

Risk management

Safeguarding contractors' small tools and equipment

A guide to loss prevention



Small tools and equipment are often stolen from construction sites, impacting both the cost and progression of projects.

The theft of small tools and equipment from construction sites is an ongoing concern for project stakeholders, including contractors, customers, hire companies and the police. Thievery of these types of items is on the increase, potentially impacting the smooth running of projects with increased costs, project delays and damage often ensuing.

Our brief guide to loss prevention aims to provide a best practice guide for preventing the theft of small tools and equipment (ST&E) from construction project sites and vehicles. Our guide defines the key practical arrangements that should be in place to mitigate the risk of theft, supported by industry theft prevention and recovery best practices. It also outlines the minimum requirements that may be expected by insurers (please check your insurance policy for details).

The risk of theft can be mitigated by adhering to the following control measures. These have been laid out under specific headings and include checklists to aid with compliance and monitoring. Recovery measures are also included to assist with the tracking down and recovery of stolen items.

Introduction

The type and range of ST&E targeted by thieves is extensive. Items may be owned by contractors, tradesmen or hired-in, and can be stolen from construction sites or from vehicles. Typical items can include power tools to hand tools, compressors to disc cutters, and concrete breakers and lifting tackle.

Larger plant and equipment is also at risk of theft. We provide separate guidance on this in our guide to loss prevention, 'Safeguarding construction plant and equipment'⁽¹⁾.

Management and risk assessment

Theft of ST&E from construction sites and vehicles should be the subject of a risk assessment. This should identify the ST&E exposed, history of theft in the area, roles and responsibilities, and mitigation measures; including physical and electronic security systems. There should be a particular focus on weekend, night time and holiday periods when sites are typically left unattended and are most vulnerable.

There should be a clear company security policy and ST&E security strategy in place, implemented by all supervisors and ST&E users. The security strategy should include both prevention and recovery measures, and be fully communicated to all site personnel.

The following are key control measures to consider for the theft prevention and recovery of ST&E.

Theft prevention measures: Construction sites

During working hours

- Minimise ST&E stored on site
- Keep all ST&E locked away and out of sight when not in use
- Provide suitable and sufficient lockable tool chests and steel storage containers
- Keep all storage provisions locked during working hours
- Implement a ST&E sign-in/sign-out policy
- Never leave ST&E unattended when out on site
- Mark tools with unique identifiers (e.g. permanent corporate colours with distinctive livery markings, together with combinations of letters and numbers using permanent markers/ultraviolet pens)
- Provide a gateman/security guard to the site entrance
- Operate random security checks of vehicles leaving the site

Outside of working hours

- Remove or minimise ST&E held on site, particularly during weekends and long holiday periods
- Keep all ST&E locked away in secure tool chests and steel containers
- Store tool chests in a secure location (e.g. inside lockable steel shipping containers)
- Provide alarms for storage containers
- Return all ST&E to a depot/plant hire company promptly when no longer required

Loss example 1

A utility maintenance engineer, whilst staying at a hotel for work purposes, parked his van in the hotel's car park overnight. His parking spot was close to the hotel but was in a dark, secluded area. There was no lighting or CCTV coverage around the parking spot. In the morning, the van's doors were found forced open and damaged, with the alarm silenced and several tools missing; including a laser level and trench rammer.

The thief/thieves may have been deterred had the van been parked in a well-lit area. Also, had the ST&E been secured within a fixed steel tool chest bolted to the floor of the van, they may have not been able to gain access to the tools.

Implement robust site security measures, including:

- hoarding to the site perimeter
- SIA-approved security guards with regular patrols, and use of clock-in points
- PIR/PA remotely-monitored CCTV
- security alarms
- site lighting
- locking all access gates and ST&E compounds with high quality chains and closed shackle padlocks
- using larger items of plant to block in other smaller equipment (e.g. by extending hydraulic arms)
- elevating small items of equipment on a safely-rigged crane
- displaying security warning signs

Theft prevention measures: Vehicles

Parked in a public place

- Only transport/store ST&E required for the day
- Ensure vehicles are always locked and alarmed⁽³⁾ when unattended
- Keep ST&E out of sight (for example, utilise mirrored or blacked-out windows in vans)
- Park in open, populated, well-lit locations
- Secure ST&E within a locked steel tool chest fixed to the vehicle
- Chain larger items of ST&E to the interior of the vehicle

Parked at home

- Remove ST&E overnight into a secure storage location
- Park in a garage or on a driveway
- Ensure vehicles are always locked and alarmed⁽³⁾ when unattended

Recovery measures

- Engrave ST&E with unique letters and numbers
- Mark ST&E with ultraviolet pens and SmartWater⁽⁴⁾
- Paint all ST&E in permanent corporate colours with distinctive livery markings
- Maintain accurate records, including serial numbers, security markings, makes and models
- Keep a photographic database of all ST&E
- Register ST&E with a security and registration scheme (e.g. Micro CESAR or Compact CESAR⁽²⁾)
- Install GPS trackers in vehicles containing ST&E
- Notify the police immediately of any theft, and the circumstances surrounding the incident

Loss example 2

After several incidents of power tools being stolen from a construction site store, a contractor registered their ST&E with an asset security tracking scheme. ST&E on site were all fitted with concealed tracking sensors. Within a few weeks, the site store was once again broken into and several power tools were stolen.

Investigators from the asset tracking company were able to pinpoint the location of the stolen tools, which had moved several miles away from the construction site. The investigators worked with the local police to recover and return the stolen items of plant to the contractor.



References and guidance

- (1) Safeguarding construction plant and equipment (www.munichre.com/site/hsb-eil-mobile/get/documents_E-316334289/hsb/assets.hsb.eil/Documents/Knowledge-Center/Downloads/Document-Library/HSBEI-1588-0716.pdf) (HSB-LCE-RGN-015). Our full suite of guides to loss prevention can be accessed on our website (www.munichre.com/HSBEIL/knowledge-centre/document-library/index.html)
- (2) CESAR Registration Scheme (www.cesarscheme.org)
- (3) Thatcham vehicle security (www.thatcham.org)
- (4) SmartWater (www.smartwater.com)
- (5) The National Plant & Equipment Register (www.ter-europe.org)

- (6) Combined Industries Theft Solutions – Code of Practice (www.theftsolutions.org)
- (7) The Construction Equipment Association (www.thecea.org.uk)
- (8) The Construction Plant-hire Association (www.cpa.uk.net)
- (9) Covert marking system (www.datatag.co.uk)
- (10) SelectaDNA (www.selectadna.co.uk)

Disclaimer: The guidance in this document refers to industry best practice loss control advice. Adoption of the advice contained within this document does not imply compliance with industry, statutory or HSBEI guidelines, nor does it guarantee that related losses will not occur.

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