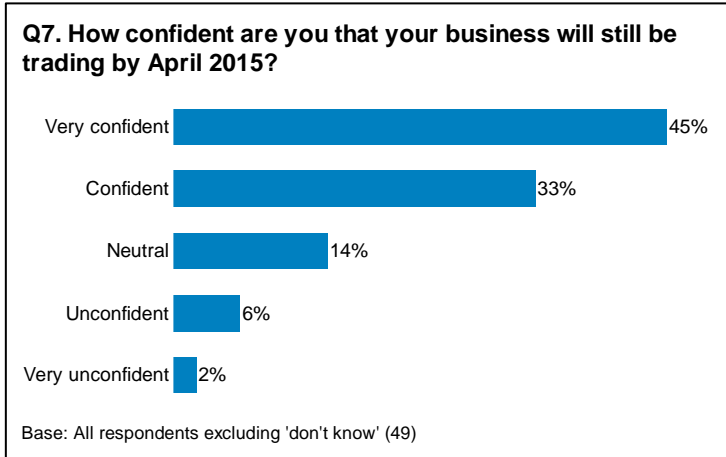


3.2.5 Business confidence

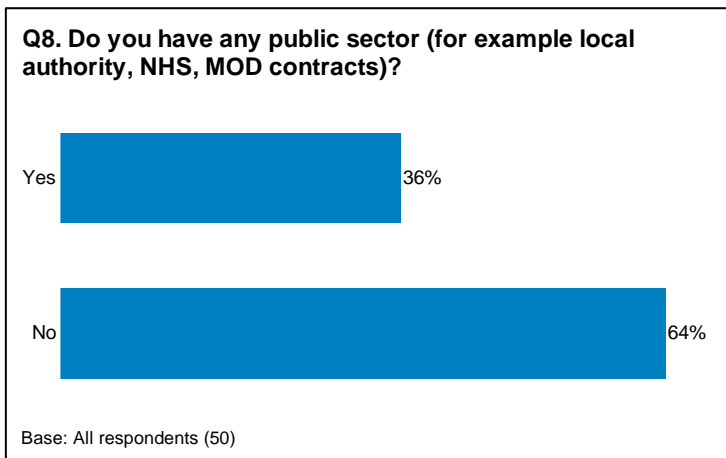
78% of contractors said they were confident that their business will still be trading by April 2015, 6% were unconfident and 14% were neutral.

Respondents from firms with public sector contracts were significantly more likely than those without, to be confident about their future business.



3.2.6 Public sector contracts

Just over a third of security contractors (36%) said that they have public sector contracts.



Medium and large firms were more likely than smaller companies to say that they held public sector contracts.

Respondents with public sector contracts were asked what central, regional or local government organisation they hold contract with. A selection of their responses is shown below:

"25 local authorities nationwide"

"A number of Local Authorities"

"Borough Council"

"County council"

"Educational Sector contract."

"Local authorities"

"Local council and NHS"

"Local Councils"

"Local NHS"

"London Borough of"

"Community Safety Services SPT"

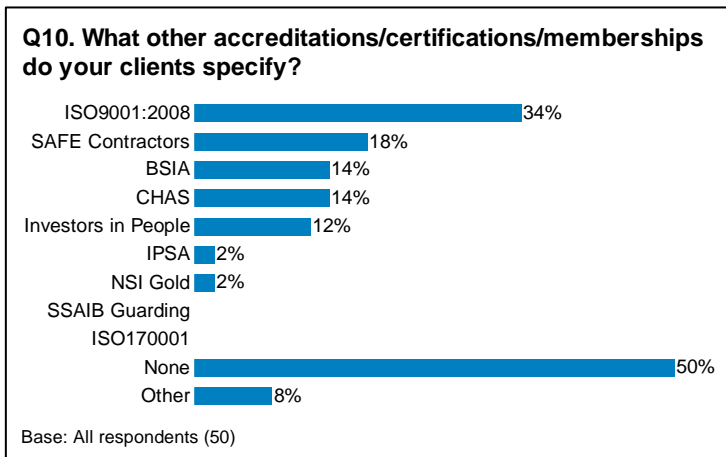
"Regional and local government."

3.3 ACCREDITATIONS AND CERTIFICATIONS

This section of the report looks at what current accreditations or certifications security contractors hold and which ones they plan to hold in the future.

3.3.1 Accreditations and certifications specified by clients

Contractors were asked what accreditations, certifications and memberships their clients specify, other than ACS.



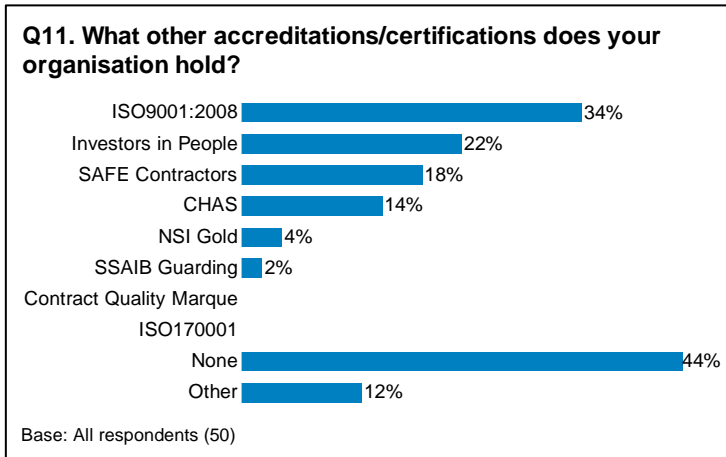
Half (50%) of respondents said that their clients do not specify any accreditations, certifications or membership. Around a third (34%) said their clients specify ISO9001, but far fewer respondents said their clients specify the other initiatives listed.

8% said that their clients specify 'other' accreditations, certifications or memberships, and were asked for more information. Their responses are shown below:

"NASDU,BIPDT"
"SMAS Worksafe Contractor Scheme(part of SSIP)"
"SMAS"
"Warner Bros approved contractors, BBC approved contractors, Film London, Production Guild"

3.3.2 Current accreditations and certifications

Around a third (34%) of security contractors said that they held ISO9001, while fewer were held accreditations from Investors in People (22%), SAFE contractors (18%) and CHAS (14%). However, nearly half of those questioned (44%) said that their organisation didn't hold any of the accreditations listed.



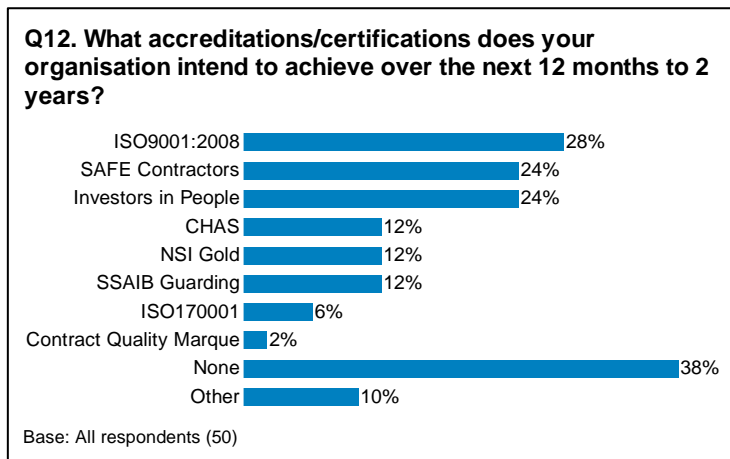
Larger firms were more likely to hold ISO9001 and Investors in People certifications, while small and micro-sized firms were more likely to say that they didn't hold any accreditations.

12% said that they held some 'other' accreditation or certification, and were asked for more information. Their responses are shown below:

- "Contractor plus"
- "Institute of Leadership and Management"
- "NASDU"
- "NASDU, BIPDT"
- "SMAS Worksafe Contractor"
- "SMAS"

When asked about potential future accreditations, just over a quarter of respondents (28%) said that they intended to achieve ISO9001 over the next twelve months to two years, while 24% said they would apply for SAFE contractors certification or Investors in People accreditation (also 24%).

Well over a third (38%) said that their organisation didn't intend to achieve any of the accreditations listed.



10% of security contractors questioned said that they intended to achieve some other accreditation. These respondents were asked to specify what accreditations they intended to achieve. Their answers can be found below.

"ACS"

"Approval of Education schemes"

"Sia ACS"

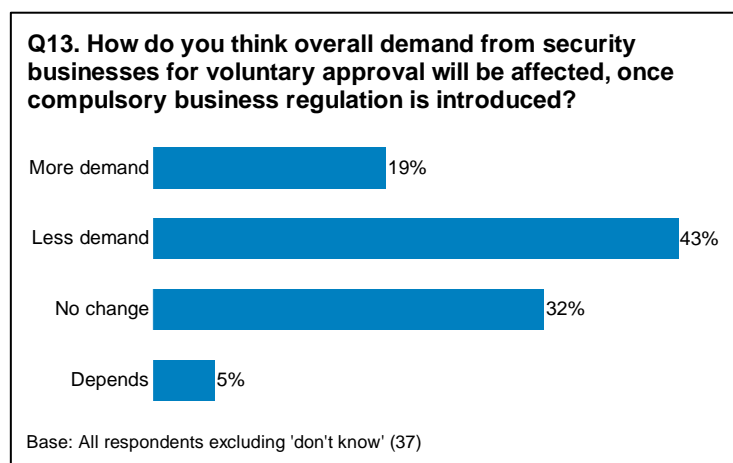
"Whatever is enforced by regulation"

3.4 THE APPROVED CONTRACTOR SCHEME (ACS)

This section of the report focuses on the Approved Contractor Scheme and compulsory business regulation; what affect it will have on the business, and what the purpose of voluntary approval should be.

3.4.1 Effect of compulsory business regulation

Contractors were asked how they think the overall demand for voluntary approval from security businesses will be affected, once compulsory business regulation is introduced. Overall, around a quarter (26%) of respondents were unsure of the impact. Once these respondents have been excluded; 19% said they thought there would be more demand, 43% said less demand and 32% didn't think there would be any change.



Respondents were asked to specify the reasons for their answer. A selection of responses is shown below. A full list is available in the appendix.

"ACS and QMS are already not important to Door Supervision customers."

"ALL security companies need to be regulated to force out the one that holds no insurance, pay cash in hand or deploy unlicensed staff"

"Buyers will be more likely to use companies who use voluntary approval"

"Compulsory business regulation will devalue and leave very little to be achieved from joining any voluntary scheme"

"I don't think customers will know the difference"

"If every company is regulated to the same standards a voluntary rating will be redundant."

"If its compulsory then why go the other route."

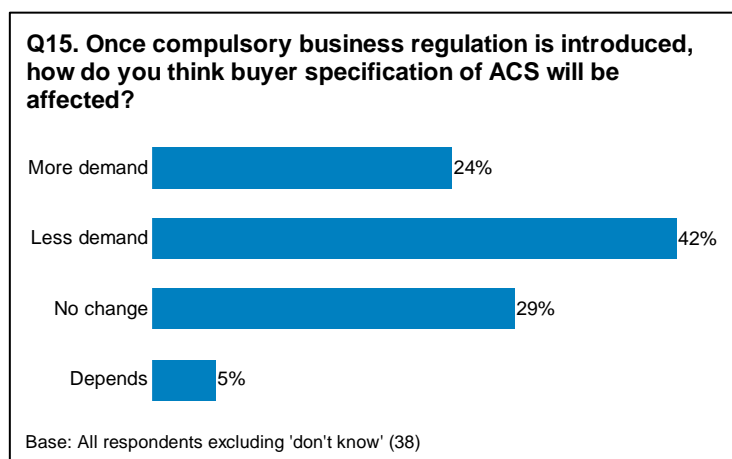
"The compulsory regulations will keep most companies on a level, so there should be less need for voluntary approval"

"the rogue traders will still be plying their trade compulsory business regulations will only affect those companies who are trying to run legitimate business"

3.4.2 Affect on buyer specifications

Contractors were asked how they think buyer specification of ACS will be affected once compulsory business regulation is introduced.

Again, around a quarter of respondents were unsure (24%). Once these respondents are removed; 24% said they thought more buyers would specify ACS, 42% thought fewer would specify ACS, and 29% said there would be no change.



Respondents were asked to specify the reasons for their answer. A selection of comments can be found below, and a full list is available in the appendix.

"ACS needs to deliver a professional industry standard with higher standard of staff which is not the case at present"

"ACS will be a quality standard"

"As before, those buyers that want this extra assurance (many of them) will continue to request it and security companies with a ""good score"" will promote this heavily."

"Bringing all security businesses up to a highly regulated standard will decrease buyers interest in ACS"

"buyers will need to comply with regulation"

"Do not think it will change."

"If all companies are regulated to the same standards it would be a money making scheme to continue the ACS."

"Insurers are already specifying ACS as a standard for clients to continue to have cover for security outsourcing"

"It will be harder to differentiate between compulsory and voluntary."

"It will devalue the ACS scheme"

"The regulation will over-ride and devalue ACS"

"They will not understand the difference between the two"

Once the compulsory business regulation is introduced, the voluntary approval scheme may be transferred to another body. Respondents were asked what type of organisation would be suitable to run ACS. There was a lot of variation in responses; a selection of which can be found below. A full list of responses is available in the appendix.

"A genuinely run independent assessing body with no private interest that has the resources and commitment to inspect investigate and prosecute non compliance at all levels"

"A not for profit company"

"A trade association"

"Abolish it"

"Assessing Body"

"Government quango"

"BSIA or similar association that has a strong reputation."

"I believe that the ACS should remain as a government run agency"

"I think that this must be an independent body and not controlled from within the industry. Currently assessing bodies like SSAIB or NSI for example have experience of the industry and it would make sense to fold this into that type of company."

"It must be a completely different body that is not totally influenced by current persons who are directly involved in selling security. A body like the BMA would be more appropriate."

"None at all, it needs to be a government department and not an industry organisation or a company that will just be there to make money."

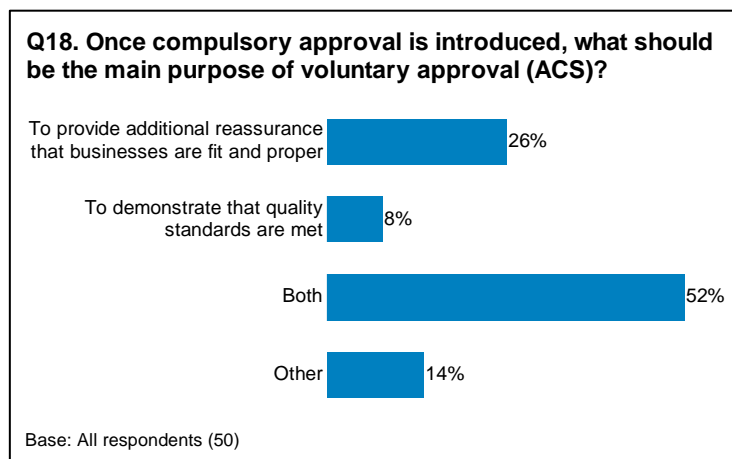
Certainly NOT another Security Organisation or its subsidiaries, furthermore I would expect any organisation to ensure they do not even have affiliated Security Directors as any form of board member."

"Private limited company but with representatives from the current range of accrediting bodies and trade associations on the operating board."

"Trade Association"

3.4.3 Main purpose of voluntary approval (ACS)

Respondents were asked what they thought should be the main purpose of voluntary approval (ACS), once compulsory approval is introduced. 52% said it should be to both provide additional reassurance that businesses are fit and proper, and to demonstrate that quality standards are met.



14% of respondents said that voluntary approval should have a different main purpose. These respondents were asked for more information, and their responses can be found below.

"It's pointless if other businesses will be regulated to this same high standard."

"None or the lower standard is useless."

