Risk Insight Construction site security.

Security breaches cost the construction industry large sums of money every year. How should contractors decide which security measures are needed for each site to guard against its specific threats? QBE has developed this toolkit to answer the question.

What is security?

Construction site security is about protecting your company's assets on site. These assets include mobile plant and equipment, small tools, materials and the works itself. Theft or damage of these things can not only result in a financial cost but can also cause a delay to you finishing your work. Although the replacement cost may be insured, the delay cost often is not – nor are other intangibles such as resource disruption and reputation.

Members of the public and children are killed or seriously injured from construction activity every year in accidents which could have been prevented. Key to mitigating this risk is defining and maintaining the site perimeter to keep the public separated from construction work. Many of the controls needed are therefore the same for both public safety and physical security. Because of this, we recommend treating the two elements together, for a joined-up approach.

The most effective way to protect your site against security threats is to use a combination of physical, personnel and people, and cyber security measures. This toolkit only deals with physical security[1] – protection of assets from external threats, and members of the public from the site.

Security for construction sites is therefore about having appropriate physical security measures in place to protect both the assets on site and members of the public.

1 In our view, based in part on our claims experience, insider (personnel and people) and cyber threats are not significant for most standard construction projects – the focus of this toolkit – and so we are only considering physical security.

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What do security failures cost the construction industry?

Security failures have both a financial and a human cost. Our claims data indicate that 1 in 5 works damage claims are for theft; some of the industry's largest losses have been as a result of arson, a security risk. So, security failures cost the construction industry dear and having a structured approach to managing this risk is crucial for the long-term success of your business. We provide two real-life examples below.

Security case study #1: the potential costs of injuries to trespassers

NEWS 13

Trespasser who fell through roof wins payout of £567,000

By Joanna Bale

A TEENAGE boy who fell through a roof while he was trespassing on private property has received £567,000 in compensation.

Carl Murphy, now 18, sued the owner of a warehouse after suffering serious head injuries when he plunged 40ft to the floor as a nine-year-old in 1996.

Victims of crime groups yesterday reacted angrily to the payout, which is 50 times more than the family of a murder victim can expect to receive

that the payout reflected a massive inconsistency in the payments offered to victims and criminals.

He said: "All rights to compensation should cease the moment that person breaks the law. In victims' compensation the most a family will receive in a murder case is £11,000. There is a real flaw in the system.

"If the Government makes a gesture by allowing money to go to people who have been wronged, it should equally penalise anybody who does anything wrong when they are

missed ten months of school before being enrolled at Nugent House, Billings, a school for children with behavioural problems, in November 1998, but was expelled 18 months later.

His family took the new defunct company to court four years ago, claiming that it should have repaired security fencing to prevent children from playing on the site. Their claim was successful and he received the money on his 18th birthday yesterday.

Mr Murphy is currently

The Times, 14th May, 2005. Read this article here

Security case study #2: the potential costs of arson

Impact of 2013 arson fire on a PFI contract – Police firearms training facility

- Fire set by 'anarchist cell Angry Foxes' burnt for two weeks to destroy the project
- Highly combustible sound deadening membrane at heart of fire
- £16 million total loss to the works (2013 prices)
- Two-year delay in completing the project
- Loss of revenue at anticipated opening date
- Construction insurance would not normally cover loss of anticipated revenue

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What do you need to do for your site?

You need to put in place physical security measures that are appropriate and proportionate for the specific situation on that site. Every project will be different and so the security requirements will change according to the specific impacts and threats it's exposed to. Implementing the wrong measures may prove costly.

As a general guide, the CPNI (2011) recommends that the following principles should be central to any decisions[2]:

> it is not possible to protect everything so prioritise the areas to protect;

> measures should be proportionate to the threat;

> do not let the cost exceed the value of the asset being protected; and

> security is more cost effective when incorporated into longer-term planning.

Feedback from our risk control surveys suggests that measures implemented on many projects are chosen using a combination of what has been allowed for at tender stage and site manager preference. This can lead to sites that are over-protected – at increased cost – or under-protected – at increased risk. As for other project risks, the selection of appropriate controls should be based on a risk assessment.

This toolkit provides you with a step-by-step guide to carrying out a security risk assessment. We also provide you with a list of the physical security measures that QBE recommends you adopt based on the outcome of your risk assessment.

The security risk assessment

The best practice steps for carrying out a physical security risk assessment are summarised below. The Risk Essentials that form part of this toolkit give you detailed advice on how to complete each one.

> Good governance – identify who is accountable for security for your project. Ensure they have clear reporting lines to all staff with security responsibilities.

Monitor the effectiveness of your security management as the project proceeds. Review and update your physical security risk assessment and security plan periodically and in response to any incidents.

> Identify your most valuable assets and define your interface with the public – Identify which assets are critical to delivering your project and how members of the public might be harmed. You will need to consider delay impact as well as direct replacement costs: the impact assessment template in this toolkit will help you.

2 CPNI (2011) *Protecting Against Terrorism* (3rd edition). Retrieved from www.gov.uk/government/publications/protecting-against-terrorism

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> Identify the threats – Identify the security threats to your most valuable assets and the hazards facing members of the public and trespassers. Threats are diverse and may change over time. You should consider the location and historic security incidents: the threat assessment template in this toolkit will help you.

> Mitigate you risks – prioritise the risks to your project and put in place a range of physical security control measures that reduce your vulnerability to them and their impact: the security risk assessment template will help you combine your threat and impact assessments to determine which range of measures, pre-designed by QBE, you should implement on your project.

The QBE Security (Construction) Toolkit

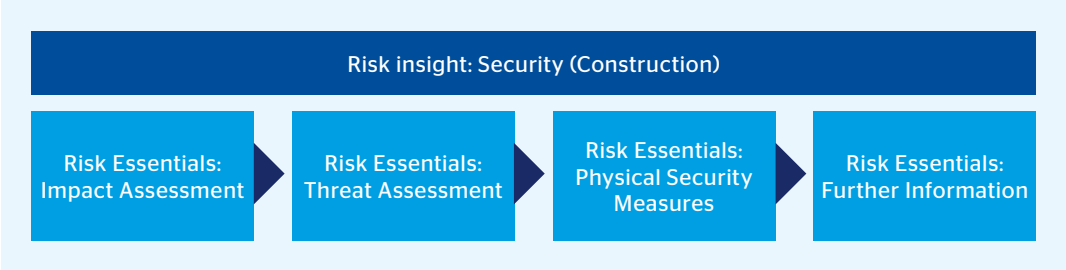
This toolkit has been designed for construction projects subject to standard security risks. Non-standard security risks include the following:

> Projects for which a credible terrorist or subversive threat is present, e.g. construction of a nuclear power plant or defense project: this toolkit is to address petty criminals, and economic criminals who are opportunistic or of low-to-moderate sophistication.

> Projects for which the potential impact of a security breach is immeasurably high, e.g. significant historic buildings, or designated critical national infrastructure if the contractor has security responsibility during and after commissioning.

For non-standard security risks, a security consultant should be engaged and some information on doing this is provided in the Further Information part of this toolkit.

This toolkit is structured to follow the security risk assessment process as follows:



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