



The Prevention of Labour Exploitation in the UK Security Industry – Guidance

S12 Labour Exploitation Workstream

Sept 2026 – Final

Incorporating enforcement, definitions, procurement accountability, governance, and the Employment Rights Act 2025 / Fair Work Agency legislative landscape

Foreword

The S12 Labour Exploitation Guidance Document establishes a sector-wide foundation to ensuring that every worker within the security industry is treated lawfully, fairly, safely and with dignity. The guidance document provides practical direction on how those commitments should be implemented, evidenced, monitored, and continuously improved. Labour exploitation remains one of the most significant risks facing the security industry. Whilst many employers operate to high standards, exploitation continues to occur through unlawful recruitment practices, false self-employment, payroll abuse, excessive working hours, underpayment, supply-chain opacity, and other unethical practices.

This S12 Labour Exploitation Guidance Document is intended to help organisations translate the Charter's principles into day-to-day operational controls and measurable outcomes.

The S12 Labour Exploitation Charter sets out the principles and commitments expected of signatories. The guidance is intended to help organisations translate the Charter's principles into day-to-day operational controls and measurable outcomes.

Currency of This Document

This guidance document should be regarded as a living document. It will be reviewed at least annually, and more frequently where significant changes to legislation, regulation, or industry standards affect the UK security sector. Updates will be made to ensure the guidance remains aligned with the latest version of the guidance and continues to reflect current best practice in the prevention of labour exploitation, the promotion of ethical employment, and compliance with relevant legal and regulatory requirements.



Security Guarding Leadership Group

Table of Contents

Section 1: Purpose of This Document	3
Section 2: Scope	4
Section 3: Legal and Regulatory Framework	6
Section 4: The Employment Rights Act 2025 and the Fair Work Agency	13
Section 5: The Evolving Legislative Landscape (2025-2027)	17
Section 6: Understanding Labour Exploitation and Labour Abuse	19
Section 7: Leadership and Governance	22
Section 8: Ethical Recruitment	23
Section 9: Employment Status, PAYE Compliance and Lawful Engagement	25
Section 10: Fair Pay, Reward and Conditions of Employment	28
Section 11: Working Time, Fatigue Management and Worker Welfare	30
Section 12: Worker Voice, Reporting and Whistleblowing	31
Section 13: Supply Chain Responsibility and Labour Provider Assurance	33
Section 14: Responsible Procurement and Client Accountability	35
Section 15: Charge Rates, Cost Transparency and Labour Cost Assurance	37
Section 16: Performance Measurement and Reporting	39
Section 17: Reporting Concerns	40
Section 18: Addressing Non-Compliance	42
Section 19: Continuous Improvement and Industry Collaboration	43
Section 20: Labour Exploitation Risk Assessment	44
Section 21: Data Sharing, Intelligence and Regulatory Cooperation	45

Section 1: Purpose of This Document

1.1 Introduction

The UK Security Industry Guidance for the Prevention of Labour Exploitation establishes a shared commitment across the security sector to eliminate practices that undermine worker welfare, public confidence, and responsible business conduct.

The Guidance recognises that labour exploitation can take many forms, ranging from serious criminal offences such as modern slavery and human trafficking through to more common but equally harmful practices including wage underpayment, excessive working hours, false self-employment, unlawful deductions, opaque payroll arrangements, recruitment malpractice, and abuse within subcontracting and labour supply chains.

This guidance document bridges a gap by providing practical advice, implementation expectations, examples of good practice and evidence requirements that organisations can use to demonstrate compliance.

The purpose of this guidance is therefore to:

- Assist organisations in embedding ethical labour standards into their operations.
- Encourage a preventative rather than reactive approach to labour exploitation.
- Establish a common framework for governance, assurance, and continuous improvement.
- Promote transparency, accountability, and worker welfare across the security labour market.
- Provide clarity for clients, contractors, labour providers, and workers regarding expected standards.
- Support organisations preparing for self-assessment, audit, and verification processes.

This guidance is not intended to create new legal obligations. Rather, it provides a framework through which organisations can demonstrate compliance with existing legislation whilst striving to achieve higher standards of ethical employment and workforce management.

1.2 Why This Guidance Matters

The security industry occupies a unique position within the UK economy.

Security officers are responsible for protecting:

- Critical national infrastructure.
- Public spaces.
- Transport networks.
- Corporate premises.
- Retail environments.
- Events and entertainment venues.
- Healthcare facilities.
- Educational establishments.

The effectiveness of these services depends upon the professionalism, competence and wellbeing of the workforce delivering them.

Where labour exploitation exists, the consequences are not limited to workers alone. Exploitation can compromise:

- Public safety.
- Security effectiveness.
- Regulatory compliance.
- Client confidence.
- Industry reputation.
- Workforce retention.
- Recruitment standards.

For this reason, labour exploitation should be viewed not only as an employment issue but also as a security risk.

1.3 Intended Audience

This document is intended for:

- Security Service Providers
- Companies delivering security services directly to clients.
- Labour Providers
- Businesses supplying security personnel to other organisations.
- Employment Agencies
- Recruitment businesses sourcing temporary or permanent security personnel.
- Security Buyers
- Public and private sector organisations procuring security services.
- Subcontractors
- Organisations engaged to deliver specialist or supplementary security services.
- Compliance Professionals
- Individuals responsible for legal compliance, ethical employment, and workforce standards.
- Auditors and Assessors
- Workers and Worker Representatives
- Individuals seeking to understand the expectations placed upon Charter signatories.

1.4 Guiding Principles

This guidance should be applied in accordance with the following principles:

Principle 1: Human Dignity and Respect

- We will treat all workers fairly and with respect regardless of nationality, race, ethnicity, religion, gender, age, disability, sexual orientation, or employment status.

Principle 2: Zero Tolerance of Exploitation

- We will not tolerate modern slavery; human trafficking; forced labour; debt bondage; coercion or intimidation; wage theft; unlawful deductions; retention of personal identity documents; retaliation against workers who raise concerns; cash-in-hand / off-payroll payment of front-line officers; forced or false self-employment; and deliberate phoenixing to avoid PAYE, VAT, pension and wage liabilities.

Principle 3: Fair Work

- We will promote employment practices that provide fair wages, safe working conditions, reasonable working hours, transparent employment terms, access to training and development, and equal opportunities for progression.

Principle 4: Accountability

- We accept responsibility for identifying, preventing, and addressing labour exploitation risks within our organisations and throughout our supply chains, and we accept that this responsibility is subject to assurance as set out in this guidance.

Section 2: Scope

2.1 Sector Coverage

The guidance applies to all parts of the private security industry.

This includes but is not limited to:

- Static guarding.
- Mobile patrol services.
- Key holding.
- Alarm response.

- Event security.
- Door supervision.
- CCTV operations.
- Close protection.
- Cash and valuables in transit.
- Specialist K9 services.
- Control room operations.
- Security support functions.

The principles should be applied regardless of organisational size.

2.2 Workforce Coverage

The guidance applies to all individuals performing work within signatory organisations, including:

Employees

- Individuals employed directly under contracts of employment.

Workers

- Individuals engaged under worker contracts or casual arrangements.

Agency Personnel

- Individuals supplied by temporary staffing businesses.

Labour Provider Personnel

- Workers supplied through labour providers or master vendor arrangements.

Apprentices

- Individuals participating in approved apprenticeship programmes.

Overseas Workers

- Individuals recruited from outside the United Kingdom.

Temporary Personnel

- Staff engaged for seasonal, event-based or short-term assignments.

2.3 Supply Chain Coverage

Many labour exploitation risks emerge within labour supply chains rather than within direct employment relationships.

Accordingly, companies should apply guidance principles throughout their supply networks.

This includes:

- Recruitment agencies.
- Labour providers.
- Umbrella companies.
- Payroll intermediaries.
- Subcontractors.
- Managed service providers.
- Master vendor arrangements.

Companies should not assume that compliance can be delegated.

The responsibility to identify and manage exploitation risks remains with the organisation procuring and benefiting from the labour provided.

2.4 Geographical Scope

The guidance applies across the United Kingdom.

Where overseas recruitment occurs, organisations should ensure that recruitment practices remain consistent with:

- UK employment law.
- The Employer Pays Principle.
- Ethical recruitment standards.
- Anti-trafficking requirements.
- Modern slavery legislation.

International supply chains should receive enhanced due diligence where exploitation risks may be elevated.

Section 3: Legal and Regulatory Framework

3.1 Purpose

The UK Security Industry Guidance is not intended to replace legislation, regulatory requirements, or recognised industry standards.

