

‘The Regulation Journey’

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First of all I would like to thank Baroness Henig for inviting me to speak at this conference. It's a great privilege to follow her onto the stage.

I've been invited here today to speak about the history of private security regulation. Now, I'm not going to discuss the history of the past five years, which we're all very familiar with. But the history of the past fifty-five years. Because the regulatory regime that we're here to talk about today has a long and interesting back-story. And I think that developing a strong sense of this back-story will help to frame the debates and discussions that we'll all be participating in over the next few hours.

One of the constant features of the idea of regulation over this long period has been it's divisiveness. It was as divisive back in the 1950s as it is now. There have always been those, both within the state and the industry, who have argued passionately for and against regulation. So, there are two sides to the history of regulation in postwar Britain. Today, though, I am only going to focus on one side of this history: the history of those who, over the past half century, have lobbied in favour of regulating the private security industry. Now, I want to emphasise that this is not to dismiss or disrespect the history of those who have argued so articulately against regulation over the years. Because what they have said is important and certainly should not be forgotten. But today I'm not going to focus on what these anti-regulation lobbyists have said because, ultimately, that's not the path that has been taken. Regulation is

here to stay. And I think we can all gain more by looking at the positive, reinforcing lessons history can teach us about regulation than the negative, destabilising ones.

So if you were to ask me: what exactly is the point of spending the next half hour reflecting back fifty years in order to chart the long history of those who have lobbied in favour of regulation? My answer would be simple: I think it's important to keep this aspirational and ambitious side of the regulation story alive and fresh in our minds. Because when we get drawn into heated debates about the turn-around time of licence applications or the entry standards to the Approved Contractor Scheme or the SIA's communication and customer service strategies – as we all will in the seminars later today – I think it's important to remember that these debates are one part of a much longer story. A story featuring many people who for decades fought for the very right to have these debates within the framework of an actually existing regime of statutory regulation. And in my view that bigger picture provides an important background to today's seminars and debates.

So, how am I going to tell this story? Well, I've spent the last five years researching the history of the private security industry in the United Kingdom. This has involved digging around the national archives in London; rooting around a number of private archives where documents have been stored in everything from cardboard boxes to old dustbin liners; leafing through old newspaper articles and copies of *Security Management Today* and *Professional Security*; and, most importantly, speaking to many, many people – both retired and currently working – who have spent time in and around the private security industry. Now, to tell the story that has emerged from this research in full would take hours if not days. So what I want to do today is to choose five interesting episodes in this story which, I think, illustrate how the idea of regulation has evolved over the past half century. Five episodes which show where the ideas underpinning private security regulation have come from. I want to show that regulation was not something thought up through a Home Office consultation exercise in the months leading up to the Private Security Industry Act 2001. But rather was pieced together over five decades by a group of forward-thinking, like-minded individuals, all of whom had a vision for the future of the private security industry. An industry which has shaken off its negative minimum-wage, cowboy

image and has become a more professional, more respected, better-paid, higher-skilled and state-regulated sector.

For the first episode in this story, then, I want to tell a short anecdote about the Managing Director of Securicor in the 1950s – Mr R. D. Godfrey – which I think shows that some of the foundational ideas of regulation have been embedded within the private security industry for at least half a century. Now, fifty years ago Securicor was nothing like the corporate giant that G4S is today. It was a very small company which specialised in the guarding of industrial sites. It had no influential political connections, no clout, no resource base. It was pretty invisible. But it's Managing Director – Mr. R. D. Godfrey – had some big ideas about the future of the company. And he put together an interesting strategy for moving the company up in the world.

To begin with, he set up a new investigations branch in the company – which in itself is quite unexceptional. But what is interesting is how he then went about manning this new branch of Securicor. Rather than recruiting promising young men and women in the area and training them in-house, he began a decade-long letter campaign targeting the Commissioner of the Metropolitan Police. In these letters, he repeatedly asked the Commissioner to recommend any ex-C. I. D. officers who might be interested in working for Securicor and he repeatedly asked the Commissioner to publicly endorse Securicor's operations.