"To show that the security organisation with ACS will be charging extra because their increased overheads"

"Both but with a published list of ranked scores"

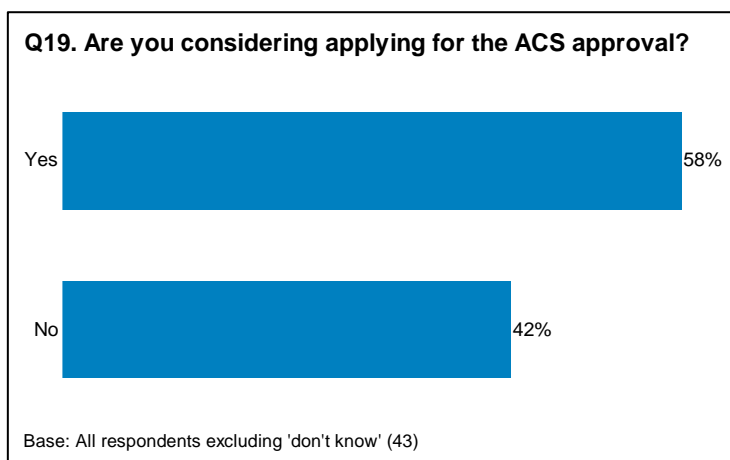
"To make money for whoever runs it, like the ACS does for the SIA"

"We would more than likely close"

"If you are regulating ALL companies why would you need further ""assurance"" that companies are ""fit and proper""? If you need further assurance of this then the compulsory regulation will be a waste of time and not worth the money it will cost to gain, just put all the same standards on all companies and that should be all the ""assurance"" buyers need."

3.4.4 Considering applying for the ACS approval

The majority of security contractors asked said they were considering applying for the ACS approval (58%).



Respondents who were not considering applying for the ACS approval were asked why they have not pursued gaining the ACS approval. Most respondents cited the time and costs associated with approval as their reason for not applying, while others mentioned that their clients didn't require them to be approved. A selection of comments can be found below, and a full list is available in the appendix.

"Already have ACS approval"

"Already have it"

"because it is meaningless"

"Cannot afford it and while we are going through regulations, we are not there to do work for our clients."

"Company too small and intending to retire. Can see a lot of small companies disappearing leaving the ""big boys"" an open playing field. This could create problems for customers who would then have less choice of supplier."

"It costs too much money and is too time consuming."

"No demand from clients."

"Waste of time and money"

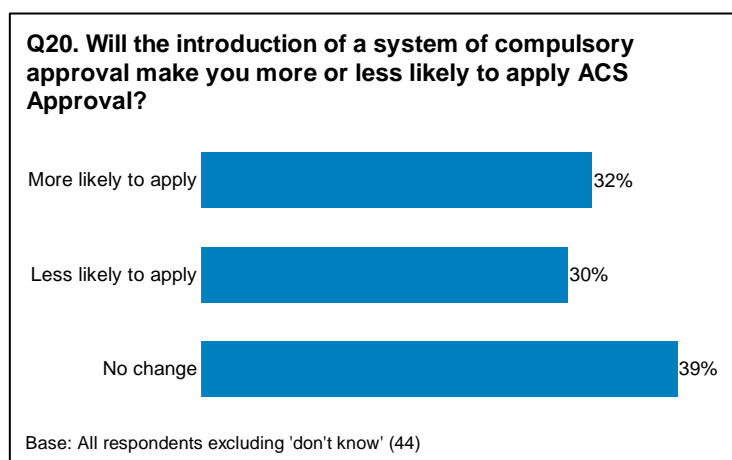
"we strongly believe that the ACS is not a true indication of quality, is subject to abuse and is misrepresentative"

"None of our clients have asked us to get ACS approval. We are very small so do not have the time or inclination to fill in all the paperwork to apply"

"The Company I am with at present have issue on the ""fit and Proper"" clause. However I will be setting up on my own and will be applying."

3.4.5 Introduction of compulsory approval

32% said the introduction of a system of compulsory approval is more likely to make them apply for ACS Approval, 30% said it was less likely to make them apply and 39% said it won't affect their decision.



Respondents who said they were more likely to apply were asked why this was the case. Their reasons were mixed, and can be found in full, in the appendix. A selection of their comments is shown below.

"As a professional training company and owner. I have served for 31 years with both the military and ministry of justice and in that time i have instructed at the highest level, developed standards and mechanisms for dealing with major incidents, armed sieges, armed offenders and acts of concerted indiscipline. I aim to move my company into the top ranking list of training providers and be a leading body once more in regulations and standards, that is why i will be applying for ACS"

"Because it would be compulsory"

"Clients will want to see this on PQQ's""Because it would be compulsory"

"Once accepted it will give a greater moral and confidence to work for targets."

"Standards in the industry will improve"

"To keep up with regulations"

"To remain a creditable supplier with measurable standards"

"I am finding it extremely hard to secure contracts owing to the fact that I do not hold ACS status. I find this extremely unfair as I am fully licensed, hard working and want to build a company that I can hand over to my son's. I feel that the ACS scheme is unfair in that it mainly supports larger established companies and these companies are taking all the work from the new starters such as myself. I would love to be able to tell my prospective customers that I have ACS accreditation but this is not possible. Preventing me finding work and making progress."

Respondents who said that the voluntary scheme would make them less likely to apply for the ACS were asked to explain their answer. Their comments often suggested that voluntary approval wouldn't be necessary once compulsory approval is in place. A selection of comments can be found below.

"Because the business will already be regulated which will demonstrate you are not running one of these 'back street' companies"

"Because we don't feel that clients will require ACS Accreditation, we think they will be reassured that a quality standard has already been achieved and that it will come down to experience and cost."

"Business licensing will be seen as an industry bench mark."

"Devalue the voluntary scheme. Especially if it cost more to volunteer on top of compulsory approval"

"If we are covered by the regulation and our quality is portrayed through out staff, customer service & marketing, it would make more sense to invest the cost of ACS approval into our marketing and websites rather than paying a lot of money for a certificate of approval as it will bring us more work in through marketing as we have proven in our business already."

"No need for ACS and we already have ISO accreditation which seems to be what buyers are interested in."

"The compulsory regulations will keep most companies on a level, so there should be less need for voluntary approval"

"Why have 2 standards of regulation?"

Finally, respondents who said that the introduction of a system of compulsory approval would have no change were asked to explain their answer. A selection of comments can be found below.

"ACS is still important"

"Already approved"

"Already have ACS approval"

"Already have it"

"Because we have ISO9001-2008 and as long as the SIA do not see this as a money making scheme in their favour ISO9001 should be on the list of approval by the new governing body."

"Because unless the cost of being assessed for ACS comes down I will not be able to afford it"

"No demand from clients and we have no interest in public sector contracts with very slow payment rates & unreasonable contractual terms & obligations."

Assuming the voluntary approval scheme is transferred to another body, respondents were asked if there are any changes they would like to see made to it before it is transferred. Some respondents suggested that standards across the industry should become more common, while others said that the cost of approval should be reduced.

A selection of comments can be found below, while a full list is available in the appendix.

"A scoring system within the scheme to bring attention to high scoring companies"

"All those applying are to be carefully vetted and their credentials analysed fully"

"Changes need to be made to the varying standards applied by the auditing bodies. there is too much disparity between how one company is assessed to another."

"Cheaper and more understanding of the small business who is struggling against the bigger more supported companies"

"Ease of access to information for companies considering applying"

"Every company MUST work to the same standards"

"I feel the current scoring matrix for companies is fit for purpose."

"I think it should consider companies who use subcontractors"

"I think that the major issues are that the current scheme and the proposed system does not take into consideration the selling nor installation of CCTV. This is an area that is growing and should be covered by legislation and ACS. I am keen to see a totally open and honest security industry, CCTV is security no matter how it is wrapped up. We either cover all aspects of security or what is the point of transferring existing problems to a new body. We have an ideal chance now to legislate for the future of the industry so lets get it right. Another chance to legislate will take another 15 to 20 years."

"More assistance for smaller companies"

"Much greater commonality of standards amongst the bodies tasked to audit the approved companies. There is a tremendous disconnect between the operating standards of each of the auditors with plenty of evidence of auditors basically being led through the process rather than driving it."

"Please do not transfer this to external agency. It will be the demise of a successful scheme, will reduce its status with all stakeholders including those who are part of it and see a shift towards administrative longevity and falling standards."

"Scrap it"

"The cost. The body should say what the maximum cost assessing bodies can charge for this."

Respondents were asked what benefits they expect to see from the transfer of the voluntary approval scheme to another body. A lot of respondents said that they wouldn't expect to see any benefits as a result of transferring the scheme:

"Hopefully a more rigid approach than what we have now"

"Hopefully less of the 'one size fits all' type criteria which is often a hallmark of government run schemes. A multi-national security company has far more resources than a small local company and this needs to be recognised."

"Hopefully None"

"keeping the level of service high"

"More choice for the customer"

"more help for the small businesses"

"more profit for these companies"

"More understanding and cooperative regulation"

"none"

"none only negative outcome"

"none for me"

"NONE, the only benefits will be the ones who take the money for this."

"quicker response to investigations of fraud"

"Reduction in cost"

"There is the potential that the new body will have a greater understanding of the manned guarding industry and the processes of providing the various services. Currently the SIA appears to be stretched and top heavy with senior management. Having said that from its inception it has worked hard to become more efficient and responses which on the whole it has achieved."

"There will be no benefits if it goes to a private company due to loss of credibility and central focus"

Respondents were then asked whether they see any risks to standards – from either the transfer of ACS to another body or the implementation of compulsory business regulation – and how they might be mitigated. Some respondents suggested that smaller firms may still find it hard to become approved, while others said that it will depend on who becomes the new regulator. A selection of comments can be found below, and the full list is available in the appendix.

"As long as ACS continues to be monitored and criteria improved no problem"

"Avoidance, increased administration, corruption ...the abuse of training qualifications is a direct example of what will happen..."

"Compulsory business regulation can be a good thing providing it does not push high standard small businesses out with high costs. The transferring of acs may be seen as a profitable venture for the awarded body which needs a pricing structure imposed."

"From day one the aim of ACS should have always been the regulation of the business rather than the security officers. In reality the latter was a quick fix due to delays in getting the scheme up and running. By addressing the focus onto the companies standards should improve by ensuring they are 'Fit and Proper' and remove the potential of unlicensed staff being deployed. This will be easier to monitor though a more robust regulatory body."

"I am in favour of compulsory regulation. If the control of ACS is passed to a larger Security company it may be the downfall of smaller businesses"

"It is very dependant on who the ACS transfer too, my concern as a regional Security supplier is that the big boys can get significant influences at Board level as has been the case historically."

"It will just become a new club. The industry is going through change at this moment in time, money is tight, large organisations are driving the prices down even lower, which is making it difficult to compete. I hope that smaller organisations like ourselves have the ability to continue in business, providing quality and professionalism without the increase in overheads being brought in by regime change."

"Leave the system as it is. Current regulation is sufficient and ACS is a suitable bench mark to attain should buyers or companies demand it. The industry has been brutalised by licensing, training and other associated costs thanks to the Sia. We are just gaining our feet again and we are to be hit with more red tape."

"No real risks around the transfer of ACS. I'm more concerned about unscrupulous service providers cutting corners on licensing and the level of training they provide."

"Standards will slip if the transfer of ACS to another body is also not regulated or analysed. The company/organisation taking over needs to be of sound background with a workforce that are leaders in their field, I know I am biased but with our company background and government profession we would gladly take this bull by the horns and develop the ACS further. We would show no fear or favour in regulation and this will then take the ACS and security industry into the next development stage AND BECOME A WORLD LEADER IN REGULATIONS"

3.4.6 Further comments

Security contractors were given the opportunity to submit further observations or feedback. A wide range of responses were received; a selection of which is shown below:

"All recognised bodies for raising standards and quality control should appear on the ACS list, then a customer can see that along side ACS scheme the governing body also recognises other quality management systems after all this should be about the customer and also keeping the cost of these accreditations down for the small business which the government supposedly supports. The cost of applying for more schemes is taking a large chunk of profit from the small business sector."

"Don't do it...you will undermine the progress made so far and devalue a scheme which has helped raise standards"

"Every time i have been un-paid by a company it has always been an ACS contractor, so don't have a lot of faith in the SIA ensuring that they are better than anyone else"

"I think the whole thing is a disgrace. This is simply the coalition flexing its muscle and changing something for the sake of it, The SIA worked fine as it was with the only fault really being how long licences took. It was fair, it worked with businesses rather than against them as the BPA do and I think this is just awful."

"It just might be time to consider whether it's time to quietly let ACS drop into history. With an average score across all 750 companies of less than 50 (less than 40?) it's arguably not done enough to raise standards and is viewed as merely a tick box exercise by which companies can do the bare minimum to achieve the standard."

"Please, please do not just consider the standards in this but the financial implication to companies like mine. We are already struggling to make ends meet because of large contracts going to acs companies. This could potentially make small companies smaller and large companies larger."

"Strongly oppose the move to change to a private body for the above reasons"

"We currently hold ISO 9001:2008 and it would be good if such accreditation is reflected in the cost of attaining ACS"

"Why have a dual system?"

"No just looking forward to a bright future."

4 APPROVED CONTRACTORS' SURVEY

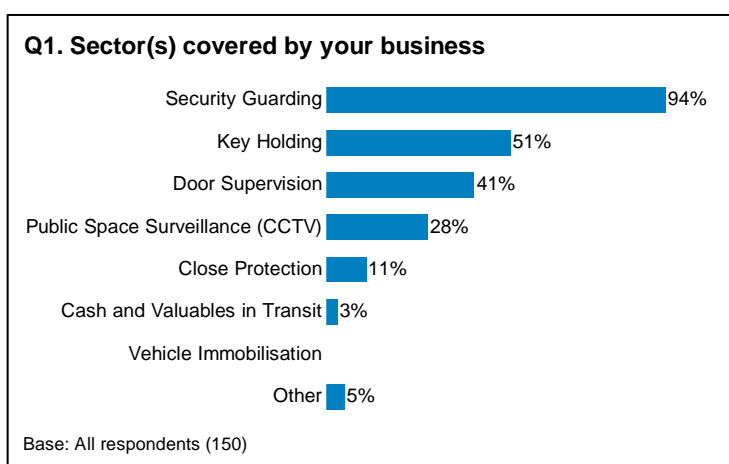
This section of the report looks at the approved contractors' questionnaire.

4.1 COMPANY PROFILE

This section profiles SIA approved contractors (ACS companies) by sectors covered and company size.

4.1.1 Sectors covered

Approved contractors were asked which sectors their business covered. The most commonly covered sector was security guarding (94%); followed by key holding (51%), door supervision (41%) and CCTV (28%).



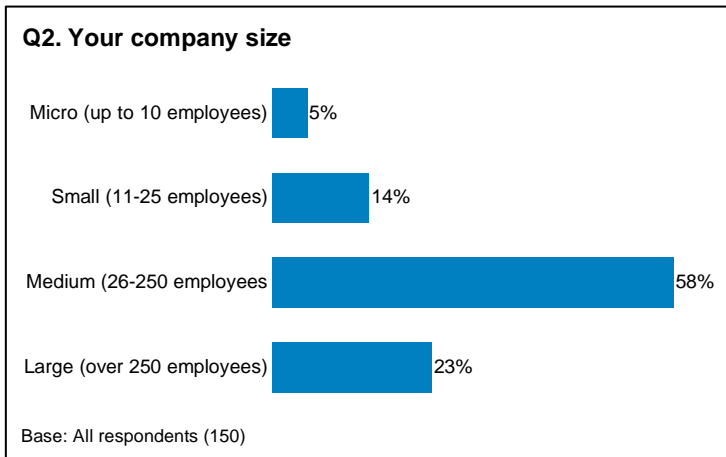
Respondents from large firms were significantly more likely to say that they cover the CCTV and door supervision sectors, than those in medium, small or micro firms. Respondents who said that have public sector contacts were more likely to cover Key holding and CCTV than those without such contracts.

5% said their business covered other sectors, and were asked for more information. Their responses can be found below.

"Alarm Receiving, CCTV Monitoring./ Alarm Response"
"Crowd Management"
"Event Stewarding, Security Consultancy"
"Security and Risk Management Consulting"
"Store Detective services"
"surveillance, TCM's"
"training"

4.1.2 Company size and type

Over half of the approved contractor respondents said that they work for medium sized firms (58%), 14% for small, 23% for large and 5% work for micro sized firms.