Rather, the Guidance provides a framework through which organisations can demonstrate their commitment to operating lawfully, ethically, and responsibly.

This guidance explains the principal legislation, regulatory requirements and industry standards that should be considered when developing policies, procedures, and assurance activities.

Compliance with the guidance does not in itself constitute legal compliance. Signatories remain responsible for understanding and complying with all applicable laws and regulations.

Where the requirements of legislation exceed those contained within this guidance, the legislative requirement shall always take precedence.

Equally, where this guidance promotes standards that exceed minimum legislative requirements, signatories are encouraged to adopt those higher standards wherever reasonably practicable.

3.2 Legal Compliance Principles

Signatories should ensure that legal compliance is embedded throughout their organisation and supply chain.

This should include:

- Understanding relevant legislation.
- Monitoring legislative developments.
- Maintaining appropriate policies and procedures.
- Providing management and workforce training.
- Conducting compliance audits.
- Maintaining accurate records.
- Investigating breaches promptly.
- Cooperating with regulators and enforcement agencies where required.

Legal compliance should not be viewed as a standalone compliance exercise but as an integral component of good governance and ethical business conduct.

3.3 Modern Slavery Act 2015

The Modern Slavery Act 2015 provides the UK's primary legislative framework for tackling slavery, servitude, forced labour, and human trafficking.

The Act is particularly relevant to the security industry because security personnel often work within environments where indicators of exploitation may be encountered.

Guidance Expectations

Organisations should:

- Maintain anti-modern slavery policies.
- Conduct periodic risk assessments.
- Train staff to recognise exploitation indicators.
- Establish reporting procedures.
- Conduct appropriate supply chain due diligence.
- Cooperate with law enforcement investigations where required.

Where organisations meet the threshold for transparency in supply chain reporting, modern slavery statements should be reviewed and updated regularly.

Evidence Requirements

Examples include:

- Modern slavery policies.
- Risk assessments.
- Training records.
- Supply chain audits.
- Modern slavery statements.
- Investigation reports.

3.4 Employment Rights Act 1996 and Employment Rights Act 2025

Employment legislation establishes fundamental workplace rights including:

- Written particulars of employment.
- Protection from unlawful deductions.
- Family-related rights.
- Protection from unfair treatment.
- Whistleblowing protections.
- Trade union rights.

Recent legislative reforms have significantly strengthened employment protections and increased enforcement powers.

Guidance Expectations

Organisations should ensure:

- Employment contracts are issued promptly.
- Workers understand their employment status.
- Wage deductions are lawful.
- Workforce policies remain current.
- Managers understand employment obligations.

Employment arrangements should be transparent and capable of withstanding independent scrutiny.

Evidence Requirements

Examples include:

- Employment contracts.
- HR policies.
- Payroll records.
- Grievance records.
- Management training records.

3.5 National Minimum Wage Act 1998

The National Minimum Wage framework establishes minimum lawful rates of pay.

Non-compliance remains one of the most common labour market enforcement issues identified within labour-intensive sectors.

Particular risks within security include:

- Uniform deductions.
- Licence fee recovery arrangements.
- Unpaid training.
- Unpaid travel time.
- Working time miscalculations.

Guidance Expectations

Organisations should:

- Review pay rates annually.
- Conduct payroll audits.
- Investigate underpayment allegations.
- Verify compliance throughout labour supply chains.

Pay calculations should accurately reflect all hours worked.

Evidence Requirements

Examples include:

- Payroll reports.
- Payslips.
- Time and attendance records.
- Wage audit reports.

3.6 Working Time Regulations 1998

The Working Time Regulations establish minimum standards designed to protect worker welfare and safety.

Within the security industry, excessive working hours remain a significant risk area due to:

- Twenty-four-hour operations.
- Labour shortages.
- Overtime dependency.
- Event-driven demand fluctuations.

Guidance Expectations

Organisations should:

- Monitor working hours.
- Maintain accurate records.
- Assess fatigue risks.
- Provide appropriate rest periods.
- Intervene where excessive working patterns are identified.

Working time compliance should be treated as both a welfare issue and a security risk management issue.

Evidence Requirements

Examples include:

- Rosters.
- Timesheets.
- Fatigue assessments.
- Holiday records.
- Overtime reports.

3.7 Health and Safety at Work etc. Act 1974

Employers have a duty to protect the health, safety, and welfare of workers.

Labour exploitation can often create health and safety risks through:

- Fatigue.
- Excessive working hours.
- Poor training.
- Inadequate supervision.
- Unsafe deployment practices.

Guidance Expectations

Organisations should consider labour exploitation prevention as part of their wider health and safety management systems.

Risk assessments should include workforce welfare considerations.

Evidence Requirements

Examples include:

- Risk assessments.
- Welfare procedures.
- Training records.
- Incident reports.
- Fatigue management policies.

3.8 Equality Act 2010 and Worker Protection Act 2023

The Equality Act protects individuals from discrimination, harassment, and victimisation.

The Worker Protection Act 2023 strengthens employer responsibilities relating to sexual harassment prevention.

Guidance Expectations

Organisations should:

- Promote inclusive workplaces.
- Investigate discrimination complaints.
- Prevent harassment.
- Support vulnerable workers.
- Provide appropriate reporting mechanisms.

Employers should actively create workplace cultures founded on dignity and respect.

Evidence Requirements

Examples include:

- Equality policies.
- Diversity training.
- Investigation records.
- Culture surveys.
- Harassment prevention procedures.

3.9 Immigration Compliance

Employers must take steps to prevent illegal working and ensure immigration requirements are met. Failure to conduct proper right-to-work checks can expose organisations to significant legal, financial, and reputational risks.

Guidance Expectations

Organisations should:

- Conduct documented right-to-work checks.
- Maintain records.
- Apply checks consistently.
- Train managers.
- Monitor compliance within labour supply chains.

Checks should be conducted lawfully and without discrimination.

Evidence Requirements

Examples include:

- Right-to-work records.
- Recruitment files.
- Immigration compliance audits.
- Manager training records.

3.10 Private Security Industry Act 2001 and Security Industry Authority Requirements

The SIA regulates significant elements of the private security industry. Many security roles require individuals to hold valid SIA licences before undertaking licensable activities.

Guidance Expectations

Signatories should:

- Verify licences before deployment.
- Monitor licence expiry dates.
- Prevent unlicensed working.
- Support regulatory investigations where required.

The guidance regards licensing compliance as a minimum standard rather than a measure of exemplary practice.

Evidence Requirements

Examples include:

- Licence checks.
- Deployment records.
- Compliance audits.
- Training records.

3.11 Terrorism (Protection of Premises) Act 2025 ("Martyn's Law")

The Act introduces enhanced requirements relating to public protection and preparedness within qualifying premises and events.

Security personnel may play an essential role in implementing security measures required under the legislation.

Guidance Expectations

- Organisations should ensure workers receive appropriate training and support to fulfil responsibilities arising from the legislation.
- Relevant procedures should be integrated into operational planning and workforce development activities.

Evidence Requirements

Examples include:

- Training records.
- Exercise reports.
- Operational procedures.
- Emergency planning documentation.

3.12 Trade Union and Collective Bargaining Legislation

Worker representation can provide an important safeguard against labour exploitation.

Trade unions can support:

- Worker voice.
- Collective bargaining.
- Workplace consultation.
- Issue escalation.

Guidance Expectations

Organisations should:

- Respect workers' rights to join trade unions.
- Engage constructively with recognised representatives.
- Avoid actions that undermine lawful representation.
- Promote meaningful workforce consultation.

Evidence Requirements

Examples include:

- Recognition agreements.
- Consultation records.
- Workforce communications.
- Collective bargaining documentation.

3.13 Industry Standards and Good Practice Requirements

BS 7858 Security Screening

BS 7858 establishes recognised standards for screening individuals employed within the security sector.

The Guidance expects organisations to:

- Verify identity and employment history.
- Conduct appropriate background checks.
- Maintain recruitment records.
- Ensure recruitment decisions are auditable.

Recruitment interviews should be documented, structured and capable of independent review.

BS 7499 Security Guarding and Mobile Patrol Services

BS 7499 provides operational standards for security guarding services.

The standard assists organisations in establishing:

- Operational controls.
- Management responsibilities.
- Workforce competence requirements.
- Service delivery expectations.

Organisations should seek alignment with relevant provisions wherever appropriate.

COP 119 / NSI NCP 119

The guidance strongly supports the use of recognised labour-provision standards.

