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**National Security Inspectorate**

Sentinel House  
5 Reform Road  
Maidenhead  
SL6 8BY UK

**T** +44 (0)1628 637512

**F** +44 (0)1628 773367

**E** nsi@nsi.org.uk

**W** nsi.org.uk

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**To: All NSI Approved Companies**

Dear Colleague

**NSI IN 2013/2014 – A VIEW FROM THE CHIEF EXECUTIVE**

I personally detest those somewhat grudging annual Christmas circular letters extolling what has happened in the family over the past year. I sincerely hope that this annual 'Round Robin' note is not seen in any way as falling into that category! Nevertheless, the past 12 months have been frenetic and NSI has seen a significant number of changes which I feel you should be aware of as you are a fundamental part of the ever expanding NSI community of approved companies. This community grew by 71 new and successful applicant companies over the past 365 days and I would begin by welcoming each and every one of them into the fold. Each has been through our rigorous screening and passed all of the checks – they should be proud to have met the challenge. The flow of business applications is increasing, despite the recession, and the community can be expected to continue to expand.

I should state from the very beginning that when I talk about security henceforth, I do include the fire sector within that orbit. Along with flooding, fire remains a major threat to us all and I write this piece as the Lakanal House enquiry moves towards its conclusions. Life safety standards in this area are critical and the blaze at Shirley Towers in Southampton on 6 April 2010 where 2 fire fighters lost their lives highlighted the very real dangers of fire in high rise buildings. I note that there are now an increasing number of companies who provide both security and fire detection and alarm systems. This is pragmatic as putting all of one's eggs in one proverbial basket these days is indeed hazardous. Diversification has to be a consideration for us all.

We ourselves have recently undergone the 3 yearly re-accreditation visits by the United Kingdom Accreditation Service who gave us a particularly good and robust going over this year – and rightly so. We have now achieved our UKAS re-accreditation and upgrade to ISO/IEC 17021:2011 for Environmental Management, Health & Safety and Quality Management Systems and our EN 45011 for Product Certification. The more stringent 2011 version of ISO/IEC 17021 has triggered us to undertake a complete internal review of our processes and procedures. This is deemed necessary to ensure they are fully in line with the new 17021:2011 whilst simultaneously ensuring they are suitable and practical for the audit activities of NSI.



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The Bible, in the Book of Luke, verse 6:31 states:

'Do to others as you would have them do to you'

and that is a good maxim by which to operate. We learned a great deal from the UKAS experience and we will hopefully be a more effective and efficient organisation as a result – external eyes do help the organisation to see its way ahead with more clarity – surely that is the basis of third party certification?

In my letter of last year, I highlighted the ongoing adverse economic situation. I do not think it has got any easier and the expected green shoots of recovery have yet to break surface. Daily, there are a plethora of mixed messages and reports from all financial fronts and it is a brave person who will predict what is going to happen in the medium and longer term. The economy remains the main threat to security. However, flooding has to be close behind. The so-called 'extreme weather event', fluctuating between flood and drought, now seems to be a predictable annual occurrence and seemingly more and more regular. On the very evening of the Security Excellence Awards Dinner in London in October last year, our main building at Sentinel House in Maidenhead suffered what could have been a disastrous flood. Only the quick thinking by the staff living nearby saved a great deal of equipment and prevented more serious damage. The recovery plan was effective and all systems were quickly back up and running – but may I recommend that if you have not rehearsed your disaster recovery plan lately, then do so – right now!

Structurally within, we have added the new post of External Affairs Director to our team. Many people will know Chris Pinder and it is his task to ensure that we do have traction and influence with those key decision makers, both inside and outside the industry, who can raise the profile of NSI certificated companies and realise the genuine added benefits and assurance which this brings. Our membership of the Fire Sector Federation (FSF) is one example of Chris' influence. Living in the more unstable contemporary environment in which we all have to now operate, I believe that risk reduction is the absolute key to survival and prosperity. I believe that our audits really do help highlight the risks to your organisation and help all approved companies, and your customers, to avoid the pitfalls which may result if these are not successfully addressed.