Now, what's the significance of these letters? What do they have to do with regulation? The answer is nothing directly. These letters weren't requests for legislation to implement a formal regulatory regime. There were no calls for licences or criminal record checks or compulsory qualifications. It was another decade before private security companies started to lobby for these. But what I do think that Godfrey's letters point to is the beginnings of the idea of regulation. Godfrey recognised that in order to move Securicor forward it should attempt to contact out officers who were vetted and trained and endorsed by the state. For this was the way to improve the company's image and to enhance the quality of the security services it offered. And one of the only ways to do this back in the 1950s, in the absence of any formal regulatory framework, was to employ ex-police officers with the support of the Commissioner of the Metropolitan Police. This was one of the few ways of putting

together a trained, vetted and state-endorsed workforce. And it is precisely forward-thinking of this nature that, in my opinion, represented the beginnings of the idea of regulation.

This is not the end of this anecdote, however. Because it's important to find out what happened next. What did the Commissioner do with all these letters? Well, to begin with he simply ignored them. As I've said, Securicor was not what G4S is today – it had no political muscle and could very easily be ignored. But towards the end of the 1950s, after nine years of letters, Godfrey's perseverance finally succeeded in capturing the Commissioner's attention. Though not in the way he was hoping. On receiving another one of Godfrey's letters in 1959, the Commissioner finally asked one of his Assistants to explore the idea of endorsing Securicor. Far from an endorsement, however, the Assistant arrived at the conclusion that Securicor – and all other private security companies, for that matter – should in fact be shut down using Section 10 of the Police Act 1919 which addresses the impersonation of police officers, and Section 10 of the Public Order Act 1936 which combats any organisations attempting to usurp the police. This was the exact opposite of what Godfrey was hoping for. Fortunately for the industry, the Commissioner didn't act on these heavy-handed recommendations. But neither did he offer Securicor an endorsement. So this anecdote ultimately ends in failure – Godfrey never received his police-recommended and police-endorsed employees.

The lesson I want to draw from this first episode, then, is straight-forward. It is this: some of the key principles which drive regulation – a will towards professionalism and a partnership with the state – have been around, in one form or another, for at least fifty years. The case of Mr Godfrey, Managing Director of Securicor in the 1950s, I think demonstrates that.

For the second episode in this story I want to skip forward to the mid-1960s, when we start to see a more instantly recognisable form of regulation begin emerge in key negotiations between the biggest private security companies and the Home Office.

By the mid-1960s a number of private security companies were starting to expand their operations at a rapid rate. Companies such as Securicor, Factoryguards (which

in 1968 became Group 4) and Security Express were fast becoming recognisable names within policing circles. And this growing notoriety propelled these companies onto the Home Office's radar. So, in October 1965, representatives from Securicor, Factoryguards and Security Express were invited to Whitehall in order to discuss the future of the industry – the first time any such official meetings had taken place between industry and state representatives. Two significant discussions were had at this meeting. First, it was jointly agreed by everyone that these companies should set up a trade organisation to represent the views of the industry. Over the next few months this organisation came to fruition in the form of the BSIA, of which many of you in the audience will be members. Second, the issue of statutory regulation – the type of regulation that we're familiar with today – was brought up. Now, at this moment, when regulation was briefly on the table, it is striking that the Securicor, Factoryguard and Security Express representatives immediately lobbied the Home Office civil servants for a system of Home Office administrated licensing designed to eradicate cowboy firms from the industry.

This, I think, is one of the most striking moments in the postwar history of the private security industry. We have representatives from the three largest companies sitting inside Whitehall persuasively asking to be regulated, ostensibly for the greater good of the industry. They were asking the government to help them clean up the industry by eliminating the rogue operators from the sector. Now, there is of course an obvious cynical dimension to this request. When large companies lobby for regulation they often do so on the basis that they might be able to capture the market share left behind by those companies who can't meet regulatory requirements. And it would be naïve to think that this wasn't in the minds of the Securicor, Factoryguard and Security Express representatives as they were making their case in the Whitehall meeting room. As I've said, however, this isn't a cynical speech – I'm striking a self-consciously optimistic tone. And with this in mind I want to highlight that these industry representatives were in fact taking a giant step forward in the long road to the Private Security Industry Act 2001. They were asking for regulation.