Labour providers should be encouraged to:

- Operate compliant PAYE systems.
- Conduct BS7858 screening.
- Undertake right-to-work verification.
- Comply with working time requirements.
- Maintain transparent payroll arrangements.

Clients and principal contractors should consider these standards during labour-provider selection and review activities.

3.14 Additional Legislative and Financial Compliance Considerations

Public Interest Disclosure Act 1998 (PIDA)

The guidance promotes robust whistleblowing arrangements.

Following recognition of the SIA as a prescribed person, organisations should ensure workers understand:

- Internal reporting options.
- External reporting avenues.
- Whistleblowing protections.
- Non-retaliation commitments.

Apprenticeship Levy

- Organisations should ensure charge rates accurately reflect all lawful employment costs, including apprenticeship levy liabilities where applicable.

Ignoring these costs may create commercial pressures that contribute to labour exploitation risks.

Pensions Act 2008

Organisations must comply with auto-enrolment obligations.

Particular attention should be given to labour supply chains where:

- False self-employment exists.
- Cash payments occur.
- Employment arrangements lack transparency.

Anti-Phoenixing Measures

The guidance considers the deliberate avoidance of financial liabilities through repeated liquidation and reformation of companies to be contrary to the principles of ethical business conduct.

Organisations should conduct enhanced due diligence where indicators of phoenix activity are identified.

Examples may include:

- Repeated insolvencies.
- Recurring director involvement.
- Outstanding PAYE liabilities.
- Unpaid pension contributions.
- Unpaid wages.

Such indicators should trigger additional review and risk assessment activity.

Section 4: The Employment Rights Act 2025 and the Fair Work Agency

4.1 Purpose

The Employment Rights Act 2025 represents the most significant reform of UK employment law in a generation and introduces substantial changes relevant to employers, labour providers, clients, and workers operating within the private security industry.

The Act strengthens worker protections, expands whistleblowing rights, reforms trade union recognition processes, and establishes a new labour market enforcement body known as the Fair Work Agency (FWA). Given the prevalence of temporary labour, labour providers, subcontracting arrangements, and low-margin contracts within the security sector, many of these reforms have direct relevance to the prevention of labour exploitation.

The purpose of this section is to explain the implications of the Act; highlight key enforcement risks and outline the practical arrangements organisations should implement in response.

4.2 Background

The Employment Rights Bill received Royal Assent on 18 December 2025 and became the Employment Rights Act 2025. The Act introduces a phased programme of reforms commencing throughout 2026 and 2027.

Collectively, these measures strengthen:

- Individual worker rights.
- Trade union protections.
- Enforcement powers.
- Anti-exploitation measures.
- Labour market oversight.
- Employer accountability.

The guidance has been developed with these reforms in mind and should be interpreted alongside the evolving legislative framework.

4.3 The Fair Work Agency

The Fair Work Agency (FWA) was formally established on 7 April 2026 as an executive agency of the Department for Business and Trade.

The Agency was created to improve labour market enforcement by consolidating previously fragmented responsibilities into a single organisation.

The FWA brings together functions previously exercised by:

- The Gangmasters and Labour Abuse Authority (GLAA).
- The Employment Agency Standards Inspectorate (EASI).
- HMRC's National Minimum Wage Enforcement Team.
- The Director of Labour Market Enforcement.

It also assumes responsibility for enforcing labour exploitation offences under the Modern Slavery Act 2015 across all sectors of the economy.

The creation of the FWA represents a significant change for employers, particularly those operating within labour-intensive industries such as security.

4.4 Why the FWA Matters to the Security Industry

The private security sector has historically experienced challenges relating to:

- Wage underpayment.
- Excessive working hours.
- Agency worker exploitation.
- False self-employment.
- Labour provider malpractice.
- Payroll irregularities.
- Supply chain opacity.

The FWA has been specifically designed to identify and address such practices.

Consequently, signatories should expect greater scrutiny of:

- Employment arrangements.
- Payroll compliance.
- Working time records.
- Labour supply chains.
- Recruitment practices.
- Worker welfare controls.

The guidance therefore encourages organisations to adopt record-keeping and assurance standards capable of withstanding FWA inspection.

4.5 FWA Enforcement Powers

The Fair Work Agency possesses extensive investigative and enforcement powers.

These may include:

- Inspection Powers
- The Agency may undertake announced or unannounced inspections where concerns arise.
- Inspections may examine:
 - Payroll records.
 - Payslips.
 - Employment contracts.
 - Worker agreements.
 - Working time records.

- Training records.
- Labour provider arrangements.
- Holiday pay calculations.

Information Requests

The Agency may require organisations to provide information relevant to investigations. Failure to cooperate may significantly increase regulatory risk and may be considered during enforcement decision-making.

Worker Interviews

Investigators may interview:

- Employees.
- Agency workers.
- Subcontracted personnel.
- Supervisors.
- Managers.
- Directors.

Organisations should ensure workers understand their rights and cooperate appropriately with lawful investigations.

Underpayment Notices

Where underpayment is identified, the FWA may issue formal notices requiring employers to repay outstanding sums.

Such notices may include:

- Historical underpayments.
- Holiday pay liabilities.
- Minimum wage breaches.
- Unlawful deductions.

Investigations may extend back several years depending upon the circumstances.

Tribunal Action

The Agency may, in appropriate circumstances, pursue Employment Tribunal proceedings on behalf of affected workers. This is particularly significant where vulnerable workers may be reluctant or unable to bring claims themselves.

4.6 Record-Keeping Expectations

The guidance recommends that organisations adopt what may be described as an "FWA-ready" approach to documentation.

Organisations should maintain:

Employment Records

- Contracts.
- Written particulars.
- Right-to-work documentation.
- Employment status assessments.

Payroll Records

- Payslips.
- Payroll journals.
- Pension contributions.
- Holiday pay calculations.

Working Time Records

- Rosters.
- Timesheets.
- Overtime approvals.
- Working time opt-outs.

Agency Worker Records

- Contracts with labour providers.
- Due diligence files.
- Supplier declarations.
- Audit findings.

Complaint and Investigation Records

- Grievances.
- Whistleblowing reports.
- Investigation outcomes.
- Corrective action plans.

Organisations should ensure records remain accessible and auditable.

4.7 Employment Status and Labour Supply Risks

The Employment Rights Act 2025 places greater emphasis on ensuring workers receive the protections to which they are entitled.

Security organisations should therefore review arrangements involving:

- Self-employed operatives.
- Umbrella companies.
- Agency labour.
- Casual worker arrangements.
- Labour providers.
- Subcontracted personnel.

Particular attention should be given to arrangements that may artificially remove access to:

- Holiday pay.
- Pension contributions.
- Statutory sick pay.
- Employment protections.

Employment status should reflect operational reality rather than contractual labels.

4.8 Implications for Supply Chains

The Act reinforces the importance of effective labour supply chain management.

Organisations should conduct due diligence regarding:

- Labour providers.
- Recruitment agencies.
- Umbrella companies.
- Payroll intermediaries.

- Subcontractors.

Evidence should be sought regarding:

- PAYE compliance.
- Holiday pay arrangements.
- Working time compliance.
- Pension contributions.
- Worker welfare measures.

Supply chain audits should form part of guidance assurance activity.

4.9 Organisational Readiness Checklist

Organisations should consider the following questions:

Governance

- Has responsibility for employment law compliance been assigned to a senior leader?
- Does the Board receive employment compliance reports?

Employment Practices

- Are all employment arrangements reviewed periodically?
- Have self-employment arrangements been assessed?

Payroll

- Are payroll audits conducted?
- Can all deductions be clearly explained?

Working Time

- Are working hours monitored effectively?
- Are fatigue risks identified and managed?

Supply Chains

- Are labour providers assessed and monitored?
- Are subcontracting arrangements transparent?

Worker Voice

- Can workers raise concerns safely?
- Are whistleblowing arrangements effective?

Affirmative answers to these questions are likely to indicate a higher level of readiness for FWA scrutiny.

Section 5: The Evolving Legislative Landscape (2025-2027)

5.1 Purpose

Employment and security-sector regulation is changing rapidly.

Organisations should actively monitor legislative developments and assess how changes may affect:

- Employment practices.
- Procurement decisions.
- Supply chain management.
- Compliance frameworks.
- Assurance activities.

5.2 Key Legislative and Regulatory Developments

Employment and security-sector regulation is changing faster than at any point in the last decade. The dates below are current as of July 2026 and are provided so that signatories can plan ahead; several remain subject to secondary legislation and may move.

