



Private Security Industry: Further consultation on proposals to regulate the industry

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1. Introduction

- 1.1 This is, in effect, part of a continuous process of consultation which began a number of years ago. We consulted widely in 2000 on proposals to regulate the private security industry and received broad support for our proposals which were taken forward in the Private Security Industry Act 2001 (hereafter referred to as “the Act”). The Act does not prescribe in detail the form the licensing scheme will take. Since the Act received Royal Assent on 11th May 2001, a Home Office implementation team has been developing plans for regulation and the issue of licences. In doing so it has consulted with a wide group of stakeholders. On 1 April 2002 a Chief Executive and a Chairman were appointed by the Home Secretary to lead the Authority. On 1 April 2003 the Security Industry Authority was formally established as an independent body.
- 1.2 We are now able to describe in more detail the form of the licensing scheme - including the likely cost of a licence, the criteria for granting or refusing licences, the application process and the order in which different industry sectors will be designated for regulation under the Act - and to allow all interested parties to comment on the proposals prior to making to regulate regulations.

2. Background

- 2.1 The Act was the result of public, Parliamentary and industry concern about the private security industry, at a time when the industry was playing an increasingly prominent role in society. Concern focussed on:
 - Private security operatives playing an active part in crime and disorder or using their position to facilitate crime by others;
 - A lack of police and public confidence in the private security industry;
 - Low professional standards in the industry.
- 2.2 The Act provided for the regulation of a number of sectors in the private security industry by a framework of controls, including the licensing of all individuals engaging in licensable activity, in six industry sectors: door supervisors, vehicle immobilisers (wheel clampers), security guards, key holders, security consultants and private investigators. The Act also provides for the establishment of the Security Industry Authority (SIA), as a non-departmental public body, to be the regulating authority.
- 2.3 The Act was preceded by a White Paper (CM4254) which included an initial Regulatory Impact Assessment. That RIA looked only at the high level risks, costs and benefits of regulation *per se* and considered the option of regulating only the security guarding sector. The White Paper recognised that there is registration of

door supervisors by some local authorities, but noted that such schemes are inconsistent in nature, partial in national coverage and subject to variable fee levels. Benefits of different options were measured against the Government's aim of reducing crime in the industry and fear of crime among the public. Compliance costs were roughly estimated. Consultation with the industry, including small business, indicated that the proposals for regulation were welcomed.

- 2.4 A Partial Regulatory Impact Assessment which seeks to analyse, in greater detail than was possible in 2000, the likely impact of the proposed regulations on the public and the industry is attached at Annex A.

PROPOSED REGULATORY SCHEME

3. Coverage

- 3.1 The first regulations under the Act will cover door supervisors and vehicle immobilisers.
- 3.2 A Door Supervisor is defined by the Act as a person who carries out security activities in relation to licensed premises, at or in relation to times when those premises are open to the public. The security activities are:
- Guarding premises against unauthorised access or occupation, against outbreaks or disorder or against damage
 - Guarding property against destruction or damage, against being stolen or against being otherwise dishonestly taken or obtained
 - Guarding one or more individuals against assault or against injuries that might be suffered in consequence of the unlawful conduct of others.
- Both in-house and contract door supervisors are covered by the Act.
- 3.3 At present, the application of the Act to vehicle immobilisers is limited to wheel clampers, defined in the Act as individuals who immobilise a motor vehicle by the attachment to the vehicle, or to a part of it, of an immobilising device. It more specifically applies to wheel clampers who carry out such an activity on private land in circumstances in which it is proposed to impose a charge for the release of the immobilised vehicles. This is a sector of the private security industry where there is significant public concern about the behaviour of a minority of operators who have been recorded as intimidating vehicle users (particularly the vulnerable) and abusing their positions by charging exorbitant release fees. Parliament decided that all wheel clampers on private land, regardless of their employment status, should be licensed under the Act.
- 3.4 The Act does not extend regulation to those who tow away vehicles from private land and charge a release fee. In July 2002, the Sentencing and Offenders Unit of the Home Office carried out a limited consultation exercise on the specific issue of the practice of towing away vehicles from private land and charging a release fee. Three organisations were consulted: The Local Government Association, The Association of Chief Police Officers and the British Parking Association. Responses confirmed anecdotal evidence that there were problems arising out of the practice of towing away, giving rise to regular public complaint; predicted that these problems would increase as operators sought to evade the licensing requirements attached to wheel clamping; and recommended that the problem should be dealt with by extending the licensing remit of the SIA to include this form of activity. Home Office Ministers have agreed, in principle, to extend the scope of the Act to cover towing away. It is also proposed to regulate other methods by which occupiers of private land might prevent the owner of a vehicle from driving it away, for example by blocking it in or sealing the exit. **The Government would welcome views on the proposal to extend the regulation of wheel clamping to cover the practice of towing away vehicles.**

- 3.5 The regulations will not be introduced on a national basis from day one. The regulation of door supervisors will be introduced on a progressive basis throughout England and Wales by a series of eight regional roll-outs between July 2004 and February 2005, based on the completion of a successful pilot to be started in Hampshire in March 2004. The timetable for the regulation of vehicle immobilisers is currently under consideration.

4. What will the regulations require?

- 4.1 The basic framework of the regulatory scheme will be as follows
- All individuals providing door supervision or wheel clamping (or analogous) security services will be required to hold a licence from the SIA
 - The requirement to hold a licence will apply to individuals supplying front-line services as well as managers and directors of companies
 - Individuals supplying front-line services will require a licence specific to one industry sector. Separate licences will be required to offer front-line services in both door supervision and wheel clamping.
 - Licence applicants will be required to demonstrate that they meet the published criteria
 - It will be a criminal offence to engage in licensable conduct without a licence

5. What will the licence criteria be?

- 5.1 There will be three checks on licence applicants.
- (i) A check on their identity
 - (ii) A check on their criminal record
 - (iii) A check on their competency to do their jobs

5.2 The Identity Check

- 5.2.1 Applicants will be required to send in approved documentation to provide a suitable identity check. A full list of the acceptable documents will be published prior to the licensing pilot, but it is likely to include at least one form of official identity documentation (for example a passport or driving licence).

5.3 The Criminality Check

- 5.3.1 In determining the criminality criterion for licensing, the SIA must be able to demonstrate rigour, reasonableness, consistency, transparency, rehabilitation, stakeholder confidence and cost effectiveness. Key concepts in judging criminality are:
- use only established data – convictions, cautions and warnings
 - assess the record on the basis of:
 - the relevance of offences to the sectoral licence sought
 - how long ago the applicant became free of sentence restrictions

0-2, 2-5 or over 5 years ago

- the relative seriousness of offences as defined in PACE or separately by SIA judgement

5.3.2 The effect of these factors produces the following assessment grid:

	0 – 2 years from last sentence expiry	2 – 5 years from last sentence expiry	5 years + from last sentence expiry
Serious offence(s)	Reject	Reject	Fine tune decision
Other significant offence(s)	Reject	Fine tune decision	Grant
Minor / irrelevant offence(s)	Grant	Grant	Grant

5.3.3 In determining how to deal with “fine tuning decisions” the SIA must

- maintain the principles already agreed, i.e. relevance, recency and seriousness
- ensure that the additional criteria needed are objectively verifiable, rational and transparent (i.e. by using the offending profile – the number, type and timing of offences on the record and the type and length of sentence(s) imposed for these offences).

