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Criminal Justice Committee
Scottish Parliament
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04 November 2026

Dear Convener

SECURITY INDUSTRY AUTHORITY (SIA): ANNUAL REPORT AND ACCOUNTS 2025-26

I am writing to let you know that I have arranged for a copy of the SIA annual report and accounts for 2025-26 to be laid in the Scottish Parliament.

Schedule 1 of the Private Security Industry Act 2001 requires the SIA to send a copy of its annual report to Scottish Ministers, who are then required to lay a copy before the Scottish Parliament.

Attached separately for your information is a PDF copy of the annual report and accounts. Copies will be made available in the Scottish Parliament Information Centre in due course and the report can be accessed on the GOV.UK website.

Yours sincerely

KIRSTEN OSWALD

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

Security Industry Authority

Security Industry Authority

Annual Report & Accounts 2025-26

HC 762
SG/2026/240

SECURITY INDUSTRY AUTHORITY

Annual Report and Accounts 2025-26

Presented to Parliament pursuant to paragraphs 16(4)(b) and 17(2) of Schedule 1 to the Private Security Industry Act 2001

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Contents

Foreword from the Chair and Chief Executive 2

Performance report 5-56

Performance overview 6

Who we are 6
What we do 7
Our purpose 9
Our values 9
New values for a new era 9
SIA: A year in numbers 10
Key performance indicators 12

Performance analysis 17

Core statutory responsibilities 17
Our strategic themes 24
Achievements against strategic themes 25
Environmental, social and community performance 48
Financial review 53

Accountability report 57-99

Governance statement 61

Remuneration and staff report 79

Parliamentary accountability disclosures 92

The Certificate and Report of the Comptroller and Auditor General 94

Financial statements 100-126

Notes to the financial statements 106

Foreword from the Chair and Chief Executive

This is the third and final year of our 2023-26 reporting cycle.

Throughout the reporting year, we continued to deliver private security regulation across the UK: licensing individuals in roles in the private security industry; approving companies for the voluntary Approved Contractor Scheme (ACS); conducting inspections visits; and taking enforcement action when appropriate. We granted 153,599 licences; removed ACS accreditation from 27 non-compliant businesses; revoked 8,286 individual licences and undertook 114 inspection operations across the UK, checking 365 sites and 5,068 licences. Despite high volumes and changes to criteria, customer satisfaction rates remained high - 89% of individual applicants and 93% of businesses reporting a positive experience with most people obtaining a licence in less than 10 days.

As part of our work to raise standards we updated the published 'Get Licensed' making the criteria tighter on past criminality and providing greater transparency on the 'fit and proper' test. We also delivered on efficiency and effectiveness. Our digital and data transformation programme work supported licensing changes and helped with productivity working on a new online register and reporting a concern facility. Our changes to ways of operating reduced customer contact by 16%.

Mandatory refresher training on core skills for Door Supervisors and Security Guarding started in April 2025. We commenced our strategic review of the regulated licence-linked qualifications content, with public consultation due in summer 2026. We intensified our actions on tackling training malpractice and fraud in the private training and qualification sectors. Through 'Operation Resolute' we increased inspections and unannounced visits to training centres.

We also used strategic partnerships to raise standards and ensure confidence in licensed security operatives.
We worked closely with Ofqual on qualification malpractice. We continued work with HMRC to tackle labour abuse in security and also ensure companies in the ACS are tax compliant. Our enforcement activity included successful confiscation following the first proceeds of crime case in Scotland; we were granted powers to make Communications Data requests under the Investigatory Powers Act 2016. We commenced work for the first time with buyers of security on responsible purchasing and creating a responsible buyers charter.

We strengthened the ACS rules and application process to improve quality and trust in the current scheme. Work intensified on the design of the new Business Approval Scheme (BAS),

as we conducted national industry engagement in a number of cities across the UK which will inform the public consultation.

This was our first full year under the responsibility of the Security Minister, and we were delighted to host Rt. Hon Dan Jarvis MBE MP at our offices for the first time. The Minister spent time hearing about our work and speaking with our frontline teams. We remain grateful for the ongoing support of the Home Office, Scottish and Northern Ireland executives.

In Autumn 2025, we welcomed the news of the government's review of the Manchester Arena Inquiry's monitored recommendation 7 (removing some in-house licensing exemptions) and monitored recommendation 8 (mandatory business licensing). The SIA has long championed both recommendations. We supported the Home Office consultation on this in December 2025.

Alongside our work on the regulation of private security, we formally commenced our work preparing to be the regulator for Martyn's Law. Following Royal Assent of the Terrorism (Protection of Premises) Act 2025 on 3 April 2025, we worked with the Home Office on their modelling for the build of the new regulator and their business case for new funding for us.

Our new Martyn's Law responsibilities signal the start of an important growth phase for the SIA. We recruited the first members of the team delivering this work, including a new Executive Director lead. We started work on the new statutory guidance setting out the SIA's role and powers ready for the public consultation in April 2026. Our consultation on the SIA guidance was a major milestone, and we are grateful to all those who provided feedback through the consultation or at the numerous webinars and engagement sessions.

Strategic partnerships remain a key part of ensuring the effectiveness of work, in our existing and new roles. During the year we established contact with various membership bodies of premises and events in scope of Martyn's Law who will be part of our new stakeholder community as we go forward. We are grateful to Figen Murray OBE for her continued scrutiny, challenge, and support, as we prepare for the new law commencing, expected to be in Spring 2027.

Our established relationships with the security industry strengthened with activity in special interest groups, webinars and at a range of industry events including the Home Office's Security and Policing Event in the spring. Once again, we were delighted to celebrate International Security Officer Day with industry bodies and promote the bravery and commitment of licensed officers across the country.

On 28 February 2026, Heather Baily stepped down as Chair of the SIA after over 5 years in office. We are grateful for her organisational and Board leadership, hard work and commitment over the years to ensuring everything we did was traced back to its impact on public safety. On 1 March 2026 I (Mike Cunningham) took up position as the new Chair of the SIA as we launched our new strategic plan to take us into the new phase of the SIA's work and new mandate.

Our last word is for the SIA team, working across the UK; for their expertise, pride in public service and commitment through their work to keeping people, and places, safe. On behalf of Heather Baily, Mike Cunningham, myself, and the whole SIA Board, we thank them for all their hard work during a period of significant growth and change.



Mike Cunningham CBE QPM
Chair
Security Industry Authority



Michelle Russell
Chief Executive and Accounting Officer
Security Industry Authority

Performance report

Performance overview

This section provides an overview of the outcomes we were aiming to achieve, our objectives, and our performance in delivering those objectives during the reporting year. This includes highlights of key metrics and positive outcomes, and some of the key risks to the achievement of our objectives.

Who we are

The Security Industry Authority (SIA) is a public body reporting to the Home Secretary and sponsored by the Home Office. We were established under the Private Security Industry Act 2001 to contribute to public protection by setting and improving standards in the regulated private security industry.

The Act covers England, Wales, Scotland and Northern Ireland and the following activities:

- Cash and valuables in transit
- Close protection
- Door supervision
- Public space surveillance (CCTV)
- Security guarding
- Key holding
- Vehicle immobilisation (in Northern Ireland only)

On 3 April 2025 the Terrorism (Protection of Premises) Act 2025 – Martyn's Law – received Royal Assent. The legislation named the Security Industry Authority as the regulator for the new law.

Martyn's Law is intended to improve protective security and organisational preparedness at premises and events across the UK. The new law, which we expect to be commenced from spring 2027, will require certain publicly-accessible premises and events to protect their premises and be prepared to keep people safe in the event of a terrorist attack.

Our statutory responsibilities under the Private Security Industry Act 2001 are:

- licensing people who do certain jobs in the private security industry
- approving private security companies who wish to be part of a voluntary Approved Contractor Scheme and maintaining a register of them
- conducting inspections of those holding licences and approvals and taking enforcement action where necessary
- monitoring the activities of those supplying private security services
- setting and approving standards of conduct, training, and supervision
- making recommendations on ways to improve standards within the private security industry

Our new statutory responsibilities for Martyn's Law under the Terrorism (Protection of Premises) Act 2025 will be:

- receiving notifications and compliance documents from premises and events in scope of Martyn's Law
- assessing whether those premises and events are complying with Martyn's Law requirements, and where appropriate providing them with compliance advice
- preparing and issuing guidance including how we propose to exercise our functions and use our new powers
- taking enforcement action where necessary to bring premises and events into compliance, including issuing compliance notices, restriction notices, and financial penalties
- keeping under review the effectiveness of the requirements of the Act in reducing the risk of harm to individuals and the vulnerability of premises to acts of terrorism

Our current work - and our future plans - support the Government's responsibilities in keeping the public safe from the threat of terrorism, reducing and preventing crime, including violence against women and girls, and ensuring people feel safe in their homes and communities.

As an executive non-departmental public body, sponsored by the Home Office, we are operationally independent of government as a regulator. We are bound by the Regulators' Code to ensure our regulation is targeted and proportionate. We are risk-led in the way that we use our powers and resources, with focus on the areas of highest risk.

We always strike a balance: we guide, support and advise where appropriate, but we seek compliance and enforce robustly, without compromise.

We are governed by a Board which is made up of our non-executive directors, including our Chair, our Chief Executive, and executive directors.

The Board's role is to ensure that the SIA's statutory responsibilities are met. The Board also sets the SIA's strategic direction. The Chief Executive and executive directors are collectively responsible for the discharge of those responsibilities on a day-to-day basis. The non-executive directors provide both support and challenge to the executive.

We employ nearly 400 members of staff. This number will grow due to our new Martyn's Law responsibilities. We have an office base in London, but a significant number of our workforce are based locally across the UK as investigators and other remote staff who inspect and work closely with the private security industry. In the coming year we will be opening an office base in Manchester.

We are independently audited regularly by the Government Internal Audit Agency (GIAA) and the National Audit Office (NAO).

What we do

We have a statutory responsibility to license individual security operatives. We do this by applying criteria relating to identity, conduct and criminality. We establish the minimum competency requirements that individuals must meet before applying for a licence.

We work closely with the police, local authorities and other government agencies to ensure that individuals and companies operating within the private security industry comply with the law. Our compliance and enforcement operations are part of this work. We also work with security industry membership associations and industry representatives on standards and the operation of our regime.

We set and approve standards for the entry-level training required to hold an individual licence. We do this by specifying the learning for the qualifications needed. We require qualification-awarding organisations to have robust standards of assessment and appropriate processes for the awarding of qualifications recognised for licensing. While we are neither responsible for training nor regulating the awarding and delivery of qualifications - which is the responsibility of the UK's regulatory qualifications bodies (Ofqual and Qualifications Scotland) - we work with them and the awarding organisations to tackle threats to the quality of the qualifications, including training centre malpractice and fraud.

We have a statutory duty to establish and maintain a register of approved providers of security industry services who are part of the voluntary Approved Contractor Scheme (ACS). We apply eligibility and other 'fit and proper' criteria, and we establish terms and conditions of approval. We appoint independent assessing bodies to conduct assessments against the ACS standard before awarding approved contractor status.

We have compliance and inspection teams based and working across the UK visiting venues that provide and supply licensed security. They work with individuals, businesses and venues both to raise standards and to ensure they meet our licensing requirements. They investigate concerns about licence non-compliance. In cases which are not resolved by advice, guidance or formal warnings, we refer them for enforcement action to our criminal investigation team which, in appropriate cases, leads to prosecution. We have a financial investigation capability which means we can apply to the courts for confiscation orders against the assets of persons or businesses convicted of offences where they have profited from their crimes. If any proceeds are recovered, we use the money to support public safety and good causes for the benefit of the security industry.

We work closely with local and national police forces, government agencies, local authority licensing partners, security providers, buyers and venue owners to understand, identify and successfully mitigate a broad range of public protection and safeguarding risks. These include terrorism, violence (including that against women and girls), drugs and spiking, serious and organised crime, modern slavery, labour exploitation, and child sexual exploitation and abuse.

Our work is dependent on partnerships not just with the police and other public bodies, but also with security providers. We seek, and continue to benefit from, the support and co-operation of those working in the private security industry and our many partners to provide

effective regulation and pursue robustly those who choose not to comply.

Since the passing of the Terrorism (Protection of Premises) Act 2025, we have also worked closely with the Home Office to start the necessary preparations, including new funding, staffing and systems, to become the regulator for Martyn's Law when legislation is expected to be commenced from spring 2027.

We also carried out mid-year engagement with key external stakeholders and our own staff on a refreshed purpose, values and objectives for financial year 2026-27 given our expanded role. This annual report documents our purpose, values, and objectives from 2025-26, which were focussed on private security regulation only.

Our purpose

Protecting the public through effective regulation of the private security industry and working with partners to raise standards across the sector.

Our values

Our staff developed these values; they are the guiding force in how we deliver our work. These values direct our behaviour towards our stakeholders, partners and each other. We consider how well we reflect these values through performance reviews and recognition schemes.

Courageous

We are confident in our approach, integrity and independence. We enforce proportionately without fear or favour. We are not afraid to challenge.

Responsive

We listen and we continually strive to improve.

Efficient and Professional

We deliver increasing value for money every year. We recognise and enjoy success; we are brave by recognising poor performance or failure. We put it right, share the learning and move on to the next success.

Together, United

We are one team working with a common purpose. Everyone has value.

New values for a new era

Our organisation is about to embark on a period of significant change and growth. As part of that preparation, we have been working with our staff to revisit our organisational values.

In February 2026, we adopted a refreshed set of values to coincide with our new Strategic Plan for 2026-29. Our staff developed and wrote them, as they did for our previous values. We launched our new values externally when we published the new Strategic Plan in May 2026.

SIA: A year in numbers

5,068
individual licences checked

365
deployment site visits



150,829
customer service requests responded to

2,164
licences suspended



514,333
active licences*

8,286
licences revoked

27%
of ACS applications refused

455,001
licence holders*

1,710
licence applications refused*



21
SIA-led compliance site visits to security approved contractor businesses

18,575
X (formerly Twitter) followers*



143,920
LinkedIn followers*

39,743
Facebook 'likes'*

557,717
lifetime views for our current guidance videos*

We retained the Customer Service Excellence standard

713 approved contractors*

153,599 licences granted

94.4% of all licensing applications processed within 25 working days

92% of eligible businesses successfully renewed their ACS accreditation

114 inspections operations carried out

27 non-compliant businesses had ACS accreditation removed

1,030 intervention (compliance related) cases undertaken and completed

25 prosecutions, leading to

15 convictions

384 improvement needs issued to approved contractors

6,700 intelligence and other external reports of concern received

67 SIA formal warnings issued

89% of individuals are satisfied with the process of applying for/renewing their licence**

712 businesses approved or reapproved within the ACS*

** As of 31 March 2026*

*** Findings of a customer satisfaction survey conducted in January 2026*

Key performance indicators

Our performance management approach includes challenging key performance indicators (KPIs) which are designed to measure both the core areas of SIA activity, as well as our performance against areas of our 2025-26 business plan and the core areas of our 2023-2026 Strategic Plan:

- Regulating effectively
- Regulating efficiently
- Improving individual standards
- Improving business standards
- Driving strategic partnerships
- Supporting our people

We report on the progress of all KPIs to the executive directors' group monthly, and to the SIA Board quarterly. The KPIs evidence and encapsulate how the SIA is working to:

- protect the public through operating an efficient and effective licensing function
- protect the public through effective compliance and enforcement activity
- be an efficient and effective public and customer-focused organisation
- support its people to ensure we perform well as an organisation

These KPIs were designed to both measure and drive performance across the SIA from 2023 to 2026.

Table 1: KPIs for 2025-26, with data as of 31 March 2026

KPI reference	KPI	Rate achieved at 31 Mar 26
Regulating effectively		
1(a)	National compliance levels 95% or above.	**Met - 99%**
1(b)	Increase risk-led inspection activity by 35% from 2024-25 (to 3,400 checks), across the private security industry.	**Met - 3,425 checks**
1(c)	Provide qualitative feedback to individuals or companies in 80% of compliance cases (unless being prosecuted, under criminal investigation or subject to subsequent compliance activity).	**Met - 100%**
1(d)	Ensure 90% of businesses or controlling minds, issued with formal warnings, improvement notices, or prosecutions, are re-assessed as compliant.	**Not met - 88%** (see page 15)

KPI reference	KPI	Rate achieved at 31 Mar 26
Regulating efficiently		
2(a)	Make total savings of 5% (or more) against our planned expenditure across the 3-year cycle.	**Met - £1,161k** (exceeded target of £660k)
2(b)	Make annual efficiencies over the 3-year cycle which are 3% above the savings target at KPI 2(a) to offset the impact of the rebate scheme ending at the start of 2026-27.	**Met - £2,794k** (exceeded target of £1,699k)
Improving individual standards		
3	Reduce the average actions raised at unannounced visits to training providers to 4.0 in year 1, 3.5 in year 2 and 3.0 in year 3.	**Met - 1.2 actions raised on average** (year 3)
Improving business standards		
4	90% of eligible businesses re-register or renew their ACS approval.	**Met - 92%**
5	90% of the businesses on the annual list of top 65 UK security companies are ACS accredited.	**Met - 94%**
Driving strategic partnerships		
6	Increase year-on-year public protection joint activity and outcomes with key partners, to reduce harm across the private security industry.	**Not met** (see page 15)
Supporting our people		
7	Staff retention rates remain 85% or higher.	**Met - 89%**
Core activity		
8(a)	85% of all complex individual licence application decisions are made within 25 working days.	**Met - 91%**
8(b)	90% of all simple individual licence applications decisions are made within 5 working days.	**Met - 99%**

KPI reference	KPI	Rate achieved at 31 Mar 26
9	95% of decisions to suspend a licence are made within 3 working days from receipt of sufficient information to public protection outcome.	**Met - 98%**
10	Obtain a net promoter score of 50+ on our user satisfaction survey.	**Met - +70**
Supporting our people		
11 (a)	An overall increase in results of EDI and organisation values questions in the staff survey, seeking above 70% responses and improvement to 2022 baseline results (78.7%).	**Met - 79%**
11 (b)	Improve EDI demographic disclosure rates for EDI data in our HR system – seeking comparable benchmark with other organisations – with over 70% + completion rates.	**Met - 93%**

Principal risks

Our principal risks to delivery and the effective running of the organisation are set out below. These are detailed in our governance statement on page 68, together with mitigation details. These are broadly consistent with those detailed in the previous reporting period. Each risk has active controls in place as well as new actions. The risks have not materially affected our ability to deliver our key strategic objectives this year.

We have added a new risk relating to the change initiatives and programmes we have introduced, including the preparations for taking on new Martyn's Law responsibilities. Although we welcome the challenge, the relatively small size of our organisation and the speed and volume of the collective changes, from Martyn's Law and other possible legislative changes, required us to recognise the new risk.

We closed the specific finance risk relating to the uncertainty of our financial position once the outcome of the 2025 Treasury Spending Review, and its impact on the SIA, was known.

Strategic corporate risk summary:

- failure to successfully set up and implement our new Martyn's Law role, on time and without unduly disrupting delivery of our Private Security Industry Act 2001 role and priorities
- failure to deliver an effective compliance, supervision and enforcement strategy
- financial health – failure to manage financial resources effectively

- people – failure to attract, retain and develop our staff to ensure capability and capacity to deliver our objectives
- vulnerabilities in the individual licensing regime and its operation
- failure to effectively deliver and implement the Business Approvals Strategy Programme
- inadequate regulatory oversight of the qualification-awarding arrangements in the sector
- a cyber incident or other event that significantly impacts the confidentiality, integrity and/or availability of SIA information
- inability to effectively manage the combined nature, pace and volume of change initiatives and programmes - including the PSIA regime and expansion to Martyn's Law

Our performance in 2024-25

Our performance targets ensure we focus on delivering core statutory functions – high-quality, timely service to our licence applicants, improving standards in Approved Contractor Scheme businesses and protecting the public by taking swift and effective action to address licensing and approval non-compliance. We also included measures on how we have been requiring that training providers take action to address poor-quality training provision and to track how efficient and effective we have been as an organisation.

This year is the third year of our 2023-26 three-year reporting cycle. We met or exceeded the majority of our KPIs, despite the introduction of some stretch targets that encourage and drive performance across the full range of our regulatory activities. These included exceeding our total savings target across the 3-year cycle by 76%, and our teams making 99% of simple individual licence applications decisions within 5 working days, against a goal of 90%.

There were only two KPIs, out of 11, that we did not fully meet. We achieved 88 percent against our target of 90 percent for KPI 1(d) (Ensuring 90% of businesses or controlling minds, issued with formal warnings, improvement notices, or prosecutions, are targeted for follow-up and re-assessed as compliant). The relatively low numbers involved mean this KPI is highly sensitive to small changes. In the one case out of the eight that failed to maintain compliance when we followed up, that business is now subject to criminal investigation.

Last year's reporting in respect of KPI 6 (Increase year-on-year public protection joint activity and outcomes with key partners, to reduce harm across the private security industry) was based on joint inspection activity only. This reporting year our inspection activity with partners has reduced for several reasons. Firstly, we refocussed our inspection activity to areas beyond the night-time economy, which are a lower priority for our inspection partners. Secondly, pressure on policing resources has reduced their availability for joint inspections.

We brought in new targets and metrics for KPI 1(a) (National compliance levels 95% or above) to track and show the impact of our compliance and inspection work across areas that had not been looked at in a while

and to help inform future decisions to target our work to the areas where we can have most impact on levels of compliance.

Yearly levels always fluctuate across our three-year cycle for historical reasons, with this third year being traditionally the lowest year in the cycle following two years of high application numbers.