Date	Development
1 Dec 2025	SIA licensing criteria updated: relevant offences for licence refusal expanded to include human trafficking, modern slavery, immigration offences, and tax evasion.
18 Dec 2025	Employment Rights Bill receives Royal Assent, becoming the Employment Rights Act 2025.
1 Apr 2026	National Living Wage rises to £12.71 (age 21+); NMW rises to £10.85 (18–20) and £8.00 (16–17 and apprentices); accommodation offset rises to £11.10/day.
6 Apr 2026	Joint and several liability for umbrella company PAYE/NIC; day-one Statutory Sick Pay; sexual harassment becomes a qualifying whistleblowing disclosure; collective redundancy protective award doubles to 180 days' pay; six-year holiday pay record-keeping begins; statutory trade union recognition simplified (simple majority of votes cast).
7 Apr 2026	Fair Work Agency formally established, consolidating GLAA, EASI and HMRC NMW enforcement, and taking on Modern Slavery Act 2015 enforcement.
15 Apr 2026	Section 27 statutory guidance published for Martyn's Law; SIA consults on its draft regulatory guidance as the Act's regulator.
1 May 2026	S12 ADDITION: SIA becomes a “prescribed person” under PIDA 1998 — workers gain legal whistleblowing protection when reporting to the SIA; new SIA whistleblowing guidance published.
1 Jun 2026	S12 ADDITION: ACS annual registration fee rises from £15 to £25 per licensable individual deployed (first rise in ACS history).
Aug 2026	Electronic and workplace balloting expected for statutory trade union ballots where employer and union agree (subject to consultation).
30 Jun 2026	Immigration and Asylum Bill introduced, proposing mandatory modern slavery statements with penalties up to £1m (Bill, not yet law).
Oct 2026	Fire-and-rehire restrictions take effect; sexual harassment duty strengthens to “all reasonable steps” with third-party liability; tribunal time limit extends 3→6 months; ballot protections extend from CAC acceptance.
1 Jan 2027	Unfair dismissal qualifying period reduces from 2 years to 6 months; statutory cap on unfair dismissal compensation removed.
2027	Direct regulation of the umbrella sector begins; NMW enforcement transfers fully to the FWA; ethnicity/disability pay gap reporting (250+ staff); guaranteed-hours regime takes effect.

A related development, outside the Employment Rights Act 2025, is the Immigration and Asylum Bill, introduced to Parliament on 30 June 2026.

As introduced, the Bill would substantially tighten the modern slavery reporting regime under section 54 of the Modern Slavery Act 2015: making modern slavery statements mandatory, prescribing their content, requiring submission to the government registry, and introducing financial penalties of up to £1 million for non-compliance.

Section 6: Understanding Labour Exploitation

6.1 What Is Labour Exploitation?

For the purposes of this guidance, **Labour Exploitation** is the deliberate or systemic abuse of workers, their vulnerability, or their labour for financial or commercial gain.

Labour Abuse is a related but distinct concept and refers to any unlawful, unethical, or harmful treatment of workers arising from their employment or engagement.

Labour Abuse and Labour Exploitation may overlap. However, Labour Exploitation is the broader concept within this guidance and may include circumstances where workers, their vulnerability or their labour are deliberately or systematically abused for financial or commercial gain.

Labour Abuse may include:

- Unlawful deductions from wages.
- Failure to provide statutory employment entitlements.
- Unsafe or harmful working conditions.
- Excessive working hours or inadequate rest.
- Unethical recruitment practices.
- Misclassification of employment status.
- Other unlawful, unethical, or harmful employment practices.

Labour Exploitation may include these practices where they form part of deliberate or systemic conduct intended to obtain financial or commercial benefit through the abuse of workers, their vulnerability, or their labour.

Organisations should recognise that exploitation exists across a spectrum. At one end of the spectrum are severe criminal offences such as:

- Human trafficking.
- Forced labour.
- Modern slavery.
- Debt bondage.

At the other end are practices that may initially appear less serious but can nevertheless result in significant worker harm, including:

- Wage theft.
- Excessive working hours.
- Hidden deductions.
- Recruitment abuse.
- Misclassification of employment status.

Organisations should recognise that exploitation can develop gradually. What begins as poor employment practice or Labour Abuse can develop into more serious Labour Exploitation if it is not identified and addressed.

For this reason, organisations should consider both Labour Abuse and Labour Exploitation within their risk management, worker welfare, and compliance arrangements, while recognising that the prevention of Labour Exploitation remains the overarching focus of this guidance.

6.2 Why the Security Industry Is Vulnerable

Several structural factors can create vulnerabilities within the security sector. These include:

Labour Intensity

- Security services are heavily dependent upon labour and wage costs.

Procurement Pressure

- Contracts are frequently awarded through price-driven procurement exercises.

Demand Volatility

- Event security and temporary staffing needs can fluctuate significantly.

Complex Supply Chains

- Multiple layers of labour providers may exist between worker and client.

Workforce Mobility

- Officers often work across multiple locations and employers.

Lone Working

- Workers may operate without immediate management oversight.

These factors create opportunities for unethical organisations to gain competitive advantage through cost-cutting and exploitation.

6.3 Common Forms of Exploitation

Wage Abuse

Examples include:

- Non-payment of wages.
- Underpayment.
- Delayed payment.
- Unlawful deductions.
- Unpaid overtime.
- Non-payment for training.

Working Time Abuse

Examples include:

- Excessive weekly hours.
- Failure to provide rest breaks.
- Consecutive shifts causing fatigue.
- Coerced overtime.

Recruitment Abuse

Examples include:

- Recruitment fees.
- Misleading advertisements.
- Hidden charges.
- False promises regarding pay or hours.

Payroll Manipulation

Examples include:

- Cash-in-hand payments.
- False invoicing.
- Hidden deductions.
- Non-compliant umbrella arrangements.

Employment Status Manipulation

Examples include:

- False self-employment.
- Bogus subcontracting.
- Misclassification of workers.

Corporate Abuse

Examples include:

- Deliberate avoidance of liabilities.
- Phoenix company activity.
- Repeated liquidation and reformation.

6.4 Indicators of Exploitation

No single indicator confirms exploitation.

However, the following should prompt further investigation:

Worker Indicators

- Workers appear fearful.
- Workers avoid speaking without supervision present.
- Workers have limited understanding of employment arrangements.
- Workers cannot explain payslip deductions.

Employment Indicators

- Missing contracts.
- Missing payslips.
- Payments from multiple entities.
- Frequent payroll corrections.

Operational Indicators

- Extremely long working hours.
- Frequent last-minute shift changes.
- Excessive overtime patterns.

Supply Chain Indicators

- Unusually low rates.
- Poor documentation.
- Resistance to audit.
- Frequent company restructuring.

6.5 Individual and Market Responsibility

Labour exploitation cannot be addressed solely through controls placed upon employers and labour providers. The behaviours and expectations of individuals, workers, clients, and other participants in the labour market can also influence the conditions in which exploitation and non-compliant employment practices develop.

Individuals have a responsibility to understand the consequences of participating in unlawful or non-compliant employment arrangements. Knowingly accepting cash-in-hand or off-record payments, participating in false self-employment arrangements, or undertaking work outside legitimate payroll arrangements may provide a short-term financial benefit but can contribute to wider labour market harm.

Such practices can:

- Remove or reduce access to employment rights and protections.
- Undermine PAYE, National Insurance, pension, and holiday pay arrangements.
- Make working arrangements less transparent and more difficult to audit.
- Enable organisations to operate at artificially reduced labour costs.
- Place compliant employers at a commercial disadvantage.
- Contribute to downward pressure on legitimate charge rates and employment standards.
- Reinforce a culture in which non-compliant employment practices become normalised.

The security industry should recognise that informal labour markets can develop through personal networks, messaging platforms, social media groups, and other informal channels. These channels are not inherently inappropriate; however, they may increase exploitation and compliance risks where they are used to arrange work outside appropriate recruitment, screening, licensing, right-to-work, payroll or worker-welfare controls.

Changing the culture of the security labour market therefore requires shared responsibility. Employers and labour providers must provide lawful and ethical employment arrangements, clients must recognise the commercial consequences of unsustainable pricing, and individuals should avoid knowingly participating in arrangements that undermine lawful employment standards.

The objective should be to create an industry in which lawful employment, transparent pay and appropriate worker protections are regarded as the normal standard, rather than optional costs that can be avoided through informal working arrangements.