5.3.4 The method proposed is a “points system” which

- first establishes whether there are any serious offences on the record (the threshold to getting a licence should always be higher when this is the case)
- takes into account the cumulative record of all serious offences and of other offences in the relevant 2-5 year period
- takes account of the culpability of the most recent offence, as reflected in the sentence imposed by the courts and, by according different weights to non-custodial and custodial sentences of 2+ or 4+ years imprisonment reflects the proposed new buffer periods from the review of the Rehabilitation of Offenders Act
- recognises efforts at rehabilitation by giving appropriate credit for accrued crime-free time above the required minimum of 2 or 5 years
- the more serious the record, the longer rehabilitative period is required – starting from the end of sentence restrictions – before the SIA should consider the individual suitable for a licence

5.3.5 The system allows all of these factors to be taken into account while allowing none to predominate. The result aims to be a balanced and sensitive system allows reasonable decisions to be made on a rigorously consistent basis

5.3.6 Relevant, Serious and Other Offences used in the Criterion

Potentially any offence can be argued as relevant, given that it raises doubts as to an applicant’s honesty and trustworthiness. However, we have taken a realistic view that some offences are sufficiently minor and / or irrelevant to the test of fitness to be discounted – e.g. minor motoring offences causing a nuisance etc.

5.3.7 The SIA will divide the remaining (i.e. the great majority of existing) offences into “serious” and “other significant” categories.

- “Serious” offences are those listed on the face of Schedule 5 of the Police and Criminal Evidence Act 1984 as “serious arrestable offences” or those are otherwise considered as serious, using best judgement to apply the principles set out in section 116 of PACE for determining whether other offences should potentially be considered “serious arrestable” (i.e. which lead, may lead or are intended to lead to serious harm to the State or public order, interference with the course of justice, death or serious injury or substantial financial loss or gain). Examples of offences in this group include murder, rape, grievous bodily harm, robbery, burglary, indecent assault, possession with intent to supply a controlled drug, forgery, and possession of a firearm.
- “Other significant offences” are those which, while not of the serious nature as defined above, are considered to be particularly objectionable in connexion with the holder of an SIA licence. Examples of offences in this group include common assault, battery, indecent exposure, possession of a controlled drug and driving while over the alcohol limit.

5.3.8. These categorisations broadly compare with modes of trial, as follows:

Serious on the face of PACE	Indictable
Serious according to PACE principles	Indictable and triable either way
Other significant	Triable either way and summary

5.3.9 Assuming that patterns of offending are the same as those for the population at large, we estimate that the application of this preferred criminality criterion may result in 12 – 14% of those currently employed in these industry sectors failing to qualify for a licence. The attached Regulatory Impact Assessment considers two alternative options for setting the criminality criteria. One would apply a lower criminality threshold which might result in some 10% of applicants failing the criterion. The third option would set a much higher threshold and might thereby exclude up to 25% of applicants. The Government believes the criteria described in the preceding paragraphs would achieve the right balance. **The Government would welcome views on the preferred criminality criteria set out in paragraphs 5.3.1 – 5.3.8 above.**

5.4 The Competency Check

5.4.1 Research by the SIA has confirmed that the current position in England and Wales as a whole on professional competence and qualifications is far from satisfactory. There are too many different qualifications, which are of variable standard and quality. Many are available only in certain local areas rather than nationally, and

there is a poor degree of mutual recognition between courses and qualifications promoted by different local authorities. The take up rate is generally poor.

5.4.2 The detailed specification of the duration and content of the training that will be required by the SIA is still under consideration. At the current time it is estimated that the new training process for door supervisors will be between 4 and 5 days, and the training for wheel clampers and towers away will have a 5 day duration. In order to ease the process for people who already work in the industry, or have other jobs as well, it is foreseen that the training will be modular and will not have to happen on consecutive days. The modular process is one training method that may suit the other sectors as well. The SIA is currently in consultation with the Qualifications and Curriculum Authority (QCA) and appropriate awarding bodies to confirm the details of the training modules for the door supervisor and wheel clamber sectors.

5.4.3 Competency requirements will include training in the following areas

- **Door supervisors**
 - The security industry and the role of door supervisors
 - Introduction to civil and criminal law
 - Search procedures
 - Drugs awareness
 - Report writing and scene preservation
 - Licensing laws
 - Equal opportunities
 - Communications skills and conflict management
 - Health and safety
 - Emergency procedures and First Aid

- **Vehicle Immobilisation**
 - Introduction to wheel clamping, removals, the history of the service and introduction to the legislation
 - Signs, Lines and Enforcement Vehicles
 - Vehicle Registration Marks
 - Health and Safety
 - When to Clamp and When to Remove
 - Applying a clamp/removing a vehicle
 - Completing Paperwork
 - The Payment Process
 - The Appeals Procedure
 - Case Studies, practical use of radio, clamp and camera
 - Discretionary Parking
 - Customer Care and Diversity
 - Communication Skills and conflict management

5.4.4 Currently available training courses suggest that training courses for both sectors will be charged at between £80 to £100 per day. Training organisations have access to a number of sources of subsidy which may reduce the cost to individuals. The SIA continues to discuss training with the relevant awarding bodies and training providers.

6. The application process.

- 6.1 Licence applicants will contact the SIA call centre, in order to provide the relevant details so that a partially completed application form can be sent to them for completion. Alternatively, an application form will be found on the SIA website which can be completed, printed and posted to the SIA.
- 6.2 The SIA will work to ensure that the process time, from the full application form being received, with all the necessary documentation, to the issuing of the licence decision letter, is as short as possible. This is primarily dependant on the information received from other agencies. Applicants can assist in the reduction of process times by ensuring that the correct supporting documents have been received and the form is correctly and legibly filled in. At the current time the process is expected to take approximately four weeks.
- 6.3 The application form will need to be accompanied by documents that can be used to verify the identity of the applicant, such as a passport, European Union photo identity card, birth certificate or Home Office Application Registration Card indicating asylum seeker status. Full details of acceptable documents will be published in due course by the SIA. Any supporting documents that are in another language will have to be translated by an approved translation company before being sent in with the licence application. A list of such companies will be available through the call centre.

