

Paul Evans
Chair
S12 Security Guarding Leadership Group

27 May 2026

Dear Paul

Re: ACS Annual Registration Fee Increase

Thank you for your feedback from the S12 Security Guarding Leadership Group about the increase to the Approved Contractor Scheme (ACS) annual registration fees and setting out the feedback from your webinar and survey.

The SIA values the relationship we have as regulator with the industry and its leaders. They have an important role to play as critical partners in both delivering services that protect the public and driving improved quality and standards. We do not take their work nor the constructive collaboration we have with the industry for granted.

With that in mind I thought it would be helpful to share some context around this and explain why we had no choice on this occasion. You have rightly recognised that the ACS registration fee is a statutory charge reviewed in accordance with HM Treasury's Managing Public Money principles, and that fees must recover the full cost of delivering the SIA's statutory functions.

Over the years, we have made significant efforts to keep our statutory fees down and balance the need to ensure that the regulator is appropriately resourced to deliver its statutory responsibilities properly and effectively. We have maintained this more recently through a series of efficiency savings and increased productivity pending the launch of the new Business Approval Scheme (BAS). We kept the cost to individuals applying for a SIA licence at the same statutory fee of £204 when the temporary £20 rebate subsidy scheme ended on 31 March 2026.

At the same time, we have introduced greater scrutiny, checks and controls to preserve the status integrity of those in the ACS scheme and remove those who do not adhere to standards.

In the most recent annual fee review by the SIA Board, the level of fee recovery for the ACS scheme was below the acceptable tolerance, and lower than for individual licensing. The tolerance was also set to continue to fall over the next 3 years. In an ideal world, we would have preferred to have waited to completely reset the fee structure with the implementation of the new Business Approval Scheme.

We have been careful about the degree of tolerance in terms of cost recovery for the ACS. However, we had reached a level that was no longer feasible or permitted.

We have maintained the ACS application fee at the same level, but the yearly registration fees have had to rise to ensure we fully recover the costs of running the ACS. To have waited another year keeping the fees at the same level was not possible and grossly unfair to the individual licence holders.

In terms of the process, implementing any statutory fee change involves HM Treasury sign off and Home Office approval through the laying of a statutory instrument. It is not a process of consultation.

As soon as Home Office approval took place, we communicated the change. We had indicated the fees would be rising in various group stakeholder meetings including with the regular larger businesses over the last 6 months. I appreciate we could not share exactly by how much.

We are conscious this has affected the very largest firms the most sharply and sizably. This is because the current ACS fee structure sets the registration fee and increases proportionately according to the size of firm through the number of licensed staff employed. This seeks to protect the smallest and medium sized firms, with some due to pay as little as a £20 increase.

The largest thirty five ACS registered private security companies in the UK report annual UK turnovers ranging from £1.179 billion to £30+million¹. They, employ collectively over 100,000 licensed operatives, and would pay an extra c£1m in total.

The fee increases in cash terms are relatively modest for many small and medium sized companies based on their last annual return data submitted to us. The one hundred smallest businesses in the ACS, declaring a total employment of 494 operatives, will pay a combined additional £4,940 in total, between them.

Thank you for sharing the insights from the webinar and survey conducted by the S12 on this matter and your recommendations, addressed below:

- **Phasing or delaying the fee increase, potentially based on company size or Sector** - A phased implementation period over years for the most recent rise is not possible, nor can we delay it; the requirement is to ensure costs are met now this current year. The changes will come into effect from 1 June and are payable when the company's annual registration is due for renewal, which ever month that is- this is different for different companies over the year, with over 100 firms not due until March 2027, and 40% of ACS companies will not have to pay the higher fee for at least six months.
- **Providing clearer justification and transparency on how the increased fees will enhance regulatory outcomes and public protection** –The fee increase has been made to recover the costs of the existing ACS scheme and

¹ Infologue Top 100 Security Companies 2025

its services, including the recent changes to make the scheme more rigorous, the joint working with HMRC, and stricter compliance monitoring and operational standards.

- **Strengthening communication to the market, particularly to buyers of security services, to ensure the value of ACS is better understood** – We agree – both for ACS and BAS. You are aware of the work of the SIA's Buyers Special Interest Group, co-chaired by two members of the industry. It is vital that buyers as well as the public understand the value and meaning of both ACS now and in the future, the new standards in the SIA's business approval scheme. The work on the forthcoming "buyer's charter" by the SIG is one element of this. We are committed to, together with the industry itself, and the Home Office, promoting the importance of security being purchased on the basis of service, value and quality rather than simply lowest cost, as well as encouraging them to prioritise suppliers who are part of the SIA approval scheme.
- **Reviewing the ACS framework, working in partnership with industry to ensure it delivers measurable quality, credibility, and value** - Extensive early engagement and consultation is in train about the new BAS scheme (the S12 has been part of this) and this will continue, going forward, as the scheme develops further. There will also be a public consultation shortly on the design and terms of the scheme.
- **Establishing structured engagement mechanisms with S12, industry stakeholders, and trade associations for future policy changes** – Costs and fees are dictated by the rules of the scheme. We will aim to give as much notice as possible about any necessary future changes, where this is in our control. We have publicly committed already to a transition period between the two schemes, and the BAS team is carefully mapping this. We will continue our engagement with the industry and members of the S12 workstream on this. We would encourage them and other security industry members to participate in our BAS focus groups and webinars, and of course reply to our forthcoming consultation.

We look forward to continuing our organisation's dialogue with the S12 Security Guarding Leadership Group. I and/or my senior team leading on the fee changes and the new business approval scheme are more than happy to discuss further.

Yours sincerely,



Michelle Russell,
Chief Executive
Security Industry Authority