

EXPLANATORY MEMORANDUM TO
THE PRIVATE SECURITY INDUSTRY ACT 2001 (LICENCES) (AMENDMENT)
REGULATIONS 2019

2019 No. 1086

1. Introduction

- 1.1 This explanatory memorandum has been prepared by the Home Office and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

- 2.1 The private security industry employs people in a range of roles for which licences are required. The Private Security Industry Act 2001 (Licences) Regulations 2007 (made under the Private Security Industry Act 2001) set out the fees payable for an individual licence relating to licensable conduct. This instrument amends the level of those fees by amending the 2007 Regulations.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

- 3.1 None

Matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business (English Votes for English Laws)

- 3.2 As the instrument is subject to negative resolution procedure there are no matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business at this stage.

4. Extent and Territorial Application

- 4.1 The territorial extent of this instrument is the United Kingdom.
4.2 The territorial application of this instrument is the United Kingdom.

5. European Convention on Human Rights

- 5.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

6. Legislative Context

- 6.1 The Private Security Industry Act 2001 (the Act) created the Security Industry Authority (SIA) as the regulator of the private security industry in England and Wales. The Act was extended to cover Scotland in 2007 and Northern Ireland in 2009.
6.2 The Act permits the Secretary of State to set fees for a licence. Section 8(7) requires a fee to be paid to the SIA on the making of a licence application at a rate prescribed by the Secretary of State.
6.3 This instrument is being made to reduce the individual licence fee from £220 to £210. The SIA will communicate this change through its website.

7. Policy background

What is being done and why?

- 7.1 The Act regulates the private security industry in the UK. Its objectives are to protect the public by preventing unsuitable people from working in the industry, and to improve standards within it. The individual SIA licensing regime covers guarding (including security guarding, door supervision, close protection, cash and valuables in transit and public space surveillance using CCTV), key holding and vehicle immobilising (in NI only).
- 7.2 In order to adhere to the principles set out in the HM Treasury publication, “Managing Public Money”, SIA fees should meet the full costs of the service while neither producing a loss nor a surplus. Currently the fee for an individual licence is £220. Following the introduction of a new digital licensing system, higher volumes of licence applications than forecast and other efficiency saving initiatives, the SIA has achieved savings.
- 7.3 This necessitates a reduction to the individual licence fee of £10 (4.5%) to realign income with the lower level of costs and allow consistency of pricing across years. this will ensure that the SIA achieves a full cost recovery in line with HM Treasury rules. The intended effect of these amendments to the fee level is to ensure that the private security industry receives the benefit of the cost reduction measures to achieve value for money and fairness.

8. European Union (Withdrawal) Act/Withdrawal of the United Kingdom from the European Union

- 8.1 This instrument does not relate to withdrawal from the European Union / trigger the statement requirements under the European Union (Withdrawal) Act.

9. Consolidation

- 9.1 No consolidation is planned.

10. Consultation outcome

- 10.1 The Scottish Ministers, the Department of Justice Northern Ireland and the SIA have been consulted as required under the Act. They support the fee reduction.

11. Guidance

- 11.1 The SIA will inform its customers of the changes via a newsletter, update to its website, Facebook, Twitter and all other channels of communication open to it.
- 11.2 All applications received on or after 00.01 on 1st October 2019 will be charged at £210.

12. Impact

- 12.1 The impact on business, charities or voluntary bodies is positive due to the reduced costs. There is no change to the policy which the SIA enforces. This change solely concerns a reduction in the fee charged for an individual licence application.
- 12.2 There is no, or no significant, impact on the public sector.

12.3 A full Impact Assessment is submitted with this memorandum and published alongside the Explanatory Memorandum on the legislation.gov.uk website.

13. Regulating small business

13.1 The legislation applies to activities that are undertaken by small businesses.

13.2 To minimise the impact of the requirements on small businesses (employing up to 50 people), the approach taken is that the fees will apply equally to all those who carry out licensable activity, regardless of the size of the business that they work for. Therefore, any business, regardless of size, will benefit from the reduced fees.

14. Monitoring & review

14.1 The monitoring of this legislation will be carried out by the SIA which will inform the Government of its effectiveness and any future changes to the fee which may be required.

15. Contact

15.1 Nick Brown at the Home Office Sponsorship Unit. Telephone: 020 7035 5577 or email: NicholasDerek.Brown8@homeoffice.gov.uk can be contacted with any queries regarding the instrument.

15.2 Zoe Wilkinson, Deputy Director, Strategy Directorate at the Home Office can confirm that this Explanatory Memorandum meets the required standard.

15.3 Nick Hurd MP at the Home Office can confirm that this Explanatory Memorandum meets the required standard.