The Home Office, however, was not convinced and outright rejected the idea of regulation. Now, there is an interesting pre-history to this important decision, which essentially served to block the road to regulation for a couple of decades. In advance

of this meeting, the Home Office needed to establish a policy position regarding the private security industry – an industry it had never before taken much notice of. This did not prove to be an easy process, however. Some key figures, such as the Home Secretary Frank Soskice, wanted to bring the industry within the orbit of the state by reforming the private security companies and re-positioning them as a subsidiary police force – a policy stance which seemed to complement the pro-regulation agenda of Securicor, Factoryguards and Security Express. But this was not the dominant line of thinking in the Home Office. For a group of powerful senior Home Office civil servants overrode the Home Secretary's position with the following line of reasoning: regulating Securicor, Factoryguards, Security Express and other companies like them, will only serve to legitimise their operations, which will in turn have the effect of undermining the public police's pre-eminent position within the security sector. Is this what the Home Office wants to do, to destabilise the police force? Ultimately, it was this logic which the Home Office officials took with them into their meeting with the industry representatives. And it was this logic which caused them to outright reject the pro-regulation platitudes of these representatives.

So what can we take from this second episode in my story? We can clearly see that some industry leaders were now aligning themselves in favour of a formal model statutory regulation in order to clean up malpractice within the industry and to improve the industry's image. And some major players within the state were in agreement with this position too – people like the Home Secretary Frank Soskice. However, within government circles these people were in the minority. And the Home Office's wariness and distrust of the industry won through. Nevertheless, the seeds of the idea of regulation were clearly growing.

So, onto the third episode in this story, which looks how the changing fortunes of the BSIA during the 1970s were linked to the ebbing and flowing of the regulation debate. Following its inception in April 1966 the BSIA pursued the pro-regulation cause of its central members with some vigour – lobbying the Home Office and launching a media campaign. During the early 1970s, however, this pro-regulation drive slowly ground to a halt as it became increasingly clear that the Home Office wasn't going to budge. Indeed, the BSIA council meeting minutes of June 1972 complained that the Association carried very little weight in political circles and that

the press, radio and television showed no interest in their public relations. The regulation cause at this time looked distinctly hopeless.

But over the next few years these circumstances changed dramatically. By the end of the 1970s the BSIA were once again on the political map. For instance, the 1978 BSIA annual luncheon guest list included the Permanent Under-Secretary of State for the Home Office, the Commissioner, Deputy Commissioner and an Assistant Commissioner of the Metropolitan Police and a high-ranking member of Her Majesty's Inspectorate of Constabularies. Furthermore, the organisation was once again championing the regulation issue. The Association's 1978 *Reports and Accounts* note that – and I'm quoting here – 'Applications continue to be received, especially from companies engaged in the provision of guards and patrols under contract. This is no doubt encouraged by the continuing consideration of the question of licensing'.

So what brought about this change in fortune, from the lifeless slump of the early 1970s to the impressive peak of the late 1970s? It's difficult to pinpoint just one factor. But if I were to highlight anything it would be strategising of Bruce George MP and Group 4, who together re-ignited the regulation debate in the mid-1970s. Bruce George entered the House of Commons as Labour MP for Walsall South in 1974 – a seat he still holds today – and soon after started to take a strong interest in reforming the private security industry. With Group 4's help and support, George introduced two private members' bills into the Commons in 1977, each of which sought to regulate the industry through the establishment of a statutory licensing scheme governed by a central body – bills, then, which looked much like the Private Security Industry Act 2001. Whipping up interest for the cause, George was able to list MPs from both benches, the Police Federation, the BSIA, the Association of British Investigators, the journal *Top Security* and a range of companies within the industry as active supporters of his bills. Now, despite this wide-ranging support, the bills went nowhere within the Commons – neither was given a second reading. But while they failed in this legal sense, they also seemed to succeed in another sense. They succeeded in rekindling interest in the idea of regulation, both within the state and the industry. And this, I think, is the principle reason for the BSIA's change in fortune towards the end of the 1970s.

