NSI Bulletin - Issue 1:

Topic: Managing Rogue Labour Risk in the Security and Events Sectors

Common practice amongst security guarding companies dictates a flexible labour resourcing model is more or less universally applied across the sector. It enables dynamic 'right-sizing' of capacity according to customer needs, and its prevalence is indicative of a cost conscious professional sector striving to deliver effectiveness and operational efficiency.

The challenge: weak links

In essence poor practices can be masked from unwitting buyers. As such, the risk of rogue elements finding a way into secure environments persists: the protection of assets, information and routine security practices are under threat as a result of weak links in the labour supply chain.

In the course of its work, the National Security Inspectorate, (NSI), has found instances of labour being deployed with inadequate and in extreme cases non-existent checks on right to work, identity, SIA licensing, security screening, payment of minimum wage or indeed deductions of tax and national insurance. All these can individually pose a degree of risk for the prime contractor/ service provider concerned and unwittingly their customers.

Many companies providing labour in the sector do not hold Security Industry Authority Approved Contractor Status (ACS) or any other approval, and avoid independent scrutiny which might demonstrate compliance with any statutory, regulatory or British Standards requirements applying to guarding services. Even those holding approvals cannot be sure rogue labour is not operating 'under the radar'.

Some labour providers have been known to contract their workers on a self-employed basis contrary to HMRC guidance. It states the role of a security officer is not suitable for self-employment given the nature of the role and the requirements for supervision, direction and control: self-employment in such cases may therefore be viewed by HMRC as tax avoidance.

Furthermore, some have been known to 'skip' identity checks, screening and or training for workers, the resulting deployed resource effectively being unqualified, and not fit for purpose.

The solution: assurance of labour providers

After consulting with leading players in the sector, to address this risk NSI have issued a Code of Practice NCP 119, for the 'Provision of Labour in the Security and Events Sectors'.

From 31st December 2021, all NSI approved guarding companies are to be mandated only to deploy labour from providers holding approval to NCP 119. Main contractors holding NSI Guarding Gold will by default be requiring sub-contractors and labour providers to hold NSI Approval against this code.

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Professional labour providers in the sector can gain Approval to this code, and commit to regular audit against its requirements including best-practice measures such as checks on finance, payroll, screening, SIA licensing, right to work and identity checking and full training.

The code is complimentary to prevailing recognised standards whose reach stops short of labour provision - including British standards and the SIA's approved contractor scheme (ACS). Specifying NSI's independent guarding approval reaches labour provision and can give confidence and reassurance of professional standards and best practice being maintained in service delivery.

Safeguarding all parties including customers, operators and deployed security officers from rogue labour and/or worker exploitation is further assured where previously maybe unwittingly neglected.

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