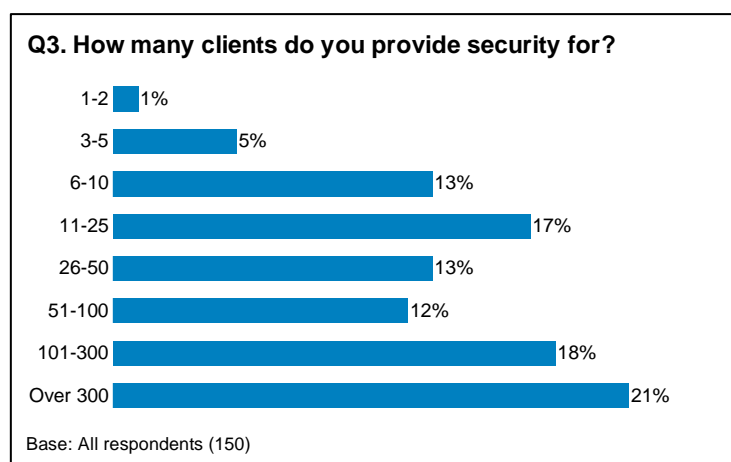
4.2 CLIENTS AND THE SECURITY INDUSTRY

This section of the report looks at the relationship between approved contractors and their clients; how many clients they have and what they think is important to clients when selecting suppliers. It also looks at the security industry as a whole, including current trends in buying, and the issues threatening contractors.

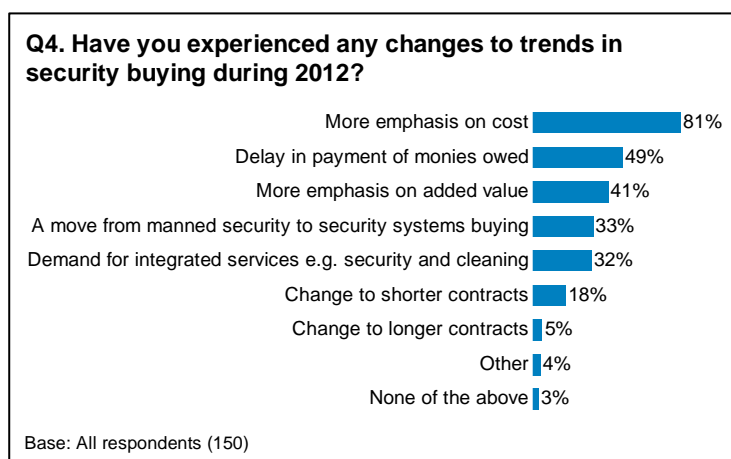
4.2.1 Number of clients

19% of approved contractors said that they provide security for 10 or fewer clients, 31% said they provide for between 11 and 50, 30% for 51 to 300 clients, and 21% to over 300 clients.

As expected, larger companies were much more likely to provide security for larger numbers of clients.



When asked about changes to trends in security buying during 2012, the majority of approved contractors (81%) said that they had experienced greater emphasis being placed on cost. Almost half (49%) said that they had experienced delays in payment of monies owed, while 41% had seen a more emphasis on added value.



Respondents from large companies (71%) were significantly more likely than those in medium (33%), small (38%) or micro sized firms (0%) to say that they had seen clients put greater emphasis on added value.

6 respondents said that they'd noticed other trends in the security industry, and were asked for more information. Their responses are shown below.

"Clients moving to reactive service rather than proactive"

"Higher demand for ACS suppliers."

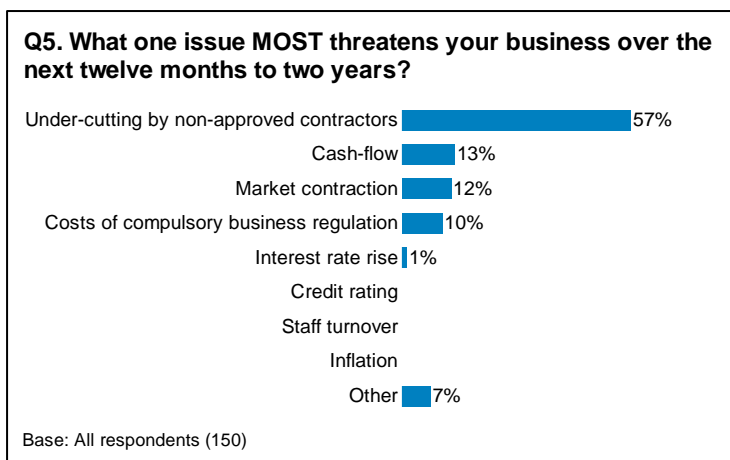
"Less interest in added value"

"More English companies taking contracts in Scotland that they cannot service. Clients still using companies without ACS on Public funded contracts. Both SIA and SOCA not acting on information or providing feedback."

"reduction in manned guarding hours at some client sites"

4.2.2 Issues threatening your business

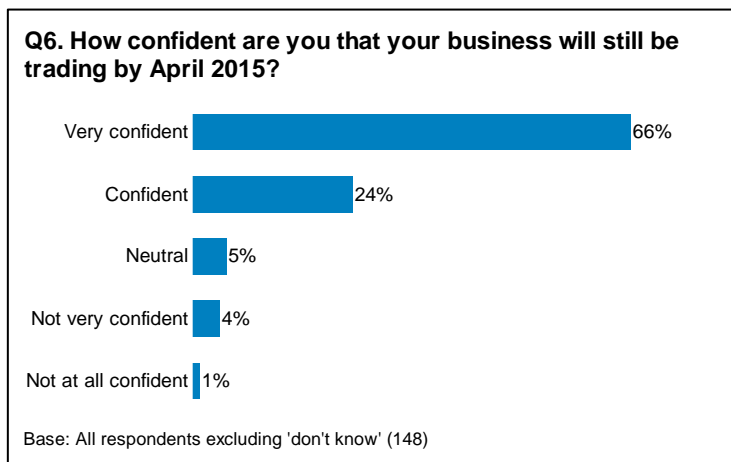
57% of contractors felt that the issue most threatening their business over the next two years is likely to be under-cutting by non-approved contractors, 13% said that they would be threatened by cash-flow problems, and 12% said that market contraction would be an issue.



7% of respondents said that their organisation would be most at threat from some 'other' issue, and were asked to specify what that might be. Their comments are shown below.

"Client reducing their budgets and asking for cuts in prices."
"Lack of response from the SIA and SOCA"
"Lack of service differentiation by buyers."
"Large security providers tendering at massively small margins - service quality TBA - eradicating specialist service providers."
"The cost of red tape, accreditation (now getting more prolific)and general administrative burden"
"Under cutting by larger companies"
"Under cutting by not only non approved but ACS companies"
"Undercutting by approved contractors. Companies buying work which is not sustainable"

90% of contractors said that they were confident that their business will still be trading by April 2015. Two thirds of these said that they we're 'very confident', while only 5% were neutral and 5% not confident.



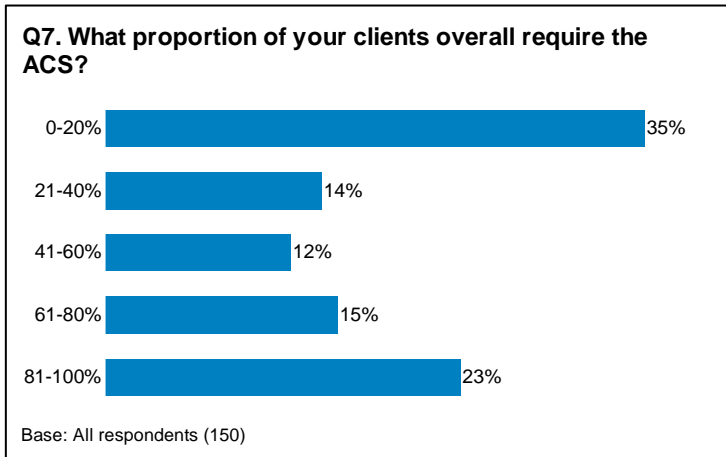
Larger companies were significantly more likely to be confident that they would still be trading by 2015, than those in small or micro sized firms.

4.3 CUSTOMER REQUIREMENTS AND THE ACS

This section asks approved contractors about the requirements specified by their customers, as well as what contractors value about the ACS. It also looks at whether approved contractors have any public sector contracts, and if these contracts require them to hold any specific certifications or accreditations.

4.3.1 Overall proportion of clients requiring the ACS

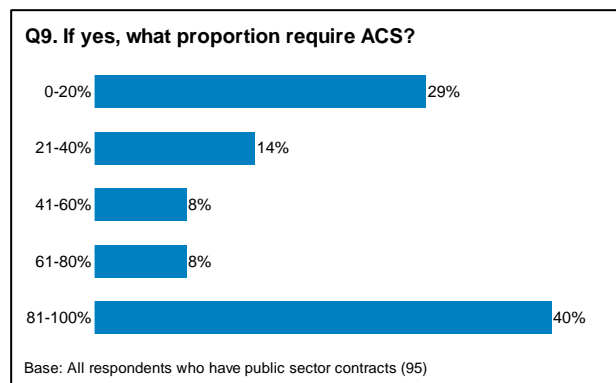
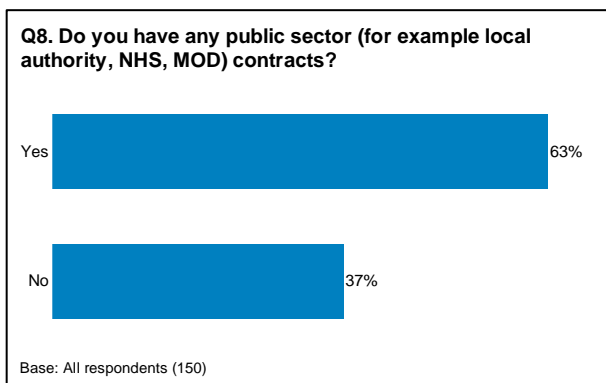
When asked what overall proportion of their clients require ACS status, the most common response was less than 20% of clients (35%). 23% said 81- 100% of their clients require it and 14% said 21- 40% of their clients require ACS.



Micro-sized companies were more likely to say that 0-20% of their clients specify ACS, while large companies were significantly more likely than others to say that 81-100% of their clients specified ACS.

4.3.2 Central government contracts

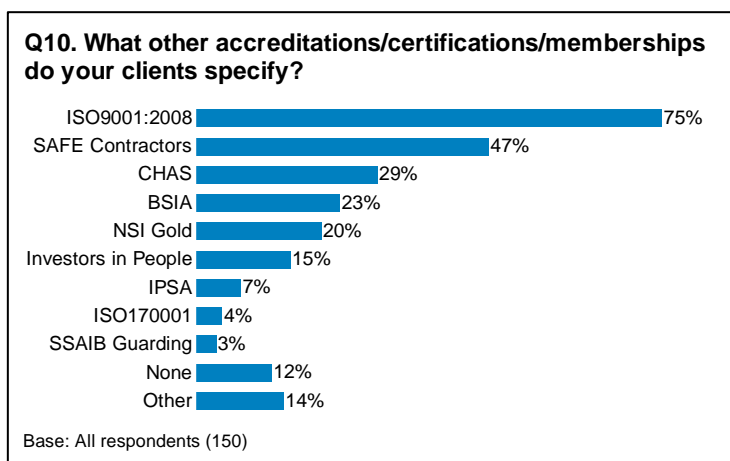
Around two thirds of approved contractors (63%) said they had public sector clients. Of these 29% said 0-20% of their public sector contracts required ACS status.



4.3.3 Current accreditations and certifications

Three quarters of respondents (75%) said that their clients require them to hold ISO9001, and around half (47%) said they specify SAFE Contractors. CHAS (29%), BSIA (23%) and NSI Gold (20%) were also mentioned, but were requested far less often.

Respondents with public sector contracts (84%) were significantly more likely than others (60%) to say that their clients required them to hold ISO9001. This was also the case for BSIA accreditation (32% vs 9%).



14% said that their clients require some other accreditation or certification; these respondents were asked to specify what they associated with. A selection of responses is shown below:

"Achilles UVDB, Altius Elite"

"Constructionline, ContractorPlus, ISO14001, Achilles Link-Up"

"Contractor Plus, eLogbook"

"Go Green Plus (Carbon Neutral). BS8555 Part 3 Exor Gold Safety Schemes in Procurement (SSIP) All Directors are members of The Security Institute"

"Institute of conflict management, business watch""ISO 14001, OHSAS 18001"

"ISO14001, Investors in Excellence, NTIPDU."

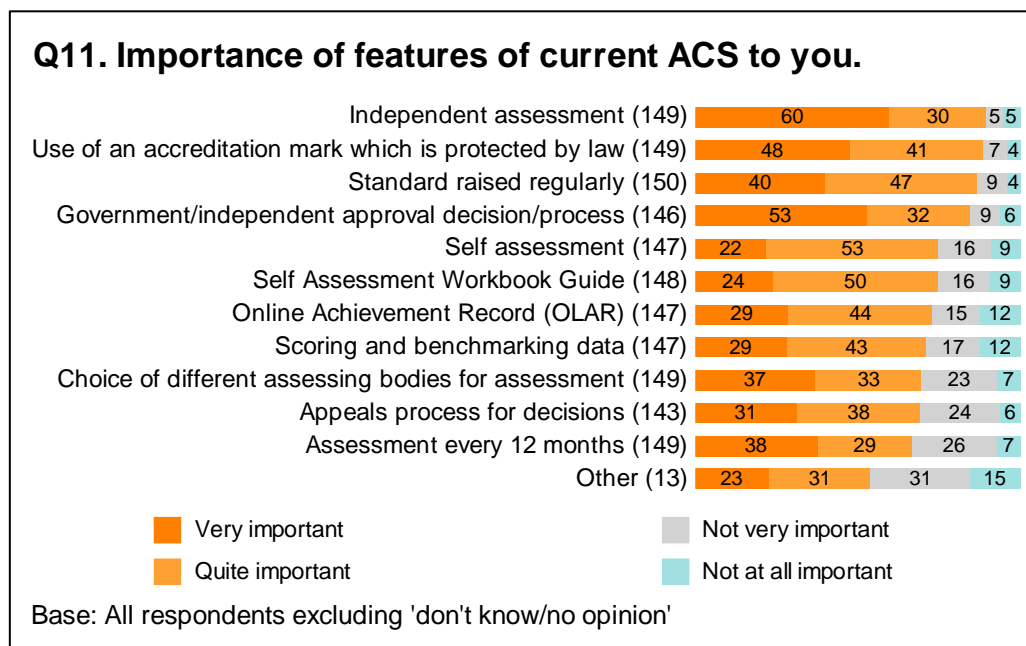
"The City of London Crime Prevention Association"

"ISO 27001 / 18001 / 14001"

"ISO 1400 or other suitable environmental standard. It should be noted that very few clients, if any, have asked for ACS in the six years that we have been members. If they do specify a quality standard it is ISO 9000. The perception remains that ACS is very much an unknown alternative, and that includes the public sector."

4.3.4 Important factors

Contractors were asked to rate the importance of a list of features of current ACS.



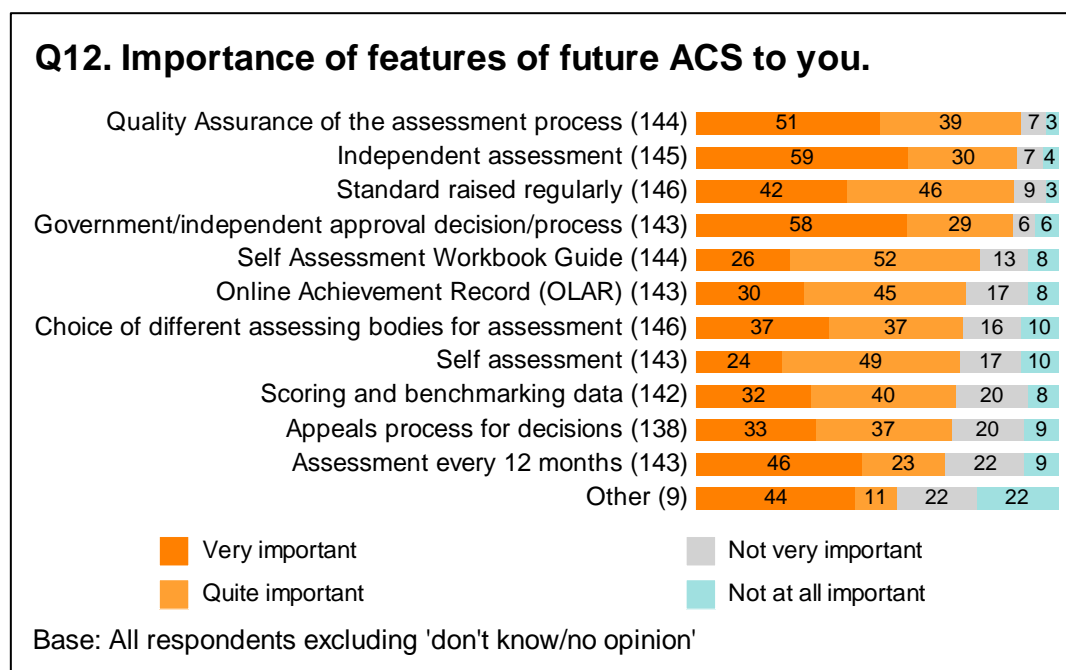
The five factors rated as most important were:

- Independent assessment (90% important)
- Use of an accreditation mark which is protected by law (89% important)
- Standards raised regularly (87% important)
- Government/independent approval decision/process (85% important)
- Self assessment (75% important)

The appeals process (69% important) and the annual assessment (67% important) were seen as the least important features.