So, what can learn from this third episode? I think that this is the point when we can begin to see a real convergence of interests between the industry and the state. Both parties were working together for the future of the industry – a future in which private security companies would be more professional, more respected, better-paid, higher-skilled and, most importantly, state-regulated. In the minds of the BSIA and Bruce George at least, regulation represented the future of the industry. This future, however, was still twenty-five years away. And there are two more episodes in my story before we reach the Private Security Industry Act 2001.

In the fourth episode, we must briefly begin with what happened next in the late 1970s. The pro-regulation fever whipped up by George and his supporters forced the Home Office to address the regulation issue for the first time in over a decade. Their response was a Green Paper, published in 1979, which dismissed the idea of statutory regulation and instead began a consultation process to piece together a more organised system of self-regulation – much as the Foreign Office is currently doing with their consultation exercise for the self-regulation of private military companies, which is definitely a case of history repeating itself. But that’s a debate for another time. Back to the story: with this consultation exercise focusing on self-regulation, statutory regulation was pushed off the agenda for another few years.

However, the regulation issue then re-emerged with intensity in the early 1990s, which brings us to the centre of the fourth episode. Now, exactly why the regulation issue returned to prominence again at this time is difficult to determine. You can speak to a number of different people and receive a range of different answers. Certainly the political fall-out from the 1989 Deal bombing pushed the regulation issue front and centre. This tragic incident, in which a Royal Marine barracks guarded by a private security company was bombed by the IRA, prompted many people to ask: how can an industry trusted with the vital job of protecting British troops not be regulated? In addition to this, there also seemed to be a sense within the industry that self-regulation had run its course. No more could be gained from this system which cast such a patchy net. If the industry is to move forward, many people said, regulation is the answer. But whatever the reasons, the new and rejuvenated pro-

regulation campaign culminated in the 1994-95 Home Affairs Committee enquiry into the regulation of the private security industry.

This enquiry was, in my opinion, the industry's great debate. Every organisation connected to the private security industry was given the opportunity to have their say. Companies large and small, ACPO, the Police Federation, the Home Office, MPs, the British Retail Consortium, the Unions – you name them, they were there. During the course of this great debate ideas were exchanged, blueprints were drawn up and important decisions were made. Much of the content of the Private Security Industry Act 2001 can be found in some form or another in the countless appendices of this enquiry. And by the end of this great debate, after months of collecting evidence and mapping out ideas, virtually everyone agreed that regulation should be introduced. Regulation, it was argued, was the way to enhance the professionalism and image of the industry. It was the way to secure a safe and prosperous future for the industry.

Virtually everyone agreed with this. There was one quite notable exception: the government of the day. David Maclean MP – who is currently enjoying some notoriety as the leader of the group in the Commons arguing against releasing MP expenses claims – was the Home Office Minister representing the Conservative government in this great debate. And he was not a fan of regulation, viewing it as an unnecessary bureaucratic expense. He did his best, both in the Home Affairs enquiry itself and subsequent parliamentary debates, to swim against this tidal wave of opinion calling for regulation. But he could only swim against it for so long. And in October 1996 the Home Office was forced to issue a short response to the Home Affairs committee's report saying that they will begin a consultation process looking at the regulation of the private security industry.

What lessons can be drawn from this fourth episode then? For me, the Home Affairs committee can be viewed as the industry's great debate because it marked the emergence of a broad consensus of opinion around the opportunities and benefits provided by regulation. In the view of many sections of the industry, many parts of the state and numerous other interested parties, regulation now signified the way forward. It was at this point, then, that those objecting to regulation – even when

those objectors included the government – were finally bowled over by majority opinion.

For the fifth and final episode in the regulation journey, I want to move onto more familiar ground: the lead up to the Private Security Industry Act 2001 – the reason why we're all here today. Now, the road from the end of the previous episode – the mid-1990s consensus – to the passing of the Private Security Industry Act 2001 may seem like a relatively straightforward and uneventful one. But it wasn't. There were plenty of obstacles remaining, some foreseeable, some unforeseeable. And I want to spend this final part of my speech recounting some of these obstacles.