Looking ahead, we will reset our external performance measures, ensuring that they track our progress against the outcomes and goals set out in our new strategic plan for 2026-29.

Performance analysis

Core statutory responsibilities

Overview

This section is a summary of the work of the Security Industry Authority across a number of areas. It sets out our purpose, our work, the key risks to the achievement of our objectives, and how we performed during the 2025-26 operating year.

Licensing and service delivery

Demand for SIA licences continued; we ended the year with 514,333 active licences and 455,001 licence holders on our public register.

We received more than 155,000 paid individual licence applications in 2025-26, which was 45,000 fewer applications than in 2024-25. We anticipated the reduction, which was mainly due to 2025-26 being the third year of our 3-year licensing cycle, where application volumes are typically lower than the other two years.

However, UK government policy on visas changed over the last couple of years. This contributed to lower-than-forecast volumes through a reduction in the number of first-time applicants from outside the UK. This reversed the trend in recent years of a growing number of first-time applicants from overseas. In 2025-26 there were 18% fewer first-time applicants from the EEA compared to 2024-25, and 28% fewer from the rest of the world. This included 20% fewer first-time applicants on a student visa and 55% fewer on a dependent visa.

The introduction of refresher training for door supervision and security guarding sectors, which became a mandatory requirement on 1 April 2025, also resulted in some applicants bringing their renewal forward to late 2024-25 rather than waiting until they were due in early 2025-26.

March 2026 was once again our busiest month of the financial year, with 15,195 paid applications. We made between 11,110 and 14,088 licence decisions per month throughout the rest of the year.

We committed to improving and prioritising our customer-facing services, user experiences and improving our specialist support for businesses. Licence applications are all online and take fewer than ten working days on average, including the more complex cases. Our annual customer satisfaction survey results remain very

high, with 89% of individuals and 93% of businesses satisfied with the application process.

In 2025-26, we dealt with 150,829 online service requests and 55,038 phone calls from individual and business customers. This was a 16% reduction in customer contact compared to 2024-25. We brought in a new telephony solution for our licensing teams at the beginning of the year, after almost ten years with the old system. This resulted in improved management reporting information and better functionality for our front-line customer support officers.

In 2025-26 we processed 94.4% of all licence applications within 25 working days of a correct and complete application reaching us once the applicant had proved their identity and paid. This continues and further improves on the high performance seen in previous years, with 92% in 2022-23, 93% in 2023-24 and 93% in 2024-25.

We categorise and apply our resources to licensing decisions based on their complexity. We have a target to process 85% of 'complex' decisions within 25 working days, where manual intervention, assessment and judgment is required from SIA staff, and to process 90% of 'simple' decisions within 5 working days. In 2025-26, we achieved 91% against the target for 'complex' decisions, which was 2% higher than the previous year, and 99% against the target for 'simple' decisions, which was the same as the previous two years. It took us 15.6 days on average to make a decision on 'complex' applications, more than a day less on average than the previous year, and 1.2 days on average to make a decision on 'simple' applications, which was the same as the previous year.

These results demonstrate the positive impact that investment in our systems and frequent process improvements have had on our licensing operations over the years. The results were also only achievable due to the hard work and dedication of our high-performing front-line licensing and service delivery team.

Where there is a public safety concern, whether we identify it ourselves or it is brought to our attention, we ensure we act promptly to verify the information and take action as the public and our customers expect. In 2025-26, we processed information relating to public safety concerns and made the decision to suspend an individual's licence within the target of 3 working days in 98.5% of cases. In the vast majority of cases, we took suspension action within just 1 working day, and around 42% of decisions to suspend were made on the same day that we received the information.

Our licensing compliance work increased this year. In 2025-26 we suspended 2,164 licences and revoked 8,286 licences, an increase on 2024-25 of 41% and 13% respectively. More than 94% of the decisions to revoke a licence were due to the licence holder no longer having the right to work in the UK. These actions are fast-paced, resource-intensive, and often require multiple engagements with the licence holder and police partners. We do not reactivate a licence following

suspension unless we have sufficient evidence and assurance that the licence holder is fit and proper and does not pose a risk to public safety.

The Approved Contractor Scheme (ACS)

Our role is to ensure only fit and proper companies gain entry to the voluntary Approved Contractor Scheme and that approved contractors conform with the standard for the duration of their approval period. This scheme has been in existence since 2006. It measures private security businesses against independently-assessed quality standards.

The Business Standards team works closely with our Compliance and Inspections team and our ACS Decisions team to make ACS approval decisions. As at July 2026 there were 714 approved contractors on the register, who together employ over 151,000 SIA licensed staff:

- up to 10 licensable staff: 149 companies
- 11 to 25 licensable staff: 164 companies
- 26 to 250 licensable staff: 328 companies
- over 250 licensable staff: 73 companies

We expect new applicants to present as eligible and demonstrate that they meet our requirements. Any new applicant must go through several due diligence checks as part of the approval journey. During 2025-26, we completed fit and proper checks on all new ACS applicants and continued to complete checks on existing approved contractors through the annual return process. We check the identity, criminal record, financial probity, and integrity of those running a business applying for approval under the scheme. We received 126 new ACS applications and approved 37 new businesses. Through our diligent assessments and investigations, we issued 384 improvement needs to 185 approved businesses over the year to ensure we maintain high standards. This year we removed from the register 27 businesses who fell short of those standards.

This year we completed the planned procurement activity and new contracts for the certification bodies that deliver the independent ACS assessment services. We enhanced our oversight and required performance metrics to further strengthen the integrity and consistency of services to approved contractors from the independent assessors.

We implemented several recommendations from the review of onboarding new ACS applications in 2024-25. We designed these to strengthen ACS integrity as well to ensure we maintain compliance with public sector equality duties. They included the introduction of a validity check of all new applications by a trained criminal investigator, the introduction of a more structured application process, and enhancements to several core policies and check points to support the end-to-end applicant onboarding experience.

Licence-linked qualifications

We carry out our statutory role to 'set and/or approve standards of competence' for those who wish to apply for a licence.

We do this by setting the standards used for licence-linked qualifications and working closely with the awarding organisations and government qualifications regulators to make sure they are awarded properly and that the private sector training that underpins them has credibility.

We have worked particularly hard over the last year to check that the content standards set, which form the basis of the qualifications developed by the awarding organisations, remain fit for purpose and up to date. Towards the end of the year, we commenced a major strategic review of content standards. We enlisted the help of industry expert working groups, an industry advisory group, and ran a series of public webinars and industry events to inform our proposals before formal consultation.

All this is aimed at ensuring we launch the updated qualifications standards, together with the requirements around prerequisites (English test standards, ACT eLearning and first aid requirements) for implementation in 2027.

At the beginning of the year, we also launched the refresher training for door supervisors and security guards, followed by refresher training for close protection operatives. This ensures consistent standards for operatives already in the industry and ensures they have the skills and knowledge to respond to up-to-date risks to the public.

We also conducted some key research into industry trends. We produced research on the economic performance of the industry, skills needs in the industry, the efficacy of current training, retail crime levels and the response of security businesses and the performance and perception of our licensing system.

The independent research we commissioned on skills showed that 85% of licence holders are satisfied with their training overall and 89% think the training is useful in helping them to keep the public safe. It showed that communication skills and customer care and conflict resolution are the most frequently-used skills by Door Supervision licence holders. The research also confirmed security officer views that violence is on the rise in retail environments and that security operatives are increasingly expected by the public to intervene.

This year around a third of the 157,000 qualifications awarded by the six awarding organisations were either top-up or refresher training.

Our staff continued to support court cases and coroner's inquests, including as expert witnesses.

Compliance and inspections

Our Compliance and Inspection investigation officers work in six regional teams based across the

UK. Their purpose is to ensure that individuals, and businesses who are supplying private security industry services under contract, comply with the Private Security Industry Act 2001, and by doing so improve public safety. We divide the work of the teams between compliance investigations and risk and intelligence-led inspections.

We provide regulatory advice. We issue sanctions where appropriate, including formal warnings to non-compliant people and improvement notices to businesses when we identify corporate non-compliance. In more serious cases of Private Security Industry Act offending, we refer cases for criminal investigation. We also refer cases of Approved Contractor non-conformance for potential sanctions, including improvement needs and withdrawal of accreditation. We collate evidence to support and inform actions to suspend or revoke individual licences where licence holders are no longer considered fit and proper or pose an immediate risk to public safety.

Each year we work closely with statutory partners including police forces, HM Revenue and Customs, and local licensing authorities. Over the past 12 months we have further developed our partnership with Home Office Immigration Enforcement. This has resulted in new joint inspection activity where we have interests in common. Our partnership has been particularly effective in identifying and addressing potential labour abuse and exploitation.

During 2025-26 we carried out 3,425 individual risk-led licence inspections, returning a compliance rate of 99%.

We conducted inspections in the night-time economy, at public buildings, in places where public sector contracts were being delivered, and across the retail sector and leisure sector. This high compliance rate provides assurance about levels of licensing compliance. In addition, our investigation teams undertook 1,643 intelligence-led checks. We also redirected resources to support a small, dedicated team focusing on training malpractice and unannounced inspections. This work included three UK-wide national inspections at training centres under Operation Resolute, the programme of action designed to protect the public through increased scrutiny of the delivery of licence-linked training in training centres. This has resulted in an 81% increase in training centre visits compared to 2024-25.

We significantly increased the level of activity in our compliance investigations. In addition to the investigations brought over from the previous year, we opened 1,300 new compliance investigations (against a forecast of 820) and satisfactorily completed 1,030 investigations (against a forecast of 840) during the year, having addressed the intelligence and/or risk.

Intelligence and partner work

Our intelligence work is essential in identifying and managing risks affecting the private security industry likely to impact upon public safety, delivery of our statutory responsibilities or strategic priorities and helping our licensing, approvals and inspections teams in their work.

The volume of intelligence (reports and information) we triage, develop and action increases year on year. This year we received over 6,700 reports, a 5% increase on last year.

We have worked hard to establish and maintain strong working relationships with a range of partners across the UK. We are reliant on our ability to exchange information and intelligence with these agencies to proactively identify issues requiring a multi-agency response. Over the past 12 months, we exchanged over 3,000 items of information and intelligence through our Partner Information Exchange.

We continue to evaluate and evolve our coverage to ensure we collect intelligence across all strategic threat areas and emerging risk issues. Part of this work involved increased engagement with Crimestoppers, almost doubling the number of reports we received from the charity across 2025-2026.

We have strengthened existing relationships and built new ones, resulting in closer working with agencies including His Majesty's Revenue & Customs (HMRC), UK Visas and Immigration (UKVI) and the Financial Conduct Authority (FCA). We have prioritised joint activity with these agencies, facilitated and strengthened by our Tactical Tasking and Coordination Group process, which we refreshed this year and which we continuously develop to embed an intelligence-led organisational response.

We continue to work closely with police, local authority licensing, regulatory bodies, counterterrorism and serious and organised crime partners. This is evidenced by our tactical information sharing, numerous joint operational deployments and several strategic-level initiatives to enhance public protection.

Criminal enforcement

The vast majority of those working within or alongside the private security industry are properly trained and fully cognisant of the requirements of the Private Security Industry Act 2001 (PSIA). However, there are still a minority who choose not to comply and who abuse the trust and confidence the public rightly expects to have in the industry creating a safe and secure environment.

We have both the will and the expanding capability to prosecute offenders, not just for offences under the PSIA but also for other offences, including those under the Proceeds of Crime Act 2002 (POCA). We will take a robust enforcement approach where the regulatory regime is being undermined and where the public have been put at the greatest risk.

At year end, we had 51 active criminal investigations into 25 businesses and 14 individuals. We closed an additional 80 investigations, with 25 referred for prosecution consideration and advice. Last year approximately 65% of our criminal cases involved offences which were predominantly under the PSIA, with 35% involving criminal offences with security licensing and provision of security as a nexus. Our investigations included those into complex and serious offending under the Fraud Act 2006,

the Identity and Documents Act 2010, and the Forgery and Counterfeiting Act 1981 alongside other criminality. We are currently conducting several complex investigations into training fraud, working with partners and stakeholders to increase standards. We also apply for company directors' disqualifications.

Of the cases we took forward for prosecution, positive outcomes resulted in a number of suspended prison sentences, along with over £6,300 in fines, £3,557 in cost orders and £1,127 in victim orders.

Confiscation orders and the Proceeds of Crime Act

We are a 'designated body' under the Proceeds of Crime Act 2002 (POCA). This year saw the creation of our dedicated financial team of accredited financial investigators. We can conduct our own money laundering investigations, for example in relation to the provision of unlicensed security and training fraud. Our financial activity includes securing restraint orders to protect the proceeds of criminal activity prior to and during a court hearing. We also use production orders served on financial institutions to obtain financial information on those who we suspect have financially benefitted from their criminality.

This year we secured our first confiscation orders in Scotland of over £40,000 of criminal proceeds, and in a separate matter we secured over £53,000 in victim compensation. We have an additional circa £100,000 pending court hearings.

Confiscation acts as a valuable deterrent to others and disrupts the ability of individuals to use money gained through criminality to re-enter the private security industry as a new business. It also ensures that those who engage in criminal activity within the private security industry do not benefit financially from their crimes, and in some cases allows for compensation to their victims. To that end, this year we saw the forced sale of a house to satisfy a criminal benefit order, and we anticipate the sale of further properties following a revisit to a previous POCA order.

In previous years we used confiscated monies to fund the SIA's 'Grants for Good Causes' scheme. That has not been possible this year, as the successes we achieved did not result in funds coming back to us through the asset recovery incentivisation scheme (ARIS) in this reporting period. This is likely to change in the coming year with various court hearings pending and a focus on increasing activity to restrain and remove ill-gotten gains from bad actors in the security industry.

Our strategic themes

This is the final year of our three-year strategic plan for 2023-26. In addition to our core activities of licensing, standards and compliance, we measure our progress against the six strategic themes set out in our strategic plan.

Regulating effectively

We will improve our effectiveness by focussing on improved public protection outcomes as we operate a robust, risk-based licensing and compliance regime.

Regulating efficiently

We will provide value for money by spending well and being efficient in discharging our responsibilities and delivering our purpose.

Improving individual standards

We will ensure entry training and behavioural standards keep pace with public expectations and support the private security industry in taking responsibility for improving training standards further.

Improving business standards

We will work with the industry to improve the standards security businesses work to and promote the value of good standards in security provision.

Driving strategic partnerships

We will use our influence as a respected regulator and work jointly with key partners to secure compliance, drive higher standards and improve public confidence in private security provision.

Supporting our people

We will support our employees to give their best, perform at the highest level, continually improve their skills and fulfil their potential to ensure that we meet our public protection aims and deliver high-quality services.

Achievements against strategic themes

Regulating effectively

Improving our effectiveness by focusing on improved public protection outcomes as we operate a robust, risk-based licensing and compliance regime.

Information, Triage and Assessment Centre (ITAC)

We established a new Information, Triage and Assessment Centre (the Triage Centre) that evaluates information passed to us via our online 'Report a crime or concern' portal from the public and other sources. The Triage Centre is responsible for managing reports of non-compliance and potential criminality. The team assesses and triages that information, making timely decisions to promote early action into high-risk or strategic issues. The team is responsible for providing source feedback and developing information. In the past we have been unable to progress matters because of incomplete or missing information. Our new approach has resulted in our team turning previously incomplete information into actionable intelligence for 70% of the sources they have contacted.

The Triage Centre has strengthened our engagement with the public, licence holders, and security companies who report concerns to us, enabling us to seek further information, improve our understanding and increase our ability to take compliance or enforcement action where required.

New investigatory powers

We actively continue to press for changes and improvements to our powers. In July 2025 the SIA was added as a listed body to Schedule 4 of the Investigatory Powers Act 2016. This will allow us, under certain circumstances, to apply to service providers for access to data they hold in relation to telephone and internet usage. This includes information such as who contacted whom, when, where, and how, but not the content of that communication. This capability is critical for building intelligence pictures and securing evidence of serious criminality. We will continue to work closely with the Home Office to secure necessary legislative changes so that we have the capability to undertake effectively our work to protect the public.

Improved compliance management systems

Our Compliance and Inspections teams worked alongside data and digital colleagues to improve our compliance management systems. Better data recording and data extraction enabled us to provide improved outcome reporting and automation in retrieving licence holder data. The recording of information during inspection activity has removed the requirement for manual intervention, which brings efficiency savings and more informed and effective inspection activity. Our review of functional processes and procedures, and the introduction of a quality assurance framework, have driven improvement in standards and consistency in our compliance and supervision approach across the UK.

We have delivered investment in our compliance and inspection resource as we work towards accreditation under the Professionalising Investigation Programme, the provision of body-worn video to improve evidence capture, and radios to improve communication and safety in areas with low mobile phone reception.

Professional investigation standards

All inspection officers and intelligence staff within our Inspections & Enforcement directorate have now completed intensive training for the Professionalising Investigations Programme and Intelligence Professionalisation Programme and are currently working towards certification and completion of their portfolio of evidence.

Both are structured development programmes designed to enhance the skills of intelligence and law enforcement personnel in conducting professional investigations. They provide consistent registration, examination, training, workplace assessment, and accreditation to a national standard at each level. The programmes maintain a strong and resilient intelligence and investigatory workforce, as they equip our staff with the necessary skills to tackle the challenges of criminal investigation.

A new data strategy

We have commenced scoping for a new data strategy to see us into the next three years. It is based on the premise of One Regulatory View. We will develop this further, including an implementation plan in 2026-27. The objective is to provide an integrated view of data across all our future regulatory domains: private security businesses, individual licence holders, and premises and events in scope of Martyn's Law. This initiative builds on the groundwork we established by delivering our Common Data Platform.

To support better decision-making, improved use of data, and greater transparency, we collate key performance indicators and metrics and share them quarterly with the SIA Board, monthly with our executive directors, and throughout the year across the wider organisation.

Harm Prevention Strategy

We continue to ensure our Harm Prevention Strategy has an accompanying action plan to reduce harm both within the private security industry, and risk of harm caused by members of the industry. We and our partner organisations have revised and strengthened the information-sharing agreements, improving our ability to identify and remove from the industry individuals likely to pose a risk of harm. In addition, we have delivered targeted communications campaigns to raise awareness of spiking, highlighting the risks and equipping security professionals with the knowledge to identify incidents and safeguard potential victims.

In-person ACS assurance visits

During 2025-26 we conducted 21 in-person visits to security businesses, each intended to support the integrity of the Approved Contractor Scheme. In addition, we delivered a programme across the year to witness several full ACS assessments. We were able to observe 18 different assessors from three certification body partners. We designed this activity to give us assurance of the competence of those delivering assessment services on our behalf.

Annual customer satisfaction survey

We commissioned an independent customer satisfaction survey in July 2025. This showed that 89% of individual licence applicants and 93% of businesses were satisfied with the application process. While satisfaction among individual licence applicants was 2% lower than last year, satisfaction among businesses increased by 4%, for a second successive year, reaching 93%. This is our best satisfaction result on record for businesses. The main reasons respondents gave for the high customer satisfaction levels include the application process being simple and straightforward, and the timeliness of licensing decisions.

We use the results from this survey, in addition to the customer feedback we regularly gather from other surveys that we coordinate internally, to continually improve the service we provide to our customers.

Increasing direct engagement with businesses

We continue to engage directly with a variety of private security businesses through online Special Interest Groups (SIGs). These are chaired by industry leaders and facilitated by us. The SIGs are mainly “listening groups” where we have the chance to hear stakeholder views and feedback on a variety of industry themes, including the challenges faced by businesses of all sizes. SIGs also provide a forum in which businesses can act as a ‘critical friend’ towards ideas or proposals that we bring to them.

Attendance has increased this year by approximately 20%. Attendees come from a variety of industry sectors, including buyers and front-line officers, and are often not the traditional sector voices seen and heard on the

conference and events circuit or through industry membership bodies. We engaged with SIGs on key strategic areas, including our review of the SIA's licence-linked qualifications and our proposals for the new Business Approval Scheme (BAS).

We also held a number of face-to-face events with approved contractors in key locations across the UK, supplemented by online meetings. We used these opportunities to update businesses on policy changes, the integrity of the current ACS, and to consult informally on our plans for BAS.

Regulating efficiently

Providing value for money by spending well and being efficient in discharging our responsibilities and delivering our purpose.

Building and maintaining resilient technology systems

We delivered a strong set of outcomes over the year, focusing on ensuring continued high stability of services, improving user experience, and progressing key transformation priorities. We enhanced core technology services to improve reliability and resilience, delivered new and improved digital tools to support frontline and corporate teams, and made measurable progress on priority programmes.

We completed several upgrades to key systems and devices that have enhanced security, resilience and capability. We also improved services to internal users by modernising end-user technology and strengthening control of the digital estate. We progressed the operating system upgrade to provide a more secure, consistent and better-supported user environment.

We continue to deliver sustained improvements to our key regulatory systems, responding to changes in policy and business processes while streamlining workflows. This ensures systems remain aligned with operational needs, improves efficiency, and supports more effective ways of working across the organisation.

We implemented up-to-date device deployment and management arrangements to improve how equipment is prepared and issued, reducing manual effort and improving the user experience. We also embedded improved asset management arrangements, giving stronger visibility and control of technology assets, supporting better governance, lifecycle management and service reliability.

Enhancing IT project delivery

We enhanced delivery governance by introducing a structured methodology, establishing clearer controls, deploying new tools, and increasing visibility across our digital portfolio. These measures enabled more effective progress tracking, earlier risk mitigation, and provided senior leadership with robust data to inform decision-making.

Our recent introduction of a dedicated assurance role has strengthened oversight and will improve the quality of delivery across the portfolio. It provides independent challenge, ensures standards and controls are applied consistently, and identifies risks and issues earlier.