Section 7: Leadership and Governance

7.1 Leadership Commitment

Successful implementation of the guidance requires visible and active leadership. Prevention of labour exploitation should not be viewed solely as a compliance exercise. It should form part of corporate governance, operational decision-making, and organisational culture. Senior leaders should communicate clearly that lawful and ethical employment practices are fundamental business requirements.

7.2 Board Responsibilities

The Board should:

- Approve labour exploitation policies.
- Review annual risk assessments.
- Monitor compliance performance.
- Oversee remediation activity.
- Ensure adequate resources are available.

Boards should receive regular management information relating to:

- Workforce welfare.
- Working time compliance.
- Payroll issues.
- Whistleblowing concerns.

- Supply-chain risks.

7.3 Leadership Accountability

A named senior individual should have overall responsibility for guidance compliance.

Responsibilities may include:

- Policy ownership.
- Self-assessment oversight.
- Audit coordination.
- Stakeholder engagement.
- Regulatory liaison.

The responsible individual should have sufficient authority to drive improvements where deficiencies are identified.

7.4 Governance Framework

Organisations should establish a documented governance framework.

The framework should include:

Strategic Oversight

- Board-level review and direction.

Operational Oversight

- Management of implementation activities.

Monitoring

- Performance measurement and reporting.

Assurance

- Audit and verification activity.

Improvement

- Corrective and preventive actions.

7.5 Culture

The strongest safeguard against exploitation is an ethical organisational culture.

Leaders should encourage:

- Openness.
- Respect.
- Transparency.
- Accountability.
- Challenge.

Employees should feel confident raising concerns without fear of reprisals.

Section 8: Ethical Recruitment

8.1 Objective

Ethical recruitment ensures that individuals enter employment freely, transparently and with a full understanding of the role being offered.

Recruitment practices should uphold the dignity, welfare, and rights of applicants throughout the hiring process.

8.2 Recruitment Planning

Before recruitment begins organisations should consider:

- Why recruitment is required.
- Whether staffing levels are realistic.
- Whether proposed pay rates are sustainable.
- Whether workers will be properly supported.
- Workforce planning should reduce reliance on emergency recruitment that may increase exploitation risk.

8.3 Recruitment Advertising

Recruitment advertisements should clearly state:

- Job title.
- Location.
- Pay rate.
- Contract type.
- Working hours.
- Required licences.
- Screening requirements.

Advertising should never intentionally mislead applicants regarding earnings, employment status, or available hours.

8.4 Candidate Assessment

Recruitment decisions should be based upon objective and documented criteria.

Interview processes should be:

- Structured.
- Consistent.
- Fair.
- Auditable.

Interview records should be maintained to demonstrate transparency and accountability.

Organisations should align recruitment practices with relevant requirements contained within BS7858 and associated industry standards.

8.5 Right-to-Work Verification

Organisations must verify an individual's right to work before employment commences.

Verification processes should be:

- Lawful.
- Consistent.
- Documented.
- Auditable.

Managers should never make assumptions based upon nationality, ethnicity, or accent.

8.6 Ethical Recruitment of Migrant Workers

Additional safeguards may be required where individuals are recruited from overseas.

Workers should:

- Receive contracts before travelling.
- Understand employment conditions.
- Have access to support networks.
- Retain control of their own documentation.

No worker should incur debt that creates dependency upon an employer or recruiter.

8.7 Recruitment Fees

Workers must never be charged for securing employment.

This includes:

- Placement fees.
- Introduction fees.
- Administration fees.
- Recruitment costs disguised as training fees.
- Fees deducted after employment begins.

Any organisation discovering such practices within its supply chain should investigate immediately.

8.8 Evidence Requirements

Recruitment records should be retained and available for audit.

Examples include:

- Job advertisements.
- Interview notes.
- Candidate scoring sheets.
- Right-to-work documentation.
- Screening records.
- Employment contracts.
- Recruitment agency due diligence records.

These records provide assurance that recruitment has been conducted fairly, transparently, and lawfully.

Section 9: Employment Status, PAYE Compliance and Lawful Engagement

9.1 Purpose

One of the most significant labour exploitation risks within the security industry is the use of inappropriate employment models that deprive workers of their legal rights and entitlements.

The guidance recognises that lawful employment arrangements are fundamental to protecting workers from exploitation. Organisations should therefore ensure that all individuals providing security services are engaged through arrangements that accurately reflect the reality of their working relationship.

The primary objective is to ensure that workers receive:

- The correct employment status.
- Lawful pay.
- Statutory employment protections.
- Appropriate tax treatment.
- Holiday pay entitlement.
- Pension contributions where applicable.
- Access to grievance and whistleblowing protections.

Failure to correctly engage workers can create significant risks for workers, clients, supply-chain partners, and the wider industry.

9.2 The Importance of PAYE

The guidance strongly supports the use of compliant PAYE arrangements for front-line security personnel.

PAYE provides transparency and accountability in relation to:

- Income tax deductions.
- National Insurance contributions.

- Statutory sick pay.
- Holiday pay.
- Pension contributions.
- Earnings records.

PAYE also creates an auditable trail that assists employers, regulators, and workers in verifying compliance.

Where personnel are supplied through agencies, labour providers or umbrella companies, organisations should seek assurance that PAYE is being operated correctly throughout the supply chain.

9.3 Employment Status

Organisations should ensure that workers are correctly classified.

The label applied to a worker is less important than the reality of the working arrangement.

Relevant considerations may include:

- Who controls the individual's work.
- Whether the individual can decline assignments.
- Whether the individual is required to work personally.
- Whether a substitute may be provided.
- Whether uniforms are required.
- Whether work patterns are fixed.
- Whether supervision is exercised.

Managers should not assume that a contractual statement that an individual is self-employed automatically determines employment status.

9.4 False Self-Employment

False self-employment occurs when an individual is treated as a self-employed contractor despite working under conditions that resemble employment or worker status.

Examples may include:

- Security officers working fixed shifts.
- Personnel subject to managerial control.
- Uniformed officers representing a company.
- Personnel who cannot genuinely substitute another individual.
- Workers dependent upon a single organisation for income.
- Such arrangements may result in workers being deprived of:
- Holiday pay.
- Pension contributions.
- Employment protections.
- Statutory leave.
- Access to fair dismissal procedures.

Organisations should periodically review employment models to ensure they remain lawful and appropriate.

9.5 Cash-in-Hand and Off-Record Payments

The guidance adopts a zero-tolerance approach towards undeclared payment arrangements.

Employers should ensure that:

- All earnings are processed through auditable payroll systems.
- Itemised payslips are issued.
- Hours worked can be reconciled to payments made.
- Deductions can be explained.
- Payroll records can be verified during audit.

Cash payments may indicate wider risks including:

- Tax evasion.
- National Minimum Wage breaches.
- Employment rights avoidance.
- Organised labour exploitation.

Any evidence of undeclared payments within a supply chain should be treated as a serious compliance concern.

The responsibility for maintaining lawful payroll arrangements rests with the organisation engaging the worker. However, individuals also have a role in maintaining a lawful and sustainable security labour market.

Workers should understand that knowingly accepting undeclared cash or off-record payments is not simply a private arrangement between an individual and an employer. Such arrangements can contribute to wider non-compliance and undermine employment standards across the industry.

Individuals should be encouraged to:

- Expect payment through an appropriate and auditable payroll arrangement.
- Request an itemised payslip identifying earnings and deductions.
- Challenge unexplained deductions or payment arrangements.
- Avoid knowingly participating in undeclared or off-record work.
- Raise concerns where they believe payment arrangements are unlawful or exploitative.

Organisations should also recognise the potential risks associated with informal recruitment and work-allocation networks. Messaging groups, social media platforms and personal networks may be used legitimately to identify available work; however, they can facilitate cash-in-hand work, off-payroll arrangements, shift-selling and other practices where appropriate employment, licensing, right-to-work, screening, payroll and worker-welfare controls are bypassed.

Where repeated informal arrangements of this nature are identified, organisations should consider them as part of their labour exploitation risk assessment and take appropriate action.

The objective is not to prevent legitimate communication between workers or the use of digital platforms, but to challenge the normalisation of informal working practices that undermine lawful employment and contribute to wider industry non-compliance.

9.6 Umbrella Companies and Payroll Intermediaries

The use of umbrella companies is not inherently inappropriate. However, such arrangements may present additional risks.

Organisations should undertake due diligence before appointing umbrella providers.

Review areas should include:

- PAYE operation.
- Holiday pay arrangements.
- Pension administration.
- Deduction structures.
- Payslip transparency.
- Financial stability.
- Compliance history.