7. Transitional arrangements for existing local authority registration schemes

- 7.1 Many local authorities and police forces currently run their own registration or licensing schemes for door supervisors. The SIA has been consulting them to determine the best way forward and have carefully considered how to handle these existing schemes. The key question is whether local authority registrations and licences should be allowed to run their course and expire naturally at the end of their existing terms; or require instead that only SIA licences are held from a set date in each region, cutting existing local arrangements off on that date before existing registrations and licences expire naturally.
- 7.2 In the light of legal advice, and in view of the need to introduce robust and consistent standards as soon as possible, we plan to follow the latter course. Our current plan means that the SIA will not recognise any licences except those that the SIA have issued, after spring 2005.

8. Validity of Licences

- 8.1 The SIA licence for each of the sectors will be valid for three years. SIA licences will have conditions attached to them, and are likely to cover such aspects as wearing the licence on duty, returning the licence to the SIA and supplying other information to the SIA in specified circumstances.

- 8.2 SIA licence holders will be expected to notify the SIA immediately should their relevant circumstances change during the currency of the licence, such as a change of address or name. They will also have to notify the SIA immediately if a charge is brought against them during the currency of the licence. If the charge is of a nature that would effect the decision to grant or refuse a licence for a new applicant, there may be a need to suspend the licence while awaiting the outcome of any legal proceedings.

9. Licence Fees

- 9.1 It is Government policy to require the SIA to be self-financing from licence fee income. This will therefore drive the cost of a licence. The final level of the licence application fee will depend on the SIA's full operating costs and projected demand levels. At the moment we estimate that the licence application fee will be between £150 and £190 for a three-year licence. The licence fee will be charged even if an application is unsuccessful, since it is to cover the cost of the application and regulation process.
- 9.2. Money from licence fees will used to fund the operation of the SIA in the following ways:
- Licensing services
 - Enforcement and compliance
 - Communications
 - Infrastructure
 - Research & Development

10. Consultation

Any comments on these proposals should be returned to

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by **Monday 13th October 2003.**

Comments will be particularly welcome on the proposal to extend the definition of vehicle immobilisers to cover towing away and other practices (see paragraph 3.4) and the proposals for criminality checks (see paragraph 5.3.9).

It would be helpful if respondents could say whether they are providers of door supervising/vehicle immobilising services or purchasers of those services.

Further consultation on the regulation of security guards will take place in Spring 2004.

**PARTIAL REGULATORY IMPACT
ASSESSMENT**

**REGULATIONS TO IMPLEMENT
THE PRIVATE SECURITY INDUSTRY ACT 2001
IN RESPECT OF DOOR SUPERVISORS AND VEHICLE
IMMOBILISERS**

Background

1. The Private Security Industry Act 2001, hereafter referred to as “the Act”, provided for the regulation of a number of sectors in the private security industry. The Act provides a framework of controls, including the licensing of all individuals engaging in licensable activity, in six industry sectors: door supervisors, vehicle immobilisers (wheel clampers), security guards, key holders, security consultants and private investigators. The Act also provides for the establishment of the Security Industry Authority (SIA), as a non-departmental public body, to be the regulating authority.
2. The Act was preceded by a White Paper (CM4254) which included an Initial Regulatory Impact Assessment (RIA) at Appendix 1. That RIA looked only at the high level risks, costs and benefits of regulation *per se* and considered the option of regulating only the security guarding sector. The White Paper recognised that there was registration of door supervisors by some local authorities, but noted that such schemes were inconsistent in nature, partial in national coverage and subject to variable fee levels. Benefits of different options were measured against the Government’s aim of reducing crime in the industry and fear of crime among the public. Compliance costs were roughly estimated. Consultation with the industry, including small business, indicated that the proposals for regulation were welcomed.
3. The Act does not prescribe in detail the form the licensing scheme will take. Since the passage of the Act, a Home Office implementation team has been developing plans for regulation and the issue of licences. In doing so it has consulted with a wide group of stakeholders. On 1 April 2002 a Chairman and Chief Executive were appointed by the Home Secretary to lead the Authority. On 1 April 2003 the Security Industry Authority was formally established as an independent body. More detailed proposals are now available on the form of the licensing scheme, including the likely cost of a licence, the criteria for granting or refusing licences, the application process and the order in which different industry sectors will be designated for regulation under the Act.
4. The first sectors to be licensed will be door supervisors and vehicle immobilisers. These are the two industry sectors that have given rise to the most public and Ministerial concern about criminality and low standards of professionalism. It has also become evident, through public correspondence, that there is a case for extending the definition of vehicle immobilisers on private land charging a release fee to include those who tow away vehicles, or in other ways prevent an owner from using his car pending the payment of a fee, for example by blocking the vehicle in. It is proposed to extend the scope of the regulations under the Act to include such activities.
5. Within these two industry sectors regulation will be introduced progressively, over a period of a year, on a region by region basis. It is proposed to extend licensing throughout England and Wales by means of a progressive geographical rollout. This will consist of 8 regions over the course of 7 months. The 8 geographical regions are based on seven virtual groupings of police regions with the South East being split further into South East and London to result in a total of 8 regions. The regions are: North West, North East, Wales, Midlands, East, South West, South East, London. The full programme will be preceded by a pilot roll-out covering the Hampshire police area.

Objective

6. The proposed regulations will require all those who provide door supervision services or vehicle immobilisation services on private land against a release fee to hold a licence from the SIA. Issue of a licence will be dependent on checks on an applicant's criminal record and competence to do the job. It will be a criminal offence to engage in licensable conduct without a valid licence. Employers, managers and directors who employ unlicensed operatives will also commit a criminal offence.
7. The proposed licensing scheme aims:
 - To remove from the private security industry those who seek to use their position to pursue criminal activities
 - To raise standards of competence and professionalism in the industry
 - To increase public confidence in the industry
 - To provide recognition for companies and individuals who do operate to high standards and who have invested in training and selective recruitment

Risk Assessment

8. The initial RIA referred to evidence of the employment of criminals in the private security industry leading to a risk of offences being committed, either directly or by improper use of inside knowledge gained through employment in positions of trust. The enactment of the Private Security Industry Act 2001 reflected Parliament's view that such a risk was sufficient to justify a compulsory licensing scheme administered by the Security Industry Authority. Further evidence of criminality emerged from the Home Office Research Study 265 "Reducing alcohol-related violence and disorder: an evaluation of the 'TASC' project" (2003), which reported that in the 30 month period of monitoring sixty-one door supervisors were arrested and door supervisors were involved as victims or alleged assailants in 16 per cent of all violent incidents. When crime statistics are collected there is no record of the profession or job held by the party committing the criminal activity, and no relevant studies have been done about the alleged criminal activities of individuals in the vehicle immobilisation or door supervisor industries, however anecdotal evidence is widespread. During the months of March to June 2003 there were 15 articles in the national and regional press concerning criminal activity by door supervisors (ranging from murder convictions to drug dealing) and 11 articles about unscrupulous wheel clamping companies. In addition Home Office Ministers receive many letters of concern from Members of Parliament and members of the public.
9. At the current stage of the development of the licensing scheme, the risks are:
 - the scheme may not be sufficiently rigorous to exclude from the industry those whose criminal record or low professional standards make them unsuitable to work there, or
 - the scheme may be too onerous on businesses who do seek to reach the required standards, to the extent that the market for providing the services in question is severely damaged.