Improving the applicant journey

We worked to provide ongoing improvements to our digital licensing systems, streamlining workflows and keeping them aligned with operational needs to improve efficiency across the organisation.

We delivered 80% of the build of a replacement individual licensing system

(replacing our current digital licensing system, portal and register), with a plan to launch in 2026-27. This utilises modern technology to improve the user journey and system capabilities for SIA internal licensing teams.

Improved technology tools for our field-based inspection officers

We have developed a new mobile licence checker and scanning solution for our inspection staff, which we piloted before launch. This provides SIA inspectors in the field with the ability to scan licence cards directly on mobile devices, instantly view holder information and licence status, attach notes that automatically sync with our internal databases and systems, and eliminate manual tasks.

Implementation of agreed recommendations in the Public Body Review

The Home Office commenced an independent Public Body Review of the SIA in 2023-24, as part of the then centrally commissioned Cabinet Office and Treasury government-wide programme. The review, published in March 2025, found the SIA to be a well-run organisation with a Board, executive and workforce committed to improving public security.

The Public Body Review identified eleven recommendations. We established an internal working group to oversee the progress of the implementation of these and ensure timely progress on an efficiency strategy and underpinning financial efficiencies plan. This working group reported quarterly to our executive directors prior to Board meetings, and to the Chief Executive on a bi-monthly basis.

In addition, we updated the Home Office regularly. Overall, we have delivered all but one of the eleven recommendations. The recommendations delivered during the last year include:

- a refreshed efficiency strategy approved by the Board in March 2026 following the 2025 fee review
- a new comprehensive workforce strategy to plan for the right skills, expertise and capability to deliver our current and new statutory functions over the next three years
- a number of team reviews and leadership changes, and Chief Executive's review to ensure confidence in executive leadership skills and reduce future growth in non-front line resourcing. With the expansion of Martyn's Law, we also created efficiencies through new internal shared services and resourcing changes in corporate and digital services to benefit both Martyn's Law and private security regulation
- the reduction in our London estates footprint
- working with the new Home Office team on the case for new powers, aligned to the confirmed Home Office priorities

The recommendation that we were not able to progress or deliver, completion of OneLogin, was constrained by funding availability and delays in the government programme for OneLogin for our required level of authentication requirements.

Improvements to contract and supplier management

We took the steps required to have new procedural documentation and templates for the Public Sector Regulations 2015 (for management of live contracts and pre-2025 framework management), as well as new formats to meet the requirements of the Procurement Act 2023. Our procurement team completed the formal Procurement Act 2023 government training.

In the second half of the year, we expanded the team to incorporate the first tranche of new contract requirements for Martyn's Law. In tandem, we developed an operational playbook in line with Government standards, to ensure we take a single commercial approach for both SIA legacy and Martyn's Law third party expenditure. We will be implementing this approach as part of our ongoing rollout of contract and supplier management practices.

Reduction of London office footprint

We continued the implementation of our three-year estates strategy to reduce our London office footprint. We completed our plan in late May 2025 by surrendering the remaining space we no longer required to enable the occupation of His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS). In total this means that we have reduced our office space by 39% since 2023 and in doing so made efficiencies in estates costs.

Review of licensing and approval fees

Each year we are required by public spending rules on charging to review the fees we set. We undertook a review of the fees we charge across individual licensing applications and the voluntary Approved Contractor Scheme. We conducted this review in line with Managing Public Money principles to ensure that our fees remain appropriate, transparent, sustainable, and reflective of the full cost of service delivery.

Over the last three years we have made significant efforts to keep our statutory fees down. We have done this through a series of efficiency savings and increased productivity. The result of the fee review was that the individual fees could stay at current statutory level; although in practice, due to the end of the previous £20 rebate scheme, this meant a £20 increase at the point of payment. We also needed to increase the annual registration fees for businesses within the voluntary Approved Contractor Scheme (from £15 to £25 per licensable individual deployed) to ensure full cost recovery.

We achieved 99.66% cost recovery when considering PSIA income against expenditure over the existing three-year cycle. We have worked hard to ensure effective financial management and control while maintaining progress towards a sustainable and compliant fee model that supports ongoing delivery of licensing services.

Disclosure Scotland digitisation

In August 2025, we incorporated Disclosure Scotland's new digital process for criminal record checks into our licensing operations for applicants living in Scotland. The new process is a significant improvement on the previous paper-based criminal records check process operated in Scotland, and means the benefits are felt by licence applicants. The process is more streamlined and straightforward to manage. For the first time applicants can check the progress of their criminal record check directly in the Disclosure Scotland portal instead of contacting us, as many would have done previously.

This has also meant the timeliness of licensing decisions involving a Disclosure Scotland criminal record check has improved substantially. Prior to the changes, only 55% of these applications were meeting the KPI target on 'complex' applications. By the end of the year, this increased to an average of 75%. The changes have not only improved the licensing experience for most customers in Scotland, but have also reduced the amount of time our Customer Support team spend working on these applications.

Review of business continuity processes

We conducted a thorough review of our business continuity processes with the help of an outside contractor. We are in the process of implementing the last of the review recommendations. We carried out organisation-wide testing in the third quarter of the year, with the aim of repeating testing in the same period next year.

Information security

To ensure we continue to safeguard the confidentiality, integrity, and availability of SIA information, we undertook a series of initiatives to enhance the resilience of our information security and management. These included implementation of technical controls, security frameworks, review of risks and policies and procedures, as well as continuous training and awareness for our people. We are developing further training for all staff to assist in their understanding of how to manage data well and in a compliant manner. We are also launching technical projects to investigate better deletion and management of information within our systems to improve compliance with legislation.

Focus on cyber security

Our Information Assurance team successfully completed the GovAssure pre-readiness assessment as required by the Home Office. GovAssure is the scheme for assessing government critical systems against the National Cyber Security Centre (NCSC) Cyber Assessment Framework (CAF). The process provides government organisations with visibility of cyber security risks, and support to understand and manage them more effectively.

This preliminary review assessed our control maturity, governance effectiveness, and preparedness for the forthcoming audit, with particular

attention being paid to GovAssure requirements and identified areas of risk. In addition to this we successfully maintained our Cyber Essentials (CE) and Cyber Essentials Plus (CE plus) accreditation. These provide internal and external assurance in respect of cyber security prevention and control measures.

Financial accounting

We prioritised resources on maintaining core financial operations, ensuring we met statutory reporting requirements and that business-critical services continued without disruption. Our approach mitigated immediate operational risk and maintained stability and compliance across the organisation.

We reprofiled work to progress our system upgrade with preparatory activity informing future delivery. Addressing resourcing gaps remains critical to enabling system modernisation and ensuring the platform is brought within technical support timelines in a sustainable and controlled manner.

Improving individual standards

Ensuring entry training and behavioural standards keep pace with public expectations and supporting the private security industry in taking responsibility for improving training standards further.

Changes to our licensing criteria

Working with the Home Office, we tightened the licensing criteria published in Get Licensed to make the criteria pertaining to current and past criminality more robust. We also improved clarity and transparency on the 'fit and proper' test that all applicants and licence holders must meet. We introduced these changes following a wide-reaching public consultation from 11 March to 29 May 2025. This received 3,300 responses, largely with strong support for the proposals.

The updates included expanding the list of criminal offences considered relevant in licensing decisions. We also further tightened the rules around refusing a licence where an applicant has any criminal record that includes a sexual offence, a child abuse or neglect offence, or a prison sentence of more than 12 months.

Previously any applicants who had lived overseas for six or more continuous months within the last five years had to provide an overseas criminal record certificate. We increased this period to ten years to be in line with other sectors. We also made clearer the broad range of other information we may consider when deciding whether someone is 'fit and proper' to hold a licence – such as domestic violence orders or being subject to misconduct or other disciplinary proceedings.

Following the publication of 'Get Licensed December 2025', it was identified by the Home Office that insufficient consultation took place between the Home Office and the Northern Ireland Executive. To address this, the document was re-issued as 'Get Licensed May 2026' following completion of the correct consultation process. There were no changes to the document.

Strategic review of licence-linked qualifications

Toward the end of the year, we launched the major strategic review of the qualifications content standards and linked prerequisite training required to apply for or renew an SIA licence. This review includes the content standards that we set, and how the qualifications based on them are delivered. We are working with awarding organisations to make sure the next generation of licence-linked qualifications contain the content required to assure entry-level competence in carrying out licensed security roles, and train operatives to deal with common risks to public safety.

In this root-and-branch review we are also considering how people demonstrate first aid and functional English skills, as well as how qualifications, which are under the remit of the qualification regulators, can be securely assessed.

We convened a series of expert working groups to scrutinise proposals and provide their views. We set up an industry advisory group to guide through difficult issues and help us ensure the standards set are fit for purpose. We conducted a series of webinars and industry events that facilitated 5,000 individuals to have their say.

Momentum – a mentoring programme for security careers

We worked with the industry-owned and -led Security Skills Board to develop and implement the Momentum Security Career Mentor programme. We supported them in the pilot programme to bridge the current gap of private security industry mentors identified previously in survey results.

The programme resulted in a group of trained and qualified mentors who are now active ambassadors. This cadre are attending job fairs and industry events, encouraging job seekers to see the career possibilities of working in the security industry. Feedback from the first cohort of mentors has been extremely positive. They set their own group charter and established strong rules committing to their responsibilities, with a clear understanding of the role they can play as advocates.

Refresher training for close protection operatives

In August 2025 we announced mandatory refresher training for close protection operatives to renew licences from 1 April 2026. The new refresher qualification was available from awarding organisations from 1 October 2025. The qualification updates the safety-critical skills that close protection operatives use to keep the public safe. The refresher training was designed to ensure that operatives continue to have the skills and knowledge to undertake aspects of their role safely. We sought views from subject-matter experts in the close protection field to assess and agree content in areas of the licence-linked qualification most likely to be subject to skills fade.

Improving business standards

Working with the industry to improve the standards security businesses work to and promote the value of good standards in security provision.

Designing a new business approval scheme (BAS)

We have a statutory duty to run a voluntary register of approved security businesses who meet certain quality and compliance standards. We are redesigning the scheme, putting at its heart a stronger focus on public protection and a greater emphasis on improving standards of security provision. The proposals for the new business approval scheme will provide buyers and users of security with more transparent information into the services offered by approved businesses. It will also offer greater incentives for businesses to provide better standards of security and associated specialisms.

We have prepared new individual Codes of Conduct for each of the seven licensable activities for which we are responsible. We have also prepared standards for the security specialisms we propose and revised the scheme eligibility criteria.

The proposals have been informed by extensive stakeholder feedback from current approved contractors, non-approved businesses, and buyers of security. We engaged with trade associations, Government partner agencies, and policing. We attended a wide range of industry events, ensuring we are visible and available to answer questions.

We held webinars, seminars and briefings, both in person and online. We spoke to many hundreds of interested parties and heard the voices of a large cross-section of the industry. Our programme also included regular weekly updates and surveys on social media including our corporate LinkedIn page.

We are launching a public consultation in November 2026. The consultation will seek to inform all stakeholders of our current thinking and seek their response to a series of questions. We will publish the consultation outcomes in due course afterwards.

Business scheme - digital by design

Alongside design of the new scheme, we started the preparatory work for a new digital portal to allow businesses to share documents more efficiently and create a brand-new business approval register to replace the Register of Approved Contractors.

The enhanced business register will deliver greater transparency and clarity for buyers and users of security by publishing more relevant information about approved businesses.

Engaging with buyers

We established a new Security Buyers Special Interest Group (SIG) to develop a new buyers' charter, raise awareness of responsible buying of security, and in turn raise standards across the sector.

The Security Buyers SIG working group is composed exclusively of buyers from across the sector, ensuring that all perspectives reflect the realities and responsibilities of those procuring security services. The group is co-chaired by experienced security buyers, providing strong leadership and balanced representation from a wide range of industry buyers.

The Security Buyers SIG developed a clear roadmap outlining its deliverables and prepared for broader industry consultation in June 2026. They designed the charter as a toolkit for responsible buying, setting out shared values and practical measures to support ethical, sustainable, and professional procurement across the private security industry.

We have worked hard in other areas to engage buyers from across the industry. This includes our continued work with Crown Commercial Services (CCS) (which became the Government Commercial Agency (GCA) from 1 April 2026). We produced detailed guidance for buyers to signpost them to advice, good practice and case studies published by other credible partners.

The Home Office is committed to this agenda and will promote the use of the Buyers' Charter across government in its final form.

Helping businesses to learn and improve

We developed six new modules under the SIA Learn platform that are available to all approved contractors. We designed these to provide eLearning, guidance, and examples of good practice. Each module provides independent key learning and advice for anyone with an SIA Learn account.

The modules we offer are:

- Preventing worker exploitation
- Verifying SIA licences
- Payroll due diligence
- Labour supply due diligence
- Serious Organised Crime groups
- Violence against women and girls

Driving strategic partnerships

Using our influence as a respected regulator and working jointly with key partners to secure compliance, drive higher standards and improve public confidence in private security provision.

Working together against training malpractice

This year we launched the new Operation Resolute, designed to protect the public through increased scrutiny of the delivery of licence-linked training. Improving the robustness and quantity of inspections of training centres will protect the integrity of SIA licence-linked qualifications and ensure that only those who are properly trained, qualified and competent hold SIA licences. Resolute is delivering an uncompromising approach to detecting, disrupting, and sanctioning instances of serious malpractice and fraud. We will continue to leverage our existing inspection and investigation capabilities to detect and deter training malpractice and dismantle centres which undermine regulation and public safety.

We also reinforced our regulatory relationship with Ofqual and increased our work with awarding organisations to improve assurance systems that detect, disrupt, and mitigate the risk of training malpractice within centres providing licence-linked qualifications and end-point assessment.

Through our annual programme of unannounced visits, and our newly-introduced intensification weeks, we have been able to support awarding organisations in suspending or withdrawing approval from 19 training centres. We revoked or suspended 816 licences in cases where we no longer have confidence in their training. We also have four ongoing criminal investigations into suspected training malpractice.

Security industry groups

The security industry includes, and is represented by, a wide range of sector groups, membership bodies and associations, with different purposes, specialisms and perspectives. We engage with the private security industry in a variety of ways, including through our stakeholder forum, special interest groups, larger businesses group, ACS and business networks, and by holding webinars and speaking at conferences.

In autumn 2025, a new industry group was set up: the S12 Security Guarding Leadership Group. Its purpose was to act as a single point of contact for sharing views with the Home Office and Security Minister, as well as meeting them every quarter to provide their perspective on future government decisions, ensuring a diverse range of voices are represented and heard. The S12 is now represented as a standing member on the SIA's Stakeholder Forum. We have engaged formally with them on the skills and qualifications review, the design of the new business approval scheme, and ACS fee changes.

Strategic threat assessment

In September 2025, we completed our annual strategic assessment on threats to the delivery of a robust and compliant private security industry. The assessment outlines gaps in our intelligence picture, which we aim to fill to enhance our understanding, accompanied by our intended course of action to mitigate risk. We shared this with our partners to enhance the outcome of partnership working and identify areas of common interest.

Using the Police National Database

In conjunction with the Home Office and the National Police Chief's Council (NPCC), we refreshed and agreed the terms of our use of the Police National Database. This involved production of a new data-sharing agreement, and digital discovery and testing phases to enable us to share vital intelligence data with the wider UK law enforcement community. This project is due to conclude during 2026-2027.

Law Enforcement Data Service pilot

In November 2025, the National Police Chief's Council granted us approval to access the 'Persons' module of the Law Enforcement Data Service (LEDS). LEDS is the replacement for the Police National Computer (PNC). Direct access to this system enables us to quickly and efficiently access reliable law enforcement information to lawfully check about people we regulate; for example, known aliases, warning markers, address details, or outstanding warrants or arrest information. This tool supports us in corroborating intelligence we already have, enabling us to make timely operational decisions.

Taking action on worker exploitation

On security sector labour abuse and exploitation, we worked closely with partners to target vulnerabilities in labour supply chains and address risks to the Approved Contractor Scheme (ACS). This approach has strengthened joint working with key partners and improved focus on higher-harm activity. We refer allegations of payment below minimum legal wage of security officers to HMRC, which is the lead agency on tackling and enforcing this.

Public safety campaigns

We launched the SIA's "Safer Summer Together" campaign in June 2025. The campaign ran until the end of August 2025. The campaign recognised that increased footfall and outdoor activities during summer create unique security considerations. We used a range of channels to remind security operatives and businesses of the role they play in public safety. Our emphasis was on reminders of the public safety skills operatives acquire from their training and best practice in protecting the public.

Our winter public safety campaign ended after New Years Day. Highlights included reminding operatives of their training during the festive season, especially intervening to assist vulnerable people and de-escalating tense situations. We also encouraged

the public to seek help from licensed operatives, reminding them of the training SIA licence holders receive. We also promoted and amplified counter terrorism messages from our partners.

We supported the National Police Chiefs Council (NPCC) anti-spiking week; we sent out a ‘broadcast’ message to all licence holders and included details of the WAVE (Welfare and Vulnerability Engagement) e-learning. This resulted in 2,647 new sign-ups to the training over the course of that week.

Supporting our people

Supporting our employees to give their best, perform at the highest level, continually improve their skills and fulfil their potential to ensure that we meet our public protection aims and deliver high-quality services.

Our people

Everything we do is ultimately delivered through the people in our workforce. 2025-26 was the third year of our People Strategy supporting our Strategic Plan 2023-26. The People Strategy focuses on six priority themes: the employee journey; supporting employees to realise their potential; developing inspirational managers and leaders; pay, reward and recognition for our employees; one inclusive workforce; and a quality HR service for everyone.

Recruitment and induction

We need to be able to attract and retain the right talent to achieve our objectives. In the first quarter of 2025-26 we transitioned to the Government Recruitment Service which provides us with enhanced functionality and improved reporting capabilities.

Strategic workforce planning

We need to maintain turnover at an optimum level through effective workforce and succession planning, to ensure that we have the capacity and capability to deliver our objectives both now and in the future. Turnover has been relatively stable in 2025-26 and within the retention target we set of 85%.

Workforce Skills Strategy

We successfully developed and completed a new Workforce Skills Strategy designed to underpin and enable the wider Workforce Strategy. The strategy sets out a clear framework for identifying current and future skills requirements, ensuring that we are equipped with the capabilities we need to meet our regulatory responsibilities and respond to emerging demands, including those associated with Martyn's Law. It also establishes a more structured and proactive approach to workforce planning, linking skills development to organisational priorities.

Our focus now is on implementation, ensuring that the strategy is embedded across the organisation and informs key people processes such as recruitment, learning and development, and performance management. Our delivery plan will support targeted investment in priority skill areas, strengthen capability across teams, and ensure that we continue to build a resilient, adaptable and future-ready workforce.

Review and reset of our values

We are at a place of change as an organisation: embarking on a new three-year strategic planning cycle as we bring people on board to support our new responsibilities as the Martyn's Law regulator. We established a Values

working group, with staff from across the organisation, to explore this unique opportunity to reset our values. Our values are a crucial part of how we see ourselves, as well as a guide that determines our behaviour towards each other and our customers – not to mention a reminder of the professional standards to which we adhere.

The group looked at value statements from different organisations across both the public and private sectors to see what we could learn from others. We arrived at our new values through engagement and debate; members of the working group shared and tested ideas with their colleagues in their directorates. We arrived at our final agreed suite of new values in February 2026, which are reflected in our new Strategic Plan.

Chorus Leadership Development Programme

We completed the Chorus Leadership Development Programme that we launched in 2025. This was a significant milestone in strengthening leadership capability across the organisation. The programme was designed to support existing senior and middle leaders with the opportunity to reflect on their leadership approach, capabilities and development; it explored skills, tools and insights required to lead effectively in a complex and evolving environment, with a strong emphasis on consistent standards, behaviours and values.

Our focus now shifts to embedding the learning from the programme into day-to-day leadership practice. We are providing ongoing support to ensure that leaders consistently apply the principles and behaviours they have developed through Chorus, reinforcing a culture of effective leadership, accountability, and continuous improvement across the organisation.

Pay and reward

We want our employees to be, and to feel, fairly rewarded for their knowledge, experience and performance. This year we were able to revalorise the pay scales, within the central pay restrictions, which had been a long-standing ambition. We work constructively with the recognised trade union on collective bargaining.

We continued to support a cost-of-living plan that focuses on pay and reward, wider employee benefits, signposting staff to support, and financial stress as a wellbeing issue.

Our inclusive culture

We have a strong ethos supporting an inclusive culture at the SIA. We need and want a culture where difference is valued, respected and used positively, and our people are and feel included.

Our commitment is to ensure that we are a great employer that values and welcomes the different backgrounds, ideas, identities, skills, behaviours and experiences of our people. We are outward-looking and understand and appreciate the diversity of the private security sector we regulate. Internally we will have a workforce which is inclusive and diverse, and where employees fully represent and understand the public that we serve.

We have several active staff networks supporting this.

We have a 54:46 female to male gender split, and more than a third of our workforce are located outside of London and the South East. We are proud of the diversity of our staff. 55% declare as white, while 45% identify as being from all other ethnic groups combined. This ratio is higher than many other parts of government - the UK civil service average is 18%. This ratio is however, as in many organisations, lower at senior leadership levels, which is one of the areas we keep working on.

Declaring equalities information

We have maintained the good progress we made last year with regard to the high rate at which colleagues declare their equality monitoring information. This supports more robust reporting against our key Equality, Diversity, and Inclusion (EDI) strategic measures. An average of 93% of colleagues have provided equality monitoring information across the key protected characteristics.

