

# Improving the performance of the private security industry

Mark Button assesses the Government's proposals for regulation of the private security industry.

Throughout the 1980s and 1990s criminal justice agencies have increasingly faced intervention from governments seeking to improve their performance. Organisations have been forced to embrace 'managerialism' and set a multiplicity of performance indicators, which have been used to compile league tables. These have all been pursued with the aim of reducing levels of crime and disorder.

The private security industry, however, which also has a significant role to play, has escaped intervention by governments to improve performance. But this looks set to change with the government's White Paper on regulation of the industry (Home Office, 1999), and the impending bill for the 2000-2001 session of Parliament.

## The 'Primary Protective Resource'?

In the USA the larger size of the private security industry, which dwarfs the public police, led

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Cunningham et al (1990) to describe it as the nation's 'primary protective resource'. Jones and Newburn (1998) have also drawn attention to the larger size of the private sector in the UK. Whether merely being larger makes the industry the 'primary protective resource' is debatable, but there is much evidence to illustrate the significant role the private security industry plays in preventing crime and disorder.

The *raison d'être* of most private security services and products is to prevent crime and disorder. Indeed many products and services are situational crime prevention strategies. Whether it is a security officer patrolling a street or shopping centre, screening luggage at an airport, transporting bullion between banks or products such as CCTV, intruder alarms and access control systems they all have a significant crime prevention role. Jones and Newburn found such was the range of activities undertaken by the private security industry, in a comparison of the different policing agencies in Wandsworth, that it undertook all the comparable functions that the Metropolitan Police Service did.

## Poor standards of performance

Unfortunately the private security industry has generally suffered from poor standards of performance. There have been numerous instances of staff with long criminal records working in the industry. Indeed by the government's own calculations there could be 24,000 employees who will be subject to further vetting to decide whether they will be licensed because of their criminal record. There is also much evidence highlighting other low standards. Generally most security officers only undergo at most two days training and some do not even get this. Many security officers are only paid the minimum wage and still work over 60 hours per week. Such is the public perception of security officers, their level of reassurance to the public was found to be nearly minus 20 per cent,

compared to nearly plus 40 per cent for CCTV and over plus 80 per cent for a police officer on foot (Audit Commission, 1996). Standards are also clearly variable for some security products. The level of false activations for intruder alarms is still over 90 per cent, while the quality of the footage from many CCTV cameras leaves a great deal to be desired.

Despite the significant role the private security industry undertakes in preventing crime and disorder (and the general poor standards of performance) there has been little desire for government intervention. In the past 20 years, calls for statutory intervention have been rejected on the grounds that these are issues for the market. The publication of the White Paper by the Labour government, however, marks the first serious attempt to improve the performance of the industry. Indeed one of the primary aims of the proposals is to maintain and improve the standards of the industry. It remains to be seen how far the proposals will actually achieve this objective.

## Improving performance?

The White Paper proposes the licensing of all employees, managers and directors in regulated sectors who will need to be a 'fit person' to work in the industry. Whatever a 'fit person' is (it is not defined), there will still be some barriers to achieving the licensing of all those working in regulated sectors. As staffed security services and installers of intruder alarms will be the first sectors to be regulated, there will still be many former criminals who will be able to quite legally work in the industry as private investigators and locksmiths, as these are proposed to be regulated at a later date. It is also not clear as to whether some of the many loopholes in definition will be addressed. For instance if an installer of security equipment claims to be a CCTV installer or car alarm installer, would they also be required to be licensed?

More significantly in

addressing this concern is the resources the government proposes to give to the Private Security Industry Authority (PSIA) which will oversee regulation to enforce these provisions. An inspectorate of 10 is envisaged to ensure over 8,000 organisations and over 200,000 employees are licensed. The proposals expect that 25 per cent of businesses will be inspected annually. Thus a firm – as long as there was no problem that brought it to the attention of the PSIA – could expect a visit only once every four years. This compares badly to the Gaming Board, which has an inspectorate of 35 for just over a 1,000 casinos and bingo clubs, with over 5,000 licensed staff, and emphasises the small scale of the planned inspectorate.

### Minimum standards of operation

The proposals also do not set out statutory minimum standards of operation for either employees or firms. Consequently, as the proposals stand, the likely impact on improving the performance of the private security industry is likely to be rather limited. Instead it proposes a Voluntary Inspected Scheme (VIS) where the PSIA recognises some of the many standards and inspectorates already operating in the industry (George and Button, 2000). It would therefore endorse existing voluntary- regulatory bodies, such as the Inspectorate of the Security Industry (ISI) and the National Approval Council for Security Systems (NACOSS) and promote those firms that volunteered to be regulated by them.

There would as a result be no compulsory minimum standards of

training or specifications for the installation of an intruder alarm. As long as a firm's employees, directors and managers are licensed they could stay outside the VIS and quite legitimately continue in operation. Already NACOSS and ISI are 'endorsed' by the government body, the United Kingdom Accreditation Council (UKAS). Thus the proposals are only really setting out a 'grander' scheme of endorsement. However, the White Paper does provide for the PSIA to recommend that the Home Secretary might introduce a secondary regulation to make the VISs compulsory.

Many companies anyway do not join the ISI or NACOSS (and other voluntary and self-regulatory bodies). Inevitably many will continue to stay outside the VIS. They will use the lesser standards they have to secure a competitive cost advantage over other firms that do meet the voluntary standards. In a market which is often driven on costs rather than quality or even 'best value', this is not good news.

If the White Paper is to meet its objective of raising the standards of performance of the industry, the VIS will need to be made compulsory from the start. Only with compulsory minimum training, equipment and standards of installation, for example, will this objective be achieved in a market largely driven by cost. Moreover, if the evidence of intervention to improve standards of private firms operating prisons is anything to go by, this could lead to a substantial improvement of standards in the industry.

The Labour government has finally embraced a system of regulation that previous governments of all political persuasions have rejected over the last 30 years. The proposals will have a significant impact upon who can work in the regulated sectors. If, however, they are to seriously impact upon performance of the industry, compulsory minimum standards must also be embraced and greater resources should also be given to the inspectorate to enforce the system. Given 'New'

Labour's commitment to 'managerialism' for the public sector, it should not be too great a step to apply minimum standards of performance to an industry that still has a significant role in the prevention of crime and disorder.

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