Options

10. The Initial Regulatory Impact Assessment considered the option of doing nothing about the employment of criminals in the private security industry. It did not explicitly examine the option of encouraging self-regulation, but in fact this was already a feature of the status quo, and thus fell within the option of doing nothing. Response to the White Paper was strongly supportive of legislation to provide national, consistent regulation of the industry. Extensive discussion during the passage of the legislation through Parliament dismissed the options of doing nothing or relying on self-regulation. The Act expressly charges the Secretary of State with establishing the Security Industry Authority and making regulations for the licensing of individuals in the private security industry. This RIA does not, therefore, re-examine the options of doing nothing or self-regulation.
11. This Partial RIA looks at the options for the content of regulations and the sub-regulatory framework of SIA licensing for door supervisors and vehicle immobilisers. The principal variables in preparing for regulation are the criteria for the granting of licences. Section 7 of the Act provides for the SIA to set criteria under three headings:
 - To determine whether applicants are fit and proper persons to undertake the roles of door supervisors and immobilisers;
 - To determine whether applicants have the training and skills necessary to engage in those roles; and
 - Any other criteria which the Authority thinks fit

The SIA proposes at this stage to set criteria in relation to the test for fit and proper persons and to necessary competencies and to set a minimum licensing age of 18.

12. It is difficult to identify three specific alternative levels of requirements for granting licences. The aim is to design a set of criteria which successfully addresses the risks identified in paragraph 9 above; i.e. that are sufficiently rigorous to make a real difference to levels of crime and fear of crime and also to establish appropriate standards of probity, but that are not so onerous that the industry cannot function. This RIA looks in broad terms at the effect on the impact on the public and on businesses of three options.
 - Option 1: Apply a very low criminality threshold and make no competency requirements

The criminality threshold could be achieved by refusing licences only to those applicants who have serious offences on their record. “Serious” would be defined as (1) serious arrestable offences appearing on the face of the Police and Criminal Evidence Act 1984 (eg murder, rape, possessing a firearm with criminal intent); and (2) other offences which the SIA considered to be particularly serious in relation to door supervisor or vehicle immobilising activities. This might result in 10 – 11.5% of licence applicants failing the criterion (assuming that everyone currently performing door supervisor or vehicle immobilising activities applied, and that the criminal statistics for the general population as a whole are directly applicable to the two industry sectors).

- Option 2: Refuse a licence to anyone with any criminal record other than for minor offences.

This option would exclude from licensing all those excluded under option 1 plus all those with other criminal offences on their record other than those of the most trivial nature – i.e. those offences which are triable only summarily and for which only non custodial sentences are available (eg minor motoring offences, causing a nuisance). This might result in 25% of licence applicants failing the criterion (with the same assumptions applying as for option 1).

- Option 3: Establish a set of criteria which seek to balance the need to make a real difference to criminality and professional standards in the industry, with the need to allow *bona fide* businesses to continue to be viable.

This option would take into account a wider range of factors than simply the offences on the criminal record, including the intrinsic seriousness of the offence, the length of time elapsed since the last offence and, in some borderline decisions, the nature of the sentence imposed by the courts. This option has the benefit of being able to balance rigour with rehabilitation, since it would offset the criminal record itself against the length of recent time spent crime free. No single factor would predominate in the licensing decision, allowing a greater degree of perceived fairness, balance and transparency to be achieved. This option is likely to result in 12 – 14% of applicants failing the criterion.

13. There are risks attached to each option. The chief risk of option 1 is that if standards are set too low then the SIA will make no real difference to criminality levels and professional standards in the regulated sectors. This is a high risk and one which would carry significant costs for the public, the police and law-abiding operators in the door supervisors and vehicle immobilisers sectors of the industry.
14. The closer a licensing scheme moved towards option 2, the greater the risk that the regulated sectors would become economically non-viable. Criminal statistics show that between 29% and 34% of males aged between 18 and 40 will have a criminal conviction for a standard list offence (Census Population File 1998). This figure is almost certainly higher in the sectors to be regulated. Applied to the maximum, option 2 would remove a substantially higher proportion of existing operators from the workforce than options 1 and 3. Option 2 would be likely to introduce recruitment problems for the industry and drive wages up to a high level for those who did qualify for a licence, thus resulting in greater costs for the service users. If competency standards are set too high, the industry could be crippled by both high training costs and the effects of substantial numbers of existing staff failing to reach the required standards, provoking a substantial industry backlash.
15. An additional risk attached to Option 2 is that it would be open to legal challenge on the principle of proportionality.
16. Option 3, almost by definition, minimises these risks but presents a considerable challenge to pitch standards at that optimum level.

Business Sectors Affected

Door Supervisors

17. There are approximately 850 – 900 companies providing door supervisor services under contract in England and Wales. They range in size from 3500 (though this many employees is rare) to less than five employees. The average size of a door supervisor contract company is between 30 and 50 employees.
18. The industry is populated, in the main, with individuals who are “self-employed” in umbrella firms. The industry is characterised by high numbers of transient workers (20% to 50% stay in the industry for six months or less) and by both geographical and seasonal variations. Approximately 35% to 40% of door supervisors are employed in-house by the larger leisure companies, although some of these “in-house” employees are employed on a regular contractual basis and could fall within the definition of either in-house or contract providers. The “Safer Doors Project”, completed in December 1999, reports that up to 75% of individuals working as door supervisors do so as part-time employment, often to supplement other employment.
19. There are 31,500 door supervisors currently registered with local authority schemes. This number is taken from a survey of all 409 local authorities, and is made up of 18,800 one-year registrations and 26,500 three-year registrations. However, 35% of local authorities do not currently register door supervisors under any scheme and an estimated 30% of registered door supervisors are registered with more than one local authority.
20. It is estimated by the SIA that there will be approximately 95,000 licensed door supervisors once this sector has completed the roll-out process. This number is a significant increase on the current levels and is due to a high turnover rate in the industry, increased demands on pubs and clubs to hire licensed door supervisors (as a condition of their premises licence in the Department of Culture, Media and Sport (DCMS) Licensing Bill) and the legal requirement for every door supervisor to be licensed by the SIA under the Act. Other industry associations, such as the British Entertainment and Dance Association (BEDA), suggest the numbers of door supervisors in the UK should be at a higher level of up to 150,000¹
21. Of the 95,000 estimated door supervisors, figures based on known current uptakes of registration schemes and population levels suggest that 23% will be employed in the South East police region, 17% in the Midlands West police region, 14% in the North East, 13% in the Metropolitan Police region, 13% in the North West, 9% in the Midlands East area, 6% in the South West and 5% in Wales. The majority of door supervisors are employed in urban areas, particularly the larger cities, though this pattern may change slightly when the effects of the DCMS Licensing Bill require more pubs to hire door supervisors as a condition of their licence.