Increased communication, reassurance regarding data confidentiality, and clearer explanations of how we use equality data have all contributed to higher levels of disclosure across the workforce. This has improved the quality and reliability of our EDI data, enabling more informed decision-making and more effective monitoring of workforce diversity.

We will continue to build on this progress by encouraging further disclosure and maintaining colleagues' confidence in how their information is collected, stored and used. Maintaining, and improving, our high declaration rates remains a priority, as accurate and complete data is essential for identifying trends, addressing potential inequalities, and ensuring that our policies and practices effectively support a diverse and inclusive workforce.

Staff survey

We seek feedback annually from our employees through a staff survey and are committed to acting on the themes identified to inform our people approaches for the future. The response rate to the survey in 2025-26 was 74% (249 of 337 staff completing). The overall survey score against the 11 themes was 75.9% (77.5% in 2024-25). The highest-scoring theme was 'Being empowered & supported' (79.9%) and the lowest was 'Recognising and rewarding performance' (67.8%).

Colleague Voice Forum

We created the Colleague Voice Forum in 2025 to increase our employee engagement. We identified representatives from across the organisation through an open and transparent process of nominations and voting. The Forum has reviewed proposals this year that included engaging with the Values team and feeding back their views on changes to the Wi-Fi provision for home workers.

The Forum is working on several live proposals, including a review of the staff network structure and HR processes such as Exit and Stay Interviews, Personal Development Plans and the

Wellbeing Strategy 2026-29. The Chair rotates through representatives from Licensing and Standards, Corporate Services, Transformation, Inspections and Enforcement and Governance.

We are currently working on improving the way the organisation can engage the Forum to ask for support, as well as updating the pipeline of proposals for consideration.

The new forum sits alongside our staff networks and the EDI Committee – to ensure that all employee voices are heard within the SIA.

Martyn's Law – preparing for our new regulatory functions

The Government introduced Martyn's Law to strengthen the security of premises and events. Its name recognises the campaign led by Figen Murray, the mother of Martyn Hett, one of the twenty-two victims of the Manchester Arena attack.

The new law intends that those enjoying nights out, going to concerts and events, and visiting shopping centres and other premises that host large numbers of people, should have better confidence in those responsible for their safety. Security and venue staff must be ready to take forward appropriate and reasonably practicable public protection procedures to reduce the risk of physical harm caused to individuals if an act of terrorism were to occur. For larger, enhanced-tier premises and qualifying events, appropriate and reasonably practicable public protection measures are additionally required to reduce the vulnerability to acts of terrorism.

Our initial role as regulator will be to provide guidance, support, and advice as we assess premises and events against the new requirements. We will check compliance in our notifications and assessment function and our inspection regime will provide a level of assurance that the plans and procedures declared by premises are in place and effective at the time we visit: in proper use, and familiar to those who rely on them.

Levels of awareness of the requirements, and of public trust and confidence in them, are amongst the ways in which we will measure our outcomes and impact.

To ensure we are ready to carry out these new functions and support the premises subject to Martyn's Law, we commenced a significant change programme. This involved careful and considered design of the new function, including staffing, as well as planning for the mobilisation stage which is the period up to commencement of the legislation, expected from spring 2027.

This year is the first year we were in receipt of new and separate funding from the Home Office to pay for staff and other resources for our work connected to the Martyn's Law regulator and the necessary mobilisation work. This period provides the space and time to set up the structure, digital systems and operational processes needed to carry out our regulatory role, ahead of those regulatory duties being switched on by Parliament, expected from spring 2027. As part of this preparation work the Home Office commissioned external consultants to create a blueprint for the regulatory model, design and staffing needs for the new regulator; this work completed in July 2025. The process for appointing senior personnel could then be commenced.

Alongside locking in the design, staffing and resourcing, we set ourselves a series of immediate key priorities for Martyn's Law within our Business Plan for 2025-26. Our progress against these priorities is set out below.

New Framework and Funding envelope for the mobilisation period

The new Martyn's Law work meant a change to our previous self-funded model. During the year we have been agreeing separate additional funding to be provided by the Home Office in the form of a grant to the SIA to fund our new Martyn's Law work. This is important as this new work should not be funded by fees from SIA licence holders or approved contractors.

The grant agreement was signed in December 2025 and paid for all the early mobilisation and design work, including refunding to us the money for the SIA staff who were taken off their normal duties to help set up the new build team. The Home Office also funded the work of the external consultants on the design and build of the regulator.

A new corporate Framework Agreement was developed. This is aligned to our new Strategic Plan 2026-29 and reflects the permanent funding arrangements.

Protective Security Strategic Partnerships

We have established new working relationships between the four key Government protective security partners; besides us, these are the Home Office, the National Protective Security Agency (NPSA) and the National Counter Terrorism Security Office (NaCTSO).

We have established new relationships and arrangements at both strategic and operational levels. We have agreed and ensured clarity on each partner's roles, responsibilities and remit to avoid duplication and ensure mutual support. These new relationships are underpinned with regular strategic and operational meetings and engagement.

Developing statutory guidance for Martyn's Law

We carried out work on and prepared the draft statutory guidance on how we will exercise our functions as the regulator of Martyn's Law (known as and referred to as the SIA's s12 guidance).

We also worked with the Home Office on the drafting of its own statutory guidance (referred to and known as s27 guidance) on the scope and requirements of the new law, which was published in April 2026.

We timed the start of the public consultation on our own s12 guidance with the Home Office publication of its statutory guidance, to ensure that our guidance could be seen and understood in context.

Recruitment for key roles

Once the design blueprint was agreed, we immediately commenced recruitment for the senior roles necessary for the implementation of Martyn's Law. The new Executive Director leading this work was recruited

over the summer and started in January 2026, with the three permanent deputy director leads following.

We also started to form the temporary SIA build team. We focused our initial activity on building capacity and capability in the build team at pace through a mix of fixed-term appointments and secondments.

There will be over 100 new posts created in the SIA's Martyn's Law team, working on:

- guidance and other educational and outreach work
- the formal notifications that premises and events in scope of Martyn's Law will make
- desk-based casework on compliance issues, as well as scrutiny and assessment of compliance documents and plans submitted by enhanced tier premises
- inspections and formal investigations into concerns about non-compliance and follow-up enforcement work

The recruitment ahead will require sustained effort to attract and onboard suitably skilled candidates within a competitive labour market, while ensuring that recruitment processes remain robust and aligned with requirements.

Supporting the Home Office's stakeholder engagement and communication strategy

The Home Office remained the lead for all communications in the first year of the programme, pending the set-up of the regulator and the publication of the Home Office's s27 statutory guidance.

Our focus in this period, supporting the Home Office's Martyn's Law communications and engagement strategy, was to support them in increasing awareness of the new law and reassure those in scope.

We cautioned premises and events in scope against the use of consultants whilst waiting for the Home Office guidance, reminded them that they had sufficient time to prepare ahead of expected go-live from spring 2027 and signposted them to free technical protective security guidance and advice from government on Protect UK.

We established a strategic communication and engagement forum of the four protective security partners to ensure smooth coordination of all communications activities and collaborated with them on attendance at sector and industry events to ensure a clear and consistent approach to delivering key messages.

We worked with the Home Office to target those in scope through a series of webinars. We co-held sector-specific webinars which included representatives from local authorities, retail, entertainment, hospitality, and the night-time economy. We took part in more than 20 webinars covering 10 sectors and reaching nearly 6,000 individuals in scope of Martyn's Law.

Our senior staff and experts attended events regularly and reached thousands more individuals through trade association conferences such as the International Security Expo and the National Association of Healthcare Security conference.

Environmental, social and community performance

Sustainability

We are committed to working to ensure that we take proper account of the impact of our activities on the environment. Performance in relation to greenhouse gas emissions, waste management and finite resource consumption is set out in the following tables. We are dependent on building-wide arrangements under the control of, and provision of this data from, our landlords the Government Property Agency (GPA). In 2025 GPA confirmed that they had removed gas from our energy supply.

Consumption increased post COVID-19 pandemic due to the increased attendance in the building but still remains below pre-pandemic levels. Our workforce consists of office-based and remote workers and currently occupies part of one floor of a shared government hub building. The Greening Government Commitments set out the actions UK government departments will take to reduce their impacts on the environment in the period 2021 to 2025. Greening Government Commitment targets beyond 2025 have yet to be published.

We have a working arrangements policy, supporting our estates strategy, where all office-based employees must attend the office based on job requirements for at least 1-2 days a week and for engagement activities such as team meetings, inductions and external meetings. Part of our estates strategy included reducing the space we occupy, decreasing both energy consumption and waste production.

Sustainable procurement

Our sustainable procurement policy is to ensure we meet our needs for goods, services, works and utilities in a way that achieves value for money on a whole-life basis whilst minimising damage to the environment. We use Crown Commercial Services framework contracts for the majority of our procurement. We invite tenders for goods and services through 'Buying Solutions'.

Our future strategy

We are committed to reducing our impact on the environment in line with the Greening Government Commitments and will continue our efforts to reduce our greenhouse gas emissions.

The SIA is working towards Net Zero by 2050 and adapting to climate change by doing the following:

- In line with our data and digital strategy, automate and improve our IT processes where possible to further minimise the use of paper
- procure sustainable technology and digital services with the aim of achieving long-term value for money with traceability of ICT at end of life
- climate-resilient design incorporated into relevant projects
- with over 30% of our licence holders, ACS companies and industry stakeholders concentrated in and around London and the South East, the continued location of the office

in Canary Wharf provides a critical local base and facilitates easy and economic travel by public transport to both our staff and stakeholders for in-person visits to us, security businesses and premises as well as key stakeholder events
- implement measures targeting the reduction of energy consumption and minimising waste including the removal of single-use plastic
- reduce our office space

Between 2023 and 2025 we succeeded in reducing the floor space we occupy by 39%. On 28 August 2023 we released eight desks to the Government Property Agency (GPA), on 16 November 2023 we released 24 desks to the College of Policing, and on 14 May 2025 we released 258sqm to His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS).

Other targets or sub-targets identified by the Greening Government Commitment are not deemed to be relevant to the SIA. These targets, such as 'Nature recovery' and 'Adapting to climate change' relate to land, estate and building management. As a tenant of the Government Property Agency (GPA), these are areas outside our direct control.

The SIA does not currently own, hire or lease car fleets.

Performance in relation to greenhouse gas emissions, waste management and finite resource consumption is set out in the following tables.

Table 2: Greenhouse gas emissions

	2025-26		2024-25	
	Consumption kWh	Cost £	Consumption kWh	Cost £
Direct emissions	—	—	—	—
Indirect emissions				
Electricity: Non-renewable*	—	—	—	Not available
Electricity: Renewable*	237,758.46	Not available	340,239	Not available
Gas**	—	Not available	3,687	Not available

** The building occupied by the SIA has moved from a non-renewable tariff to 100% renewable green tariff.*

*** In early 2025 the building occupied by the SIA installed air source heat pumps and discontinued the use of gas.*

Table 3: Official business travel

	2025-26		2024-25	
	Consumption CO2	Cost £	Consumption CO2	Cost £
Private fleet business travel*	Not available**	133,794	Not available**	131,615
Rail business travel	Not available	109,075	Not available	137,601
Other business travel	Not available**	68,992	Not available**	101,997
Total business travel	**Not available**	**311,861**	**Not available**	**371,213**

** Refers to the use of staff's own vehicles for work purposes, for which they claim back mileage.*

*** Third party supplier unable to provide CO2 data.*

Table 4: Waste minimisation and management

	2025-26		2024-25	
	Consumption Kgs	Cost £	Consumption Kgs	Cost £
Hazardous waste	—	—	—	—
Non-hazardous waste				
Landfill	—	Not available	—	Not available
Recycled/Reused*	1,470	Not available	1,519	Not available
Incinerated	—	—	—	—

	2025-26		2024-25	
	Consumption Kgs	Cost £	Consumption Kgs	Cost £
ICT waste recycled, reused and recovered (externally)	Not available	Not available	Not available	Not available
Waste incinerated with energy recovery	1,330	Not available	1,568	Not available
Waste incinerated without energy recovery	—	—	—	—
Waste composted/ food waste	370	Not available	276	Not available
Total waste	**3,170**	**Not available**	**3,363**	**Not available**

** Where information is stated as 'not available' our landlord was unable to provide this information.*

Table 5: Finite resource consumption

	2025-26		2024-25	
	Consumption M^3	Cost £	Consumption M^3	Cost £
Water supply*	623.14	Not available	674.9	Not available

** Based upon calculations supplied by the landlord in relation to the proportion of SIA usage against that of the whole building. Average water usage per person remains proportionate to the number of people in the building. The Facilities team at the SIA has outlined measures to employees on methods to reduce our use of water and has made suggestions to our landlord on how to cut water usage across the whole building.*

Our landlord has been unable to supply information for the SIA to fully report against requirements in this section. We will continue to seek this data from our landlord in the next financial year to meet the requirements.

Recycling

We continue to maintain a reduced rate of printing. Last year we reported on reducing our printing paper usage from 597,500 sheets of paper in 2017-18 (office printing alone – home printing figures were not available during this time period) to 145,000 sheets of paper in 2024-25 (office and home printing). In 2025-26 we reduced our usage by around a further third, to 97,500 sheets of printer paper. This decrease in printing paper usage means we continue to exceed the 50% reduction requested by the Greening Government Commitments.

Procurement

We invite tenders for goods and services through 'Buying Solutions' provided by the Government Commercial Agency.

Approved Contractor Scheme (ACS)

In seeking ACS status, companies must comply with a set of corporate and social responsibility standards which are laid out in the accreditation guidance. In this way we actively promote corporate and social responsibility in the regulated sector.

Equality and diversity duties

Our Equality, Diversity and Inclusion Strategy sets out our vision, commitment and objectives in support of our People Strategy. This is complemented by an action plan. We take seriously our duties under the Equality Act 2010.

We are an equal opportunities employer. We give full and fair consideration to all applications for employment, and we welcome applications from everyone, regardless of race, sex, disability, sexual orientation, religion or belief, age, marriage and civil partnership, gender reassignment, pregnancy and maternity.

We pay regard to the particular aptitudes and abilities of people with disabilities. We continue the employment of, and arrange appropriate support for, our employees who have a disability during the period. We support the career development and promotion of disabled persons that we employ.

We have a culture that champions and is based on inclusion. As an employer, the diversity of our employees, including their backgrounds, experiences and locations enriches us and enables us to better carry out our services to licence holders and our role as a regulator. We value the skills and qualities each employee brings with them into the organisation. We are proud of the diverse nature of our organisation and continue seeking to develop a culture within our organisation that reflects our strong values surrounding the importance of inclusion in our work.

Financial review

Overview

The SIA utilises several funding streams. For our private security regulation most of our funding comes from fee recovery, with a small amount of capital funding (CDEL) provided by the Home Office. For our new Martyn's Law responsibility, this is the first year in which we received Home Office funding via a grant.

A summary of the income and expenditure over the past 3 years is shown in Table 6 below.

Table 6: Summary of financial results: 2023-24 to 2025-26

	2025-26	Restated 2024-25	2023-24
Application numbers*	155,431	200,177	179,211
	£'000	**£'000**	**£'000**
Licence fees	26,670	34,781	31,149
ACS	2,123	2,310	2,179
MLR Income	1,197	—	—
Other	—	17	75
Total income	**29,990**	**37,108**	**33,403**
Staff costs	(22,118)	(21,033)	(19,585)
Licensing costs	(7,807)	(10,292)	(7,647)
Amortisation and depreciation	(2,186)	(1,341)	(1,210)
Other expenditure	(4,893)	(6,498)	(5,709)
Total operating expenditure	**(37,004)**	**(39,164)**	**(34,151)**
Operating surplus/(deficit)**	**(7,014)**	**(2,056)**	**(748)**
Licence Rebate Scheme	**1,965**	**3,767**	**3,068**
Adjusted operating surplus/ (deficit)	**(5,049)**	**1,711**	**2,320**

** Paid for application number differs from number of licences issued because not all licence applications are approved.*

*** Before interest, tax (on that interest) and finance expense (notional interest).*

There has been a restatement of the prior year comparative to correct for incorrectly classified cost as live STeP intangible at 31 March 2025 rather than as an asset under construction and IT expenditure. Please refer to note 17 for further information.

Regulation of the private security industry

PSIA regulatory activities are funded through:

- licence fees paid by applicants
- Approved Contractor Scheme (ACS) registration and annual fee

These operate on a full cost recovery basis in accordance with Managing Public Money (MPM). To ensure that we do not hold unnecessary reserves and comply with MPM, we carry out an annual fee review.

The SIA received limited capital funding (CDEL) from the Home Office to support regulatory infrastructure. This is applied only to eligible costs and managed separately from fee income. At the start of 2025-26, £4.3m CDEL funding was allocated by the Home Office for use by SIA. A forecasted underspend of £0.6m was reported to the Home Office in September, leaving a budget of £3.7m. By the end of 2025-26 £3.3m was utilised – less than anticipated as a result of supplier delays. Some projects were brought forward but a number of projects were deferred into the 2026-27 financial year.

Funding of the SIA's private security regulation operates on a three-year licensing cycle, comprising two higher volume years followed by a lower volume year. Financial year 2025-26 is the final year in the cycle and therefore a lower licence application year. We forecast a deficit due to a lower number of applications.

Income

References to PSIA income below refer to income associated with the Private Security Industry Act (2001) only. PSIA does not refer to income or expenditure associated with Martyn's Law.

Individual licence fees make up the largest portion of PSIA income, at 93%. In 2025-26, income from PSIA activities (individual licence fees and ACS income) was £28.8m compared with a revised Quarter 3 forecast of £30.8m: this was 7.4% below forecast.

To improve the accuracy of forecasting, the SIA adopted a Bayesian Non-Linear (BNL) model from April 2025, which better reflects renewal cycles, non-linear demand patterns and differences between first-time and repeat applicants. A revised forecast was produced in Quarter 3 in response to emerging lower demand.

Several factors contributed to reduced licence volumes:

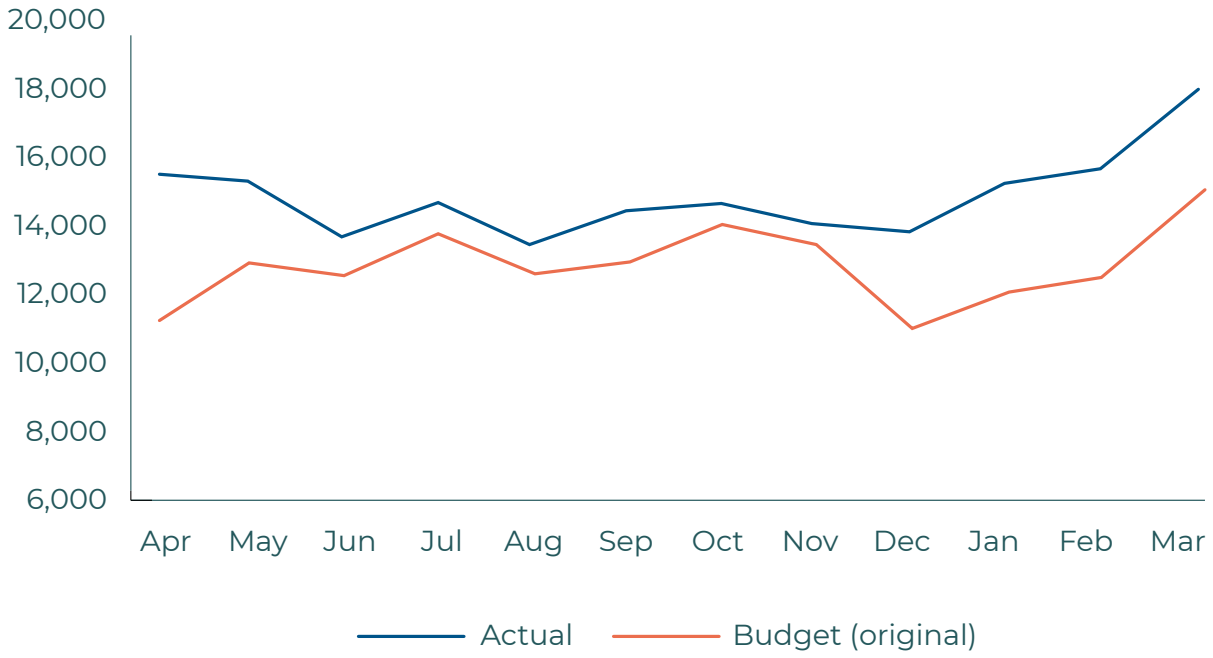
- introduction of mandatory refresher training (April 2025), prompting earlier renewals in late 2024-25
- changes to visa policy, reducing overseas first-time applicants

– wider economic pressures, particularly in the hospitality and night-time economy

These factors led to volatility and a reduction in applications over the year. This income is also impacted by the licence rebate scheme, described below.

Figure 1 below compares actual individual licensing demand against the original budget forecast, highlighting the volatile nature of demand on a month-by-month basis.

Figure 1: Individual licence application volumes



Expenditure

References to PSIA expenditure below refer to expenditure associated with the Private Security Industry Act (2001) only. PSIA does not refer to income or expenditure associated with Martyn's Law.

Total PSIA expenditure for 2025-26 was £36m, which was approximately 10% lower than budget.

Key variances were:

– staff costs (£2.6m underspend) due to delays in recruitment and filling vacancies

– direct licensing costs (£0.8m underspend) due to lower transaction volumes

While expenditure reduced, this did not fully offset the reduction in income resulting in a higher deficit than forecast.

The PSIA actual deficit for the year was £8.1m, primarily due to lower-than-expected licence application volumes.