Employers should ensure workers understand:

- Who their employer is.
- Who is responsible for payroll.

- How deductions are calculated.
- How concerns can be raised.

9.7 Evidence Requirements

Evidence may include:

- Contracts of employment.
- Worker agreements.
- Payroll records.
- Payslips.
- Pension records.
- Employment status assessments.
- Supply-chain declarations.
- Agency agreements.

Organisations should retain records sufficient to demonstrate compliance with guidance requirements and applicable legislation.

Section 10: Fair Pay, Reward and Conditions of Employment

10.1 Purpose

Fair pay is a fundamental component of ethical employment and one of the most important safeguards against labour exploitation.

Security personnel should receive pay that is accurate, transparent, and compliant with statutory requirements.

The guidance promotes not only compliance with minimum legal standards but also a culture of fairness and transparency in relation to reward.

10.2 Payment Principles

Organisations should ensure workers:

- Are paid on time.
- Are paid correctly.
- Understand how pay is calculated.
- Receive itemised payslips.
- Can challenge payroll errors.
- Have access to support when concerns arise.

Workers should never be disadvantaged because they have queried pay or raised a payroll concern.

10.3 National Minimum Wage and National Living Wage

Employers must ensure all workers receive at least the applicable statutory minimum wage.

Compliance reviews should include:

- Hourly rate verification.
- Overtime calculations.
- Travel time assessment.
- Training time assessment.
- Deduction reviews.

Particular attention should be given to deductions that may inadvertently reduce pay below statutory thresholds.

10.4 Deductions

Any deduction from wages should be:

- Lawful.
- Justified.
- Transparent.
- Properly documented.

Examples may include:

- Pension contributions.
- Tax deductions.
- National Insurance contributions.
- Agreed salary sacrifice arrangements.

Employers should ensure workers clearly understand all deductions before they are applied.

10.5 Holiday Pay

Workers should receive their full holiday entitlement in accordance with applicable legislation.

Good practice includes:

- Clear holiday policies.
- Transparent accrual calculations.
- Regular reconciliation of entitlements.
- Accessible leave-request systems.

Particular attention should be paid to temporary and agency workers, who are often vulnerable to underpayment.

10.6 Training and Induction Time

Workers should normally be paid for mandatory:

- Induction activities.
- Compliance training.
- Refresher training.
- Licensing-related requirements.
- Client-mandated training.

Failure to pay for mandatory activities may create National Minimum Wage risks and undermine worker trust.

10.7 Welfare and Employment Benefits

Good employment practices may include:

- Pension provision.
- Employee assistance programmes.
- Financial wellbeing support.
- Occupational health assistance.
- Welfare checks.

The guidance encourages organisations to view employee wellbeing as an investment rather than a cost.

10.8 Evidence Requirements

Examples include:

- Payroll reports.
- Payslips.
- Wage reviews.
- Holiday records.
- Overtime records.

- Training payment records.
 - Pension contribution records.
-

Section 11: Working Time, Fatigue Management and Worker Welfare

11.1 Purpose

The nature of security work often requires twenty-four-hour operations, shift working, and deployment at short notice.

Whilst operational flexibility is essential, excessive working hours can create serious risks for:

- Workers.
- Colleagues.
- Clients.
- Members of the public.

The purpose of this section is to support safe rostering and responsible workforce management.

11.2 Working Time as a Safety Issue

Organisations should recognise fatigue as a safety risk equivalent to many other workplace hazards.

Fatigue may result in:

- Reduced concentration.
- Slower reaction times.
- Poor judgement.
- Increased accidents.
- Reduced service effectiveness.

In security environments these consequences may directly affect public protection.

11.3 Rostering Principles

Rostering systems should be designed to balance:

- Operational requirements.
- Worker wellbeing.
- Legal compliance.
- Public safety.

Schedules should allow workers adequate opportunity for:

- Rest.
- Recovery.
- Family life.
- Physical wellbeing.

11.4 Monitoring Working Hours

Organisations should maintain systems capable of monitoring:

- Weekly working hours.
- Consecutive shifts.
- Consecutive night shifts.
- Overtime patterns.
- Shift swaps.
- Multiple assignment risks.

Management information should be reviewed regularly.

11.5 High-Risk Indicators

The following factors may indicate increased fatigue risk:

- Repeated sixty-hour-plus weeks.
- Double shifts.
- Excessive overtime.
- Limited rest periods.
- Long-distance travel between assignments.
- Multiple concurrent employers.

Where high-risk patterns are identified, organisations should intervene promptly.

11.6 Welfare Monitoring

Managers should actively monitor worker wellbeing.

Mechanisms may include:

- Welfare discussions.
- Return-to-work interviews.
- Supervisor observations.
- Staff surveys.
- Absence monitoring.

Particular focus should be given to lone workers and remote personnel.

11.7 Additional Protection for Vulnerable Workers

Additional safeguards may be appropriate for:

- Young workers.
- Migrant workers.
- Agency workers.
- Temporary staff.
- Workers experiencing financial hardship.

The level of support should reflect identified risks.

11.8 Evidence Requirements

Examples include:

- Rosters.
- Timesheets.
- Working time reports.
- Welfare assessments.
- Fatigue management procedures.
- Overtime records.
- Supervisor welfare logs.

Section 12: Worker Voice, Reporting and Whistleblowing

12.1 Purpose

Workers are often the first to identify labour exploitation risks.

Creating an environment where individuals feel safe reporting concerns is therefore essential to preventing harm.

A strong reporting culture allows organisations to identify problems before they escalate into serious misconduct.

12.2 Principles

Effective reporting systems should be:

- Accessible.
- Confidential.
- Trusted.
- Responsive.
- Fair.

Workers should have confidence that concerns will be investigated appropriately and without retaliation.

12.3 Internal Reporting Channels

Organisations should establish multiple methods through which concerns may be raised.

Approaches may include:

- Dedicated email addresses.
- Online reporting platforms.
- Telephone reporting lines.
- Line management escalation routes.
- Independent reporting providers.

Workers should not be limited to a single reporting option.

12.4 Anonymous Reporting

Anonymous reporting can encourage disclosure where workers fear retaliation.

Whilst anonymity may occasionally limit an investigation, organisations should nevertheless provide mechanisms that allow concerns to be raised without disclosing personal identities.

12.5 non-retaliation

Retaliation can undermine confidence in reporting systems and may discourage future disclosures.

Organisations should maintain a clear policy stating that workers will not suffer detriment because they:

- Report concerns.
- Participate in investigations.
- Support another worker making a disclosure.
- Cooperate with regulatory enquiries.

Any retaliatory behaviour should be investigated and addressed.

12.6 Investigation Standards

Investigations should be:

- Prompt.
- Proportionate.
- Independent where appropriate.
- Properly documented.

The investigation process should normally include:

- Assessment of the report.
- Determination of risk.
- Evidence collection.
- Interviews.
- Findings.
- Corrective actions.

12.7 External Reporting Options

Workers should be informed of external reporting mechanisms relevant to their concerns.

These may include:

- Fair Work Agency.
- Security Industry Authority.
- Modern Slavery Helpline.
- Police.
- Health and Safety Executive.

Information on reporting routes should be readily accessible.

12.8 Learning from Reports

Organisations should use reporting data to identify:

- Trends.
- Emerging risks.
- Training requirements.
- Management weaknesses.
- Supply-chain issues.

Reporting systems should support organisational learning, not simply incident management.

12.9 Evidence Requirements

Examples include:

- Whistleblowing policies.
- Investigation logs.
- Case records.
- Management reviews.
- Awareness campaigns.
- Staff communications.

Section 13: Supply Chain Responsibility and Labour Provider Assurance

13.1 Purpose

Labour exploitation frequently occurs outside the direct employment relationship.

Where organisations rely on agencies, labour providers, subcontractors or umbrella companies, risks may be hidden several layers within the supply chain.

The guidance therefore requires signatories to adopt a proactive approach to supply-chain assurance.

13.2 Responsibility for Supply Chains

The use of a third party does not transfer responsibility for ethical labour management.

Organisations should exercise appropriate oversight over those who supply labour on their behalf.

The extent of due diligence should be proportionate to the level of risk involved.

13.3 Labour Provider Selection

Before engaging a provider, organisations should conduct documented due diligence.