Vehicle Immobilisers

22. The number of companies in this industry sector is constantly changing. The SIA has identified approximately 60 wheel clamping companies, but many security providers offer this as an additional service, as do facilities management providers. It is also difficult to

¹ Perpetuity Research & Consultancy International June 2003

estimate the number of companies because this industry sector is marked by the extremely low start up costs and the number of individuals who have set up as wheel clampers using only a car/van, mobile phone, stock of clamps and some printed flyers. The industry ranges from one-person companies to the largest firms employing over 1500 personnel. However, even in the larger companies the majority of employees will not be classified as wheel clampers and are involved in other forms of parking enforcement, such as towing away. The SIA estimates that approximately 1200 individuals are currently employed as wheel clampers as defined under the Act. The geographical spread is wide, however the South has the highest percentage of wheel clampers, and beach resorts (such as Bournemouth and Blackpool) are also known to have a higher than average number of firms working in the area. While SIA research has not identified the percentage of towing away firms that also work in the wheel clamping industry, and vice versa, it is estimated that the percentage of companies that work in both forms of parking enforcement will be significant.

23. Groups outside these two business sectors that will be affected by the regulations include the police and the public. The police would benefit from higher standards in the private security industry by having reduced levels of crime to investigate and by being able to establish closer working partnerships with the industry. Certain groups among the public would be particularly likely to come into contact with door supervisors and vehicle immobilisers: those who use pubs and clubs and those who own and drive vehicles. These members of the public would benefit from reduced crime and increased levels of service and competence. All members of the public would benefit from the perception of lower levels of crime and higher professional standards.

Costs and Benefits

Benefits

24. Option 1 would have some, though low, levels of benefit, and therefore a continuing cost, to the public or the police. There would be little improvement over current levels of criminality and competency in these industry sectors and public and police confidence would remain low. There would be some benefit to businesses in that few employees would be excluded from continued employment and so regulation would not inherently give rise to significant additional recruitment costs. However, this must be balanced by the fact that by leaving undisturbed the current low standards within the industry, current high levels of staff turnover (estimated at between 20% and 50% annually in the door supervisor sector, no data is available for turnover in the vehicle immobilisers sector) would be likely to persist.
25. Option 2 would have benefits for those individuals and companies that were able to meet the very demanding criteria; they would be in a very strong position in a substantially reduced market, but they would have had to meet significant training and recruitment costs. There would also be a benefit to the police and public, who would have high levels of confidence in the quality of individuals and companies providing door supervisor and vehicle immobilising services. However if the effect of the licensing criteria was such that the industry was unable to recruit sufficient licensed staff, then a shortage of door supervisors could have a negative impact on the confidence and safety of customers of pubs and clubs.

26. Option 3, in achieving an appropriate balance between the need to raise standards in the industry and the need to do so in a manner that allows genuine businesses to thrive, carries a wide range of benefits. Standards would be raised to a degree that increased public confidence in the regulated sectors. Similarly increased police confidence could lead to progressive levels of partnership within the wider police family. A reduction in crime and distress to members of the public should be achieved. There would be a particular benefit for vulnerable members of the public, often young adults, who rely on door supervisors for their safety in pubs and clubs. Door supervisors with higher levels of skill in first aid, drug awareness and conflict management would make pubs and clubs much safer places. For licensed individuals and their companies, the achievement of worthwhile recognition of their professional standards should lead to greater job satisfaction. As a result, there would be lower levels of staff turnover, resulting in lower recruitment costs and higher skill levels. Licensed individuals and their employers would be able to charge more for demonstrably higher standards of service, and these increased fee levels could cover the costs of additional training.

Costs

27. The term “costs” can be misleading in that some will be economic costs to the individuals requiring an SIA licence, others will be applicable to companies providing the services, and a third set would be passed on to the users of such services. Typically the SIA licence fee would be met by the individual applicant, but in some cases this cost would be borne by contracting companies. Similarly the cost of time taken to apply for a licence would initially fall on the individual applicant. In both cases, however, it would be reasonable to expect that these costs would feed through to wage levels and thereby be passed on to service users.
28. If regulation fails to make a positive difference to levels of criminality there will be social costs. The harm already identified in the initial RIA and recognised by Parliament in the Act of crime, fear of crime and low professional standards would not be remedied. Social costs are extremely difficult to estimate. In “The economic and social costs of Crime” by Sam Brand and Richard Price (Home Office Research Study 217, 2000) it is calculated that violent crimes make up nearly a quarter of the volume of offences but account for nearly three-quarters of the total cost to society. The same report stated that it was not possible to calculate the cost of fear of crime which would persist if the criminality levels remained at current perceived levels.
29. In analysing the costs of each of the optional approaches to regulation, it is assumed that the cost of the licence fee set by the Security Industry Authority would remain the same in each case. It is government policy that regulatory bodies such as the SIA should be self-financing. It would not be appropriate either to use public funds to subsidise regulation of the industry, or to use regulation to raise public funds from the industry. The level of the fee for the granting of an SIA licence is therefore determined by the cost of operating the regulatory scheme, including the cost of running the Authority, and the demand for licences. The variables tested by the three optional approaches – the standards of criminality and competency that will be required in order to gain an SIA licence – would not entail different procedures within the Authority that would lead to a change in the overall cost of the scheme or, therefore, in the level of the licence fee. Option 1, however,

may have the effect of deterring fewer people with criminal records from applying for a licence thereby increasing demand and reducing the unit cost of a licence.

30. Final SIA costs cannot yet be accurately predicted. The current estimate is that the fee will be between £150 and £190 for a licence that is valid for three years. This cost range will be used in the costing of each of the options.
31. The analysis also assumes that the application process would be the same, or very similar, for each option. Variations in the criteria to determine applications would not affect the process. Licence application time is only relevant as a cost to industry where the applicant is currently employed in the sector and would not be able to continue employment until a full SIA licence was granted and where insufficient time was allowed for the application to be processed before the regulations came into effect. SIA communication strategy would aim to minimise the percentage of late applications. Where relevant, application time is calculated as the average number of hours worked in the period of time it takes to receive the licence multiplied by the average hourly wage.
32. Training costs will fall most heavily on new entrants to the industry since a proportion of existing qualifications can be transferred without additional costs. The full cost of training for new entrants may be significant. There are a number of subsidies available from bodies such as the Learning and Skills Council and Crime Reduction Partnerships. Where the remaining costs are still at high levels the costs may be supported by the contracting companies. Discussions are still taking place with training providers and precise information about the availability and cost of training is not yet firm. However, the current costs for door supervisor training range from £80 to £100 per day. SIA competency criteria will require a modular five day training course. Very little training currently exists for vehicle immobilisers but a full training cost of £500 is estimated.
33. Wage levels in both industry sectors are a cost borne by users of the services. Door supervisor wage levels currently range from £5 to £7 per hour. Very little is known about wage levels for individual vehicle immobilisers, but the same range is assumed. We assume that these levels would increase in the short term if the licensing criteria excluded substantial numbers from employment by reducing the pool of available labour. This would be a particularly relevant factor under Option 2. In the longer term, wage levels could also be expected to increase to reflect demonstrably higher standards of competency. However, at this stage we do not have sufficient information to allow us to predict or estimate the impact on the market of increased wage levels. We will re-examine this issue in the Final RIA in the light of any comments received in response to this Partial RIA.
34. Recruitment costs may be borne by contracting companies or directly by service users. Such costs range from minimal administration costs to £350 per member of staff for a full advertising campaign. Recruitment costs would be a significant factor in any option which excluded large numbers of existing operators, though this would diminish over a period of time.
35. For those supplying door supervisor services, the cost of SIA regulation may be offset by savings if they are currently subject to local authority registration schemes which currently range between £30 to £430, though the average is within the range of £30 to £150.