After adjusting for the licence rebate scheme, the PSIA deficit was £6.1m. Across the three-year cycle (2023-2026), the PSIA reported a deficit of £0.6m.

As mentioned above the PSIA deficit is excluding Martyn's Law income and expenditure, the detail of which is provided below.

Licence rebate scheme and fee reductions

In April 2020, the SIA introduced a rebate scheme reducing the amount payable by applicants from the statutory fee of £210 to £190. This was funded from accumulated reserves and approved by HM Treasury.

From April 2023, the statutory fee was reduced to £204, resulting in a fee of £184 payable once the rebate was applied (except for vehicle immobilisation licences in Northern Ireland, which are issued for one year).

The scheme was designed to operate over two licensing cycles (six years) and ended on 31 March 2026. Based on expected application volumes of approximately 800,000 licences, the associated reserves were fully utilised by December 2025, ahead of the scheme's planned end date.

Martyn's Law

Income

In 2025-26 the SIA received £1.2m in Home Office funding (£1.144m RDEL and £0.053m CDEL) to support preparatory work for our future role as the Martyn's Law regulator, expected from Spring 2027. This funding is provided as a direct grant.

Expenditure

Costs are limited to programme-related activity; incurred in line with grant conditions; and accounted for separately from PSIA operations. This ensures that licence fee income is not used to subsidise Martyn's Law activity.

	2025-26
Staff	£0.953m
Non-Pay	£0.191m
Total RDEL	**£1.144m**
CDEL	**£0.053m**
Total income	**£1.197m**

Payment practice

We follow the principles of the Better Payment Practice Code, in accordance with HM Treasury guidelines. We aim to pay suppliers within ten days of the receipt of a valid invoice, provided that the relevant invoice is properly presented and is not subject to dispute.



Michelle Russell
Chief Executive and Accounting Officer
Security Industry Authority
26 October 2026

Accountability report

Overview

The Accountability report provides information on the SIA's governance, remuneration and accountability arrangements for the year. It sets out how the Authority has been governed and managed, including its governance structures, remuneration and staff matters and arrangements for the use and oversight of public resources.

Director's report

Composition of the management Board

Table 7: Executive directors during the year 1 April 2025 to 31 March 2026

Michelle Russell	Chief Executive and Accounting Officer
Fiona Wilson (until 2 April 2025)	Executive Director of Corporate Services
Debbie Bartlett (from 28 April 2025)	Chief Operating Officer (Former title – Executive Director of Corporate Services)
Paul Fullwood (until 4 September 2025)	Executive Director of Inspections and Enforcement
Pete Easterbrook (from 1 July 2025 until 30 November 2025)	Interim Executive Director
Pete Easterbrook (from 1 December 2025)	Executive Director of Inspections and Enforcement
Tim Archer	Executive Director of Licensing and Standards
Ronnie Megaughin (from 30 June 2025 to 5 January 2026)	Interim Director
Laura Gibb (from 5 January 2026)	Executive Director for Martyn's Law
Phil Urquhart (from 20 January 2025)	Chief Digital and Data Officer (Former title - Director of Transformation)

Table 8: Non-executive directors during the year 1 April 2025 to 31 March 2026

Heather Baily QPM[1]	Chair
Mike Cunningham[2]	Chair
Caroline Corby	Deputy Chair

Simon James[3]	Chair of Audit and Risk Assurance Committee
Sarah Pumfrett[4]	Chair of Audit and Risk Assurance Committee
Duncan Worsell	Chair of People Committee
Paul Glibbery	
Hannah Wadey	
Steve Grainger	

[1] *Stepped down as Chair of SIA Board, 28 February 2026.*

[2] *Appointed as Chair of SIA Board, 1 March 2026.*

[3] *Stepped down as non-executive director and as Chair of Audit and Risk Assurance Committee, 24 July 2025.*

[4] *Appointed as non-executive director and Chair of Audit and Risk Assurance Committee, 13 October 2025.*

Paul Glibbery sadly passed away on 15 May 2026. Paul served as a member of the SIA Board, providing invaluable leadership, strategic vision, technology expertise and dedicated service. We have extended our deepest sympathy to his family.

Pension liabilities

Details of the pension schemes of which our staff are members can be found on pages 87 to 88.

Register of interests

We maintain and refresh a register of other paid and unpaid employments, Board appointments and significant interests held by Board members throughout the year. The register ensures that we identify any perceived or real conflicts of interest. Additionally, we remind Board members of the need to declare any new or material conflicts of interest at each Board and Committee meeting.

We publish a register of interests on the SIA GOV.UK webpages at: gov.uk/government/organisations/security-industry-authority/about/our-governance

Statement of Accounting Officer's responsibilities for the SIA

Under the Private Security Industry Act 2001, the Secretary of State for the Home Office has directed the Security Industry Authority to prepare for each financial year a statement of accounts in the form and the basis set out in the accounts direction.

The accounts are prepared on an accrual basis and must give a true and fair view of the state of our affairs and of our income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Secretary of State for the Home Office with the approval of the Treasury, in accordance with Schedule 1, paragraph 16(2) of the Private Security Industry Act 2001, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements
- prepare the financial statements on a going concern basis; and
- confirm the Annual Report and Accounts is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable

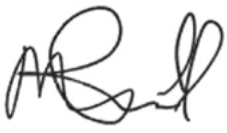
The Permanent Secretary for the Home Office has designated me as Accounting Officer for the SIA. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records, and for safeguarding the SIA's assets, are set out in Managing Public Money published by HM Treasury. Details may be accessed online at hm-treasury.gov.uk

Statement regarding disclosure of information to the auditors

I can confirm that, as far as I am aware, there is no relevant audit information of which the SIA's auditors are unaware.

I can confirm that I have taken all necessary steps to make myself aware of any relevant audit information and to establish that the SIA's auditors are aware of that information.

I can confirm that the SIA Annual Report and Accounts is fair, balanced and understandable. I take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.



Michelle Russell
Chief Executive and Accounting Officer
Security Industry Authority
26 October 2026

Governance statement

This report covers the operating period from 1 April 2025 to 31 March 2026, to the point of the signing of the Annual Report and Accounts by the Accounting Officer. It describes the composition and organisation of our governance structures and the systems and processes we put in place to ensure effective governance that support the delivery of our statutory remit and strategic objectives, minimising the risk of failure.

The governance structure incorporates requirements from the 'Code of Conduct for Board Members of Public Bodies' (June 2019), ensuring all Board members comply with and conduct themselves in line with the highest professional standards. The principles apply to all non-executive directors and are embedded throughout the recruitment, induction and performance management process. The SIA governance structure is designed to respond to this code of conduct, ensuring all non-executive directors adhere to the requirements.

The governance framework also complies with the main principles for risk management in government, as contained in 'The Orange Book: Management of Risk - Principles and Concepts' (2023).

As the Chief Executive and Accounting Officer of the SIA, I am accountable for maintaining an effective system of governance, internal control and risk management to support our statutory functions and Home Office policy aims, whilst safeguarding public funds and SIA assets.

The Board receives quarterly reports on risk and performance, both as part of the Chief Executive's report and the risk reports. The Board sets the overall risk appetite for all strategic risks. These are reviewed on an annual basis, with the most recent reviews being November 2025 and March 2026, ahead of the new Strategic Plan 2026-29. The Board has delegated responsibility for oversight of risk management to the Audit and Risk Assurance Committee, which receives the corporate risk register at each meeting and conducts deep dives into specific risks.

The SIA executive and wider senior leadership receive regular risk reports to support the proactive management of risks and emerging risks. There is a well-established escalation process, both within the organisation and to the Home Office where necessary.

Other than any breaches mentioned in the relevant section(s) of this report, I have not been advised by my executive directors, and can confirm that I am not

aware, of any issues occurring that have required additional funding, material loss or overspend, or have resulted in significant loss.

I can confirm that I have reviewed governance, internal control and risk management in operation within my area of responsibility and am able to provide the following assurances.

The SIA – The Authority

The SIA is a body corporate established under the Private Security Industry Act 2001 ("the Act"), also referred to as "the Authority". It operates across the United Kingdom, and its functions and powers are set out in the Act.

The SIA must have a Chair and no fewer than five other members as the Secretary of State for the Home Office (the "Secretary of State") determines. Members of the Authority are known as non-executive directors and are office holders, rather than employees. In recognition of our new role as Martyn's Law Regulator, the Secretary of State has agreed to an increase in our members to six non-executive directors.

The SIA must have a Chief Executive and appoint staff to carry out the day-to-day responsibilities of the SIA. All staff are public servants, not civil servants.

The SIA is a public body. Its non-executive directors and staff are bound by the principles of better regulation that its work will be transparent, accountable, consistent, proportionate and targeted, as well as by other public sector duties, including equalities legislation and in respect of promoting economic growth.

The Board

The Board composition includes the Chief Executive, non-executive directors and executive directors. Its role is to set and take forward the strategic aims and objectives of the SIA, ensuring compliance with statutory and administrative responsibilities for the use of public funds, and that the organisation operates within the boundaries of its statutory remit and any delegated financial authority defined in the Framework Agreement with the Home Office.

We thank Board members who have departed during the financial year, most notably Heather Baily (our Chair) and Simon James (also Chair of the Audit and Risk Assurance Committee) and executives Fiona Wilson and Paul Fullwood, for their commitment and work during their time on the SIA Board.

The Board has two committees, the People Committee and the Audit and Risk Assurance Committee. These act in an advisory capacity on behalf of the Board to the executive, providing recommendations to the Board on matters requiring its approval.

Figure 2: High level governance arrangements



** Because of the nature of the Data Protection Officer (DPO) role, they must report to the highest management level and therefore have regular and direct contact with the Chair.*

Board effectiveness

Every three years we conduct an external review of effectiveness, the last in 2022-23, with internal annual reviews for the other two years, the most recent being 2025. We have implemented the agreed recommendations from 2025, including continuing with our Board apprenticeship as part of our strategies and approaches to ensure diversity on the Board and strengthen opportunities for strategic and disruptive thinking.

We have a well-established, defined and consistently-applied approach to Board and Committee reporting, ensuring members have up-to-date and accurate oversight of performance and risk. Papers are assured by the lead director and Chief Executive. Executive directors meet prior to quarterly Board meetings to review all items to be considered by the Board. This ensures visibility, strategic coherence, and cross-directorate alignment for shared responsibilities, risks and issues. Prior to the Board meeting we encourage

members to seek clarity on the information contained in the papers to support scrutiny and decision-making.

We successfully hosted our boardroom apprentice as part of the scheme run by the Ministry of Housing, Communities and Local Government. She also joins us for our strategy days. We have regular attendance of staff across the SIA as Board 'observers'. This is an opportunity to deepen their understanding of corporate governance and share Board highlights with the wider organisation.

People Committee

This committee reports to the Board and comprises three non-executive directors and a co-opted member. The purpose of the committee is to support the Board and Chief Executive to:

- review the performance and remuneration of the Chief Executive
- consider staff annual pay and reward proposals, including executive directors
- provide scrutiny, advice and oversight on strategic employment, remuneration, and equality, diversity and inclusion (EDI) matters

At each meeting the committee considers our people-related corporate risks, the Health and Safety Committee report and the EDI Committee update. The committee receives annual reports on any gender, ethnicity and - for this year - disability pay gaps, and the outcomes of the improvement priorities from the annual staff survey. The most recent took place in September 2025.

Audit and Risk Assurance Committee (ARAC)

ARAC reports to the Board and comprises at least three non-executive directors. The purpose of the committee is to support the Board and Chief Executive by:

- agreeing internal and external audit plans
- reviewing and monitoring the actions arising from audit reports
- ensuring effective oversight of risk management, internal controls and governance
- scrutinising the integrity and accuracy of the Annual Report and Accounts

At each meeting the committee receives reports on:

- integrity, from the responsible executive director, and considers matters relating to integrity, including fraud, bribery and corruption
- information management, from the Data Protection Officer, and considers the security of our data and information assets
- risk and assurance management from the Head of Risk and Assurance

Management assurances for both committees include:

- performance and financial reports
- risk reports
- committee reports to the Board
- self-assessment of effectiveness

Table 9: Non-executive director attendance in financial year 2025-26[1]

Board member	Board[2]	People Committee	Audit and Risk Assurance Committee
Heather Baily[3]	5/6	1/5	Not applicable
Caroline Corby	7/8	4/5	4/4
Paul Glibbery	5/8	3/5	3/4
Steve Grainger	5/8	4/5	Not applicable
Simon James[4]	0/2	Not applicable	2/2
Hannah Wadey	7/8	Not applicable	4/4
Duncan Worsell	8/8	5/5	Not applicable
Sarah Pumfrett[5]	4/4	Not applicable	1/1
Mike Cunningham[6]	2/2	Not applicable	Not applicable

[1] *The Chair is not a member of either committee; they usually attend each as an observer at least once in the year.*

[2] *Includes all quarterly meetings and strategy days.*

[3] *Heather Baily, as Chair, attended some Committee meetings as an observer and/or for specific items.*

[4] *Left Board and Committee in July 2025.*

[5] *Appointed as a Board Member in October 2025; their first ARAC meeting was in January 2026.*

[6] *Appointed in March 2026.*

Main elements of internal controls

The Accounting Officer has responsibility for maintaining a sound system of internal control that supports the achievement of the SIA's aims, priorities, and objectives, whilst safeguarding public funds and departmental assets for which they are personally responsible, in accordance with the responsibilities assigned to them in Managing Public Money. Reliance is placed on the output and work of the Audit and Risk Assurance Committee (ARAC). Further assurance is received from the findings of internal audits provided by the Government Internal Audit Agency (GIAA) and their annual opinion and report which for the year ended 31 March 2026 was 'Moderate' – details can be found within the 'Internal Audit' section further below.

Management of risk

The Risk and Assurance function facilitates and supports the management of risks within the SIA. Risks are managed in accordance with our Risk Management Framework and Risk Appetite Statement. These embody the core principles of 'The Orange Book: Management of Risk - Principles and Concepts' (2023) and associated guidance documents, and support the consistent and robust identification and management of opportunities and threats within desired levels across the SIA.

Our Risk Management Policy, Framework and Risk Appetite Statement were reviewed and updated in Quarter 4 2025-26.

Risk appetite

Our risk appetite statement is set by the Board. This sets out risk categories and associated risk appetite levels. In setting risk appetite levels, the Board considers the environment in which we operate, our responsibilities, operational priorities and stakeholder expectations.

The statement is informed by guidance to support consistency in risk scoring. This considers the likelihood of the risk materialising and its impact.

Following the March 2026 risk appetite review by the Board, we are adopting an additional risk appetite level, together with a broader range of risk categories. These changes reflect the appetite levels and risk categories contained in The Orange Book and supporting guidance documents.

Our five risk appetites are reflected in figure 3 below.

Figure 3: Risk appetite levels

Averse	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is key objective. Activities undertaken will only be those considered to carry virtually no inherent risk.
Minimalist	Preference for very safe business delivery options that have a low degree of inherent risk with the potential for benefit/return not a key driver. Activities will only be undertaken where they have a low degree of inherent risk.
Cautious	Preference for safe options that have low degree of inherent risk and only limited potential for benefit. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant benefit and/or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.
Open	Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.
Eager	Eager to be innovative and to choose options based on maximising opportunities and potential higher benefit even if those activities carry a very high residual risk.

Risk assurance

Our risk assurance activity is mapped around the Three Lines Model in HM Treasury's The Orange Book. This provides a simple and effective way to reflect and coordinate risk management roles and responsibilities across the organisation. Under this model everyone in an organisation has some responsibility for risk management.

Risk reporting

Our risk reporting draws on the information held within our risk register and best available information. It is designed to provide a regular mechanism to direct updates to key stakeholders, ensuring the right information is provided to the right people.

Scheduled risk reporting includes the Home Office and Minister report, the Board and Audit and Risk Assurance Committee, Executive Directors' Group and Directorate risk reports.

Risk management

As of 31 March 2026, there were 9 strategic corporate risks.

Table 10: Strategic risks and principal mitigations

Risk title	Primary risk mitigation
Failure to successfully set up and implement SIA's new Martyn's Law role, on time, without unduly disrupting delivery of SIA's PSIA role and priorities	– Martyn's Law Oversight Committee – Home Office funding confirmed – Martyn's Law Delivery Board and governance
Failure to deliver an effective compliance, supervision and enforcement strategy	– Pursuing extension of SIA powers – Tactical tasking co-ordination – Strategic threat assessment
Financial health - failure to manage financial resources effectively	– Regular income forecast modelling – Annual fee review – Regular monitoring and reporting
People – Failure to attract, retain and develop our staff to ensure capability and capacity to deliver our objectives	– HR policies and People Strategy – Regular workforce planning and reporting – Equality, Diversity and Inclusion Strategy
Vulnerabilities in the individual licensing regime and its operation	– Assurance of licensing decisions – Direct access to Right to Work data – Operational meetings with UK disclosure bodies
Failure to effectively deliver and implement the Business Approvals Strategy Programme	– Business Approval Scheme Programme External Advisory Committee – Regular stakeholder engagement
Inadequate regulatory oversight of the qualification awarding arrangements in the sector	– Strategic and operational engagement with lead qualifications regime regulators – Quality and content delivery assurance – Agreements between SIA and awarding organisations

Risk title	Primary risk mitigation
A cyber incident or other event that significantly impacts the confidentiality, integrity, and/or availability of SIA information	– Managed detection and response systems – Multi Factor Authentication – Maintenance of positive information security culture
Inability to effectively manage the combined nature, pace and volume of change initiatives and programmes - including the PSIA regime and expansion to Martyn's Law	– Centralised Strategic Change Board – Three major programme Boards – Regular reporting and monitoring to Executive and Board

Since last reporting, one Strategic Risk relating to achieving a stable and sustainable financial position as a result of the Home Office spending review has been closed, due to successful collaborative working between the Home Office and SIA finance teams. A new Strategic Risk has been opened to manage the competing demands of multiple change initiatives and programmes on resources, including those relating to the PSIA regime and our new responsibilities in respect of Martyn's Law.

In addition, there are three standing risk areas. These cover Health and Safety, Integrity, and Information risks. All associated risks are supported with active controls and actions.

Assurance framework

The SIA operates a thematic Management Assurance Framework. This is aligned to Government Functional Standards and SIA's Risk Management Framework which outline requirements for lines of assurance activity. It also represents compliance against relevant Functional Standards. This framework provides the assurance information relied on by the Accounting Officer.

Professional standards

The Professional Standards team was set up in 2023 following an audit by the Government Internal Audit Agency (GIAA). The team provides the SIA with a dedicated resource to oversee and address the risks posed from fraud, bribery and corruption. Its responsibilities include to:

– proactively champion good professional standards across the SIA, influence culture, raise awareness, identify organisational learning and improvements

- ensure the effectiveness of SIA processes, procedures and policies to prevent and detect fraud, bribery and corruption
- maintain the SIA Fraud Risk Assessment
- provide advice and guidance to colleagues at all levels, in respect of professional standards and integrity-related matters
- oversee the SIA declarations of interest and hospitality recording processes
- work collaboratively with HR to investigate integrity-related incidents

An annual integrity health check is encouraged. The process enables individuals to openly consider and discuss integrity-related issues and ensure appropriate support and advice is provided to everyone within the organisation. This focuses on three key areas - hospitality, declarations of interest and fraud, and bribery and corruption.

During 2025 the GIAA conducted a review of the work of the Professional Standards team, including an assessment of the SIA's Fraud Risk Assessment (FRA) and supporting documents against the Public Sector Fraud Authority (PSFA) Fraud Risk Assurance Framework (FRAAF). Following this review, GIAA made two recommendations in relation to the FRA. One action is complete, the other in progress. The FRA continues to be reviewed on a quarterly basis at the Professional Standards Board and updated/reviewed by risk owners.

The Finance department and Professional Standards team ensure the completion of the Home Office Fraud and Error Consolidated Data Request (CDR) and the quarterly return. This requires capture of instances of fraud and suspected fraud within the organisation. We also positively report the SIA prosecution and conviction data in relation to fraud offences detected under the Fraud Act and associated PSIA offending.

Declarations of interest

We have a policy and procedure for the declaration and management of interests in place for all staff. Our employees are subject to a code of conduct, based on the civil service code, but enhanced for the SIA context and purpose. Under the code, employees agree:

You should ensure you declare any actual, potential or perceived conflict of interest as soon as reasonably practicable. Any business interests outside the SIA should be notified to the Professional Standards team to ensure the appropriate record is made and consideration given to putting mitigations in place.

These requirements apply to all staff, including any contingent labour.

All our employees must declare upfront interests which give rise, or might give rise, to a conflict-of-interest situation in light of their role with the SIA so we can decide if action needs to be taken to manage them. We provide guidance to all staff about what constitutes

a conflict of interest. We require an annual declaration by all staff. We make staff aware that outside of the annual reporting cycle, there is an ongoing requirement for them to declare any actual, potential or perceived conflicts for the duration of their employment.

We also have a similar process in place for staff who are involved in making procurement assessments, whereby we require staff to make a positive declaration in respect of the specific project they are working on. This requirement also extends to external parties such as those bidding for work and their subcontractors.

We publish relevant interests declared by senior officials, including any external employment, in the register of interests on the SIA GOV.UK webpages at: gov.uk/government/organisations/security-industry-authority/about/our-governance.

We do not publish interests declared by others, including contractors, consultants and other staff, but one of our integrity leads reviews them upon receipt to help identify any action that we may need to take to mitigate the interest. The integrity leads report material conflicts of interest issues to the Audit and Risk Assurance Committee.