There were only a few differences at the subgroup level, although larger companies were the most likely to value the government/independent approval process, and those covering the close protection sector were the least likely to value the self assessment workbook guide.

Respondents were then asked to rate the importance of the same features in terms of future ACS:



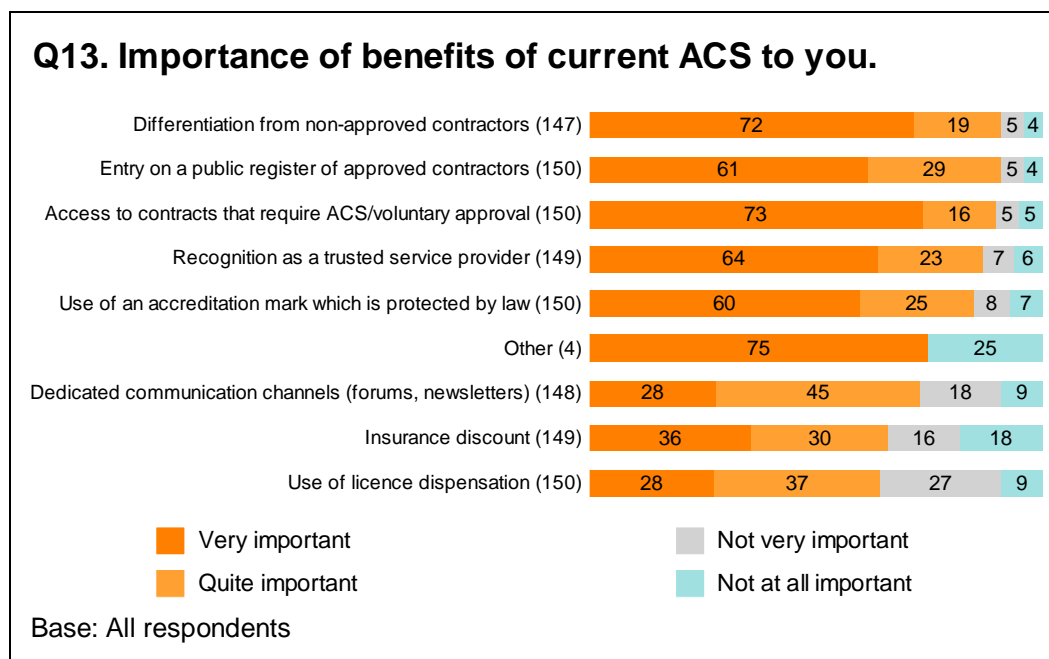
The five most important features of future ACS were:

- Quality assurance of the assessment process (90% important)
- Independents assessment (89% important)
- Standards raised regularly (88% important)
- Government/independent approval decision/process (87% important)
- Self assessment workbook guide (78% important)

As before, the appeals process (70% important) and the annual assessment (69% important) were seen as the least important features of the future ACS.

In terms of subgroups; large organisations were the most likely to say that the scoring and benchmarking data would be important features of the future ACS. Those covering the close protection sector were the most likely to say that they thought the annual assessment would be important, but also felt that the appeals process for decisions would not be an important feature of the future ACS.

Approved contractors were then asked to rate the importance of a list of benefits of current ACS:



The five most important benefits of current ACS were:

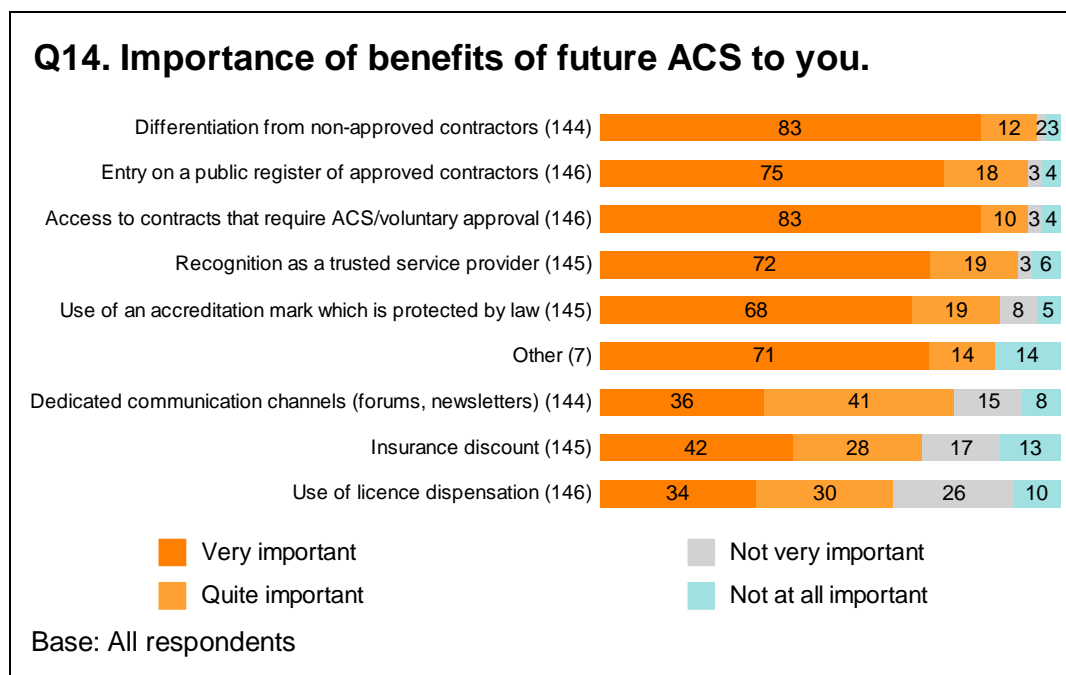
- Differentiation from non-approved contractors (91% important)
- Entry on a public register of approved contractors (91% important)
- Access to contracts that require ACS or voluntary approval (89% important)
- Recognition as a trusted provider – more involvement in the licensing of your own staff (87% important)
- Use of an accreditation mark which is protected by law (85% important)

Dedicated communication channels (73%) and use of licence dispensation (65%) were seen as the least important benefits, despite them receiving importance scores of 73% and 65% respectively.

Approved contractors who hold public sector contracts were significantly more likely than those without, to value the entry on a public register of approved contractors, and the access to contracts that require ACS or voluntary approval.

Micro-sized companies were less likely than larger firms to rate the dedicated communication channels (e.g. forums and newsletters) as an important benefit.

Respondents were then asked to rate the same set of benefits in terms of future ACS.



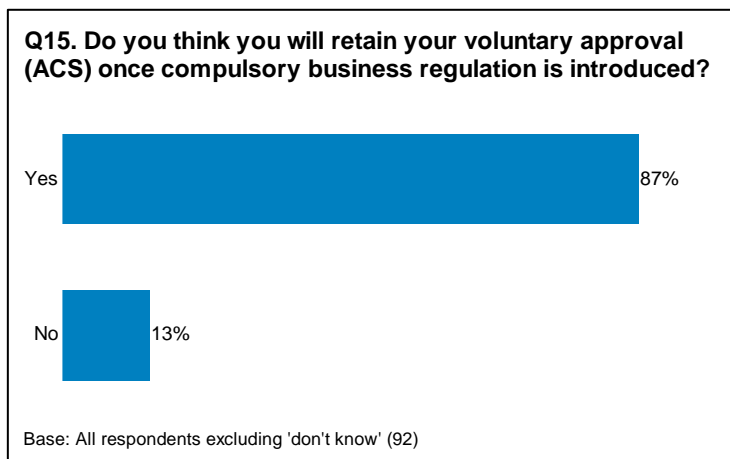
The most important benefits of future ACS

- Differentiation from non-approved contractors (94% important)
- Entry on a public register of approved contractors (92% important)
- Access to contracts that require ACS/Voluntary approval (92% important)
- Recognition as a trusted service provider (involvement in licensing of own staff) (90% important)
- Use of an accreditation mark which is protected by law (87% important)

The insurance discount (70%) and use of licence dispensation (64%) were seen as the least important benefits of the future ACS.

4.3.5 Retention of ACS

Overall, around one in four approved contractors said that they were unsure whether they would retain their voluntary approval once compulsory business regulation is introduced. If these respondents are excluded; 87% said they would retain their voluntary approval, and 13% would not.



Respondents were asked to specify the reason for their answer. Responses varied, with some approved contractors saying that it would depend on the cost of retaining both, and others saying that they already are tied into the scheme or that they feel the ACS is valued by their clients.

A selection of responses is shown below, and a full list is available in the appendix.

"ACS is important to us"

"ACS is something we have been forced in to and does not in any way determine the operational quality of a company"

"ACS registration will continue to provide users with confidence"

"Although we do not feel ACS has made any difference to our clients, we feel we are tied in now - were we to not continue to hold it, it may be perceived by staff and customers as a failure or drop in standard."

"As well as being a good selling tool by way of the fact that it tells the customer we are working to a certain standard within the industry, it provides other benefits i.e LDN's etc"

"Company holds this in high regard"

"Continuing with the ACS will depend on the benefits"

"Cost implications"

"Duplication of fees and assessments to attain identical standards would not be beneficial to our business. We would retain ACS status if it automatically integrates the new business regulation system."

"I still believe many our clients will insist upon it." "If compulsory regulation is a legal requirement what is the incentive to carry on with ACS?"

"Is well known and trusted throughout the UK"

"It holds value with our customers"

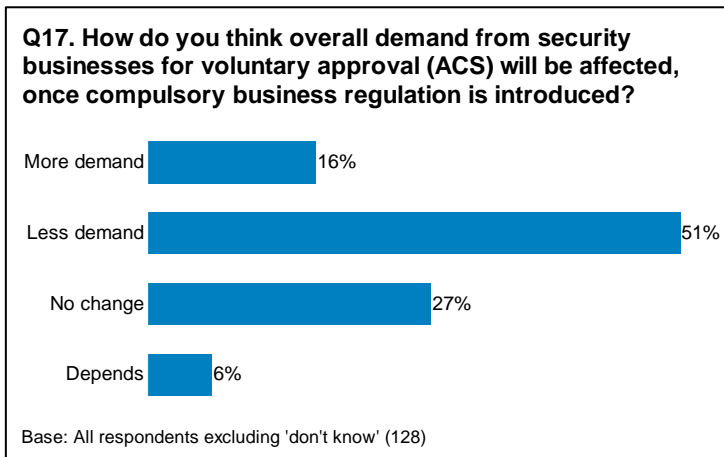
"The ACS has been of little or no benefit to our company, apart from 2006 when licensing became compulsory and we were able to employ individuals on a LDN basis. Since then we've not employed any unlicensed staff."

"There has not been enough information provided regarding exactly what compulsory business regulation complies of or the costs of the regulation."

"There needs to be a cost benefit analysis before any decision is made."

4.3.6 Affect on demand from security businesses

Respondents were asked how they thought the overall demand from security businesses for voluntary approval would be affected, once compulsory business regulation is introduced. 16% thought that the overall demand for voluntary approval would increase, 51% thought it would decrease, and 27% expected there to be no change in demand.



Respondents were asked to specify the reasons for their answer. Some suggested that compulsory approval will remove client's need to a separate voluntary scheme, so providers' demand will decrease. Other respondents suggested that client won't know the difference between the two, which would have an impact on industry demand, while others said demand would depend on cost:

"A large number of customers will still demand ACS approval"

"A lot of those who are ACS now aren't interested in standards, they undercut professional companies and cut corners"

"ACS is directly linked to HMRC so there is little chance of things changing"

"ACS is still and will continue to be for some time the first point of contact in the industry"

"Again, its all down to how it is done - The Clients are the people who should be targeted not the Security Companies. After all everyone always looks for a bargain and if that means using the gangsters (sometimes through no choice because threatening their family gives them good enough reason to go with them) then that's the way it is. It should be illegal to use Security Companies who are NOT ACS"

"All businesses will be regulated anyway."

"As previously said, external stakeholders have very little or no knowledge of ACS or SIA so it will NOT mean a great deal to them whether or not the Security company adheres to various practices, so I can not see an increase in demand for the service."

"Businesses may see compulsory business regulation as the only requirement for retaining contracts or bidding for new contracts unless clients specifically request ACS accreditation"

"Company's that currently have ACS are likely to continue to seek approval, as this is a standard by which we can claim we are superior to the rest."

"depends on costs"

"everyone will be 'forced' to use the new system so its worthless"

"Expensive in time and resources to hold several accreditations..."

"Financial restraints"

"I don't think we get much demand at the moment for us to be ACS."

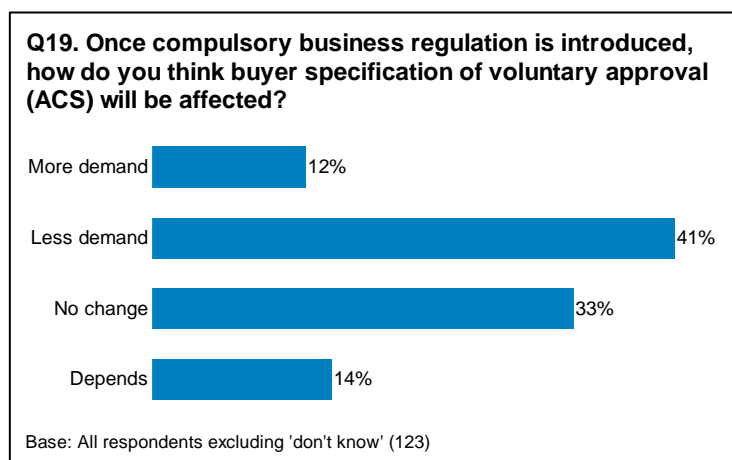
"I think once the new business regime is introduced many current un-assessed organisations and companies will apply for ACS to extend the life of their company"

"Independent clients are naïve when it comes to the security industry, unless the message is sent out to the general public and it becomes compulsory for ALL external security companies to be SIA approved, it will make no difference what so ever."

"Once business regulation is introduced that becomes the minimum for all customers, it is unlikely that many will know about / understand the difference as many do not current understand what the ACS scheme is despite the work we do trying to explain it. Most organisations will simply look for the minimum requirement."

4.3.7 Effect of compulsory business regulation on buyer specification

12% said they thought that once compulsory business regulation is introduced, buyer demand for voluntary approval will increase; 41% said they thought demand would be decrease and a third (33%) thought there would be no change.



Respondents were asked to specify the reason for their answer. Responses mirrored the previous question, with various contractors saying that buyers will not know the difference between the two, and will continue to focus on cost instead.

"ACS is recognised and has been proven to work. Regulation and the audit process will be seen to continue and provide the confidence to clients."

"Again I refer to cost - that's deemed as the driving factor rather than ACS requirement."

"Again I think this is difficult to gauge at this point"

"Again it depends on how the compulsory regulation is set up and what is expected of the businesses that sign up."

"At present only government agencies ask for ACS, they will I am sure make it or NSI approval a preference not a requirement."

"Buyer are only interested in price and other accreditations not the ACS"

"Buyers will not understand!"

"COMPANYS WILL STILL WORK OUT SIA STAFF"

"Depends how it is marketed to the business world, many buyers are not even aware of ACS"

"I do not think that ACS has a bearing on buyers. Cost implications are much more important, and while none-ACS companies are able to undercut cost to such a drastic degree things are not going to improve."

"I think that some buyers will be content with compulsory business regulation"

"It will be devalued by compulsory scheme"

"Will remain a requirement for most contracts"

Once compulsory business regulation is introduced, the voluntary approvals scheme may be transferred to another body. Respondents were asked what type of organisation they thought might be a suitable body to run ACS. Their comments were very mixed. A sample of their responses is shown below.

"A non-profit organisation."

"a police monitored organisation"

"A private company, because it will be cost driven"

"A well known reputable security company with lots of experience."

