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Mr Coulson

cc Mr Buxton
Mr Ford, DOE(NI)
Mr Hodges, DFP
Mr Hammond, HO
Mr G Hewitt
Mr Lyon, SIL (o/r)
Mr Stutt, DED
Miss Elliott, CPL
Mr Robinson, DFP
Mr Pope
Mr Kyle
Mr Brearley

M. Henfrey

CONTROLLING THE PRIVATE SECURITY INDUSTRY

We are now reasonably clear on how we would like to control the private security industry in Northern Ireland. I attach a paper setting out the proposal as a basis for further discussion with the RUC, the Home Office and Ministers. I should be grateful for any comments which recipients may have.

2. I will pass a copy to the Home Office, for information. I do not imagine that it will cause them any difficulty.
3. The next step is to send a copy to the police, who have not heard from us about this for some time. I attach a draft letter for you to send to David Mellor.
4. In view of Ministers' interest in this area I have suggested it as a topic for Mr Scott's NIO business session on 1 August and we might therefore circulate the paper to Ministers and senior officials at the beginning of next week. I will draft a suitable submission.

D J R Hill

D J R HILL
Law and Order Division

23 July 1985

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DRAFT FOR MR COULSON TO SEND TO:

D A Mellor Esq BA LLB
Assistant Chief Constable
RUC Headquarters
Knock Road
Belfast
BT5 6LE

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CONTROL OF THE PRIVATE SECURITY INDUSTRY IN NORTHERN IRELAND

David Cushley wrote to Richard Davies here on 27 June 1984 enclosing copies of the report drawn up by an RUC Working Party on the control of the private security industry.

The proposals in the report were not taken forward by the NIO Working Party on Further Measures to Curb Terrorism but we have not lost sight of the importance of the issues raised in the report and we have, in the intervals between other pressing business, discussed the implications with colleagues in the Northern Ireland Departments, with the Home Office and with representatives of the British Security Industry Association.

The results are encapsulated in the attached paper which seeks to identify a means of fulfilling the various criteria involved.

It would be very helpful to have your comments on the paper and on the conclusions towards which it tends. In particular I should be glad to have the RUC's views on the desirability of casting the legislation to enable the licensing system to catch those suspected of criminal (but non-paramilitary) motivation who had no criminal conviction. As you can see from the paper, we feel that this would be a difficult point to get through

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Parliament, so I hope you can tell us that this particular problem is of much lesser importance than the exploitation of the private security industry by those associated with paramilitary organisations.

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CONTROLLING THE PRIVATE SECURITY INDUSTRY IN NORTHERN IRELAND

This paper sets out a possible means of legislating to prevent paramilitary exploitation of the private security industry in Northern Ireland.

Background

2. The essential problem is that a number of private security firms are little more than 'fronts' for 'protection' rackets. In most such cases, the individuals concerned are associated with (mainly Loyalist) paramilitary organisations. Those individuals derive a living from this activity, which indirectly helps the paramilitary organisation concerned, and a percentage of the income may go directly to the organisation and may ultimately be spent on terrorist activity. There is reason to believe that the UDA, for example, receives directly about £50,000pa from private security companies.

3. This problem is very different from the problem faced in England and Wales some years ago when there was concern that some private security companies were providing an inefficient service and a Green Paper was produced on how standards might be improved and maintained. Ministers decided against regulation and a self-regulatory system has been created, with Government encouragement. This protects the public in that they know any company in, for example, the British Security Industry Association will observe certain basic standards, but allows them to choose a cheaper but perhaps less reliable company if they want to. Government Departments and agencies are encouraged to give security contracts to companies from one of the professional security associations and everyone seems reasonably happy.

4. A self-regulatory (and probably even an official regulatory) system would be unlikely to work or to be acceptable in Northern Ireland. It might not catch the paramilitary-related companies in that they might well be able to fulfil any prescribed conditions. And even if they did not, such companies - unless it was made an offence to offer private security services without meeting the necessary criteria - would be able to continue to intimidate

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people into paying them money to 'protect' their property. If such an offence was created it would probably drive small ordinary decent private security companies out of business and deprive the general public of the opportunity to choose a cheaper, albeit less reliable, company to do the job. The Government could probably keep its slate clean by requiring Departments and agencies to use only companies within any regulatory scheme, but it would confer little benefit on the general public.

5. At the moment the Government operates a "black list" system and requires Departments and agencies (and construction companies which are awarded Government contracts) to use only those security companies on a special list which has been agreed with the RUC and does not include any with paramilitary associations. This has no statutory force and has already been questioned by one company which is not on the list. A court case might cause us considerable difficulties though the legal advice received recently from the Attorney-General about grants to community groups gives some grounds for confidence.

6. One proposal which seems to meet the various criteria is that a licensing system should be set up to licence companies and individuals to offer private security services. The issue of a licence should not be dependent on whether the company / individual was competent, properly insured, sufficiently fit, etc, but on whether the grant of a licence "would have the effect of improving the standing and furthering the aims of a paramilitary organisation, whether directly or indirectly". (cf the Secretary of State's written Answer of 27 June on grants to community groups). It would then be an offence to offer private security services without a licence.

7. If this general approach is agreed, three issues arise which require further consideration:

- (a) should the grounds for withholding a licence be widened to included ordinary criminal motivation;
- (b) should the licensing authority be the Secretary of State or the RUC;
- (c) should there be any judicial review or other appeal procedure; and

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(d) what type of legislation would be required?

8. These issues are interrelated and the crucial question is perhaps 7(a) above. If the power to withhold a licence is limited to the company's/individual's involvement with a paramilitary organisation (not necessarily a proscribed organisation) it would be best to make the Secretary of State the licensing authority; it would be necessary to protect his decisions from judicial review; and such powers could only be given by Westminster Bill (and most conveniently as part of the amendment of the EPA).

9. Extending this to allow the Secretary of State to deny licences to companies or individuals believed to have (non-terrorist) criminal motivation could attract substantial criticism. It ought, however, to be possible to empower the Secretary of State to deny licences on the basis of former criminal convictions (subject to the provisions of the Rehabilitation of Offenders Legislation).

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