Business continuity and contingency planning

In 2024 we worked with an external organisation to review our existing business continuity processes to identify potential areas of improvement. We have implemented the majority of their recommendations this year, and we will finalise the implementation of all recommendations in late 2026.

In November 2025 we conducted an organisation-wide business continuity exercise to test the effectiveness of those elements that we had already introduced. This was successful and identified further improvements. We will conduct our next annual exercise in late 2026.

Fraud and whistleblowing

We have internal controls in place to mitigate risk from fraud, bribery, corruption, and wrongdoing. These include the SIA Fraud Risk Assessment and strong financial and procurement controls.

The executive director-level Integrity Lead oversees governance, investigation, and reporting to the Audit and Risk Assurance Committee of any allegations or reported incidents. There were three reported instances of suspected fraud in the year 2025-26 (2024-25: Nil). This related to three instances of internal fraud subsequently reported within the Consolidated Data Request (CDR) to the Home Office.

There was one reported instance of whistleblowing during the year (2024-25: Nil).

Financial management – resource allocation, budget and asset management

The annual business and budget planning process provides the strategic framework for resource, budget and asset management. The annual Business Plan is derived from the 2023-26 Strategic Plan, which defined our key deliverables for the year ahead. The annual budget provides the financial and resource plan to deliver those objectives. The Board, Home Office and Ministers approved the annual Business Plan 2025-26 covering both our private security and Martyn's Law regulation. The Home Office confirm financial allocations based on those budget requirements.

Each executive director and head of function with budget responsibility received a letter of delegation. The Finance team conduct monthly budget meetings to track spend and ensure accurate forecasts on a quarterly basis. The functional plan deliverables were monitored and detailed reports and analysis on financial performance and delivery are reported to the Executive and Board on a quarterly basis.

The licensing and ACS fees are reviewed annually by the Board.

Programme and project management

We enhanced delivery governance by introducing a structured methodology, establishing clearer controls, deploying new tools, and increasing visibility across our digital portfolio. These measures enable more effective progress tracking, earlier risk mitigation, and provided senior leadership with robust data to inform decision-making.

The recent introduction of a dedicated assurance role has strengthened oversight and improved the quality of delivery across the portfolio. It provides independent challenge, ensures standards and controls are applied consistently, and identifies risks and issues earlier. This will lead to more reliable reporting, better-informed decision making, and increased confidence at senior levels that programmes are on track and aligned to strategic objectives.

We delivered a strong set of outcomes over the year, focusing on ensuring continued high stability of services, improving user experience, and progressing key transformation priorities. We enhanced core technology services to improve reliability and resilience, delivered new and improved digital tools to support frontline and corporate teams, and made measurable progress on priority programmes.

People management – workforce planning and development

During the reporting period, we continued to strengthen our approach to people management, workforce planning, and organisational capability. Our focus has been on ensuring we have the right capacity, skills, and leadership in place to deliver our strategic objectives, while improving employee experience and organisational effectiveness.

Work has been delivered in the context of organisational change, including an HR restructure, which has supported improved alignment of resources and clearer accountability for workforce priorities.

We strengthened workforce planning through an integrated approach aligned to the annual business planning and budget cycle. This involved a comprehensive review of workforce requirements across all business areas, undertaken jointly with Finance, executive directors, and the Chief Operating Officer.

Our corporate Workforce Plan (2024–26) provided a structured approach to assessing workforce capacity, capability, and skills gaps. It is aligned to the refreshed People Strategy and HR Improvement Plan, ensuring a consistent and coordinated approach to workforce development.

The refreshed People Strategy continues to underpin delivery of the organisation's Strategic Plan 2023–26. Progress against the strategy is monitored by the Executive Director Group and People Committee, with regular reporting to provide assurance and oversight.

The strategy is structured around key themes focused on building capability, strengthening leadership, improving the employee experience, and positioning the organisation as an employer of choice. We have enhanced workforce reporting and management information, improving insight across key areas including recruitment, turnover, sickness absence, wellbeing, and employee relations.

This has strengthened decision-making and supported more proactive workforce management. Governance arrangements have also been strengthened through improved controls on establishment changes, temporary promotions, and additional responsibility payments, ensuring greater consistency and financial accountability. Significant workforce matters continue to be escalated to the People Committee for oversight and assurance.

We continue to maintain robust recruitment and selection processes, ensuring appointments are made in line with organisational values, capability requirements, and security standards. All staff are security-cleared prior to employment in accordance with role requirements, either through the Home Office Departmental Security Unit or approved third-party arrangements.

Employee wellbeing remains a key priority. We have continued to deliver

a programme of initiatives focused on mental health awareness, engagement, and support. This includes training for mental health first aiders, mediators and line managers to build capability in supporting staff wellbeing and foster a positive working environment.

We also continue to promote an inclusive workplace culture, supported by ongoing development activity and engagement with staff across the organisation. Overall, progress during the year has strengthened our people management framework, improved workforce insight, and enhanced organisational capability, providing a strong foundation for delivery of future strategic priorities.

Our inclusion work

The Chief Executive chaired her final meeting of the Equality, Diversity and Inclusion (EDI) Committee in June 2025, at which point the Executive Director of Licensing and Standards took over as Chair. The committee has maintained cross-functional membership, including the senior leadership team, staff networks and human resources. It also includes a non-executive director on rotation as an observer.

The committee has a strong vision of inclusion that it actively champions, promotes and supports. We seek the views of staff through pulse surveys and have a key performance indicator specifically for EDI performance.

During the year the committee supported the review of our staff-led networks. This has resulted in us bringing together existing networks into two networks: well-being and inclusion. These will be relaunched in 2026-27, maintaining cross-organisation leadership and representation and executive director and deputy director support.

This is the final year of the EDI Strategy and underpinning action plan, which is overseen by the committee. We are measuring progress against three strategic priorities:

- establishing an inclusive culture where staff have a strong sense of belonging, voice and representation
- leadership and management, ensuring managers are appropriately skilled and supported to meet the needs of their teams, and role model inclusive behaviours and practices
- talent and progression and reward and recognition, ensuring equality of opportunity

Programme and project assurance

Project delivery frameworks are now in place, supported by defined processes and enabling tooling (Azure DevOps), providing structure, control and traceability across the project lifecycle. These frameworks cover project initiation, governance, delivery methodologies (Waterfall and Agile), reporting and benefits realisation, and are being embedded across the portfolio.

As we embed the new frameworks and operating model, formal assurance activity has been limited during the transition period. We will implement a refreshed assurance process, including

structured reviews and regular reporting, to provide consistent, evidence-based oversight of project health and compliance going forward. We have started the work to create the assurance documents for each of the project stages. This includes a new way of working with key assurance milestones to be added to the project plans. The Projects team will do a pilot of this in May 2026 and iterate on the process.

The Executive Directors' Group decided in January 2026 that all Programme risks should remain on 4Risk (SIA's Risk Register), and that Risk and Assurance will continue to provide second line assurance on these.

Information assurance

Over the last year the Information Assurance team has played a critical role in maintaining a secure information and cyber posture, alongside strengthening the governance processes around assurance. Part of this was the adoption of the Information Risk and Issues Group (IRIG - formerly known as the Knowledge and Information Assurance Group) chaired by the SIA's Senior Information Risk Owner (SIRO), the Chief Operating Officer.

Our key highlights were the successful completion of all three annual accreditations: PSN (Public Services Network) IT Health Check, Cyber Essentials and Cyber Essentials Plus certifications. These have supported in further strengthening our security posture.

The team also conducted the internal annual asset audit. The audit evaluated the effectiveness of asset management controls, alignment between physical assets and the asset register, and compliance with internal policies and governance frameworks. All recommendations from this audit were fully completed by the Information Communications and Technology (ICT) team within the agreed timeframes, with no outstanding issues remaining.

One of our key projects in 2025-26, which will also roll over into 2026-27, is the adoption and onboarding of the Risk Ledger. We have commenced onboarding onto the Risk Ledger platform as part of the supplier risk management and assurance improvement programme. The migration of existing suppliers is currently in progress to ensure all third-party supplier information is centrally captured, monitored and managed through the new system.

The Information Assurance team are working closely with the relevant Home Office representatives and third-party accreditors to ensure the process of adoption is completed efficiently. This will strengthen oversight of supplier assurance, risk visibility and ongoing compliance monitoring.

Finally, the Information Assurance team worked with our external assessors to complete the pre-readiness assessment as required by the Home Office. This preliminary review was intended to assess control maturity, governance effectiveness, and preparedness for the forthcoming audit, with particular

attention being paid to GovAssure requirements and identified areas of risk.

This assessment supports the Home Office in gaining an overview of where Arm's Length Bodies (ALB) currently stand and will be followed by a potential official audit later in the year, depending on whether the Home Office choose us as one the ALBs to undergo the GovAssure Assessment in 2026-27.

The assessor noted, based on the current assessment of our security posture against the existing Cyber Assessment Framework, that we compare favourably when benchmarked against other ALBs in terms of control maturity and overall cyber resilience.

Data protection

The SIA's Data Protection Officer (DPO) provides independent assurance that we process the personal data of our employees, customers, providers, or any other individuals, in compliance with the relevant data protection regulations.

The DPO provides a quarterly report to the SIRO within IRIG and is responsible for reporting any serious data breaches to the Information Commissioner's Office as well as to our SIRO, Chair, and Chief Executive where necessary. The DPO also provides an annual assurance report to the Audit and Risk Assurance Committee.

The DPO supports senior managers to ensure that all staff have completed the Civil Service Security and Data Protection training. They also provide additional training to functions as required.

Data breaches reported to the Information Commissioner's Office

We reported three individual data breaches to the Information Commissioners' Office (ICO) between April 2025 and March 2026. These breaches involved personal data being compromised, with a potential high risk to the rights and freedoms of the individuals concerned, whether the breach was caused by the SIA or a third party. The ICO took no further action but provided us with advice and guidance where necessary.

We were made aware of one referral to the ICO, claiming we had not accurately responded to a Subject Access Request (SAR) as we had not provided a particular e-mail in a data request that involved a very large set of data searching, which included that individual's personal data. This was accurate. The ICO took no further action.

Information management

Given that the SIA has been in existence for more than 20 years, we are required to report historic information that should be retained for public record to The National Archives (TNA). We are slightly behind schedule while we review and refresh our overall corporate retention policies. We are working with colleagues and TNA to design our Appraisal Policy as part of this. This will include the relevant selection criteria, allowing us to effectively identify and transfer records of interest to the public over the coming years.

Internal audit

The Government Internal Audit Agency (GIAA) provides an independent internal audit service to the SIA. The annual internal audit programme is agreed in consultation with the Audit and Risk Assurance Committee (ARAC), the SIA's Chief Executive and the GIAA. The annual opinion for the year ended 31 March 2026 was Moderate, limited by scope.

The scope limitation arose from cancellation of the planned Financial Efficiencies audit, due to staffing issues within the Finance function that left the team unable to support an internal audit in addition to the statutory audit and business as usual activities. As this was a repeated issue, GIAA was unable to assess and obtain sufficient assurance over key aspects of financial governance and risk management, resulting in a multi-year assurance gap in a material area of financial stewardship and value-for-money objectives. Recruitment has brought the Finance function to full staff complement post year end.

During 2025-26, three internal audit reviews were completed: Professional Standards, Risk Management and Assurance, and the Approved Contractor Scheme.

The Professional Standards audit received a 'Moderate' assurance rating and resulted in five recommendations: one high, two medium and two low priorities. Four of the five recommendations have been completed. The outstanding recommendation, relating to completion of the Government Fraud Risk Assessor training, due by 31 October 2026 was frustrated due to placement availability. GIAA assisted management, post year end, to identify an alternative service provider, with training now scheduled for March 2027.

The Risk Management and Assurance audit received a 'Substantial' assurance rating and resulted in one low-priority recommendation. The recommendation was fully implemented ahead of the agreed deadline.

The Approved Contractor Scheme audit received a 'Moderate' assurance rating and resulted in one medium priority recommendation. The recommendation was fully implemented within the agreed timeframe.

One recommendation from 2024-25 remained in progress, relating to GDPR compliance. Given its dependency on a wider digital transformation initiative, implementation has been reprofiled and is expected to be completed by March 2027.

Customer Service Excellence

Each year the SIA invites our processes, procedures, and behaviours to be reviewed against the Customer Service Excellence (CSE) standard. The assessment considers both internal customers (SIA staff), external customers, and stakeholders and is led by the Quality Assurance Team within the Risk and Assurance function. For the SIA,

2025 was Year 3 of the cycle, also known as Surveillance 2, and took place in May 2025.

Overall, we were assessed as remaining fully compliant and maintained all our Compliance Plus grades. There were no partial or non-compliances, and we achieved one more Compliance Plus score. This puts the SIA total at 17 Compliance Plus outcomes.

Functional standards

Our Chief Operating Officer decided in Quarter 1 of 2025-26 that assessment activity plans against applicable functional standards for 2025-26 would be focused on the mandatory 'Shall' criteria, and that assessments should be completed by the end of this financial year. The Risk and Assurance function assured the completed assessments by respective functional owners in line with SIA's Management Assurance Framework process.

The outcome was generally positive. We met most mandatory 'Shall' elements, scoring a 'Developing' rating in most of the standards and a 'Good' rating on GovS 013: Counter Fraud. There were two standards – GovS 014: Debt and GovS 006: Finance – which ARAC decided in January 2026 not to report against, due to staff resourcing.

Overall assessment

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control.

My review is informed by the work of the internal auditors and the SIA's senior executive and leadership teams, who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letters and other reports. In my opinion, the overall governance and internal control structures have been appropriate for SIA's business and have worked satisfactorily throughout 2025-26.



Michelle Russell
Chief Executive and Accounting Officer
Security Industry Authority
26 October 2026

Remuneration and staff report

Executive

Chief Executive Officers and senior executives at non-departmental public bodies are not part of the Senior Civil Service and fall outside the remit of the Senior Salaries Review Body. The SIA however apply public sector pay policy and benchmarking when setting executive pay and annual increases. These principles also guide the consideration of any non-consolidated performance-related bonuses for executive directors.

The Chief Executive is responsible for proposing salary levels and annual pay awards for executive directors, which are subject to review by the People Committee in accordance with its terms of reference. The Chair recommends the Chief Executive's salary and pay award, with the People Committee providing advice and scrutiny to support robust and consistent decision-making.

Remuneration

The People Committee plays a key role in the organisation's governance framework, providing oversight of workforce-related matters, including executive pay, performance, and broader people-related strategies.

The Committee meets at least three times a year. The People Committee comprised of four independent non-executive board members: Duncan Worsell (Chair), Caroline Corby, Paul Glibbery, and Hayley Kelly (Co-opted).

The Chief Executive and Chief Operating Officer attend the meetings (excluding those where Chief Executive pay is discussed) as executives.

Fair pay disclosures

Salary payments to directors

(Audited information)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in the financial year 2025-26 was £160k - £165k (2024-25: £155k - £160k).

This was 4.2 times (2024-25, 4.2 times) the median remuneration of the workforce, which was £38,600 (2024-25, £37,870). This is a 1.9% increase on the prior year.

The percentile ratios have remained in line with the prior year with the

exception of the salary component of pay and benefits for the upper quartile and lower quartile. This is due to the pay award in 2025-26 being weighted more favourably to those within the lower quartile. No employee was paid more than the highest-paid director.

The highest-paid director (the Chief Executive) did not receive a performance bonus in 2025-26. The remaining directors (apart from one who joined the SIA in January 2026) were paid a performance bonus in line with all other eligible staff.

Table 11: Remuneration of the highest-paid director and the median remuneration of the workforce

Total pay and benefits	2025-26		2024-25	
Workforce remuneration	Multiple	£	Multiple	£
Median	4.2	38,600	4.2	37,870
Upper quartile	3.4	47,220	3.3	47,801
Lower quartile	5.1	31,867	5.0	31,653

Salary component of pay and benefits	2025-26		2024-25	
Workforce remuneration	Multiple	£	Multiple	£
Median	4.3	38,003	4.3	37,001
Upper quartile	3.4	48,000	3.4	47,000
Lower quartile	5.0	32,195	5.0	31,201

Note: The small movement in the median, upper, and lower quartiles is due to organic fluctuations in staffing, including average tenure at grade, starters, leavers, and promotions.

The highest paid director (the Chief Executive) received a 3.2% consolidated pay award in 2025-26 (2024-25: 6.8%); the same as other directors and in line with senior civil service pay remit guidance.

The SIA made a pay award to delegated grades in line with the Civil Service Pay Guidance between 3.25% and 3.75%. Employees in lower grades received a 3.75% award underpinned at £1,370. With the revalorisation of pay bands, remuneration for employees as a whole increased by 4.3%.

Average salary and allowances for employees as a whole increased by 4.8% (2024-25: 9.3%). Remuneration ranged from £26.4k-£32.2k to £160k-£165k (2024-2025, £25k-£30k to £155k-£160k).

Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Table 12: Remuneration of executive directors

	Salary (£'000)		Performance payment (£'000)		Pension benefits (to nearest £'000)		Total (£'000)	
Director remuneration	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Michelle Russell	160-165	150-155	—	—	19	101*	175-179	250-255*
Laura Gibb (starter on 05/01/26)	25-30 (FYE 100-105)	—	—	—	4	—	25-30	—
Tim Archer	110-115	90-95 (FYE 110-115)	0-5	0-5	43	36*	155-160	125-130*
Pete Easterbrook	95-100	15-20 (FYE 95-100)	0-5	—	38	5*	130-135	20-25
Philip Urquhart	115-120	20-25 (FYE 115-120)	0-5	—	6	13*	120-125	30-35*
Debbie Bartlett (starter on 28/04/2025)	95-100 (FYE 100-105)	—	0-5	—	98	—	195-200	—

Director remuneration	Salary (£'000)		Performance payment (£'000)		Pension benefits (to nearest £'000)		Total (£'000)	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Ronnie Megaughin (in post up to 31/12/2025)	50-55 (FYE 95-100)	—	0-5	—	20	—	70-75	—
Paul Fullwood (leaver 04/09/2025)	45-50 (FYE 115-120)	110-115	0-5	0-5	19	45	65-70	160-165
Fiona Wilson (leaver 02/04/2025)**	0-5 (FYE 95-100)	70-75 (FYE 95-100)	0-5	0-5	—	80	0-5	150-155

**2024-25 comparative figures have been revised following receipt of updated pension disclosure information from MyCSP that was not available at the time the prior year accounts were signed.*

***Fiona Wilson left SIA 02/04/2025, serving 2 days into the financial period. Their remunerations for 2025-26 are not considered to be material and therefore pension benefits for this individual are disclosed as £nil.*

The value of pension benefits accrued over the year is calculated by multiplying the real increase in the annual pension by 20, adding any real increase in the lump sum, and then subtracting the individual's pension contributions. Real increases reflect genuine growth in benefits and exclude any changes resulting from inflation or the transfer of pension rights.

Salary

Salary comprises gross pay, overtime, legacy entitlements to London weighting or London allowances, recruitment and retention premiums, private office allowances, and any other allowances subject to UK taxation. The amounts reported are based on accrued liabilities and reflect payments recognised in these financial statements.

Benefits in kind

Benefits in kind represent any taxable benefits provided by the organisation, as defined by HMRC. The SIA meets the associated tax liabilities. Executive directors received no such benefits during the year. Non-executive directors were reimbursed for travel and accommodation costs incurred in the course of their duties; where this included home-to-office travel, it was treated as a taxable benefit. For the year ending 31 March 2026, these amounted to £10,840 (2024-25: £11,903). Aside from this non-executive director arrangement, there are no benefits in kind across the SIA.

Performance payments

Performance payments are determined by the level of performance achieved and are awarded following assessments of organisational outcomes at both mid-year and year-end. They relate to the performance in the year in which they become payable to the individual. The payments reported in 2025-26 relate to performance in 2025-26. The comparative payments reported for 2024-25 relate to the performance in 2024-25.

The non-executive Board

(Audited information)

Table 13: Remuneration of non-executive Board members in the period ending 31 March 2026

	Salary (£'000)		Benefits in kind (to nearest £100)	
	2025-26	2024-25	2025-26	2024-25
	£'000	£'000	£	£
Heather Baily (Chair – leaver 28/02/2026)	50-55 (FYE 50-55)	50-55	5,400	4,200
Michael Cunningham (Chair – from 01/03/2026)	0-5 (FYE 50-55)	—	1,200	—
Caroline Corby	5-10	5-10	400	900
Simon James (leaver 24/07/2025)	0-5 (FYE 5-10)	5-10	—	300
Duncan Worsell	5-10	5-10	1,900	3,600

	Salary (£'000)		Benefits in kind (to nearest £100)	
	2025-26	2024-25	2025-26	2024-25
Paul Glibbery	5-10	5-10 (FYE 5-10)	—	500
Hannah Wadey	10-15	0-5 (FYE 5-10)	—	—
Steve Grainger	10-15	0-5 (FYE 5-10)	500	—
Sarah Pumfrett (from 13/10/2025)	0-5 (FYE 5-10)	—	1,400	—

The travel and subsistence arrangements referenced above for the non-executive directors are not processed through payroll as per an agreement with HMRC, however still represent a benefit to the non-executive directors.

