesn't want to wait. So the terrorism threat has put a bit more pressure on recruitment."

The demand for counterterrorism skills adds cost to the recruitment process, but this has to be balanced with the safety of the wider public.

"In fact, the single greatest change in the industry is the appetite by policing and law enforcement agencies to share their security and terrorism awareness," Terry Hanley, director of security at Interserve Service Operations, says. "Ten to 15 years ago, it was pretty much aimed at security officers. These days, it's all about widening that message to all the people that work within facilities management. Security is now everybody's responsibility, whether you're an engineer, cleaner or hospital porter."

As for FMs responsible for sourcing security for their organisations, they are rightly becoming more demanding, says Heyman. "It's generally the labour costs that make up the security bill, which can be

a significant part of the FM budget. So they are expecting guards to take on additional tasks, such as concierge and reception management. FMs are becoming more inventive to get more out of the guards, but obviously this needs to be risk assessed."

Ultimately, if FMs want to minimise the risk of getting security solutions wrong, the golden rule is don't use the 'bargain basement' route. Always go to SIA-licensed companies with ACS approval. That's the entry-level point. "If they want to single-source it, take references for the companies they are considering," says Heyman, "and be prepared to offer a little more in salaries. If you go the cheap route, you know where it will lead; quality costs." **FB**



USEFUL WEBSITES

- Check out Infologue's Top 30 UK Companies in the Regulated Security Sector: tinyurl.com/FacMagOI20-infologue-top30
- Visit the SIA's training page for more about SIA-endorsed qualifications: tinyurl.com/FacMagOI20-SIATraining
- Get further details on the SIA's Approved Contractor Scheme: tinyurl.com/FacMagOI20-SIA-ACS
- Find NSI approved companies particularly those with NSI Guarding Gold approval at: tinyurl.com/FacMagOI20-NSI