

Contribution to the Integrated Review– A SCEGⁱ Paper

Harnessing the capabilities of the Private Security Sector is essential if the UK is to find the ‘means’ to meet its strategic objectives.

‘Contributing to strategic reach and prosperity – it was observed that the UK’s private security sector represented an untapped source of international influence and defence and security capability which should be used to augment the over-stretched Armed Forces. The benefits of exploiting this capacity need not be confined to the MoD and its chosen partners, but would include the ‘soft power’ and influence agenda of both the Foreign and Commonwealth Office and Department for International Development and, by bringing business from abroad to British or British-based companies, have wider income and tax benefits to service the nation’s prosperity agenda’ⁱⁱ

The Integrated Review provides an opportunity for government to leverage the private security sector to achieve its strategic objectives. In the context of COVID 19, decreasing investment, remote operations and shrinking government reach, there is a real risk that hard and soft power will be degraded at a time when post EU membership the government must deliver on its strategic objectives. The private security sector provides a spectrum of security and risk solutions which should be leveraged to support and promote UK interests abroad. The Integrated Review will reject any notion of shrinkage of the UK’s influence, despite significant reductions in the resources available to the MOD and the FCDO budgets; this risks a strategic deficit. The private sector can help manage this risk by providing skills and capacity that will complement and enhance government capabilities.

The private security sector has developed significantly over the past decade and now provides a spectrum of security solutions for a broad range of clients operating in complex environments, especially where the rule of law is weak. The clients of Private Security Companiesⁱⁱⁱ (PSCs) include governments, the UN, global blue-chip companies and NGOs. The UK leads the market in the provision of risk and security services, but the government has not taken full advantage of this dynamic sector. Whilst the US DoD regards the sector as a force multiplier the UK MOD views it with suspicion. Yet the oversight of the sector by independent UK government-accredited assessment bodies, and reputable industry-wide organisations, assures standards and trust in the work of established, accredited security and risk firms.

The global reach and capabilities of private security companies has grown exponentially but the resource remains untapped by the UK Government. These companies are global businesses servicing substantial security and risk contracts with governments, the UN, blue-chip companies and NGOs, routinely utilising the skills of former UK service personnel. They are running complex multi-faceted operations often in remote and hostile environments. They conduct 24-hour operations and have the ability to deliver timely strategic and tactical reporting for government. They are adept at working with governments to deliver regional outcomes often vetting, training and improving local security manpower. They have an

invaluable array of high-level contacts and sources. Often being one of the few Western-aligned institutions in-country, and thus have difficult-to-match reach and insights to ground-truth. The sector provides services to other G7 nations including the US and Japan.

The UK leads the market for the provision of quality assured security and risk services but the full extent of the capabilities of UK companies is not widely known in Whitehall. The scale and reach of two companies provides a snapshot of the impressive capability that the UK government could and should leverage.

Company A is the largest privately owned security company with a global footprint and over 102,000 employees and contractors, delivering services to over 35,000 clients with offices in over 45 countries, including in many high risk/complex operating locations such as Iraq, Afghanistan, Haiti, Libya, Nigeria, Somalia and across East Africa.

Company B is a maritime security company operating in the Indian Ocean, Gulf of Aden, Arabian Sea, Red Sea and Gulf of Guinea and owns and charters 28 vessels with 18 transfer boats and over 450 marine personnel and crew. The company provides protection to over 180 ships from the global fleet every day.

Within the sector the roles of man-guarding of infrastructure and close protection for people endure but increasingly companies are offering a wider range of services including risk mitigation, risk consultancy, intelligence assessments, due diligence and stakeholder mapping, crisis management, cyber threat analysis, EOD clearance, capacity building, training and equipping missions. The larger PSCs could play a significant role in stability, post-conflict and capacity building. These capabilities should be leveraged to enable the government to resource its strategic objectives.

In the new norm, the security sector should be viewed as a key enabler supporting multinational, multi-stakeholder initiatives to tackle post-COVID fragility and instability encompassing governments, industry and humanitarian organisations to help develop a coherent governance framework that supports stabilisation. As COVID disruption continues to play out over the coming years, the established presence overseas of PSC staff in over 80 countries can provide UK government with an agile capability which can act at short notice, comparatively unaffected by the limitations placed by new-normal air travel. Ground-truth on the effects and foreign government policies overseas will be at a premium, and PSCs are a key source of accurate reporting, especially in developing countries.

The scale of the UK private security footprint is vast and underutilised by the UK government. The UK MoD and the wider intelligence community should see PSCs as a core part of the security structures across the world and especially in the unstable and conflict torn states where insurgents learn their tradecraft and from where they attack the UK and allies. Security and risk companies have people deployed in multiple jurisdictions and states providing a rich source and invaluable source of ground truth. The capabilities of PSCs can also be complementary to those of UK government, adding follow-up or additional skills that may fall below the threshold of a UK MoD deployment, but which are essential to maintain standards and focus, such as non-military basic training, analysis and security of sites. PSCs also bring a high degree of Value for Money to these tasks as their work is time-bound and there are no continuing funding, pension or employment obligations from the moment the task is completed.