"An assessing body may be suitable although we think that If the ACS is transferred to another body it will lose its credibility as it will no longer be linked with the SIA which regulates the security industry. Moreover other schemes such as the ISO9001 may be more valuable instead (as it is more widely recognized)."

"Assessing Body"

"BIIAB"

"BSIA or ISO"

"BSIA and NSI"

"Has to have a proven track record of knowing the security industry and all associated legislation."

"I believe that the transfer should not happen as this would be seen as devaluing the scheme"

"I do not think that this will make a difference to the overall effectiveness of the scheme."

"I don't think it should be!"

"It is difficult to imagine what institution will be able to remain independent and without industry bias as clearly they will be seeking funding and commercial success in a competitive environment."

"It should be a body that is non-profit making"

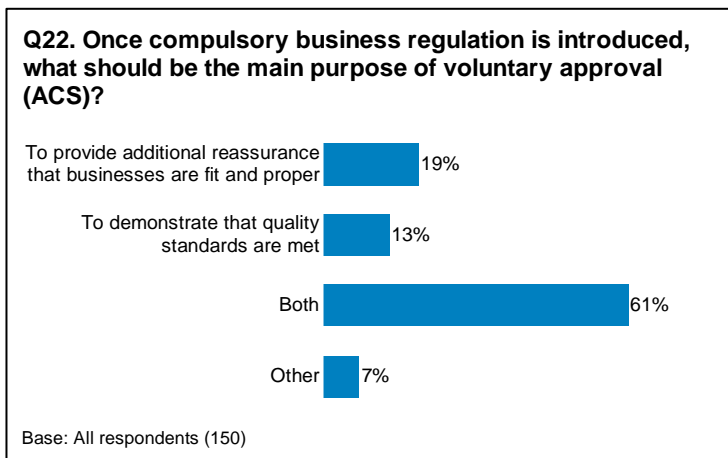
"It should not be given to a private organisation"

"Trade association"

"Without question this should NOT be a Trade association, as these often have bias towards companies that Buy in the services, i.e. awards. Assessing bodies would likely be more independent, likewise PLC's."

4.3.8 Main purpose of ACS

Respondents were asked what they thought the main purpose of voluntary approval (ACS) should be, once compulsory business regulation is introduced. The majority of approved contractors (61%) said it should be to both provide additional reassurance that businesses are fit and proper and to demonstrate that quality standards are met.



Respondents who said that the ACS should serve another purpose, following compulsory regulation were asked for more information. Their responses are shown below.

"Could become obsolete dependent on the new compulsory standard"

"I do not believe ACS currently meets any of the above answers but is motivated by generating revenues for auditing companies and fees to the SIA"

"i do not think the ACS will have a role on the same scale it has at the moment"

"It will probably decline into a 'pay your money - get your logo' set up"

"Reduce cost"

"remove it completely"

"The business is fit and proper and not bound by red tape"

"To stop dodgy security companies trading, half the country (consumers) don't know what the ACS is and it's been running for 7 years! What difference will another 'assurance' make?"

"to take more money from companies and then let them go out of business, as you are not doing enough to help."

"Why is additional reassurance required, if the company is registered under the regulation scheme and holds all the relevant codes of practise then this should be sufficient in today's economic climate"

"You cannot have voluntary approval if it is compulsory. What a daft question. There would be no purpose at all."

4.3.9 Changes to ACS

Respondents were asked if there are any changes they would like to see made to ACS before it is transferred. A common theme among responses was a reduction in cost:

"1. Reduction in cost 2. More transparency re: company scoring and spread of capability and professionalism associated with lowest to highest scoring companies 3. A reduction in audit days for established/experienced companies."

"A realistic review of the standards and the requirements."

"A reduction in cost"

"An easier, user friendly website"

"Better marketing of the scheme to clients"

"closer monitoring of onsite activities by means of visits"

"I do not agree with the transfer to another body"

"I don't believe it should be transferred. The ACS scheme is probably the only part of the SIA that is instantly recognised as quality and independent."

"It should not be transferred"

"Less bureaucracy"

"Less emphasis on administrative standards and more on how good the ACTUAL security provision is"

"Lower cost"

"More benefits for ACS members."

"More emphasis being trained on non-ACS businesses."

"Must remain under Government control"

"No"

"Review of the Self Assessment Workbook."

"Yes. Companies are now showing their scores when marketing even on websites. The essence of the ACS was for all ACS companies to be on a level playing field. It is unfair for the SME's who can never reach the high scores of the larger companies and they use it as a tool to manipulate clients."

4.3.10 Benefits of ACS

Respondents were asked to what benefits they expect to see from the transfer of the voluntary approval scheme (ACS) to another body. As with the previous question, a large proportion hoped to see benefits in terms of the cost of approval, while other respondents said that they didn't expect to see any benefits as a result of transferral:

"Absolutely NONE - quite the reverse - it will be a backward step to what the SIA is trying to do."

"All benefits - probably more if a company is taking the independent decision to go down the route of ACS"

"As above I would hope for clearer standards as well as better promotion of the accreditation to the wider market place."

"Better work sheets and scoring"

"Continued improvement with views from a fresh perspective."

"Difficult to envisage any benefits."

"Fairness in the treatment of all companies, but as already stated I am not sure that a transfer is necessary."

"I believe it could do more damage than good"

"if it was moved to the NSI and moulded into the Gold Approval we might get the best of both worlds."

"None - It is likely that the standards will drop. As soon as the industry is 'self regulating' they will only do what is easy not what is best."

"None - We do not want this to happen."

"none"

"None, this would be seen as devaluing it."

"Reduced cost of assessments"

"Reduced costs and administrative/inspections"

4.3.11 Risks to standards

Respondents were asked if they see any risks to standards from either the transfer of ACS to another body or the implementation of compulsory business regulation. Responses covered a wide range of topics – a sample of which can be seen below:

"A significant amount of work has gone into the ACS and the standards are slowly being raised. The major risk would be if it is passed to another body who tries to 're-invent the wheel' and the value achieved so far gets lost in the inevitable confusion."

"No risk to standards provided the new body communicates effectively with the private security industry."

"Another body is just additional cost! And they may be out to prove themselves and be overzealous in scoring. Keep it in the SIA"

"As long as control measures are in place and enforced, then risks to standards shouldn't change, as it's the companies that set, and maintain,(or lower), standards. As long as the criteria for ACS is maintained, and checked through audits, standards as a whole can only raise as more companies join the scheme, which is inevitable if every single security company is required to be regulated."

"As long as the new body adheres to the same standards I cannot see any difference."

"Currently the ACS requires outside agencies/auditors to confirm that companies meet and exceed minimum standards, compulsory business legislation would reduce the inspection process to a tick box exercise and increase the risk of 'creative' business practices."

"Depending on who takes it on it could be made harder for small companies & more geared to the larger organisations"

"Higher cost"

"Fewer potential ACS companies."

"I don't see much changing."

"I guess the worry is that they will not audit to a consistent standard and that this should be monitored (audits of auditors)."

"I think it's all going to be a bit too much for some companies. The risks are there is too much time spent on paperwork and not on the job in question. An example for me would be I remember being in hospital a good few years ago when nurses actually took care of you - now it's as quick as they can remove themselves from your bedside to do paperwork (not a good move forward in my eyes)."

"In my view this will create a two tier system which will see non ACS companies having less financial commitment than the ACS companies and therefore able to cut overheads"

"Less confidence in maintaining quality standards"

"Loss of credibility. Open to fraud"

4.3.12 Further comments

Approved contractors were given the opportunity to submit further observations or feedback. A wide range of responses were received; a selection of which is shown below:

"ACS has a valuable USP, the fact that it is currently managed by the regulator and endorsed by the Home Office differentiates it from other quality marks. The Police, government bodies and regional administrations (Scotland & NI) currently support the regulator run scheme, its transfer to another body will undoubtedly lead to a reduction in support. The 700+ ACS companies have invested heavily in the scheme, transferring the scheme outside the regulator will be render the scheme almost valueless, the result being an investment lost and a brand weakened."

"ACS should continue to be a benchmark setting members above the norm. If the bar is raised to become the ""norm"", then ACS membership will become even more desirable to many companies as they strive to keep ahead of opposition."

"After years of hard work, and investment, within the scheme it would be regrettable to see it lost in a new range of provisions that are potentially more aimed at investigation than regulation."

"As a Company we have been ACS accredited for 6 years. We will not be renewing our accreditation, as we have not seen one single benefit over the past 6 years of being accredited. As a Company we have adhered to the scheme, but it almost seems as if anyone who becomes ACS approved is opening themselves to the Inland Revenue, and time-costly investigations, which is not a problem, but The SIA does not seem to adopt the same vigour with non-ACS companies who are more likely not to comply with Revenue requirements, yet seem to be able to slip under any radar."

"As stated above the schemes MUST STAY WITH THE SIA"

"Either ACS or new regime not both."

"I feel it will lose value"

"I feel its a shame ACS is to change, a lot of hard work has gone into this scheme and a lot of work with other agencies has started to pay dividends."

"As stated above the schemes MUST STAY WITH THE SIA"

"Either ACS or new regime not both."

"I feel it will lose value"

"I feel its a shame ACS is to change, a lot of hard work has gone into this scheme and a lot of work with other agencies has started to pay dividends."

"Stick with the high standards and regulations."

"There needs to be a clear benefit for ACS companies compared with standard regulated businesses, otherwise - what's the point?"

"There should be more benefits to those that spend time becoming an ACS company"

5 BUYERS' SURVEY

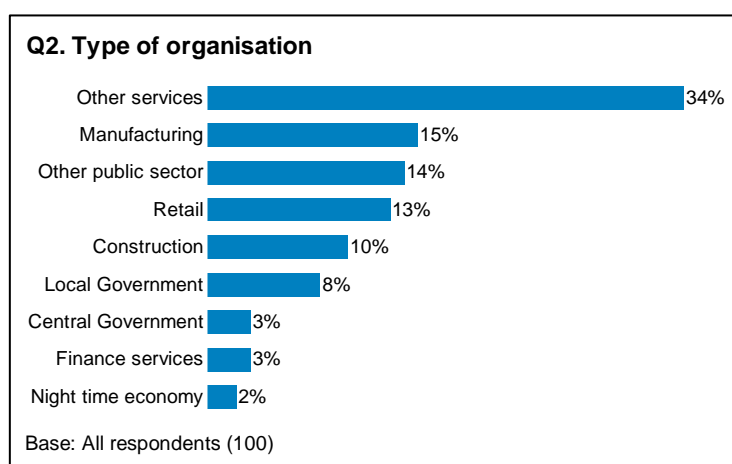
This section of the report looks at the questionnaire for buyers of security.

5.1 COMPANY PROFILE

This section of the report profiles buyers of security by type of organisation, security services used, company size, location, and awareness of the ACS.

5.1.1 Type of organisation

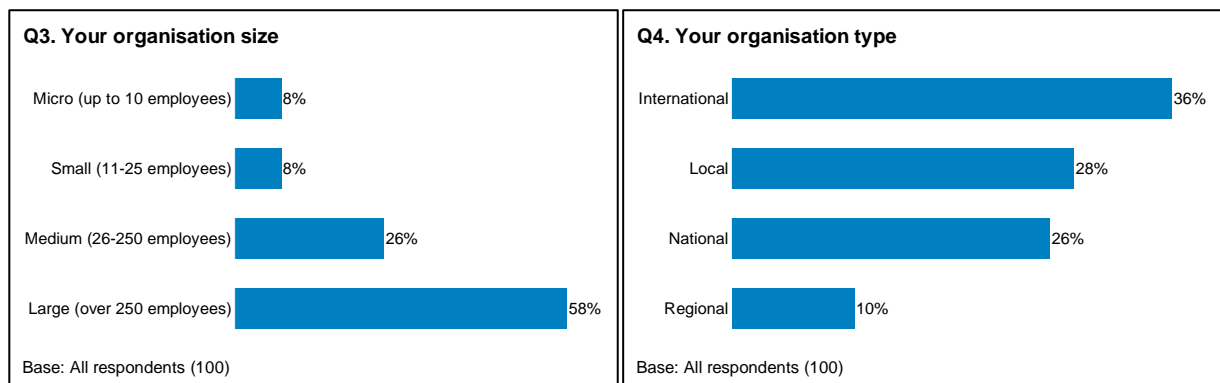
When asked about their organisation type, 15% of buyers said that their company was in the manufacturing sector, 14% said other public sector and 13% said retail. 34% classified their organisation as 'other services'.



Buyers who classified their organisation as 'other services' were asked to specify their company type. A selection of responses is shown below:

"Advertising Agency"
"Building Management"
"Charity"
"Commercial managing agent"
"Customer Service Provider"
"Facilities & Services (Private Ltd Co)"
"Ground Investigation"
"Housing Association and support service"
"IT"
"logistics"
"Public House"
"Telecommunications"

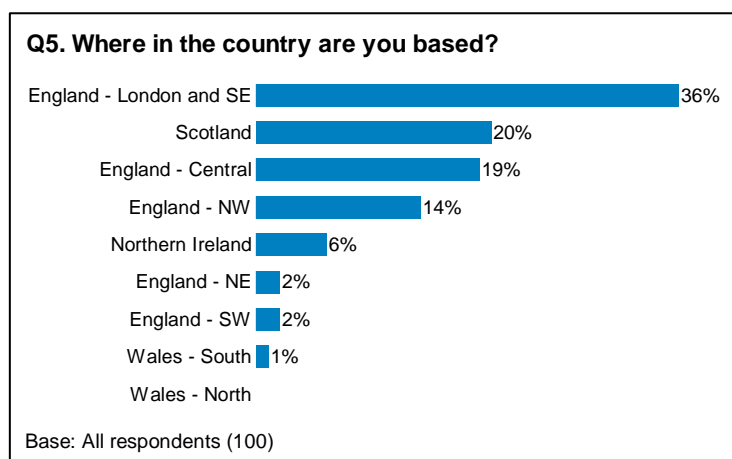
The majority of buyers interviewed were from large companies (58%), and around a quarter were from medium sized firms (26%).



These results were reflected when buyers were asked what type of company they worked for; with 36% working for international companies and 26% for national firms. 26% described their organisation as local and 10% as regional.

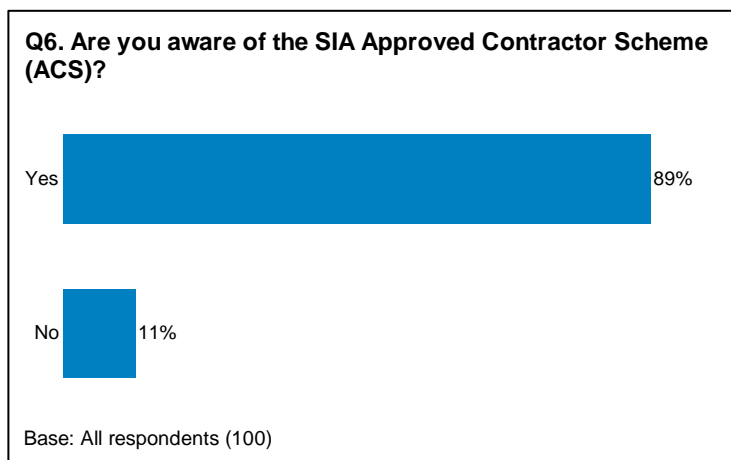
5.1.2 Location

Responses were received from buyers across the UK, but were most likely to be from security buyers based in London and South East England (36%). Around a fifth were based in Scotland (20%) or central England (19%).



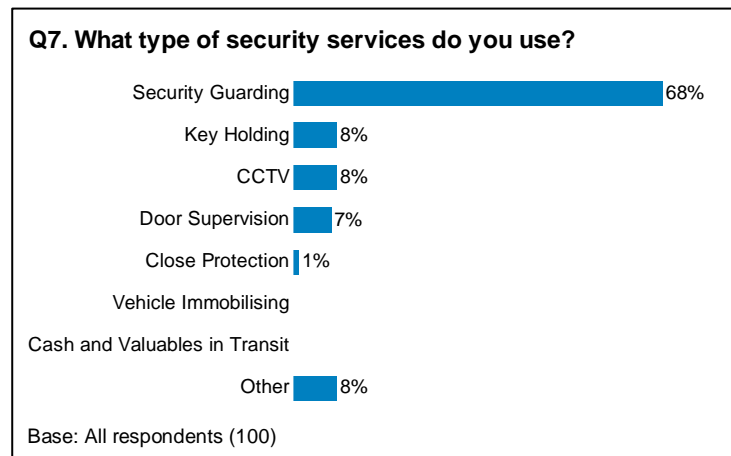
5.1.3 Awareness of the ACS

89% of buyers said that they were aware of the ACS and 11% were not. There were no real differences at the subgroup level.