Pension benefits

(Audited information)

Table 14: Pension benefits SIA executive Board members

	Accrued pension at 31/3/26 and related lump sum	Real increase in pension and related lump sum	CETV at 31/3/26	CETV at 31/3/25	Real increase in CETV	Employer contribution to Partnership Pension Account
	£'000	£'000	£'000	£'000	£'000	£'000
Michelle Russell	75-80	0-2.5	1,480	1,398	-2	—
Laura Gibb (starter on 05/01/26)	35-40	0-2.5	590	584	—	—
Tim Archer	0-5	2.5-5	67	30	28	—
Pete Easterbrook	20-25	0-2.5	300	264	21	—
Philip Urquhart	60-65 plus lump sum of 150-155	0-2.5	1,497	1,430	-16	—
Debbie Bartlett (starter on 28/04/2025)	35-40	5-7.5	675	565	76	—

	Accrued pension at 31/3/26 and related lump sum	Real increase in pension and related lump sum	CETV at 31/3/26	CETV at 31/3/25	Real increase in CETV	Employer contribution to Partnership Pension Account
	£'000	£'000	£'000	£'000	£'000	£'000
Ronnie Megaughin	10-15	0-2.5	198	172	16	—
Paul Fullwood	5-10	0-2.5	137	116	14	—
Fiona Wilson (leaver 02/04/2025)*	35-40 plus a lump sum of 95-100	—	855	855	—	—

**Fiona Wilson left SIA 02/04/2025, serving 2 days into the financial period. Their remunerations for 2025-26 are not considered to be material and therefore pension benefits for this individual are disclosed as £nil.*

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

Non-executive directors do not receive pension benefits from the SIA. Pension benefits for eligible staff are provided through the Civil Service pension arrangements. Most staff are members of the Alpha scheme, introduced on 1 April 2015, which is a career average pension scheme with a normal pension age linked to State Pension Age (or 65 if higher).

Some staff retain benefits under the earlier Principal Civil Service Pension Scheme (PCSPS), which includes both final salary and career average sections, depending on service dates. All pensions are unfunded and paid from public funds, with benefits uprated annually in line with Pensions Increase legislation.

A defined contribution alternative, the Partnership Pension Account, is also available, with employer contributions ranging from 8% to 14.75%, depending on age.

Further information on Civil Service pension arrangements is available at: civilservicepensionscheme.org.uk.

Cash equivalent transfer values (CETVs)

CETVs represent the actuarially assessed value of a member's accrued pension benefits at a specific point in time, including any contingent benefits such as a spouse's pension. They are used when transferring pension benefits between schemes.

The figures reflect the total value of benefits earned through scheme membership, including any amounts transferred in from other schemes or additional benefits purchased by the member.

CETVs are calculated in accordance with pension transfer regulations and do not account for potential Lifetime Allowance Tax charges.

Real increase in CETV

This represents the increase in the CETV funded by the employer. It excludes increases due to inflation, employee contributions, and the value of any pension benefits transferred from another scheme. The calculation is based on consistent market valuation factors at the start and end of the reporting period.

Staff Report

Table 15: Staff costs comprise (audited information)

	2025-26			2024-25		
	Permanent staff	Other staff	Total	Permanent staff	Other staff	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Wages and salaries	15,526	171	15,697	14,763	838	15,601
Social security costs	2,055	18	2,073	1,584	6	1,590
Other pension costs	4,130	—	4,130	3,842	—	3,842
Redundancy costs	218	—	218	—	—	—
Total costs	21,929	189	22,118	20,189	844	21,033

Contingent labour costs

The SIA engages contingent labour in accordance with a robust control process set by the Home Office. There has been a decrease in contingent labour spend due to permanent recruitment. Expenditure on contingent labour (which makes up part of the 'Other staff' costs in the table above) in 2025-26 was £13k (2024-25: £730k).

Consultancy costs

Expenditure on consultancy in 2025-26 was £77,000 (2024-25: £121,000). External providers were commissioned in-year to provide expertise on various projects. This includes the Crimestoppers contract for provision of whistleblowing lines.

Pension

Principal Civil Service Pension Scheme

The PCSPS is now closed to new members.

The PCSPS is an unfunded multi-employer defined benefit scheme. We are unable to identify our share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2020.

Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation at civilservicepensionscheme.org.uk

Civil Servants and Others Pension Scheme

The Civil Servants and Others Pension Scheme, known as Alpha, is an unfunded defined benefit scheme. We are unable to identify our share of the underlying assets and liabilities. The Alpha scheme started on 1 April 2015.

Further information on the PCSPS is included within the remuneration report.

The Public Service Pensions Remedy

When the Government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to Alpha.

In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members.

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members.

The public service pensions remedy (the 2015 Remedy (McCloud)) is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of Alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as "rollback".

For members who are in scope of the public service pension remedy, the calculation of benefits for the purpose of calculating their Cash Equivalent Transfer Value and their single total figure of remuneration as of 31 March 2023 and 31 March 2024, reflects that membership has been rolled back into the PCSPS between 1 April 2015 and 31 March 2022. In due course, members will have an option to decide whether this remedy period should count towards PCSPS or Alpha benefits.

Persons employed

(Audited information)

The actual number of whole-time equivalent persons employed (excluding the non-executive Board) during the period was as follows:

Table 16: Whole-time equivalent persons employed at 31 March 2026

	2025-26			2024-25		
	Permanent	Other	Total	Permanent	Other	Total
Directly employed	361	—	**361**	369	—	**369**

Table 17: Staff composition (head count) at 31 March 2026

	2025-26			2024-25		
	Female	Male	Total	Female	Male	Total
Other employees	195	168	363	197	165	362
Senior Civil Servant or equivalent	3	4	7	2	4	6
Board	5	4	9	4	4	8
Total	**203**	**176**	**379**	**203**	**173**	**376**

Off-payroll engagements

Table 18: All off-payroll engagements as of 31 March 2026, for more than £245 per day

No. of existing engagements as of 31 March 2026	**1**
Of which:	
No. that have existed for less than one year at time of reporting.	
No. that have existed for between one and two years at time of reporting.	1
No. that have existed for between two and three years at time of reporting.	
No. that have existed for between three and four years at time of reporting.	
No. that have existed for four or more years at time of reporting.	

Table 19: All off-payroll engagements between 1 April 2025 and 31 March 2026, for more than £245 per day

No. of temporary off-payroll workers engaged between 1 April 2025 and 31 March 2026	**1**
Of which:	
No. not subject to off-payroll legislation	
No. subject to off-payroll legislation and determined as in-scope of IR35	1
No. subject to off-payroll legislation and determined as out of scope of IR35	
No. of engagements reassessed for compliance or assurance purposes during the year.	
Of which, number of engagements that saw a change to IR35 status following review.	

Table 20: For any off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, between 1 April 2025 and 31 March 2026

No. of off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, during the financial year.	0
Total no. of individuals on payroll and off-payroll that have been deemed "Board members, and/or senior officials with significant financial responsibility", during the financial year. This figure must include both on payroll and off-payroll engagements.	17

Table 21: Reporting of Civil Service and other compensation schemes – exit packages

(Audited information)

	2025-26			2024-25		
Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
£0-£25,000	4	4	8	—	—	—
£25,001-£50,000	—	3	3	—	—	—
£50,001-£100,000	—	1	1	—	—	—
£100,001-£150,000	—	—	—	—	—	—
£150,001+	—	—	—	—	—	—
Total number of exit packages	**4**	**8**	**12**	**—**	**1**	**1**
Total resource cost (£)	**£41,000**	**£245,000**	**£286,0000**	**—**	**15,000**	**15,000**

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service Pension Scheme. Ill-health retirement costs are met by the pension scheme and are not included in this table.

Payment to auditors

The audit fee for 2025-26 payable to the National Audit Office has been set at £105k (2024-25: £57k). The additional costs incurred are in response to the delays and issues experienced in completing the 2025-26 audit and we expect these to be unique to this year. No other payments were made to the National Audit Office for non-audit services during the year.

Staff sickness and absence

During the financial year we experienced a higher-than-last year sickness rate. The average absence rate was 9.6 days per employee for the 2025-26 financial year (2024-25: 7.8 days). This higher absence rate has been due to a number of factors, including the impact of some organisational changes as well as serious physical and mental illnesses affecting some of our staff.

As an organisation, we continue to monitor this closely and ensure staff are not taking annual leave instead of properly recording this as sick leave, or working when they should not be due to sickness.

Staff retention

During 2025-26 the staff retention percentage was 89.5% (2024-25: 87.6%), which is within our target of 85%. The data excludes staff on fixed term contracts and other short-term roles.

Parliamentary accountability disclosures

(Audited information)

Regularity of expenditure

There are no regularity issues to report.

Losses and special payments

There were two special payments, one compensation payment for £40,000 and one special severance payment for £20,000 made in the year 2025-26 (2024-25: Nil).

Gifts

No gifts were made in the year 2025-26 (2024-25: Nil).

Table 22: Fees and charges 2025-26

Operating segment	Income	Full cost	Surplus/ (deficit)	Fee recovery actual	Fee recovery target
	£'000	£'000	£'000	%	%
Licensing	26,670	(27,863)	(1,193)	96	100
ACS	2,123	(3,393)	(1,270)	63	100
Total	**28,793**	**(31,256)**	**(2,463)**	92	100

Table 23: Fees and charges 2024-25

Operating segment	Income	Full cost	Surplus/ (deficit)	Fee recovery actual	Fee recovery target
	£'000	£'000	£'000	%	%
Licensing	34,781	(34,874)	(93)	100	100
ACS	2,310	(3,280)	(970)	70	100
Total	**37,091**	**(38,154)**	**(1,063)**	97	100

** Full cost figures purely relate to costs associated with Licensing and ACS income.*

Notes:
Licensing income is derived from the application fee for an individual SIA licence. Individuals working in specific sectors of the private security industry are required by law to hold an SIA licence. The SIA individual licence lasts for three years and therefore the SIA operates with a three-year cycle.

Remote contingent liabilities

The SIA discloses for parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, in accordance with the requirements of Managing Public Money. The SIA had no remote contingent liabilities as at 31 March 2026 (2024-25: Nil).



Michelle Russell
Chief Executive and Accounting Officer
Security Industry Authority
26 October 2026

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament, Scottish Parliament and the Northern Ireland Assembly

Opinion on financial statements

I certify that I have audited the financial statements of the Security Industry Authority for the year ended 31 March 2026 under the Private Security Industry Act 2001.

The financial statements comprise the Security Industry Authority's:

- Statement of Financial Position as at 31 March 2026;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Security Industry Authority's affairs as at 31 March 2026 and its net expenditure after tax and interest for the year then ended; and
- have been properly prepared in accordance with the Private Security Industry Act 2001 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been

applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate and report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2024*. I am independent of the Security Industry Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Security Industry Authority's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Security Industry Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Chief Executive and Accounting Officer with respect to going concern are described in the relevant sections of this certificate and report.

The going concern basis of accounting for the Security Industry Authority is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereon. The Chief Executive and Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Private Security Industry Act 2001.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Private Security Industry Act 2001; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Security Industry Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Security Industry Authority or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in

agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Chief Executive and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive and Accounting Officer is responsible for:
- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Security Industry Authority from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Private Security Industry Act 2001;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the Private Security Industry Act 2001; and
- assessing the Security Industry Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chief Executive and Accounting Officer anticipates that the services provided by the Security Industry Authority will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Private Security Industry Act 2001.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate and report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Security Industry Authority's accounting policies;
- inquired of management, the Government Internal Audit Agency and those charged with governance, including obtaining and reviewing supporting documentation relating to the Security Industry Authority's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Security Industry Authority's controls relating to the Security Industry Authority's compliance with the Private Security Industry Act 2001 and Managing Public Money;
- inquired of management, the Government Internal Audit Agency and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Security Industry Authority for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimate. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Security Industry Authority's framework of authority and other legal and regulatory frameworks in which the Security Industry Authority operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental

effect on the operations of the Security Industry Authority. The key laws and regulations I considered in this context included the Private Security Industry Act 2001, Managing Public Money, and tax law and regulations.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Assurance Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: frc.org.uk/auditorsresponsibilities. This description forms part of my certificate and report.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

30 October 2026

Financial statements

Statement of comprehensive net expenditure for the year ended 31 March 2026

	Note	2025-26 £'000	Restated 2024-25 £'000
Income			
Income from activities	4	29,990	37,091
Other income			
Other income from activities	4	—	16
Court costs recovered	4	—	1
Total operating income		**29,990**	**37,108**
Expenditure			
Staff costs	2	(22,118)	(21,033)
Depreciation	5	(699)	(729)
Amortisation (restated)	6	(1,487)	(612)
Other expenditure (restated)	3	(12,700)	(16,790)
Total operating expenditure (restated)		**(37,004)**	**(39,164)**
Finance expense	13	(130)	(36)
Payment to Home Office from Reserves		—	—
Net (expense) before tax and interest (restated)		**(7,144)**	**(2,092)**
Interest receivable	4	302	490
Corporation tax*		(77)	(170)
Net (expense) after tax and interest (restated)		**(6,919)**	**(1,772)**
Other comprehensive net expenditure			
Net gain on revaluation of intangible assets		—	—
Net (expense) after tax and interest (restated)		**(6,919)**	**(1,772)**

** £48k in 2024-25 related to 2023-24 due to an under provision.*

The notes on pages 106 to 126 form part of these accounts.

There are no other comprehensive income items. All income and expenditure relates to continuing operations.

There has been a restatement of the prior year comparative to correct for incorrectly classified cost as live STeP intangible at 31 March 2025 rather than as an asset under construction and IT expenditure. Please refer to note 17 for further information.

Statement of financial position as at 31 March 2026

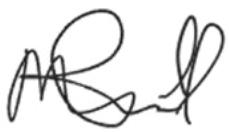
	Note	2025-26	Restated 2024-25
		£'000	£'000
Non-current assets			
Property, plant and equipment	5	723	626
Right-of-use assets	5	2,601	3,613
Intangible assets (restated)	6	7,013	5,652
Total non-current assets (restated)		**10,337**	**9,891**
Current assets			
Trade and other receivables	8	1,263	311
Cash and cash equivalents	9	16,025	25,236
Total current assets (restated)		**17,288**	**25,547**
Total assets (restated)		**27,625**	**35,438**
Current liabilities			
Trade and other payables	10	(7,452)	(6,927)
Lease liability	13	(489)	(610)
Total current liabilities		**(7,941)**	**(7,537)**
Non-current liabilities			
Provisions	11	(1,474)	(1,932)
Lease liability	13	(2,170)	(3,010)
Total non-current liabilities		**(3,644)**	**(4,942)**

	Note	2025-26	Restated 2024-25
		£'000	£'000
Total liabilities		**(11,585)**	**(12,479)**
Total assets less current liabilities (restated)		**19,684**	**27,901**
Total assets less total liabilities (restated)		**16,040**	**22,959**
Taxpayers' equity			
Revaluation reserve		262	262
General reserve (restated)		15,778	22,697
Total equity (restated)		**16,040**	**22,959**

The notes on pages 106 to 126 form part of these accounts.

There has been a restatement of the prior year comparative to correct for incorrectly classified cost as live STeP intangible at 31 March 2025 rather than as an asset under construction and IT expenditure. Please refer to note 17 for further information.

These financial statements were approved by the Board on the below date and were signed on its behalf by:



Michelle Russell
Chief Executive and Accounting Officer
26 October 2026

Statement of cash flows for the year ended 31 March 2026

	Note	2025-26	Restated 2024-25
		£'000	£'000
Cash flows from operating activities			
Net operating deficit for the year (restated)	**SoCNE**	**(7,144)**	**(2,092)**
Adjustments for non-cash transactions			
Amortisation (restated)	6	1,487	612
Depreciation	5	699	729
(Decrease)/Increase in provisions	11	(458)	1,019
Interest on lease liabilities	13	130	36
Changes in working capital			
Increase/(Decrease) in trade and other receivables	8	(952)	614
Increase in trade and other payables	10	525	2,654
Corporation tax paid		(77)	(170)
Net cash (outflow)/inflow from operating activities (restated)		**(5,790)**	**3,402**
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(366)	(366)
Purchase of intangible assets (restated)	6	(2,848)	(2,486)
Interest received	4	302	490
Net cash outflow from investing activities (restated)		**(2,912)**	**(2,362)**
Cash flows from financing activities			
Repayments of principal on lease	13	(509)	(602)
Net cash outflow from financing activities		**(509)**	**(602)**
Net increase/(decrease) in cash and cash equivalents in the period		**(9,211)**	**438**
Cash and cash equivalents at the beginning of the year	9	25,236	24,798
Cash and cash equivalents at the end of the year	9	16,025	25,236
	Movement	(9,211)	438

The notes on pages 106 to 126 form part of these accounts.

There has been a restatement of the prior year comparative to correct for incorrectly classified cost as live STeP intangible at 31 March 2025 rather than as an asset under construction and IT expenditure. Please refer to note 17 for further information.

Statement of changes in taxpayers' equity for the year ended 31 March 2026

	Revaluation reserve	General reserve	Taxpayers' equity
	£'000	£'000	£'000
Balance at 31 March 2024	**262**	**24,469**	**24,731**
Changes in taxpayers' equity 2024-25			
Comprehensive expenditure for the year (restated)	—	(1,772)	(1,772)
Balance at 31 March 2025 (restated)	**262**	**22,697**	**22,959**
Changes in taxpayers' equity 2025-26			
Comprehensive expenditure for the year	—	(6,919)	(6,919)
Balance at 31 March 2026	**262**	**15,778**	**16,040**

The General reserve consists of balances accumulated by the usual operation of the business.

There has been a restatement of the prior year comparative to correct for incorrectly classified cost as live STeP intangible at 31 March 2025 rather than as an asset under construction and IT expenditure. Please refer to note 17 for further information.

The notes on pages 106 to 126 form part of these accounts.

Notes to the financial statements

1. Accounting policies, key accounting estimates and judgements

1.1. Statement of Accounting Policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted and interpreted by the Government Financial Reporting Manual (FReM) issued by HM Treasury.

The accounting policies adopted by the SIA are described below. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the SIA for the purpose of giving a true and fair view has been selected. They have been applied consistently in dealing with items that are considered material to the financial statements.

1.2. Basis of preparation

These financial statements have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment, and intangible assets. The accounts have been prepared under the direction issued by the Secretary of State under the Private Security Industry Act 2001.

1.3. Significant estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenditure. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised where applicable.

The SIA considers the recognition, useful economic life and impairment of intangible assets, including the STeP asset, when assessing whether the carrying amount of the asset remains appropriate. These assessments consider relevant information from

the programme team, the contractual arrangements and the expected future use of the asset.

Following changes to the Government Financial Reporting Manual (FReM), intangible assets are no longer revalued to market value in existing use and are subsequently measured at historical cost, less accumulated amortisation and impairment losses. The STeP asset is therefore held on this basis and is reviewed annually for indicators of impairment (as set out in Note 1.13).

1.4. Leases

The Government Financial Reporting Manual (FReM) mandates the practical expedient that an entity should not reassess whether a contract is, or contains, a lease at the date of initial application. The SIA uses the practical expedient detailed in IFRS 16. The lease for our HQ office space, at 10 South Colonnade, falls under the scope of IFRS 16.

The SIA has adopted IFRS 16, as interpreted and adapted in the FReM, with effect from 1 April 2022.

In accordance with the FReM, intra-UK government agreements, including the Memorandum of Terms of Occupancy (MOTO) with the Government Property Agency (GPA), are treated as contracts and therefore within the scope of IFRS 16 where they convey the right to use an asset.

Where a lease has been identified, the SIA recognises a right-of-use asset and a corresponding lease liability, except for short term leases and leases for which the underlying asset is of low value. For such leases, the lease payments are recognised as an expense on a straight line basis over the lease term.

Where the interest rate implicit in a lease cannot be readily determined, the SIA calculates the lease liability using the HM Treasury discount rates promulgated in PES papers as the incremental borrowing rate.

During 2025-26, the lease for the SIA's HQ office space at 10 South Colonnade was remeasured following a reduction in the office space occupied by the SIA. The remeasurement was undertaken using the HM Treasury Public Expenditure System (PES) discount rate of 4.81%.

Right-of-use assets & liabilities

At the commencement date of a lease, we measure the lease liability at the present value of the lease payments.

IRFS 16 requires that we also recognise interest on the lease liability, based on a discount rate applied to the Lease Liability outstanding balance.

Cash repayments of the lease liability are split into a principal portion (which reduces the amount of the balance sheet liability) and a notional interest payable portion (which is chargeable to the Statement of Comprehensive Net Expenditure).

IFRS 16 requires lessees to separate out rent charges from service charges. Accordingly, the rent element is capitalised whilst the service charges are expensed separately and treated as running costs.

1.5. Going concern

The directors have a reasonable expectation that the SIA has adequate resources to continue in operational existence for the foreseeable future.

This assessment considers the SIA's future income from its regulatory activities, continued sponsorship by the Home Office and confirmed funding arrangements.

The SIA was established under the Private Security Industry Act 2001 to contribute to public protection by setting and improving standards in the regulated private security industry.

The SIA's statutory responsibilities are expanding through the implementation of Martyn's Law, under which the SIA will undertake additional regulatory responsibilities. The SIA is developing the resource and operational capacity required to discharge these responsibilities effectively.

Funding from 2026-27 has been fully confirmed and includes funding to support the SIA's existing regulatory responsibilities and the implementation of Martyn's Law. This provides the SIA with the resources required to deliver its expanded responsibilities and support the assessment that it will continue to have sufficient resources to meet its obligations for the foreseeable future.

Taking these factors into account, the directors consider that the SIA has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the SIA's financial statements have been prepared on a going concern basis.

1.6. International Financial Reporting Standards (IFRS) not yet effective

IFRS 18 Presentation and Disclosure in Financial Statement (effective date, periods starting after 1 January 2027). The standard is UK-endorsed but not yet adopted by the FReM. Early adoption is not permitted. The expected impact of applying the standard in future periods has not yet been assessed.

IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective date, periods starting after 1 January 2027). IFRS 19 allows eligible subsidiaries to apply IFRS accounting standards with reduced disclosure requirements and is effective for annual reporting periods beginning on or after 1 January 2027 in the private sector. The impact of IFRS 19 on the public sector is still being assessed, and a decision has not yet been taken on an implementation date.

Accounting policies for expenditure

1.7. Pensions

a) Principal Civil Service Pension Scheme (PCSPS): The Security Industry Authority recognises the expected costs on a systematic and rational basis over the period during which it benefits from employees' services by payments to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS.

b) Civil Servants and Others Pension Scheme (CSOPS): CSOPS known as Alpha is an unfunded, defined benefit scheme which started on 1 April 2015. The Security Industry Authority recognises the expected costs on a systematic and rational basis over the period during which it benefits from employees' services by payments to the CSOPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the CSOPS.

1.8. Value Added Tax on purchases

The SIA is not registered for VAT for its statutory functions. It is registered for VAT in respect of certain ancillary activities, but the amounts are not material. Where VAT is not recoverable, it is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets.

1.9. Corporation Tax

The SIA is liable for corporation tax at 25% (25% in 2024-25) on interest received on investment income. This relates to the bank interest.

1.10. Grant expenditure

The SIA incurred expenditure funded by the grant income received from the Home Office to support the preparatory and implementation activity associated with Martyn's Law.

Expenditure includes payments to delivery partners as well as directly attributable programme costs.

Grant-funded expenditure is recognised in the Statement of Comprehensive Net Expenditure when the SIA has a present obligation to make payment and on an accruals basis.

Accounting policies for income

Income is recognised in accordance with IFRS 15 (Revenue from Contracts with Customers).

1.11. Licence fee income

Income is recognised at the point when payment is made for an application. At this point, the fee paid becomes non-refundable as the SIA is committed to paying third party providers for processing the application.

An individual who had submitted an application for one licence sector was entitled to a 50% discount on applications for additional licence sectors (but not on a renewal of the original licence sector) during the reporting period.

1.12. Approved Contractor Scheme (ACS) income

The ACS is a voluntary scheme for providers of security services. Companies who satisfactorily meet the agreed standards may be registered as approved and may advertise themselves as such.

Application fee income is recognised at the point when the payment is made for an application and is non-refundable.

Annual registration income is charged to the Statement of Comprehensive Net Income on a straight line basis over the period covered by the registration.

1.13 Grant income

During the year, the SIA received grant funding from the Home Office to support preparatory and implementation activity associated with Martyn's Law. The funding has been applied to support delivery partners and directly attributable programme costs.

Grant income is recognised where there is reasonable assurance that the conditions attached to the funding will be met and that the funding will be received. Income is recognised in the Statement of Comprehensive Net Expenditure on a systematic basis related to the agreement on an accruals basis.

Accounting policies for assets and liabilities

1.14. Property, plant and equipment

Property

As property assets are right-of-use assets, the cost model in IFRS 16 is adopted as an appropriate proxy for current value.

Plant and equipment

Items are capitalised as non-current assets where the purchase cost exceeds £1,000, or £5,000 for grouped assets, and the benefit they yield has a life of more than one year. Non-current assets are held at cost less accumulated depreciation.

There was no revaluation of property, plant and equipment assets for 2025-26 because it is deemed immaterial and the depreciated historic cost basis is considered as a proxy for fair value for assets that have short useful lives.

1.15. Intangible assets

Intangible assets are non-monetary assets without physical substance, which arise from contractual or other legal rights. In line with the recognition criteria in IAS 38, intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the asset will flow to the SIA and the cost of the asset can be measured reliably.

STeP is our individual licensing system. It handles all applications for and decisions about security licences. It also provides businesses with functionality to apply for licences for their staff and who they can deploy. We also suspend and revoke licences from STeP, and it feeds the Register of Licence Holders. It has a front end for applicants and a back-end CRM for our staff.

Items are capitalised as non-current assets where the purchase cost exceeds £1,000, or £5,000 for grouped assets, and the benefit they yield has a life of more than one year.

Following changes to the FReM, intangible assets are no longer revalued to market value in existing use. Intangible assets are subsequently measured at historical cost, or deemed historical cost where applicable, less accumulated amortisation and accumulated impairment losses.

The STeP asset is held at historical cost and is reviewed annually for indicators of impairment. Where there is an indication that the carrying amount of the asset may not be recoverable, we undertake an impairment assessment in accordance with the applicable accounting requirement.

Any impairment loss is recognised in the Statement of Comprehensive Net Expenditure, except to the extent that it reverses a previous revaluation gain recognised in the Revaluation Reserve.

1.16. Depreciation and amortisation

Depreciation and amortisation is provided on all non-current assets on a straight-line basis to write off the cost or valuation evenly over the asset's expected useful life as follows:

Furniture	Five years
IT hardware	Three years
Approved Contractor Scheme (ACS)	ACS (fully amortised at February 2010)
STeP system	Over term of the various contracts
Right-of-use assets	Lifetime of lease

1.17. Contract liabilities

The SIA will defer ACS income where:
- annual registration fees have been received prior to the awarding of approved status
- the annual registration fee covers a period extending over the financial year end

1.18. Provision for bad debt

The SIA is awarded costs by the courts when appeals are successfully defended. It is not always possible for the SIA to collect all these debts and those that are outstanding. A provision is made for debt which has been outstanding for more than 12 months.

1.19. Provisions

In accordance with IAS 37, provisions are disclosed in the Statement of Financial Position where the SIA has a present legal or constructive obligation arising from a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision takes into account the resources required to settle the obligation. Where there is a range of possible outcomes, the provision is measured using the management's best estimate of the expenditure required to settle the present obligation at the reporting dates. Where the effect of the time value of money is material, the provision is discounted using the appropriate rate.

1.20. IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts. The SIA has undertaken an assessment of the requirements of IFRS 17 considering the nature of its activities across both PSIA and Martyn's Law, including any

contractual arrangements that could fall within the scope of the Standard, and has concluded that the Standard does not apply. The SIA does not issue insurance contracts, nor does it hold insurance contracts that are material to the financial statements. The SIA will continue to monitor its activities particularly as we work towards the implementation of Martyn's Law for any future arrangements that could be within the scope of the Standard.

2. Staff costs

	2025-26			2024-25		
	Permanently employed staff £'000	Others £'000	Total £'000	Permanently employed staff £'000	Others £'000	Total £'000
Wages and salaries	15,526	171	15,697	14,763	838	15,601
Social security costs	2,055	18	2,073	1,584	6	1,590
Other pension costs	4,130	—	4,130	3,842	—	3,842
Redundancy costs	218	—	218	—	—	—
Total staff Costs	**21,929**	**189**	**22,118**	**20,189**	**844**	**21,033**

Further staff disclosures can be found in the Remuneration and Staff Report section of the Annual Report (on page 79).

3. Other expenditure

	Note	2025-26	Restated 2024-25
		£'000	£'000
Running costs			
Licensing costs		7,807	10,292
Accommodation costs		552	553

	Note	2025-26	Restated 2024-25
		£'000	£'000
Travel and subsistence		488	619
Information technology (restated)		2,458	3,065
Office supplies and services		409	525
Legal costs		121	489
Training		205	326
Advertising and publicity		48	82
Recruitment		312	197
Audit fee – external*		105	57
Catering		1	—
Financial costs		5	4
Consultancy		77	121
Home Office recharge		490	491
Non-cash items			
Decrease in provision for bad debts	8	—	(31)
Decrease in provision for dilapidations	11	(378)	—
Total other expenditure (restated)		**12,700**	**16,790**

** External audit fees for 2025-26 do not include any non-audit work undertaken by the NAO (2024-25 Nil).*

The following **Research & Development** aggregate costs have been recognised as an expense and are included in the above:

	2025-26	2024-25
	£'000	£'000
Office supplies and services	62	17

There has been a restatement of the prior year comparative to correct for incorrectly classified cost as live STeP intangible at 31 March 2025 rather than as an asset under construction and IT expenditure.

Please refer to note 17 for further information.

4. Income

	2025-26	2024-25
	£'000	£'000
Operating income		
Licensing	28,635	38,548
Licence Rebate Scheme	(1,965)	(3,767)
Approved Contractors Scheme (ACS)	2,123	2,310
MLR grant income	1,197	—
Income from activities	**29,990**	**37,091**
Other income		
Other income from activities	—	16
Court costs recovered	—	1
Total operating income	**29,990**	**37,108**
Interest received on bank deposits	**302**	**490**

5. Property, plant and equipment

	Furniture and fittings	Information technology	Right-of-use assets buildings	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 April 2025	209	1,240	5,400	6,849

	Furniture and fittings	Information technology	Right-of-use assets buildings	Total
	£'000	£'000	£'000	£'000
Revaluations	—	—	(582)	(582)
Additions	1	365	—	366
Disposals	—	(174)	—	(174)
At 31 March 2026	**210**	**1,431**	**4,818**	**6,459**
Depreciation				
At 1 April 2025	50	773	1,787	2,610
Charged in year	35	234	430	699
Disposals	—	(174)	—	(174)
At 31 March 2026	**85**	**833**	**2,217**	**3,135**
Net book value at 31 March 2026	**125**	**598**	**2,601**	**3,324**
Net book value at 31 March 2025	**159**	**467**	**3,613**	**4,239**
Asset financing				
Owned	125	598	—	723
IFRS16 Lease	—	—	2,601	2,601
Net book value at 31 March 2026	**125**	**598**	**2,601**	**3,324**
Cost or valuation				
At 1 April 2024	175	1,424	5,400	6,999
Additions	34	332	—	366
Disposals	—	(516)	—	(516)
At 31 March 2025	**209**	**1,240**	**5,400**	**6,849**

	Furniture and fittings	Information technology	Right-of-use assets buildings	Total
	£'000	£'000	£'000	£'000
Depreciation				
At 1 April 2024	6	1,102	1,289	2,397
Charged in year	44	187	498	729
Disposals	—	(516)	—	(516)
At 31 March 2025	**50**	**773**	**1,787**	**2,610**
Net book value at 31 March 2025	**159**	**467**	**3,613**	**4,239**
Net book value at 31 March 2024	169	322	4,111	4,602
Asset financing				
Owned	159	467	—	626
IFRS16 Lease	—	—	3,613	3,613
Net book value at 31 March 2025	**159**	**467**	**3,613**	**4,239**

6. Intangible assets

	Software licences	STeP	Assets under construction	ACS	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 April 2025 (restated)	850	14,904	1,496	1,075	18,325
Additions	232	—	2,616	—	2,848
Transfer	1,178	—	(1,178)	—	—
At 31 March 2026	**2,260**	**14,904**	**2,934**	**1,075**	**21,173**

	Software licences	STeP	Assets under construction	ACS	Total
	£'000	£'000	£'000	£'000	£'000
Amortisation					
At 1 April 2025 (restated)	850	10,748	—	1,075	12,673
Charged in year	469	1,018	—	—	1,487
At 31 March 2026	**1,319**	**11,766**	—	**1,075**	**14,160**
Net book value at 31 March 2026	**941**	**3,138**	**2,934**	**—**	**7,013**
Asset financing					
Owned	941	3,138	2,934	—	7,013
Finance leased	—	—	—	—	—
Net book value at 31 March 2026	941	**3,138**	**2,934**	—	**7,013**

There has been a restatement of the prior year comparative to correct for incorrectly classified cost as live STeP intangible at 31 March 2025 rather than as an asset under construction and IT expenditure. Please refer to note 17 for further information.

Cost or valuation					
At 1 April 2024	850	12,893	1,021	1,075	15,839
Impairment	—	—	—	—	—
Additions (restated)	—	1,701	785	—	2,486
Transfer	—	310	(310)		—
At 31 March 2025 (restated)	**850**	**14,904**	**1,496**	**1,075**	**18,325**
Amortisation					
At 1 April 2024	850	10,136	—	1,075	12,061
Charged in year (restated)	—	612	—	—	612
At 31 March 2025 (restated)	**850**	**10,748**	**—**	**1,075**	**12,673**
Net book value at 31 March 2025 (restated)	**—**	**4,156**	**1,496**	**—**	**5,652**

	Software licences	STeP	Assets under construction	ACS	Total
	£'000	£'000	£'000	£'000	£'000
Asset financing					
Owned (restated)	—	4,156	1,496	—	5,652
Finance leased	—	—	—	—	—
Net book value at 31 March 2025 (restated)	**—**	**4,156**	**1,496**	**—**	**5,652**

7. Financial instruments

Due to the largely non-trading nature of the activities of the SIA and the way in which it is financed, the organisation is not exposed to the degree of financial risk faced by a non-public sector body.

Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies. The SIA has very limited powers to borrow or invest surplus funds, and consequently financial assets and liabilities are generated by day-to-day operational activities and are not deemed to change the risk facing the SIA in undertaking its activities.

Financial instruments only relate to contracts to buy non-financial items in line with the SIA's expected purchase requirements.

Liquidity risk

The SIA's net revenue resource requirements are financed by licence fees and its capital expenditure is largely funded by budgets which are approved annually by Parliament.

The SIA is not therefore exposed to significant liquidity risk.

Interest rate risk

The SIA is not exposed to significant interest rate risk.

Foreign currency risk

The SIA is not exposed to any foreign exchange risk.

Credit risk

The SIA is not exposed to significant credit risk, other than bad debt provision.

8. Trade receivables and other current assets

	2025-26	2024-25
	£'000	£'000
Amounts falling due within one year:		
Other receivables	112	5
Court debts	324	28
Prepayments and accrued income	855	306
	1,291	**339**

	2025-26	2024-25
	£'000	£'000
Less provision for bad debts	(28)	(28)
	1,263	**311**

9. Cash and cash equivalents

	2025-26	2024-25
	£'000	£'000
Balance at 1 April	25,236	24,798
Net change in cash and cash equivalent balances	(9,211)	438
Balance at 31 March	16,025	25,236

The following balances at 31 March 2026 were held at:

Bank	16,025	25,236

With HMT approval, cash reserves are being utilised to subsidise the SIA prescribed licensing fee.

This reduces the amount payable from £204 to £184 until 31 March 2026.

10. Trade payables and other current liabilities

	2025-26	2024-25
	£'000	£'000
Amounts falling due within one year		
Other taxation & social security	456	404
Trade payables	359	570
Other payables	233	166
Accruals	5,220	4,762
Contract liabilities	1,184	1,025
Total	**7,452**	**6,927**

11. Provisions for liabilities and charges

	Provision for dilapidations	Provision for Court Costs Payable	Total
	£'000	£'000	£'000
Balance at 1 April 2025	758	1,174	1,932
Provided in the year	—	(80)	(80)
Provisions written back as not required	(378)	—	(378)
Balance at 31 March 2026	**380**	**1,094**	**1,474**
Balance at 1 April 2024	758	155	913
Provided in the year	—	1,048	1,048
Provisions written back as not required	—	(29)	(29)
Balance at 31 March 2025	**758**	**1,174**	**1,932**

Dilapidation

The SIA makes provision to cover its obligations for the reinstatement of its leasehold buildings to their original state before its occupation.

The Government Property Agency has advised that dilapidations will cost £379,500 to return our Canary Wharf premises to its original condition.

The dilapidations provision is in relation to repairs arising from damage to the property. The liability has been recognised over the life of the occupancy agreement.

Provision for Court Costs Payable

This provision is made to cover future anticipated costs relating to legal decisions made in the courts which the SIA are likely to pay.

12. Capital commitments

The SIA had no capital commitments at 31 March 2026.

The SIA had no capital commitments at 31 March 2025.

13. Commitments under lease

	2025-26	2024-25
	£'000	£'000
IFRS 16 Lease liability at 1 April	**3,620**	**4,186**
Lease remeasurement	(582)	—
Notional interest expense	130	36
Rent expenditure related to lease	(509)	(602)
IFRS 16 Lease liability at 31 March	**2,659**	**3,620**
Lease commitments due in under one year	489	610
Lease commitments due in over one year	2,170	3,010
Total	**2,659**	**3,620**

The lease liabilities are measured at the discounted present value of the contractual rent payments.

IFRS 16 requires that we recognise notional interest payable on the lease payments, based on a discount rate applied to the lease liability outstanding balance.

The lease liabilities represent the total value of rent payments for the lease, discounted to present value using the approved HM Treasury's discount rate.

The current lease liability is based on the 2025 PES (Public Expenditure System) rate of 4.81%.

This is due to the relinquishing of office space in 2025.

Our buildings lease, for 10 South Colonnade, is a 14.25-year agreement from March 2018 to June 2032.

The lease liability is based on the whole period, with the lease transitioning to IFRS 16 in April 2022.

The lease agreement included obligations to pay variable service charges, rates and electricity costs.

These costs are also shown in the Expenditure section, under Accommodation Costs.

14. Contingent liabilities

The SIA has no contingent liabilities as at 31 March 2026.

The SIA had no contingent liabilities as at 31 March 2025.

15. Related-party transactions

The SIA has had transactions during the period with the following government bodies, and all transactions were conducted at arm's length:

- Access NI
- Disclosure and Barring Service
- National Crime Agency
- Disclosure Scotland
- College of Policing
- The Home Office (includes a recharge)

No Board member, key manager or other related parties has undertaken any material transactions with the SIA during the year. The Remuneration report provides information on key management compensation.

16. Events after the reporting period

There have been no events after the reporting date requiring an adjustment to the accounts.

The financial statements were authorised for issue on the same date that the Comptroller and Auditor General certified the Annual Report and Accounts.

17. Prior Period Adjustment

A material error was identified during the preparation of the 2025-26 Annual Report and Accounts relating to intangible assets. In the 2024-25 Annual Report, £1.5M of Asset Under Construction (AUC) project costs were incorrectly capitalised and disclosed as live STeP intangible assets. Of the £1.5M, £764K of People Portal discovery-phase expenditure was incorrectly capitalised as a live intangible asset in 2024-25 rather than recognised as IT expenditure. £785K relating to the Common Data Platform was incorrectly classified as a live STeP intangible at 31 March 2025 rather than as an asset under construction, and the associated 2024-25 amortisation was therefore recognised before the asset was available for use. There is no impact on the 1 April 2024 opening position as the identified error relates solely to expenditure incurred during 2024-25.

STeP is our individual licensing system. It handles all applications for and decisions about security licences. It also provides businesses with functionality to apply for licences for their staff and who they can deploy. We also suspend and revoke licences from STeP and it feeds the Register of Licence Holders. It has a front end for applicants and a back-end Customer Relationship Management (CRM) database for our staff. The system is 10 years old; due to its age, People Portal and CRM is the project to build STeP's replacement. The Common Data Platform (CDP) is a data aggregator that pulls people, organisation and location data from STeP, our other CRM and iBase.

Statement of comprehensive net expenditure 2024-25 (extract)

	Restated	Previously stated	Adjustment
	£'000	£'000	£'000
Amortisation	(612)	(635)	23
Other expenditure	(16,790)	(16,026)	(764)
Total operating expenditure	**(39,164)**	**(38,423)**	**(741)**
Net (expense) before tax and interest	(2,092)	(1,351)	(741)
Net (expense) after tax and interest	(1,772)	(1,031)	(741)

Statement of financial position 2024-25 (extract)

	Restated	Previously stated	Adjustment
	£'000	£'000	£'000
Non-current assets			
Intangible assets	5,652	6,393	(741)
Total non-current assets	**9,891**	**10,632**	**(741)**
Total assets	**35,438**	**36,179**	**(741)**
Total assets less current liabilities	**27,901**	**28,642**	**(741)**

	Restated	Previously stated	Adjustment
	£'000	£'000	£'000
General reserve	22,697	23,438	(741)
Total equity	**22,959**	**23,700**	**(741)**

Statement of cash flow 2024-25 (extract)

	Restated	Previously stated	Adjustment
	£'000	£'000	£'000
Net operating deficit for the year	(2,092)	(1,351)	(741)
Amortisation	612	635	(23)
Net cash outflow from operating activities	**3,402**	**4,166**	**(764)**
Cash flows from investing activities			
Purchase of intangible assets	(2,486)	(3,250)	764
Net cash outflow from investing activities	**(2,362)**	**(3,126)**	**764**

Statement of changes in equity 2024-25 (extract)

	General reserve			Total		
	Restated	Previously stated	Adjustment	Restated	Previously stated	Adjustment
	£'000	£'000	£'000	£'000	£'000	£'000
Comprehensive expenditure for the year (restated)	(1,772)	(1,031)	(741)	(1,772)	(1,031)	(741)
Balance at 31 March 2025	**22,697**	**23,438**	**(741)**	**22,959**	**23,700**	**(741)**

Other expenditure 2024-25 (extract)

	Restated	Previously stated	Adjustment
	£'000	£'000	£'000
Running costs			
Information technology	3,065	2,301	764
Total other expenditure	**16,790**	**16,026**	**764**

Note 6 intangible assets (extract)

	STeP			Assets Under Construction			Total		
	Restated	Previously stated	Adjustment	Restated	Previously stated	Adjustment	Restated	Previously stated	Adjustment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation									
Additions	1,701	3,250	(1,549)	785	—	785	**2,486**	**3,250**	**(764)**
Balance at 31 March 2025	**14,904**	**16,453**	**(1,549)**	**1,496**	**711**	**785**	**18,325**	**19,089**	**(764)**
Charge in the year	612	635	(23)	—	—	—	612	635	(23)
Balance at 31 March 2025	**10,748**	**10,771**	**(23)**	**—**	**—**	**—**	**12,673**	**12,696**	**(23)**
Net book value at 31 March 2025	**4,156**	**5,682**	**(1,526)**	**1,496**	**711**	**785**	**5,652**	**6,393**	**(741)**

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