36. The following paragraphs examine the cost to the industry, whether individuals or companies, of the different options. The breakdown of anticipated costs under each option for typical companies in both sectors can be found in Appendix 1.

Costs – Option 1

37. Option 1 sets the criminality criteria low, so it is assumed that relatively few applicants would be refused a licence. Where applicants are refused a licence they will be barred from engaging in licensable activities. Users and providers of services will have to recruit replacement, licensed, staff.
38. Under Option 1 there are a number of social costs. If the criminality criteria for the grant of licences are set too low, and no competency criteria are set, it is unlikely that regulation will make a positive difference to levels of criminality. These business sectors would retain a low level of public and police confidence which would affect their capacity to market their services as skilled and professional. High levels of staff turnover would be likely to persist, perpetuating high recruitment and training costs.
39. Total costs to the industry of Option 1 would include licence fees, application times and ongoing recruitment costs. These costs would be offset, for door supervisors in some areas, by potential savings in local authority registrations. No estimate can be made of increased costs that would be incurred in marketing services in which public confidence remained low.

Costs – Option 2

40. Option 2 sets the criminality criteria very high and also requires evidence of high levels of competencies. Businesses or individuals would have to pay for training in order to provide the required evidence. It must be assumed that a high proportion of those currently working in these business sectors would fail to meet these standards and would therefore be excluded from employment under Option 2, resulting in significant recruitment costs for companies both supplying and using the services.
41. For Option 2 the social costs are complex. On one hand, setting licence standards very high might lead to an increase in public and police confidence and a reduction in crime around these sectors of employment. However setting standards too high would be likely to have two negative effects: there might be high levels of evasion and continuing unlicensed activity; and there might be a severe shortage of licensed operators, running the risk that pubs and clubs would be under-supervised.
42. The total industry costs of Option 2 would include licence fees, application times, training costs, and ongoing recruitment costs. Inflated wage levels resulting from scarcity of licensed operators are difficult to estimate but would be an additional cost. These costs

would be offset, for door supervisors in some areas, by potential savings in local authority registrations.

Costs – Option 3

43. The criminality criteria proposed under Option 3 would exclude some currently working in the industry and this would result in recruitment costs. There would be training costs in order to reach the required levels of competency. However these costs would be offset by the benefits of lower staff turnover as employees recognised the benefits of a higher status career and greater marketability as higher standards were recognised by customers.
44. There would be few social costs of Option 3 and many benefits, as outlined in paragraph 26.
45. The total industry costs of Option 3 would include licence fees, application times, training costs, and ongoing recruitment costs. Inflated wage levels resulting from scarcity of licensed operators are difficult to estimate but would be an additional cost. These costs would be offset, for door supervisors in some areas, by potential savings in local authority registrations.

Other Costs

46. Local Authorities currently charging for registration schemes will lose their income once SIA regulation comes into force. However, any charges being made should only cover the cost of administrating the system and those that appear to making any profit are very few. The SIA has spoken to many Local Authorities (LA) in regional licensing forums; there is a general consensus that they are happy to lose the administrative burden.
47. Other public sector costs include costs to the Home Office of setting up the SIA. These set-up costs of £21.2m will not be recouped by the collection of licence fees.
48. There will be a cost to the Department for Constitutional Affairs in respect of appeals to Magistrates' Courts and Crown Courts. Court costs will be refunded by the SIA.

Issues of equity and fairness

49. Whichever option is chosen for the level of criteria applied to the granting of SIA licences, those criteria will be fair and transparent. They would apply equally to individuals in different sizes of business and in all parts of the country. However it is also desirable that regulations should be proportionate in their application. Option 2, setting very high standards of criminality and competency, would have a disproportionate effect on business in relation to the aim of the regulations. Option 3 seeks to apply proportionate requirements on the industry in order to address the aim of reducing crime and raising professional standards.

Consultation with small business: the Small Firms' Impact Test

50. In consulting the relevant sectors of the private security industry, the SIA has attempted to identify and reach small businesses. Apart from a few of the largest companies in either sector it is known that the majority of companies have less than 50 employees. The wheel

clamping industry sector is marked by the number of small firms (five employees and under), which spring up very easily and quickly. The door supervisor market is slightly more stable, though still heavily populated by small firms or self-employed individuals. There is no Standard Industrial Classification (SIC) which is often used to assist in defining the labour market, available for either the door supervisor or wheel clamping sector, nor is there a categorisation available from Companies House for any limited companies, that might assist in identification of such companies. Umbrella organisations have been contacted where possible in order to assist with the identification of small firms in either sector, and publicity has been placed in trade publications in order to ease communications with the smaller companies who have tended to not attend regional seminars. (See lists in Appendix 2 of organisations and companies consulted by the SIA.)

Competition Assessment

51. A competition filter has been carried out of the market for door supervisors and vehicle immobilisers. We expect little change in existing levels of competition and there is unlikely to be a negative competitive impact from the proposed regulatory scheme.

Enforcement and Sanctions

52. The regulations will be enforced by a strategy that includes
 - (i) Partnership with the police and Local Authorities

The SIA is working to develop strategic partnerships with the police and local authorities in order to maximise practical co-operation in areas of common concern. There are clear overlaps of interest with the police in the area of specific targets under the National Policing Plan, Local Policing Plans, and Crime and Disorder Strategies (well run pubs and clubs, reduction in anti-social behaviour, reduction in violent crime, impact on illegal supply of drugs) and with local authorities in the area of local strategic plans, crime and disorder reduction strategies, and responsibilities under section 17 Crime and Disorder Act 1998 (prevention of crime and disorder, public safety, prevention of public nuisance, protection of children from harm).
 - (ii) Management of Intelligence

The SIA's strategies for compliance and enforcement will be intelligence led. The SIA's own enforcement and compliance activities, and those in which it seeks to engage its enforcement partners, will be determined by its receipt, analysis, prioritisation and dissemination of information, using the principles of the standard National Intelligence Model (NIM).
 - (iii) Marketing Strategy

The SIA will continue to ensure that everyone affected by its new licensing regime is fully aware of the fact. Communication and marketing activities to this end include regional information seminars, attendance and publicity at industry exhibitions and conferences, an electronic newsletter providing regular updates on activities and mailed to everyone registered for information, and a dedicated SIA website. Between late March and May 2003 there was a small trade press advertising campaign and 84,500 direct mail letters aimed at purchasers of door

supervising and wheel clamping services to invite them to register for further information about how the SIA could affect their businesses. Copies of a brief leaflet have been distributed to all local authority licensing officers in England and Wales, for them to pass on to door supervisors in their areas, inviting door supervisors to contact the SIA for further information.