The first and most obvious obstacle was the incumbent Conservative government in 1996. Now, there is an enormous gulf between launching a consultation exercise – as the Conservatives did in 1996 – and actually introducing a bill into Parliament. And given that the commitment of the government towards regulating the private security industry was, as I have said, at best questionable, the introduction of any such bill was far from certain. That particular obstacle was removed the following year, however, when Labour won the general election with 179 seat majority. And New Labour were far more committed to the idea of regulation – especially since bringing the industry into the 'extended policing family' fitted in neatly with their 'partnership approach' to combating crime and disorder. One obstacle removed.

Another obstacle was the anti-regulation standpoint of a number of Conservative peers in the House of Lords who, like David Maclean, regarded regulation as an unnecessary bureaucratic expense and who were considering voting against the Private Security Industry Bill as it went through the Lords. I've been told a fantastic story about how these peers called in a high-ranking member of the BSIA, expecting him to agree with them in attacking this meddling behaviour of the New Labour Government, and then being completely shocked when the BSIA representative promptly announced his support for regulation. What these peers didn't understand, and what BSIA representative explained to them, was that – and I'm quoting the representative here – "...for the last few years now the responsible end of the industry, and the BSIA as its mouthpiece, has been moving towards a regulatory process. The fact that we've been getting into prisons, airport security, seaport

security, military establishment security, we deserve some degree of recognition. That's what we're talking about. We have to keep defending this position that we're all a bunch of vandals, but we're not. Apart from being a huge industry, we deserve something better". This explanation was, it seems, sufficient to convince the Conservative peers of the value of regulation, and they accordingly passed the Private Security Industry Bill through the Lords. Another obstacle removed.

The final obstacle I'm going to mention today is perhaps the most unexpected one: Bruce George. It's interesting to find out that one of regulation's great proponents very nearly withdrew his support for the Private Security Industry Bill as it meandered through Parliament. Bruce George threatened to withdraw his support because of in-house licensing, which was included in the 1999 White Paper on private security regulation but was removed from the Bill introduced into Parliament. For George, the absence of in-house licensing was a major problem because it left a sizeable proportion of the industry unregulated. Now, to be sure, George withdrawing his support for the Bill would not have delayed its progress through Parliament – Labour had a majority of 179 seats and party loyalty at the time was very high. So what difference did one vote – Bruce George's vote – make? In formal-legal sense, not a lot. But in another more symbolic sense it would hardly have been an auspicious beginning for the Bill to have one of its main proponents speak out against it. In the event, however, circumstances prevented this from happening. The approaching 2001 general election meant that there wasn't enough time to steer the Bill through Parliament with amendments, such as re-attaching in-house licensing. So George was faced with the choice of either supporting the Bill without in-house or risk losing it altogether. He chose the latter option.

What does this fifth and final episode teach us, then? I think it teaches us three important things. First, that circumstances reaching far beyond the industry have shaped the regulation we have today. Most notably, the 1997 and 2001 general elections both influenced the course taken by first bringing in a more sympathetic government and then by cutting short parliamentary debate about the content of the Private Security Industry Act. Second, forward-thinking people within the industry were fighting to bring about regulation to the very end – without the key last-minute intervention by the BSIA representative in the Lords, for instance, the Bill might

never have made it through the Upper House. Third, compromises were made. In-house licensing was one sacrifice among many that has been made over the fifty year journey to the Private Security Industry Act 2001.

So, that brings me to the end my story. What I hope I've done over the past half hour is to keep this aspirational and ambitious side of the regulation story alive and fresh in our minds. I hope I've given you a sense of some of the people who, over the past fifty-five years, have struggled and battled and plotted to bring about a system of statutory regulation so as to move the private security industry forward. To help the industry shake off its negative minimum-wage, cowboy image and to become a more professional, more respected, better-paid, higher-skilled and state-regulated sector. So, as I have said, when we get drawn into heated debates about the turn-around time of licence applications or the entry standards to the Approved Contractor Scheme or the SIA's communication and customer service strategies over the next few hours, I think it's important to remember that these debates are one further episode – a sixth episode – in the long, long story of regulation.