Areas for review should include:

- Legal Compliance
- Companies House registration.
- VAT registration.
- Insurance arrangements.
- Regulatory history.
- Employment Compliance
- PAYE arrangements.
- Pension compliance.
- Holiday pay administration.
- Right-to-work procedures.
- Security Industry Compliance
- ACS accreditation where applicable.
- COP119 or equivalent standards.
- Screening processes.
- Licensing controls.

13.4 Ongoing Monitoring

Due diligence should not end once a contract is awarded.

Ongoing assurance activities may include:

- Compliance reviews.
- Contract audits.
- Worker interviews.
- Payroll sampling.
- Management meetings.

Monitoring frequency should be proportionate to risk.

13.5 Subcontracting Controls

Subcontracting arrangements should be transparent.

Organisations should understand:

- Who is performing the work.
- Who employs the workforce.
- How workers are paid.
- Whether further subcontracting occurs.

Signatories should seek to minimise unnecessary layers within labour supply chains.

13.6 Worker Verification

Organisations should consider direct engagement with workers supplied through third parties.

This may include:

- Confidential interviews.
- Payroll verification.
- Employment-status checks.

- Welfare discussions.

Direct worker engagement can identify risks that may not be visible through documentation alone.

13.7 Contractual Controls

Contracts with labour providers should clearly set out expectations relating to:

- PAYE operation.
- Modern slavery prevention.
- Working time compliance.
- Whistleblowing arrangements.
- Audit rights.
- Record retention.

Contractual provisions should support enforcement and remediation where concerns arise.

13.8 Corrective Action

Where shortcomings are identified, organisations should seek to work constructively with suppliers to achieve improvement.

Corrective actions may include:

- Training.
- Additional monitoring.
- Process changes.
- Enhanced reporting requirements.
- Re-audit activity.

Serious or persistent failures may require contract termination or regulatory referral.

13.9 Evidence Requirements

Examples include:

- Supplier due diligence files.
- Audit reports.
- Compliance declarations.
- Worker interview records.
- Contract reviews.
- Supplier risk assessments.
- Corrective action plans.

These records demonstrate that organisations are actively managing supply-chain labour exploitation risks rather than relying solely on contractual assurances.

Section 14: Responsible Procurement and Client Accountability

14.1 Purpose

The guidance recognises that labour exploitation frequently originates upstream of the employer through commercial decisions made during procurement and contract award processes.

Whilst employers are responsible for complying with employment law, clients and buyers can significantly influence labour standards through the contractual and commercial pressures they place upon service providers.

Responsible procurement seeks to ensure that security services are purchased at rates and under conditions that enable lawful and ethical employment practices.

Failure to consider labour standards during procurement may encourage:

- Wage suppression.
- Excessive working hours.
- Reduced training investment.
- Poor supervision.
- Supply chain opacity.
- Unlawful subcontracting arrangements.

For this reason, responsible procurement should be regarded as a critical component of labour exploitation prevention.

14.2 Procurement Principles

Organisations involved in buying security services should apply the following principles:

Fair Pricing

- Contracts should be awarded at rates capable of supporting lawful employment.

Transparency

- Suppliers should be able to explain how contract pricing supports worker welfare and legal compliance.

Value Rather Than Lowest Cost

- Assessment criteria should recognise quality, assurance, and compliance indicators.

Shared Accountability

- Clients and suppliers should work together to maintain ethical labour standards throughout contract delivery.

14.3 Procurement Risk Factors

Several procurement practices may increase exploitation risk.

Examples include:

- Awarding contracts solely on price.
- Unrealistically low pricing expectations.
- Last-minute mobilisation requirements.
- Inadequate due diligence.
- Excessive use of agency labour.
- Failure to review supply chains.

Procurement teams should consider whether commercial decisions could unintentionally encourage non-compliant practices.

14.4 Supplier Due Diligence

Before awarding contracts, clients should assess:

- Organisational Compliance
- Regulatory compliance history.
- Financial stability.
- Governance arrangements.
- Ethical employment policies.
- Workforce Management
- Recruitment practices.
- Payroll arrangements.
- Training standards.
- Working time controls.

- Supply Chain Management
- Agency usage.
- Labour provider oversight.
- Subcontracting controls.
- Modern slavery procedures.

Due diligence should be proportionate to the level of labour exploitation risk associated with the procurement.

14.5 Ongoing Contract Management

Responsible procurement does not end at contract award.

Contract managers should maintain oversight of:

- Workforce stability.
- Staff turnover.
- Wage disputes.
- Supplier audits.
- Worker welfare.
- Complaints and concerns.

Regular contract review meetings should include discussion of labour standards.

14.6 Evidence Requirements

Examples include:

- Tender evaluation records.
- Due diligence assessments.
- Supplier questionnaires.
- Contract review notes.
- Corrective action plans.
- Performance reports.

Section 15: Charge Rates, Cost Transparency and Labour Cost Assurance

15.1 Purpose

Unsustainable charge rates are one of the clearest indicators of potential labour exploitation.

The guidance recognises that lawful employment carries unavoidable costs. Where pricing fails to accommodate those costs, there is an increased risk that workers will ultimately bear the consequences through reduced pay, missing benefits, or unlawful employment practices.

This section provides guidance on evaluating charge rates and ensuring pricing supports compliance.

15.2 Understanding Employment Costs

The true cost of employing a security officer extends beyond hourly wages.

Employment costs may include:

- Basic pay.
- National Insurance.
- Pension contributions.
- Holiday pay.
- Sick pay.
- Training costs.

- Vetting costs.
- Licensing costs.
- Uniforms and equipment.
- Administrative support.

Failure to consider these costs can create unrealistic pricing assumptions.

15.3 Assessing Charge Rates

Organisations should be capable of demonstrating how their charge rates are constructed.

A charge rate should normally contain:

- Direct Employment Costs
- Wages.
- National Insurance.
- Pension contributions.
- Holiday pay.
- Compliance Costs
- Training.
- Screening.
- Licensing.
- Regulatory compliance.
- Operational Costs
- Supervision.
- Vehicles.
- Insurance.
- Administration.
- Commercial Elements
- Overheads.
- Contingency.
- Profit.

15.4 Charge Rate Warning Signs

Potential indicators of risk include:

- Rates well below market averages.
- Inability to explain pricing.
- Lack of cost transparency.
- Reliance on extensive overtime.
- Excessive subcontracting margins.

Where such indicators exist, additional scrutiny should be undertaken.

Particular consideration should also be given to whether unusually low charge rates are being supported by informal or non-compliant labour arrangements. Where workers are engaged outside appropriate payroll arrangements, or employment costs are avoided through cash-in-hand, false self-employment or other non-compliant practices, the resulting reduction in labour costs may enable services to be offered at artificially low rates.

This can place compliant employers at a commercial disadvantage and contribute to a wider race to the bottom, where price becomes increasingly disconnected from the true cost of lawful and ethical employment.

The industry should recognise that labour exploitation is therefore not solely a workforce or compliance issue. Market behaviour can also contribute to exploitation risk. Employers, labour providers, clients, and individuals

should consider how their decisions and practices may contribute to the normalisation of unsustainable and non-compliant labour arrangements.

Where charge rates appear to be dependent upon avoiding legitimate employment costs, additional scrutiny should be undertaken to establish whether the pricing model is sustainable and supports lawful employment.

15.5 Apprenticeship Levy and Regulatory Costs

Where applicable, employers should account for:

- Apprenticeship Levy obligations.
- ACS fees.
- Screening requirements.
- Compliance audits.
- Continuous professional development.

These costs should not be absorbed by reducing worker pay or benefits.

15.6 Cost Transparency

Transparency supports confidence between:

- Clients.
- Suppliers.
- Workers.
- Auditors.

Signatories should seek to maintain cost models that clearly demonstrate how lawful employment costs are funded.

15.7 Evidence Requirements

Examples include:

- Pricing models.
- Cost breakdowns.
- Commercial assumptions.
- Tender submissions.
- Financial reviews.

Section 16: Performance Measurement and Reporting

16.1 Purpose

Effective management requires effective measurement.

Organisations should collect reliable information that enables them to assess whether guidance commitments are being achieved.

Performance measurement supports:

- Accountability.
- Continuous improvement.
- Risk management.
- Resource allocation.

16.2 Principles of Reporting

Reporting should be:

- Accurate.
- Consistent.

- Evidence based.
- Timely.
- Meaningful.

Metrics should focus on outcomes rather than simply activities.