- (iv) A regional inspectorate structure
The SIA will establish a regional structure of Inspectors. The exact size and structure is yet to be determined, but numbers are likely to be in the region of 40 staff in total. They will include specialists to manage, analyse and disseminate relevant information to enforcement partners and others. Other tasks will be the promotion of compliance and best practice with employers and local users of licensable security services, and actively managing the successful exploitation of overlaps with enforcement partners.
- (v) Prosecutions
Prosecution for one or more of the offences created by the Act will be an action of last resort.

Monitoring and Review

53. The SIA Board will report annually to the Home Secretary on the operation of the legislation and the performance of the Authority in meeting its aims and the report will be published. In addition, the SIA will publish annually its accounts and corporate and business plan.

Consultation

54. An extensive list of Government Departments, organisations and companies consulted by the SIA to date is at Appendix 2.
55. The SIA has held 6 Regional Seminars during February and March 2003. SIA staff also deal with a wide range of correspondence from companies and individuals about future regulation.
56. The SIA has had stands at the following trade exhibitions & conferences
- Security Roadshow
 - Restaurant and Bar
 - Pub and Bar
 - Police Federation Conference
 - IFSEC
 - The Security Institute Conference
 - LGA Conference and Exhibition
 - British Parking Association Seminar
 - Safer Doors Conference
 - Parkex
 - Securex
 - British Beer and Pubs Association exhibition
 - Assorted other meetings

57. In July 2002, the Sentencing and Offenders Unit of the Home Office carried out a limited consultation exercise on the specific issue of the practice of towing away vehicles from private land and charging a release fee. Three organisations were consulted: The Local Government Association, The Association of Chief Police Officers and the British Parking Association. The consultation letter asked for views on
- The scale of any problems currently posed by the towing away of vehicles
 - The extent to which the practice might grow as an alternative to wheel clamping when SIA regulation came into force; and
 - How the problem should be addressed

Responses confirmed anecdotal evidence that there were problems arising out of the practice of towing away, giving rise to widespread public complaint; predicted that these problems would increase as operators sought to evade the licensing requirements attached to wheel clamping, and recommended that the problem should be dealt with by extending the licensing remit of the SIA to include this form of activity.

Summary and Recommendation

58. There is widespread support for the regulation of the door supervisor and vehicle immobilisation sectors of the private security industry. The SIA has been working closely with interested parties to develop a regulatory scheme, which is fair, efficient and effective in meeting its aims of reducing crime and raising standards in the industry. We recommend the approach to licence criteria in Option 3, which seeks to balance the need to make a positive difference to public safety without severely damaging the business interests of the industry. A regulatory scheme which follows the approach in Option 3 is more fully described in the Consultation Document and the views of the public, businesses and other interested parties are sought.

COSTS FOR A TYPICAL BUSINESS

Door Supervisor companies

1. Costs for a typical door supervisor business, with 50 licensable staff, under the three options discussed in the Partial Regulatory Impact Assessment, have been made for all three options using a series of assumptions as explained in paragraphs 2- 10.
2. Wage levels range from £5 to £7 per hour at the current level of the available labour market, and this wage level has been used in Option 1.
3. A substantially reduced labour market, under the toughest level of criminality criteria and competency requirements in Option 2, would raise the wage levels to a range of £13 to £15 per hour.
4. A partially reduced labour market, under increased levels of criminality criteria and competency requirements in Option 3, would raise the wage levels to a range of £9 to £11 per hour.
5. Training costs for staff would range from £80 to £100 per day for a modular five day training course. This would not be the same for all door supervisors currently in the industry because it is known that a number of individuals have already completed comparative and acceptable training. However, for these calculations it has been assumed that no training has been previously completed. In addition, no reductions have been made to the training costs through available subsidies.
6. Recruitment costs per member of staff range from minimal administration costs of £20 to £350 for a full advertising campaign. Option 1 uses the lower end of the range, £20 to £130, because the labour market has not been significantly reduced. Option 2 uses the higher end of the range, £240 to £350, because the available labour market has been significantly reduced. Option 3 uses the middle section of the range, £130 to £240, because the labour market has been reduced in greater terms than in Option 1 but less than in Option 2.
7. The figures for offsetting costs against savings made if the companies are currently subject to local authority registration schemes range from £30 to an average of £150.
8. When calculating time taken to apply for an SIA licence this RIA has used the figure of 48 hours. This has been calculated by multiplying the number of working hours lost during the time taken if the applicant applies once the regulations come into effect and cannot, therefore, legally work while waiting for the licence application to be processed. The average time to process a licence application is estimated to be 3 weeks. This would cover 3 Fridays and 3 Saturday evenings when a door supervisor might reasonably be expected to work up to 8 hours per working day. However, given the marketing and communication programs that the SIA has established, this cost has only been applied to 10% of employees per company, with the other 90% applying for their licences in advance of regulation.
9. When calculating time taken to apply for a local authority registration the assumption has been made that such a scheme was previously in existence, and that a local authority scheme

required the door supervisor to be registered before work could be entered in to. It has also been assumed that only 10% of employees per company (as in paragraph 8) would have missed any work by waiting to receive the registration prior to working. The amount of time taken to apply for a local registration scheme has been calculated to be one working day/night of 8 hours.

10. The costs for all 3 options are calculated using the same equation of (a-b)+(c-d)+e+f = total cost to company of 50 employees, assuming the company is paying for all the licence applications, training and recruitment and has been in existence in a Local Authority area that ran a registration scheme prior to the start of SIA licensing:
- a. Total licence cost: 50 licences @ £150 - £190 per licence ÷ 3 (licence covers a 3 year period)
 - b. Offsetting cost of average local authority registration fees @ £30 to £150 x 50 employees
 - c. Time taken to apply for a licence: 48 hrs x £ wage range per hr x 5 licences (10% of employees as in paragraph 8)
 - d. Offsetting cost of time taken to apply for local authority registration @ 8 hours x wage level range x 5 employees (10% as in paragraph 9)
 - e. Training costs per day x 50 employees x 5 days
 - f. Recruitment costs x 50 employees

11. Option 1 Costs £

- | | | |
|----|-----------------|---|
| a. | 2500 to 3166.67 | (£150 to £190 range of SIA licence fee) |
| b. | 1500 to 7500 | (£30 to £150 range of average local authority registration) |
| c. | 1200 to 1680 | (£5 to £7 range of wage level) |
| d. | 200 to 280 | (£5 to £7 range of wage level) |
| e. | 20000 to 25000 | (£80 to £100 training costs range per day) |
| f. | 1000 to 6500 | (£20 to £130 recruitment costs per employee) |