5.1.4 Security services used

Buyers of security were asked which types of security services they used. The majority of respondents said that they used security guarding services (68%), while other services were used far less often. This should be considered when interpreting results in this section, as the views of security guarding customer may not necessarily be representative of private security customers as a whole.



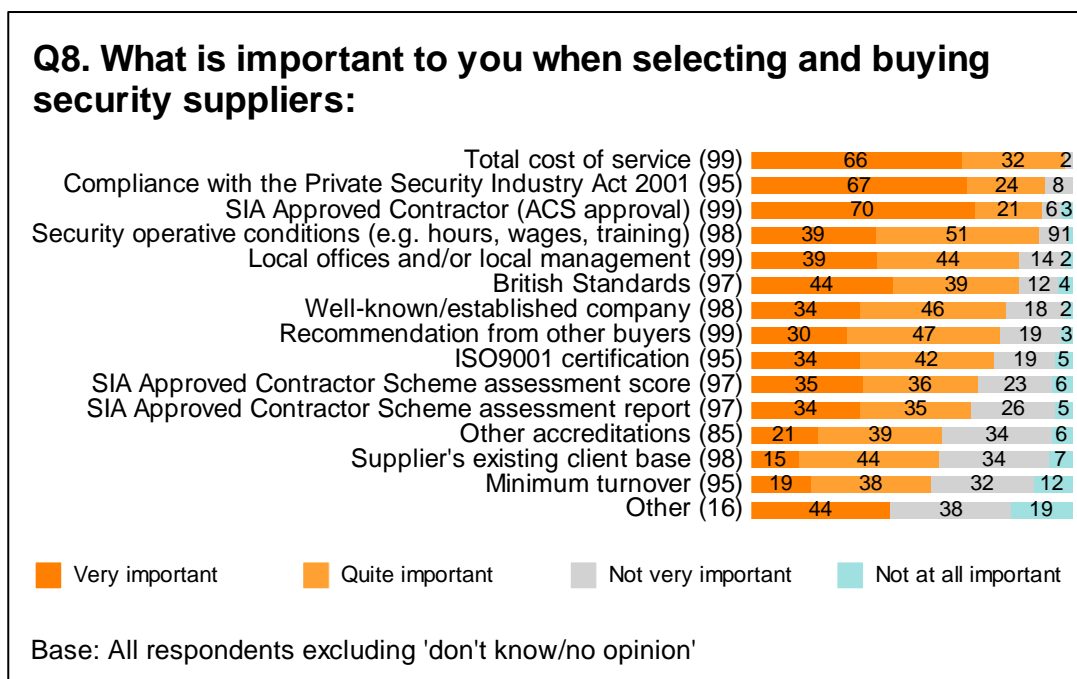
Buyers in the manufacturing and construction sectors were more likely than those in other sectors to use security guarding services. Similarly; international, regional, and national firms were significantly more likely than local organisations to use security guarding.

5.2 THE PRIVATE SECURITY INDUSTRY AND SECURITY PROVIDERS

This section asks security buyers which factors are most important to them when selecting security suppliers. It also looks at the security providers used by buyers; how many providers they use and what proportion are approved contractors.

5.2.1 Factors important when selecting security suppliers

Buyers were asked what they considered important when selecting and buying from security suppliers.



The five most important factors were:

- Total cost of service (98% important)
- Compliance with Private Security Industry Act 2001 (92% important)
- SIA Approved Contractors (91% important)
- Security operative conditions (90% important)
- Local offices and/or local management (84% important)

The factors seen as least important were other accreditations (60% important), the supplier's existing client base (59% important) and minimum turnover (57%).

At the subgroup level; both the ACS assessment score and report were rated as much more important by buyers from medium and large firms, than those in smaller organisations.

Respondents who said that some other factor or accreditation was important were given the opportunity to specify what they looked for in security providers. A sample of their responses is shown below.

"Clean well mannered and polite guards with a front of house attitude"

"Environmental H&S compliance"

"Experience operating same size CCTV System covering Public Surveillance and On Street Cameras Back Office Support through a Company Control Suite (24 Hr)"

"Health & Safety accreditation"

"NSI"

"ISO 14001, 18001 as a Minimum"

"Safe contractor scheme or equivalent Investors in People Pacesetters"

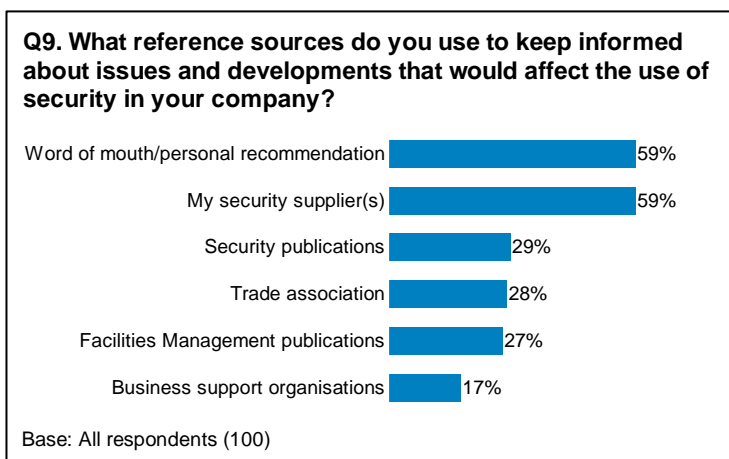
"Well established internal management structures"

"Experience of working with Local Authority Partners and partnerships"

"Personal experience or recommendation."

5.2.2 Reference sources

Buyers were asked what reference sources they used to keep informed about issues and developments that affect the use of security within their company. More than half (59%) said that they used word of mouth or personal recommendations, while the same proportion used their security suppliers (also 59%).



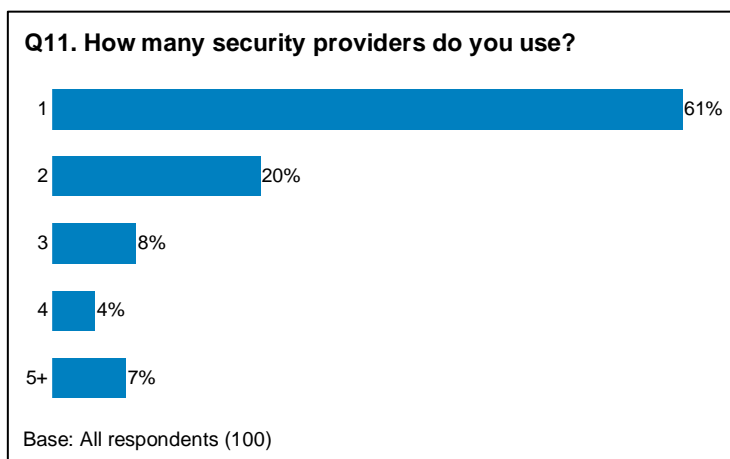
Respondents were asked to specify exactly which reference sources they use to keep up to date with security information. Buyers commonly cited BIFM, BSIA, FMUK, their security contractor and the SIA. A selection of responses is shown below:

"BIFM - FMUK - Chamber of Commerce"
"CCTV Managers Group (London), Professional Security Magazine, Current Contractor"
"Association of School Business Managers"
"Facilities Management"
"BIFM"
"BIFM, Barbour Services, BRC, other retailers"
"BISA, BIFA, FMA, FMX, SMT"
"CBI"
"BSIA"
"Colleagues, suppliers existing customers."
"contract security company"
"FMUK"
"Infologue"
"IPSA Dept of Transport - Security Directorate"
"Other contractors in our industry"
"SIA website"
"Other companies"
"Personal knowledge plus word of mouth"
"Rely on information from our service provider."

5.2.3 Number of security providers

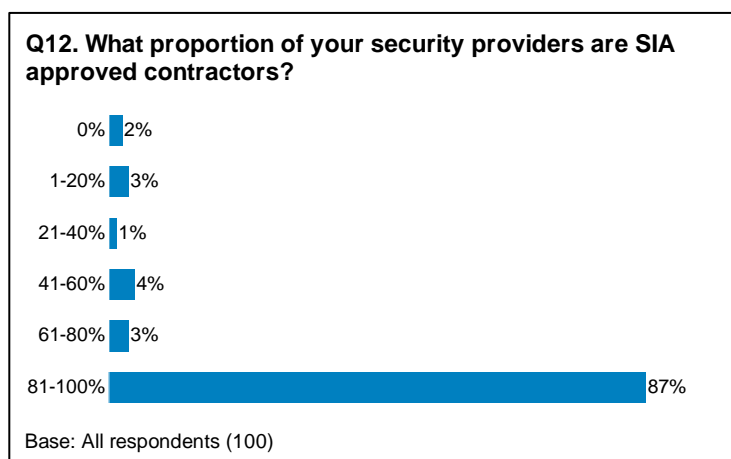
61% of the buyers questioned said that they only use one security provider, 20% said that they use two security providers and 19% use three or more providers.

There were no significant differences between firms of different size in terms of the number of security providers used. Buyers in construction were less likely to use only one security provider than all other types of organisations.

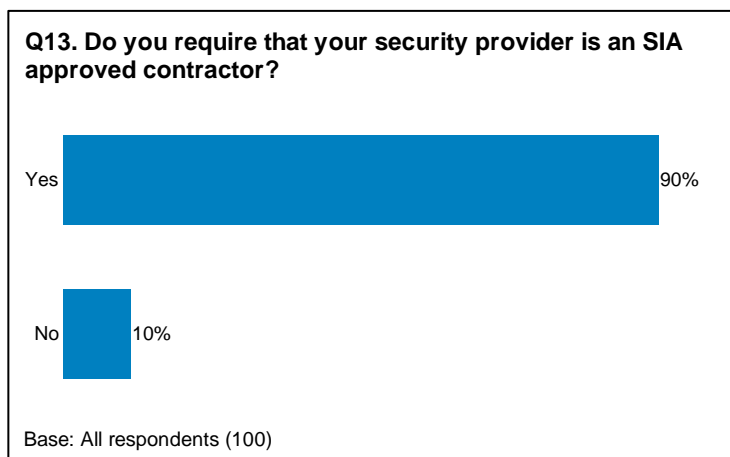


5.2.4 Supplier certifications and accreditations

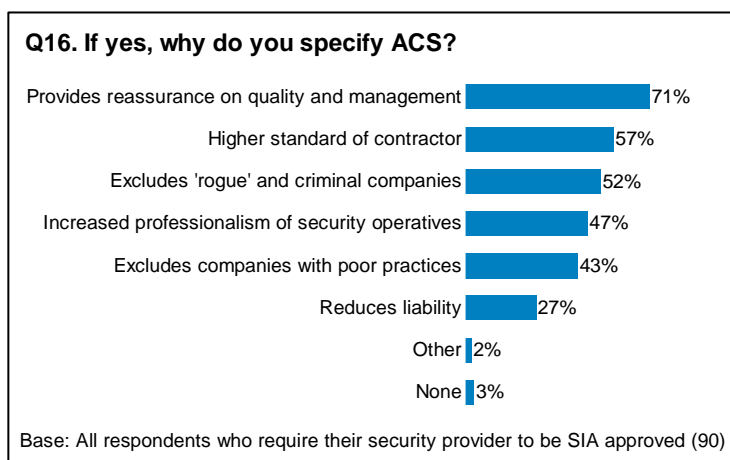
When asked what proportion of their security providers were SIA approved, the majority of buyers said that over 80% were (87%). Only 2% said that none of their suppliers were SIA approved.



The majority (90%) of buyers said that they require contractors to be SIA approved suppliers. SIA approval was most likely to be required in medium and large sized companies, than in small or micro firms.



Buyers who said that their suppliers should be SIA approved were then asked why that was the case. The most common response was that SIA approval provided buyers with reassurances in terms of quality and management (71%), it denotes a higher standard of contractor (57%), that it excludes 'rogue' and criminal companies (52%), and indicates increased the professionalism of security operatives (47%).



Security buyers who said that they didn't require their contractors to be SIA approved were asked why they don't require their contractors to be approved. Their responses are shown below:

"Doesn't have any impact on my business (as far as I am aware)."

"Having reviewed the criteria we did not feel that it actually enhanced an organisations ability to provide the security service. We are more concerned with resources available, support, price."

"I do not know about the scheme"

"No additional benefit for us."

"Not compulsory, but desirable"

"Not many in the area are."

"Not necessary"

"training, experience and capabilities is more important than any scheme"

"unaware"

"We have worked with them for several years - Service good so why insist"

They were also asked if there was anything that would convince them to specify ACS as a requirement for their contractors. All responses received for this question are shown below:

"Cheaper insurance and if having an accreditation would benefit our organisation."

"high standard and high performance among the security officers"

"If we was to retender"

"Legislative and Statutory Obligation"

"More around service levels, acceptable service levels ie response time guarantees, improved training requirements, longer, harder, better security operatives ie communication, general training etc"

"More choice of approved contractors."

"More knowledge"

"No"

"Why would I need it?"

Buyers were asked whether they required their security suppliers to hold any accreditations other than ACS status. 33% said that they stipulated ISO9001, 21% BSIA, 20% SAFE Contractor and 20% Investors in People accreditations, whereas 46% didn't require their suppliers to hold any of the certifications listed.

Buyers working for 'local' companies were more likely than others to say that they didn't require their suppliers to hold any of the certifications listed.



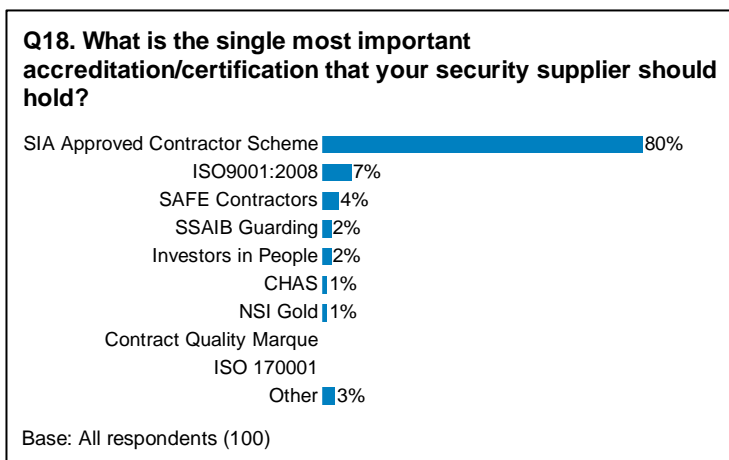
Those respondents who said they require other accreditations or certifications were asked what these accreditations were. These responses are shown below:

"Appropriate Security Clearance"

"BS 7499, BS 7984, BS 7858, ISO 14001 & 18001"

"The Private Security Industry Act 2001, BS 7499 & BS 7598,"

Security buyers were asked what they felt was the single most important accreditation that a security supplier could hold. The majority (80%) said that the SIA Approved Contractor Scheme was the most important.



5.2.5 Decisions on security buying

When respondents were asked who in their organisation makes the major decisions on security buying, they were most likely to say a security manager (29%) or a procurement manager (24%).