16.3 Recommended Performance Indicators

Examples may include:

- Workforce Awareness
- Training completion rates.
- Policy awareness surveys.
- Worker Voice
- Concerns raised.
- Investigation completion rates.
- Outcome trends.
- Pay and Conditions
- Underpayment incidents.
- Payroll corrections.
- Holiday pay disputes.
- Working Time
- Average hours worked.
- Overtime levels.
- Fatigue-related interventions.
- Supply Chains
- Audits completed.
- Non-compliance cases.
- Approved provider usage.

16.4 Management Review

Data should be reviewed periodically by senior management.

Reviews should consider:

- Trends.
- Root causes.
- Emerging risks.
- Resource requirements.

Analysis should focus on identifying opportunities for improvement.

Section 17: Reporting Concerns

17.1 Purpose

The purpose of this section is to explain how concerns relating to labour exploitation, worker welfare, employment practices, or potential non-compliance with relevant legislation may be reported.

This guidance is intended to support good practice across the industry. It does not replace existing legal, regulatory or enforcement processes.

17.2 Raising Concerns

Anyone who believes that an employer, labour provider, or other organisation may be acting in a manner that is inconsistent with the principles contained within this guidance should consider reporting their concerns through the appropriate channels.

Concerns may include:

- Labour exploitation.
- Worker welfare issues.
- Unlawful deductions from pay.
- Failure to pay statutory entitlements.
- Unsafe working conditions.
- Modern slavery risks.
- Human trafficking concerns.
- Other potentially unlawful or unethical employment practices.

Where possible, concerns should be supported by relevant information or evidence.

17.3 Reporting to Relevant Authorities

Concerns relating to potential breaches of employment law, regulatory requirements or criminal legislation should be reported to the appropriate authority.

Depending on the nature of the concern, this may include:

- HM Revenue & Customs (HMRC).
- Security Industry Authority (SIA).
- Fair Work Agency (FWA).
- Gangmasters and Labour Abuse Authority (GLAA).
- Police forces.
- Local authorities.
- Other relevant regulators or enforcement agencies.

Individuals and organisations should ensure that concerns are reported as soon as reasonably practicable where there is evidence of potential harm, exploitation, or unlawful activity.

17.4 Support and Signposting

Individuals may not always know which organisation is responsible for addressing a particular concern. Where guidance or support is required, individuals may contact S12 for assistance in identifying the most appropriate reporting route.

S12 does not investigate allegations or undertake enforcement activity but can provide information and signposting to the relevant authority.

17.5 Protecting Workers

The safety, welfare and wellbeing of workers should remain the primary consideration when concerns are identified.

Where there is an immediate risk of harm, exploitation, safeguarding concerns or suspected criminal activity, matters should be reported without delay to the appropriate emergency, safeguarding, or enforcement authority.

Section 18: Addressing Non-Compliance

18.1 Purpose

This guidance encourages organisations to identify, address and prevent practices that could contribute to labour exploitation or worker harm.

Where non-compliance with legal requirements or good practice standards is identified, organisations should take appropriate action to address the issue and reduce the risk of recurrence.

18.2 Principles

Responses to identified concerns should be:

- Fair.
- Proportionate.
- Timely.
- Evidence-based.
- Focused on protecting workers.

Organisations should seek to understand the root causes of issues and take practical steps to improve compliance and worker welfare.

1.3 Examples of Non-Compliance

Examples may include:

Administrative or Procedural Issues

- Incomplete employment records.
- Delayed training.
- Poor document management.
- Inadequate policy implementation.

Employment Practice Concerns

- Payroll discrepancies.
- Failure to provide employment information.
- Inadequate right to work checks.
- Weak recruitment controls.

Serious Concerns

- Deliberate underpayment of workers.
- False self-employment arrangements.
- Intimidation of workers.
- Exploitative working practices.
- Attempts to conceal misconduct.

Criminal Concerns

- Modern slavery.
- Human trafficking.
- Forced labour.
- Debt bondage.
- Criminal exploitation.

18.4 Corrective Action

Where concerns are identified, organisations should consider:

- Protecting affected workers.
- Investigating the issue.
- Rectifying any harm caused.
- Reviewing policies and procedures.
- Improving controls and oversight.
- Providing additional training where required.

18.5 Regulatory and Enforcement Action

This guidance does not replace the role of regulators, enforcement agencies, or the courts.

Where unlawful activity is suspected, organisations and individuals should cooperate fully with any investigation undertaken by the relevant authority.

This may include engagement with:

- HM Revenue & Customs.
- Security Industry Authority.
- Fair Work Agency.
- Gangmasters and Labour Abuse Authority.
- Police.
- Other competent authorities.

Section 19: Continuous Improvement and Industry Collaboration

19.1 Commitment to Improvement

The elimination of labour exploitation is an ongoing process rather than a single achievement.

Organisations should continually review and strengthen their arrangements.

The objective should not simply be compliance but the creation of a culture that actively promotes ethical employment.

19.2 Learning and Development

Organisations should:

- Review lessons learned.
- Share good practice.
- Learn from incidents.
- Monitor industry developments.
- Encourage innovation.

Learning should be incorporated into management systems and training programmes.

19.3 Collaboration

Labour exploitation cannot be eliminated by individual businesses working in isolation.

Signatories are encouraged to collaborate with:

- Clients.
- Competitors.

- Trade unions.
- Regulators.
- Industry associations.
- Civil society organisations.

Collaboration can improve intelligence sharing, standards development and collective problem-solving.

19.4 Periodic Review

A formal annual review should consider:

- Emerging threats.
- Legislative changes.
- Audit findings.
- Stakeholder feedback.
- Industry developments.

Outcomes should inform future objectives and action plans.

19.5 Statement of Commitment

Organisations participating in the guidance should demonstrate a long-term commitment to improving labour standards and preventing exploitation in all forms.

Success should be measured not only through compliance outcomes but through the creation of a safer, fairer, and more professional security industry that protects both workers and the public they serve.

Section 20: Labour Exploitation Risk Assessment

20.1 Purpose

The prevention of labour exploitation begins with the identification, assessment, and management of risk.

Every organisation should undertake a structured labour exploitation risk assessment to identify areas where workers may be vulnerable to exploitation and where organisational controls may be insufficient.

Risk assessments should be reviewed at least annually and whenever significant organisational, operational, or legislative changes occur.

20.2 Risk Assessment Principles

Labour exploitation risk assessments should be:

- Evidence-based.
- Proportionate.
- Regularly reviewed.
- Supported by senior leadership.
- Integrated into broader organisational risk management processes.

Assessments should focus on preventing harm rather than simply identifying non-compliance.

20.3 Areas for Assessment

Organisations should consider risks relating to:

Workforce

- Migrant workers.
- Temporary workers.
- Young workers.
- Agency workers.
- Lone workers.

Recruitment

- Overseas recruitment.
- Labour-provider recruitment.
- Rapid recruitment campaigns.

Payroll

- PAYE compliance.
- Cash payments.
- Umbrella company arrangements.
- Holiday pay administration.

Operational Activities

- Excessive working hours.
- Fatigue.
- Shift-selling.
- Lone working.

Procurement

- Unsustainably low charge rates.
- Single-factor pricing.
- Labour-provider dependency.

20.4 Risk Scoring

Organisations should establish a methodology assessing:

- Likelihood.
- Impact.
- Existing controls.
- Residual risk.

The methodology should be documented and applied consistently.

20.5 Evidence Requirements

Examples include:

- Labour exploitation risk registers.
- Risk assessments.
- Mitigation plans.
- Senior management reviews.

Section 21: Data Sharing, Intelligence and Regulatory Cooperation

21.1 Purpose

Collaboration and information sharing can assist in identifying and preventing exploitation.

21.2 Principles

Information sharing should be:

- Lawful.
- Proportionate.

- Necessary.
- Secure.

21.3 Regulatory Cooperation

Organisations should cooperate with:

- Security Industry Authority.
- Fair Work Agency.
- Police.
- Local authorities.

21.4 Intelligence Gathering

Sources may include:

- Worker feedback.
- Audit findings.
- Client reports.
- Whistleblowing disclosures.

21.5 Data Protection

Information sharing must comply with:

- UK GDPR.
- Data Protection Act 2018.
- Organisational privacy obligations.

21.6 Sector Collaboration

Organisations are encouraged to share:

- Emerging risks.
- Good practice.
- Lessons learned.
- Exploitation trends.

End



Security Guarding
Leadership Group

The S12 Security Guarding Leadership Group gratefully acknowledges the contributions that supported the development of this document.



Home Office



Security Industry Authority



Disclaimer: Inclusion in the acknowledgements should not be interpreted as an endorsement of this document or its contents by any individual or organisation.