Total costs £23,000 to £28567

12. Option 2 Costs £

- | | | |
|----|-----------------|---|
| a. | 2500 to 3166.67 | (£150 to £190 range of SIA licence fee) |
| b. | 1500 to 7500 | (£30 to £150 range of average local authority registration) |
| c. | 3120 to 3600 | (£13 to £15 range of wage level) |
| d. | 520 to 600 | (£13 to £15 range of wage level) |
| e. | 20000 to 25000 | (£80 to £100 training costs range per day) |
| f. | 12000 to 17500 | (£240 to £350 recruitment costs per employee) |

Total costs £35600 to £41167

13. Option 3 Costs £

- | | | |
|----|-----------------|---|
| a. | 2500 to 3166.67 | (£150 to £190 range of SIA licence fee) |
| b. | 1500 to 7500 | (£30 to £150 range of average local authority registration) |
| c. | 2160 to 2640 | (£9 to £11 range of wage level) |

- d. 360 to 440 (£9 to £11 range of wage level)
- e. 20000 to 25000 (£80 to £100 training costs range per day)
- f. 6500 to 12000 (£130 to £240 recruitment costs per employee)

Total costs £29300 to £34867

Vehicle Immobilisation Companies

14. Costs for a typical vehicle immobilising business, with 10 licensable staff, under the three options discussed in the Partial Regulatory Impact Assessment, have been made for all three options using a series of assumptions as explained in paragraphs 16 – 20. The formula is shown in paragraph 21.
15. Typical costs for companies supplying vehicle immobilisation services have been calculated using the assumption that typical hourly wage levels are comparative to those in the door supervisor industry at £5 to £7 at the current levels, and that the same wage levels will be used for the vehicle immobilising sector at different options as are used in the door supervisor sector. Option 1 levels will range from £5 to £7, Option 2 levels will range from £13 to £15 and Option 3 levels will range from £9 to £11.
16. When calculating time taken to apply for a licence this appendix has used 15 days (three working weeks) at 8 hours per day resulting in 120 hours. However, given the marketing and communication programs that the SIA has established, this cost has only been applied to 10% of employees per company.
17. Although training for vehicle immobilisers is only currently run in one Local Authority, to the knowledge of the SIA, those costs have been used to estimate the training costs that any individuals would have to undertake under Options 2 and 3. The training costs used are £500 per individual.
18. Recruitment costs would be comparable to those used for the door supervisor sector, in that Option 1 would range from £20 to £130, Option 2 would range from £240 to £350 and Option 3 would range from £130 to £240.
19. The costs for all 3 options are calculated using the same equation of $g+h+i+j = \text{total cost to company of 10 employees, assuming the company is paying for all the licence applications, training and recruitment}$:
 - g. Total licence cost: 10 licences @ £150 - £190 per licence \div 3 (licence covers a 3 year period)
 - h. Time taken to apply for a licence: 120 hrs x £ wage range per hr x 1 licence (10% of employees as in paragraph 18)
 - i. Training costs x 10 employees
 - j. Recruitment costs x 10 employees
20. **Option 1 Costs** £
 - g. 500 to 633.33 (£150 to £190 range of SIA licence fee)

- h. 600 to 840 (£5 to £7 range of wage level)
- i. 5000 (£500 training costs per employee)
- j. 200 to 1300 (£20 to £130 recruitment costs per employee)

Total costs **£6300 to £7773**

21. **Option 2 Costs** £

- g. 500 to 633.33 (£150 to £190 range of SIA licence fee)
- h. 1560 to 1800 (£13 to £15 range of wage levels)
- i. 5000 (£500 training costs per employee)
- j. 2400 to 3500 (£240 to £350 recruitment costs per employee)

Total costs **£9460 to £10933**

22. **Option 3 Costs** £

- g. 500 to 633.33 (£150 to £190 range of SIA licence fee)
- h. 1080 to 1320 (£9 to £11 range of wage levels)
- i. 5000 (£500 training costs per employee)
- j. 1300 to 2400 (£130 to £240 recruitment costs per employee)

Total costs **£7880 to £9353**

Other Costs

23. No estimates are given for the marketing costs that companies might be required to bear in order to reassure the public and users of their services about the quality of staff under the different options.

Consultations previously undertaken by the Security Industry Authority

A. Government Departments

Department for Transport - Security Section (Transec)
Department of Health
Department of Work & Pensions
Office of Fair Trade
Department of Trade & Industry
Department for Education & Skills
Foreign and Commonwealth Office - Nationality and Passports section
Department of Culture, Media and Sport
Lord Chancellor's Department (as was)
Customs and Excise
Inland Revenue

B. Other Organisations

Local Authority Co-ordinators of Regulatory Services (LACORS)
Association of Chief Police Officers (ACPO)
Association of British Insurers (ABI)
Crown Prosecution Service (CPS)
Gaming Board of Great Britain (GBGB)
Health and Safety Executive (HSE)
Her Majesty's Prison Service
Environmental Health
Magistrates Association
National Counter Terrorism Security Office (NaCTSO)
Trading Standards Institute
Learning Skills Council (LSC)
Sector Skills Development Agency (SSDA)
United Kingdom Passport Agency (UKPA)
Driver Vehicle Licensing Agency (DVLA)
Information Assurance Advisory Council (IAAC)
Chamber of Commerce
CBI
Automobile Association
Royal Automobile Club
British Standards Institute
British Parking Association
PubWatch
Federation of Licensed Victuallers Associations (FLVA)
National Council for Further Education (NCFE)
British Institute of Innkeeping (BII)
City and Guilds
Qualifications and Curriculum Authority (QCA)
Security Institute Training Organisation (SITO)
National Security Inspectorate

Joint Security Industry Council (JSIC)
British Security Industry Association (BSIA)
Local Government Association (LGA)
Association of London Government (ALG)
Local Government Licensing Forum (LGLF)
Criminal Records Bureau (CRB)
British Entertainment & Disco Association Ltd (BEDA)
National Association of Registered Door Supervisors & Security Personnel
UK National Reference Point for Vocational Qualifications (UK NRP/ECCTIS)
Citizens Advice Bureau
Work Permits (UK)
ASIS UK
Safer Doors Forum
National Association for Healthcare Security (NAHS)
Association of University Chief Security Officers (AUCSA)
Association of Licensed Multiple Retailers (ALMR)
Transport and General Workers Union (TGWU)
GMB Trade Union
Federation of Small Businesses
UK Crowd Management Association (UKCMA)
Perpetuity Research Consultancy International

C. Companies

Assist Security
CCT Group Ltd
Industry Security Services
Noble Security Services
London Clubs International
Licensed Trade Training Company
Six Continents Retail
Security Industry Training Academy
Apcoa Parking (UK) Ltd
Integer Training Ltd
Security Global