18% said that someone other than those listed made decisions on security buying. An example of their responses is shown below:

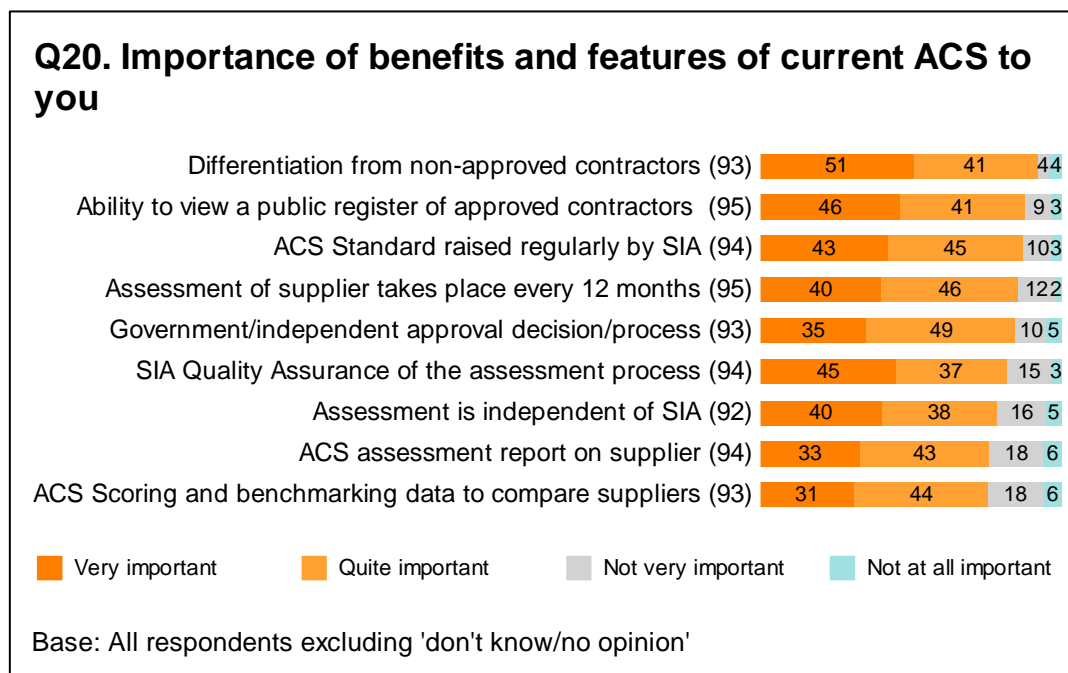
"Business Manager"
"Business Services"
"Club Committee"
"Company Secretary"
"Contracts Management"
"Customer ultimately"
"Estate Managers"
"General Manager"
"Health, Safety and Maintenance Manager"
"HR Manager and Operations Director"
"Tendered, adjudicated and awarded by the Project"

5.3 THE APPROVED CONTRACTOR SCHEME (ACS)

This section of the report focuses on the Approved Contractor Scheme, and asks buyers about the importance of benefits and features of current and future ACS.

5.3.1 Importance of benefits and features of current ACS

Respondents were asked to rate the importance of a list of benefits and features of the current ACS.



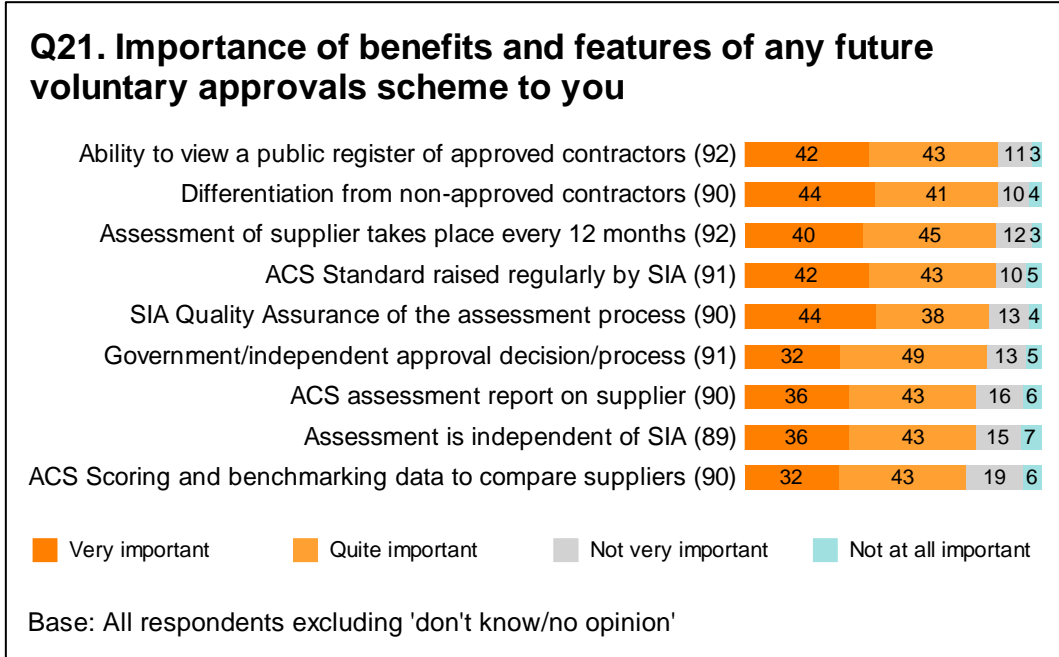
The five most important benefits and features of the current ACS were:

- Differentiation from non-approved contractors (91% important)
- Ability to view a public register of approved contractors (87% important)
- ACS Standard raised regularly by SIA (87% important)
- Assessment of supplier takes place every 12 months (86% important)
- Government/independent approval decision/process (85% important)

The features seen as least important by buyers were; ACS being independent of SIA (78% important), ACS assessment report (76% important) and ACS scoring/benchmarking (75%).

Buyers from 'other public sector' and manufacturing organisations were the most likely to value ACS scoring and benchmarking, the ACS assessment report and SIA quality assurance.

Respondents were shown the same list and were asked to rate the importance of these benefits and features of any future voluntary approvals scheme.

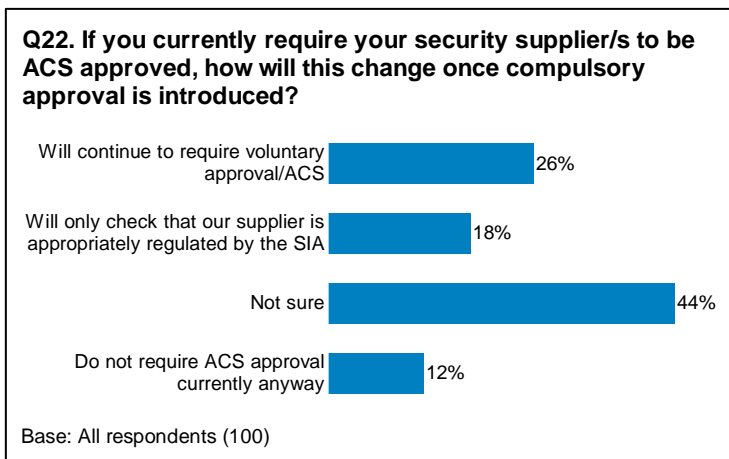


All future features and benefits were rated as fairly important, but the five most important are shown below:

- Ability to view a public register of approved contractors (86% important)
- Differentiation from non-approved contractors (86% important)
- Assessment of supplier takes place every 12 months (85% important)
- ACS Standard raised regularly by SIA (85% important)
- SIA Quality Assurance of the assessment process (82% important)

As in the previous question; the features seen as least important by buyers were ACS being independent of SIA (79% important), ACS assessment report (79% important) and ACS scoring/benchmarking (76%).

Respondents who currently require their security suppliers to be ACS approved were asked how this will change once compulsory approval is introduced. 44% of respondents said they were unsure how this will change, 26% said they will continue to require voluntary approval/ACS and 18% said they will only check that their supplier is appropriately regulated by the SIA. 12% said they do not require ACS approval.



Respondents were asked to specify why they will continue to require voluntary approval or ACS. Most said that it provides a minimum standard against which they can compare providers, and that it represents an assurance of quality.

A sample of their responses is shown below:

- "Approved Standards"
- "AS a minimum standard"
- "Assures quality and good practice"
- "Confidence that supplier is operating to and above industry standard"
- "Continuity of level of service"
- "It is by far the most credible inspection process security companies have been subjected to. e.g. The SIA do not worry if companies fail and loose potential income. Other inspectorates might give companies the benefit of the doubt, to maintain revenue."
- "It works for us"
- "knowledge that the company is above mandatory level"
- "To ensure that certain standards are met"
- "To maintain quality and standards"

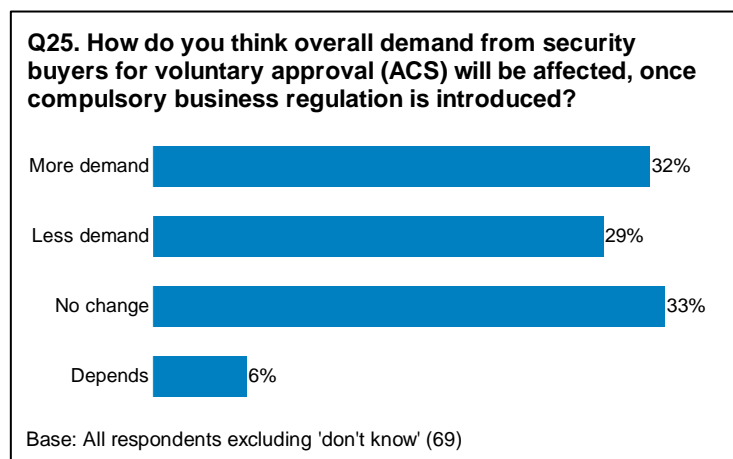
Respondents who said that they will only check that their supplier is regulated by the SIA were asked why that was the case. A sample of their responses is shown below.

"Confidence and accountability in the system"
"Confidence in process"
"Do not see why we need two processes - one has to be sufficient"
"GUARD LICENSING"
"Independent regulation & auditing"
"That is currently the only check we are able to make to fulfil the contract"
"To ensure the correct regulations are adhered too"
"to comply with the law and maintain high standard"
"We have had our supplier for 4 years and are fully aware of their accreditations, we also have regular contact with the supervisors of the company and regular phone calls. We have built a good working relationship with this company"

5.3.2 Effect on demand

When buyers were asked how they thought the overall demand from security buyers for voluntary approval will be affected, once compulsory business regulation is introduced; 31% of respondents said that they didn't know.

Once those respondents were excluded, fairly even proportions of buyers felt that demand for ACS would increase (32%), decrease (29%) or stay the same (33%).



Respondents were asked to specify the reason for their answer.

Responses were very mixed:

"Approved accreditation can only improve demand."

"Because buyers will rely more on the compulsory regulations"

"Because it will be government regulated by statute"

"Believe demand will be similar as events etc will still require security."

"Better security staff available and can be checked on before hiring"

"Buyers will assume that suppliers are meeting the industry standard"

"Demand should be the same as is today"

"Everyone will be regulated."

"Hoping it will raise standards"

"I don't believe businesses see it as a pre-requisite"

"If a contractor adheres to compulsory regulation there is no requirement for the voluntary approval, and may cost more."

"It will be expected that if an organisation is regulated that it is capable of doing the job they are contracted for. It would seem pointless to then have another scheme to prove that."

"More Security Companies will need accreditation to move forward in the industry"

"Our suppliers can trusted"

"security will continue to be regulated"

"The security business has to be formally regulated. Voluntary schemes are just that. Voluntary."

"Those who find it important to do so at present will continue to do so. The rest will continue to ignore."

Once compulsory regulation is introduced, the voluntary approval scheme may be transferred to another body. Respondents were asked to specify what type of organisation might be suitable body to run ACS. Common responses included an assessing body, a trade association, an independent organisation or a government based body:

"A body that will not be influenced by the dominating security companies"

"A fully independent and transparent body that are fully countable for their decisions and actions"

"A professional Association of Security contractors"

"a suitable trade association who is independent"

"A transparent body - with low profit!!!"

"Assessing body with strong independence and bite"

"Assessing body e.g. BSI"

"Government based"

"Has to be Government lead"

"None"

"not sure"

"SIA"

"Private independent government monitored"

"Trade association"

"It needs to be a body that provides buyers of security service with the Confidence that the process is maintained at the current level or higher, and must be an organisation that is accountable to an independent regulated body."

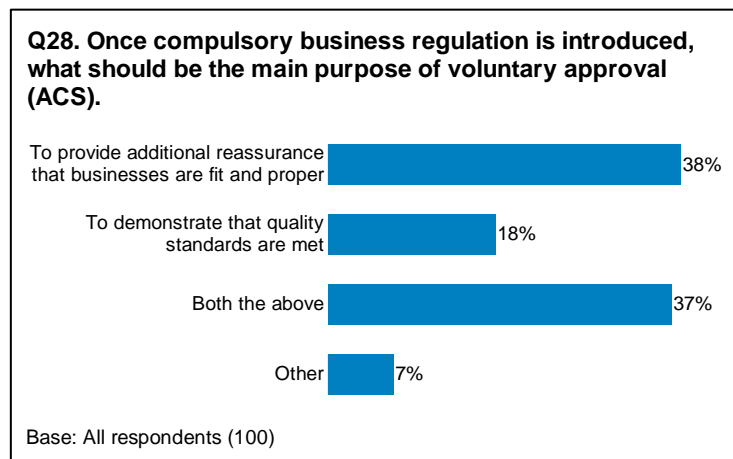
"No real comment as long as the body remains independent with the ability to penalise organisations that do not meet requirements"

"None, leave as it is. Commercially driven bodies will compromise the integrity of the inspection. This will act as a driver for alternative inspections schemes. Then it will be as it used to, security companies collecting badges. At the moment security companies are being measured consistently against a single, recognized and credible standard. Don't go back to how it was pre 2006."

5.3.3 Main purpose of voluntary approval

Overall, 38% of the buyers questioned said that the purpose of the ACS following compulsory business regulation should be to provide additional reassurance that businesses are fit and proper. The same proportion (37%) said that it should provide reassurances, as well as demonstrate that certain quality standards are met.

There were no real differences between the various subgroups questioned.



Respondents were asked what benefits they expected to see following the transfer of the voluntary approval scheme to another body. Some said that they would expect the move to increase the quality of service they receive, while others suggested that it wouldn't make any difference.

- "Better quality of service"
- "Better standards, transparent regulation."
- "Clearly establish best in sector"
- "Confidence for the purchaser that any additional cost for security services that adhere to voluntary approval is warranted."
- "Difficult to tell, hopefully better practice across the board"
- "Double approval scheme should ensure a suitable and sufficient company"
- "Higher standards from less reputable companies"
- "GREATER REASSURANCE TO SECURITY USERS"
- "I do not believe we will see any real difference."
- "Improved standards"
- "More reassurance"
- "None."
- "removal of rouge suppliers and better treatment of security guards"
- "Same standards"
- "Uniformed compulsory regulation standards for all providers"

The purpose of ACS is to raise standards in the private security industry. Security buyers were asked if they saw any risks to standards from the transfer of ACS to another body or from the implementation of compulsory business regulation, and if they did – how could these risks be mitigated?

Responses were very mixed, with some respondents saying that they didn't see any risks, and other saying that it would depend on which body the scheme is transferred to. Others suggested that if it is run by a private organisation then the integrity of the scheme may be lost, as it becomes more focussed on cost.

"Always risks, if someone wants to beat the system they always will. Regulation and enforcement may remove risks."

"Another body might not agree to continue to raise standards. What assurance will there be that ACS would not be downgraded?"

"Always risks, if someone wants to beat the system they always will. Regulation and enforcement may remove risks."

"Could become only money orientated which generally results in standards being allowed to drop"

"Depends on the body"

"Each company should be monitored at least yearly to ensure standards are met"

"Government approved scheme"

"I think it works in the present set up"

"Lack of trust if the ACS is managed by a private organisation; just another way of collecting revenue."

"No"

"No, I would like to believe that the standards would remain high and it would be a smooth transaction."

"Not sure until it's clear who will manage the ACS going forward"

"Possible drop in standards required / implemented"

"SIA and ACS have not raised security standards so don't think this will affect anything either."

"The other standards are currently more of a business wide approach to business and processes that it why they are more valued to us than the ACS scheme. The ACS scheme is a simple tick box exercise which based on feedback we have had from supplies isn't that difficult to pass."

Respondents were asked if there are any changes they would like to see made to ACS before it is transferred. While a lot of buyers said that no changes were required, other made suggestions concerning officer training, the complaint process and Government supervision of the scheme.

"ACS should be used to affect the insurance liabilities of those companies that score high in the process. Insurance Liabilities and premiums should be reduced as a result and this needs to be taken on by the Insurance Companies as a matter of future policy and engagement with the security industry. This working arrangement between the two sectors would encourage a better uptake on the ACS changes in the future. In the same way those that score low on their ACS assessment could have increased Premiums"

"Am getting good service at the moment so I don't need changes"

"Better rejection of individuals with criminal records"

"Higher standards"

"I would like more emphasis put on the importance of choose an ACS approved contract and focusing on the quality of service delivery"

"Mandatory requirements for other management approvals and standards. Tougher entry requirements."

"More training for officers and better pay and all security company to comply"

"None that I can think of"

"Not aware of any"

"Regular checks to ensure that the governing body is fit for purpose"

"Strict guidelines with some form of Government supervision to maintain standards"

"Yes we would like the SIA to take our complaints seriously and assist us to weed out the non compliant rogues who cheapen out industry and allow us to make a decent living and not lose out to those who don't have the qualifications neither do they utilise licensed staff."