The proposal that government should leverage the private security sector is not novel or contentious. The sector for many years has provided security to British diplomatic missions, DFID projects and UK ships transiting the Indian Ocean and contractors for deployed MOD operations. Companies have considerable experience in assessing and managing security and ‘duty of care’ risks in a variety of settings and have done so in support of a multitude of government programmes. The process whereby PSCs provide protection to deployed government missions abroad in complex environments is well established. The FCO is the lead department for the provision of this commercial ‘security platform’ and their procurement processes follow Government guidelines. All of this procurement activity is recognised as routine with appropriate checks and balances in place to reassure government ministers and provide value for the taxpayer.

In the last decade, the private security industry has worked to develop and implement standards and regulations, and to operate in a transparent and accountable manner with human rights at the heart of their business models. The UK sector has worked effectively with the UK Government and international bodies over the last 10 years to achieve a regulatory framework for private security that meets the requirements of the UK Government’s Action Plan on Business and Human Rights to implement the UN Guiding Principles on Business and Human Rights. More specifically, the regulatory framework for the private security sector includes both third-party audit and certification, and international monitoring of and reporting on the activities of the sector and its constituent companies. In addition to these industry-specific standards, UK PSCs are fully compliant with the law and adhere to legal requirements such as the UK Bribery Act, the UK Counter Terrorism and Security Act and the Modern Slavery Act. Most companies are members of the International Code of Conduct Association (ICoCA) which promotes, governs and oversees the implementation of the International Code of Conduct and promotes the responsible provision of private security services. In short UK PSCs operating successfully in the security sector today are well regulated responsible companies with whom the government can with confidence do business. Liability issues can be dealt with by appropriate insurance coverages.

Critical to this work was the decision in 2011 of the UK Government after a competitive tender to appoint the Security in Complex Environment Group (SCEG) through ADS, as its partner for the development and adoption of standards for the UK private security industry. This created a unique construct whereby an industry body was trusted by the UK Government to be both a responsible partner in leading the adoption of standards of the sector, and a contributor to the development of policy. SCEG acts as the de facto channel for HMG to access the UK security sector, and SCEG represents the sector in a non-partisan manner, acting even-handedly to its membership. Officials from the FCO, Home Office, Department of Transport and Department for International Trade routinely attend SCEG. The SCEG would wish to see the MOD being similarly engaged to develop the opportunities for a constructive relationship across the wider security and defence sector.

Foreign direct investment in areas emerging from conflict is often key to stabilisation. The US recognised this in both Iraq and Afghanistan with the establishment of the Task Force for Business and Stability Operations (TFBSO). International companies who take the step into these complex environments often rely on a private security solution to mitigate their risk. There is an opportunity for the UK Government to promote and underpin the success of companies venturing into new challenging environments.

British PSCs make a significant contribution to the UK's export market through the provision of services and their professionalism and expertise in supporting relief, recovery, reconstruction efforts and commercial business operations. In addition to providing direct revenue and employment benefits to the UK economy, PSCs enable clients to operate and win contracts in complex environments. DIT recognises the substantial and growing contribution of this sector to UK exports, and hence the UK economy, and is working closely with SCEG to exploit future export opportunities. British PSCs wish to build on this and to work more closely with the MOD to develop a mutual understanding of the potential opportunities for outsourcing.

The private security sector can also potentially provide a leadership role in the protection of human rights through standards. Other sectors including the voluntary sector can learn from the PSC approach to standards and human rights. The FCDO will likely undertake a review on sexual exploitation in the aid sector. Establishment of the department is an opportunity to help them develop better processes, procedures and culturally both internally and in the aid sector.

In the specific context of the potential use of PSCs by the MOD the US experience is helpful. The DOD have considerable experience of contracting with the private sector to deliver capabilities such as intelligence assessments; the provision of layered static security to protect operating bases; the conduct of de-mining and general EOD tasks; the delivery of capacity building; and training and equipping missions. The MOD has been reluctant in the past to leverage the capabilities offered by responsible security companies – there is cultural resistance that risks treating the sector with suspicion based on legacy perceptions from the early days in Iraq and Afghanistan. These perceptions do not reflect the transformation of the sector in the past decade. There is a pressing need to identify clearly what the barriers are, so that the PSC community could work with UK government to address and remove them. The Integrated Review provides a real opportunity for defence planners to exercise strategic vision to leverage the sector to enhance the UK's global impact.

Governments have increasingly outsourced to the private sector activities that do not need to be undertaken by the military; there is scope now to do significantly more and thereby focus scarce military capability on operational activities that are the prerogative of states, not traditionally those of Private Security Companies. Companies are already involved in some capacity building and a wide range of risk managing and complementary activities in training, mentoring and support. This trend will continue and will be of real and direct benefit to the UK's ability to influence the security and defence environment around the globe post EU membership.

ⁱ The Security in Complex Environment Group (SCEG) is a specialist interest group working in partnership with the UK Government to develop and promote standards for the UK private security sector.

ⁱⁱ Ares Athena on the private security sector and defence engagement published December 2017

ⁱⁱⁱ Private Security Companies (PSCs) for the purposes of this paper include security, risk and maritime security companies.