5.3.4 Further comments

Respondents were given the opportunity to submit further observations or feedback. A wide range of responses were received; a selection of which is shown below:

"I see little change for the better"

"I still don't understand the purpose and benefits of the change. How will this benefit me and/or my security supplier?"

"It will need legislative powers and enforcement activity to have effect"

"A pointless exercise."

"More than happy to support the organisation that is taking on the ACS task, but it is essential that the new organisation is regulated/audited etc. by a recognised government organisation."

"None"

"No"

"Please make it more personal so that together we can work to ensure we all survive. Currently we have no one to talk to one to one and our complaints are not taken seriously. Local authority would allow us to actually speak to someone and a follow up consultation would be comforting unlike now."

"Standards must be maintained and graded."

"This will probably increase the cost to companies purchasing security services which cannot be sustained."

"Whichever body becomes responsible for administering the ACS in future, it MUST take into account the end-users' views and needs. There is simply nothing more wasteful of time and resource than regulation for the sake of it. The ACS costs the industry, and costs are passed on to the buyers of services, through overheads and charges. As a stakeholder, I would like to see the ACS deliver some real, tangible value in return for the time and resource invested in the SIA and the scheme."

6 MERGED FILES

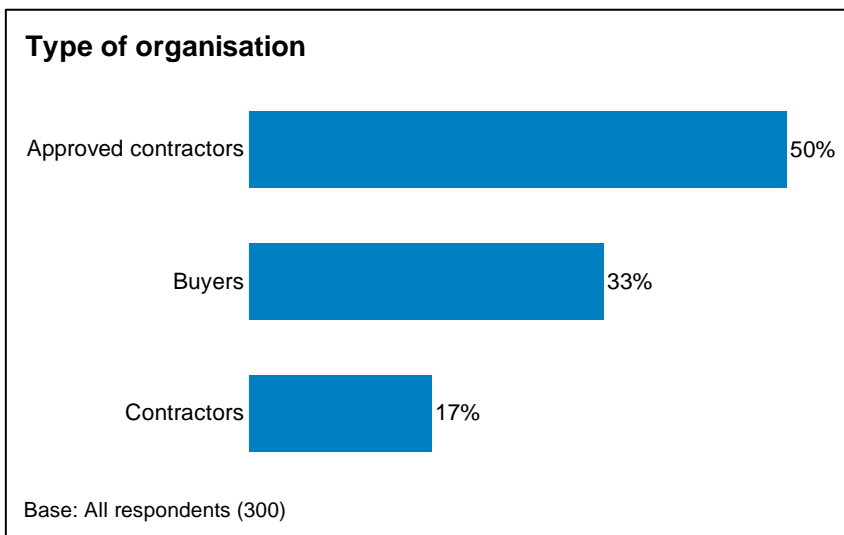
Some questions appeared in two or more of the surveys, and as such, the responses are comparable. Responses to the three surveys have been merged, and where appropriate are compared in this section of the report. However, these comparisons should be made with caution, considering the wider context of the research, and taking into account the varying base sizes of the three groups.

6.1 COMPANY PROFILE

This section of the report compares the profiles of approved contractors, non-approved contractors and buyers of security. It asks respondents about sectors covered and company size.

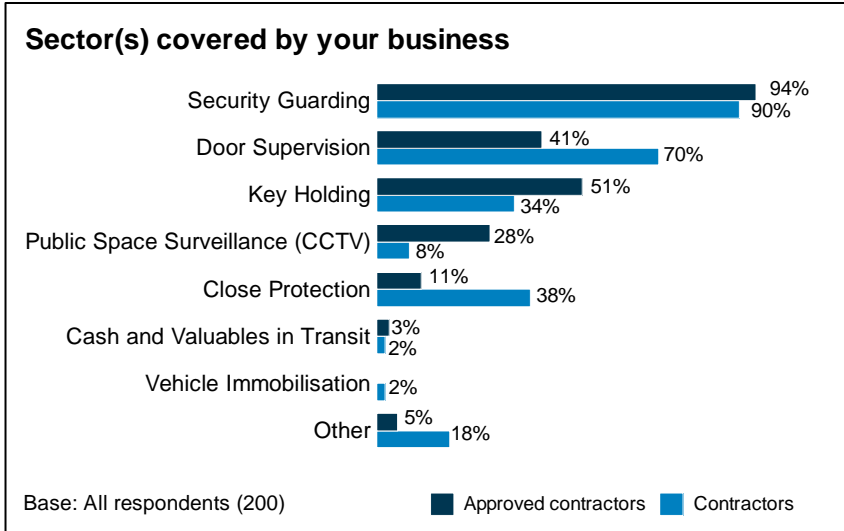
6.1.1 Type of organisation

Looking at overall responses, half (50%) were from approved suppliers, 33% were buyers and 17% were contractors. As such, results will be skewed towards the opinions of approved contractors and buyers when looking at results as a whole.



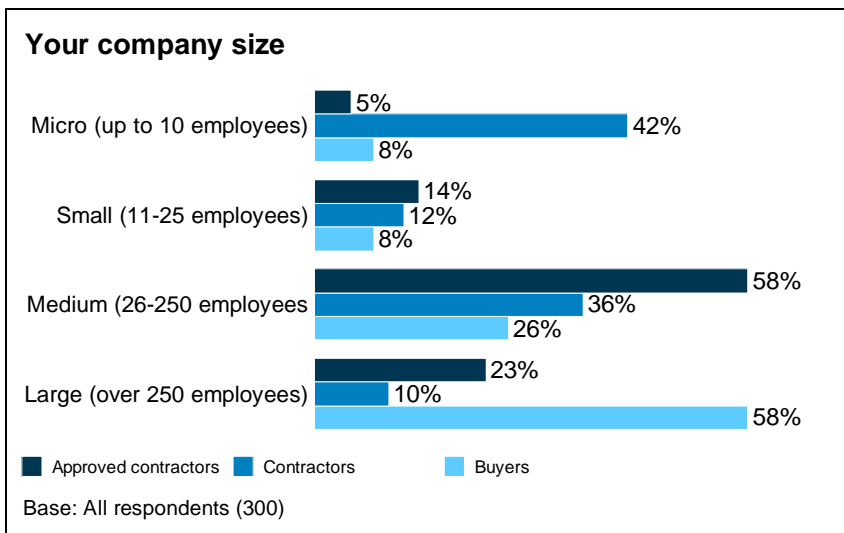
6.1.2 Sectors covered

All respondents were asked which sectors their business covered. Non-approved contractors were more likely than approved firms to cover the door supervision and close protection sectors, whereas approved contractors were more likely to cover the CCTV and key holding sectors.



6.1.3 Company size and type

When looking at company size; contractors were most likely be responding on behalf of a micro sized company, approved contractors on behalf of a medium firm, and buyers on behalf of a large firm.

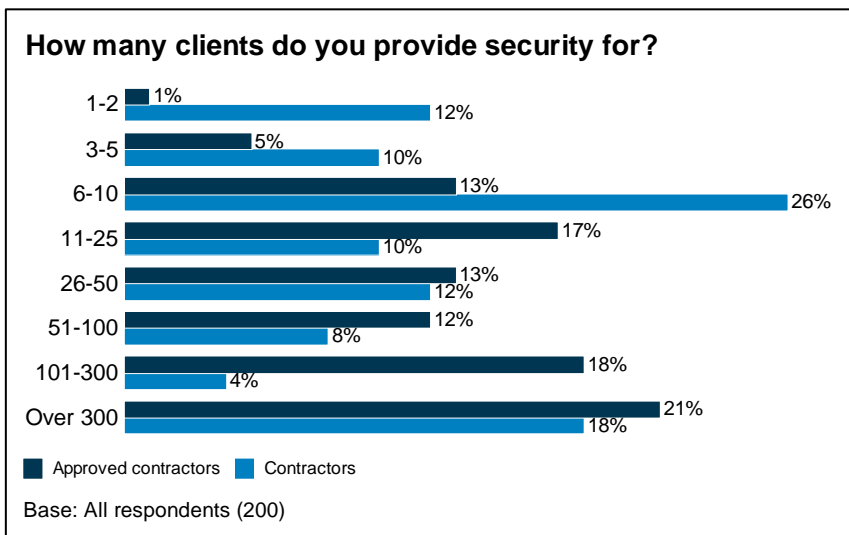


6.2 THE PRIVATE SECURITY INDUSTRY AND SECURITY PROVIDERS

This section looks at any questions appearing in multiple surveys that concern the private security industry as a whole, or the clients and providers within the industry.

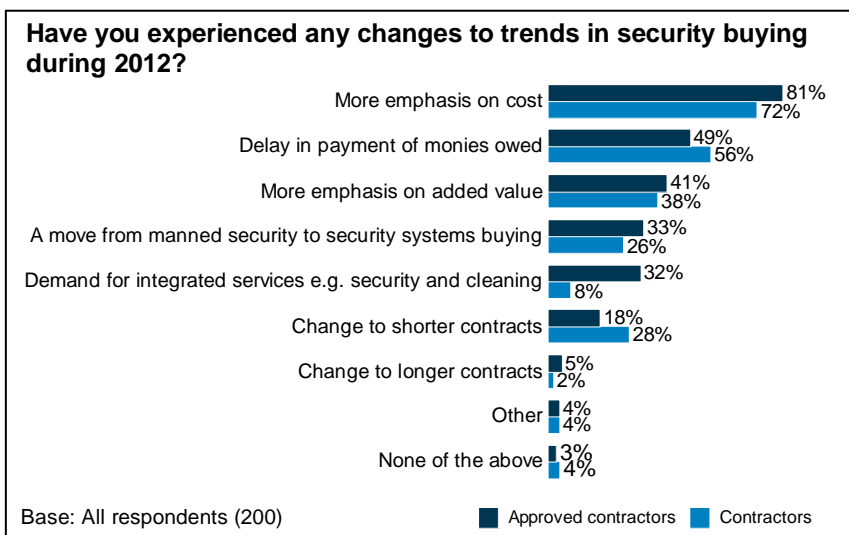
6.2.1 Number of clients

The number of clients that approved and non-approved contractors provide security for appears to vary, although as would be expected; large firms (both approved and non-approved) were more likely to provide security for larger numbers of clients.



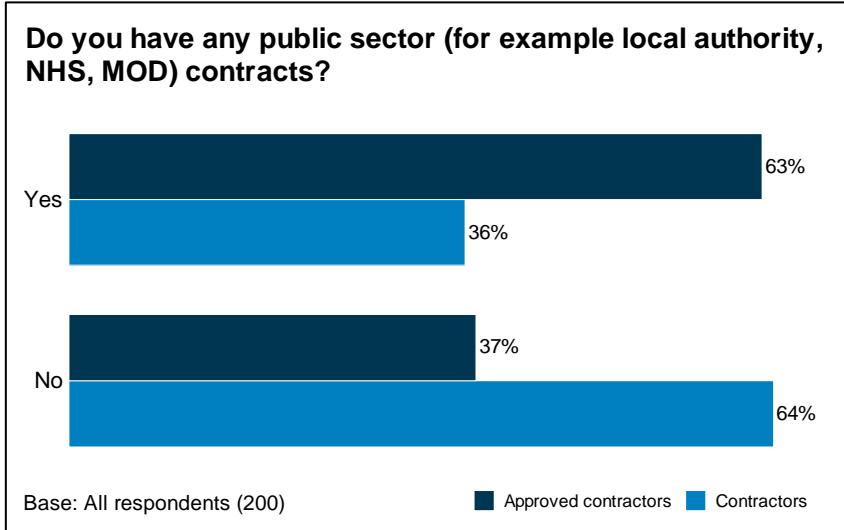
6.2.2 Trends in security buying

There was little difference between approved and non-approved contractors in terms of the trends that they had noticed in security buying in 2012. Both groups said that they'd seen an increased emphasis on cost, delays in payment, and more emphasis placed on added value.



6.2.3 Public sector contracts

Approved contractors were significantly more likely than other security contractors to hold public sector contracts (63% vs 36%), which may be indicative of the fact that public sector buyers are more likely to require their contractors to hold certain accreditations, including ACS.



6.2.4 Accreditations/certifications specified by clients

Approved contractors were more likely to say that their clients required them to hold certain accreditations, including ISO9001, SAFE Contractors, CHAS, BSIA and NSI gold. Non-approved contractors were significantly more likely to say that their clients didn't require them to hold any specific certifications or accreditations.

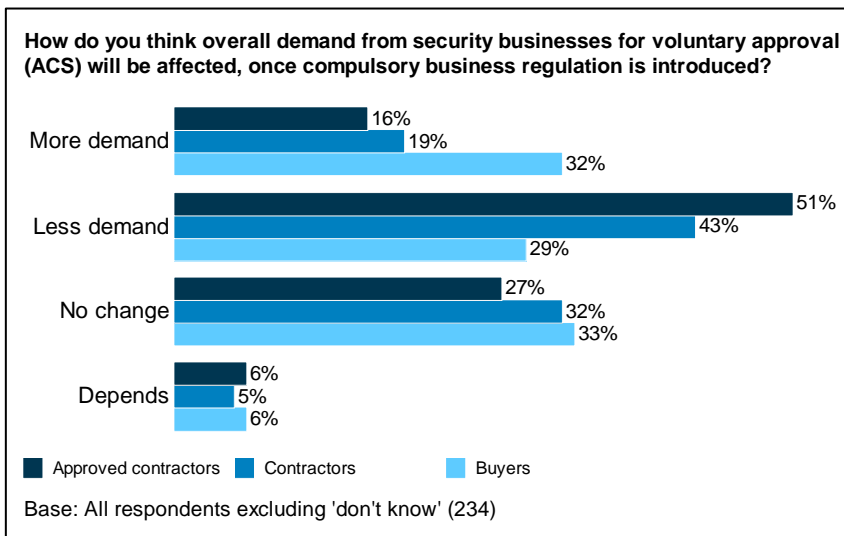


6.3 THE APPROVED CONTRACTOR SCHEME (ACS)

This section looks at questions appearing in multiple surveys, focussing on the ACS after the introduction of compulsory business regulation.

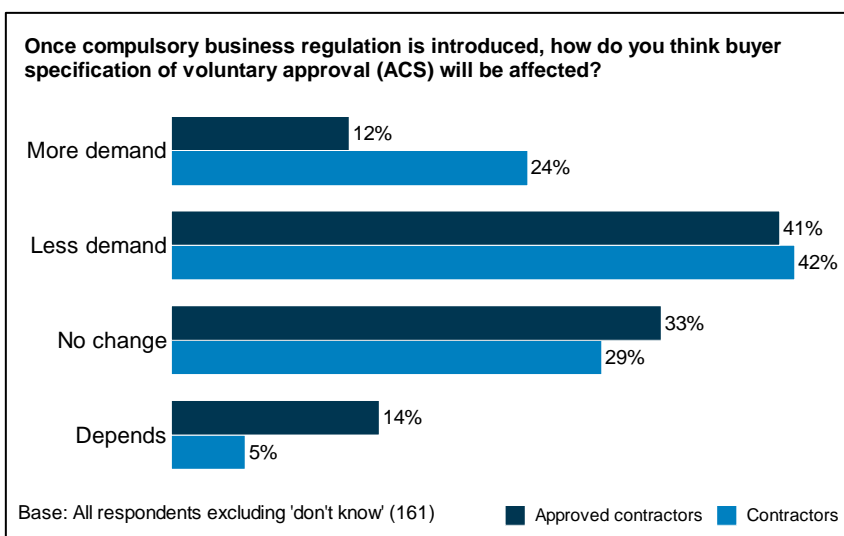
6.3.1 Effect of compulsory business regulation

Respondents were asked how they thought the overall demand for voluntary approval will be affected once compulsory business regulation is introduced. Buyers were the group most likely to expect industry demand for ACS to increase, whereas approved contractors were the most likely to feel that demand would decrease.



6.3.2 Buyer specification of voluntary approval

Contractors were asked how they think buyer specification of voluntary approval will be affected, once compulsory business regulation is introduced. Interestingly, non-approved contractors were more likely to expect an increase in demand than those who are already approved.



6.3.3 Main purpose

Contractors were asked what they thought the main purpose of voluntary approval should be, following the introduction of compulsory regulation. Approved and non-approved contractors were more likely than buyers to feel that the ACS should provide additional reassurance *and* show that minimum quality standards are met.