A raft of new audit products has been brought successfully to the market. These include Life Safety Fire Risk Assessment, emergency lighting and scaffolding security. NCP 115 Code of Practice for Scaffold Alarms has been developed alongside the industry and was launched in January this year. Aside from bringing in new companies to NSI, this Code is providing us with access to key groups that have traditionally closed their doors to us. This has allowed us an inroad, to not only promote NCP115, but also promote NSI and our wider portfolio. Interest in this Code has been significant with over 50 enquiries made within the first month of the Code's launch. This was interest coming from potential new companies, insurers, specifiers, procurers and the police.



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We have also developed our Support Services training arm who now generate a wide range of top quality training courses, delivered by our auditors, who are absolutely up to speed with the practicalities and hot topics of the day-to-day needs of a business. For those who cannot spare the time to come to Maidenhead for training, E-learning also now features in our offer - do have a look at [www.nsi.org.uk](http://www.nsi.org.uk) for all the details. We are keen to run courses regionally if there is a demand. One such training course has been successfully run in Northern Ireland. Please do contact Maxine Dent on telephone number 01628 764831 for all of the details about these courses. We will provide on-site training if requested and the numbers are sustainable.

Perhaps one of the main changes this past year has been to the NSI website. I have always felt that the old NSI website was dated, dusty and not particularly appealing to either commercial or domestic potential end users seeking advice on enhancing their security protection. The new site is modern, stylish and relevant with its theme of 'look to us' for advice and guidance as an authoritative and responsible certification body as well as confirming the need to 'look to' an NSI approved company when considering your security provision.

In addition, we have entered the world of social media – something of a shock to old codgers like me. I would invite you all to join us and add your say to the already healthy debates on LinkedIn, Twitter, Facebook and PinInterest. A really good start has been made and we will continue to pose searching questions and seek your comments as the industry changes and develops to meet new threats.

I would also wish to mention some other products which represent excellent value. The Standards on Subscription Scheme gives access to the majority of relevant BSI Standards required within the sector for just £95 per year – offering great savings over procuring hard copies individually! A number of companies have taken advantage of a visit to Sentinel House to be presented with their framed NSI medals which now adorn many boardroom walls and shine out as a real demonstration of their commitment to quality and high standards. We can provide photographs and press releases to help support your marketing campaigns following the presentation. I am still surprised by the number of companies who are not aware that we now offer fully accredited Environmental Management and Occupational Health and Safety audits to ISO 14001 and BS OHAS 18001 respectively.

The coming year will see a major change in the guarding sector as compulsory business licensing is introduced via the SIA when the emphasis will shift onto the company rather than the individual operator. NSI made a very full and comprehensive contribution to the recent Home Office request for comments on their proposals for this change and we now await the outcome of their deliberations. Details of the timeframe and the effect on the Approved Contractor Scheme (ACS) are eagerly awaited and we will keep everyone informed via the website as soon as the outcomes are released to the public. We are presently drafting our input to the CCTV Commissioner's request for comment on his latest proposals.



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The London Olympic Games passed into history without major, or even minor, incident despite all of the histrionics immediately before the opening ceremony. However, one area they highlighted was the risk to electronic systems posed by cyber crime. The outgoing US Secretary of Defense, Leon Panetta, described the risk of what he called a 'cyber Pearl Harbour' should there be an attack on critical infrastructure systems such as air traffic control, railway signalling and telephone networks. My greatest fear is interference to electronic banking. We have seen some relatively minor 'software glitches' causing all sorts of issues to banking customers over the past 12 months. Multiply that over a wide area and imagine the impact. Many of the larger financial institutions are even now having to shift resources away from the more conventional security precautions, such as access control and CCTV, to deal with this growing electronic threat.

The private security sector will continue to grow. New analysis from Frost & Sullivan in the USA has found that the increasing complexity of information technology and physical security requirements, for both commercial and government organisations will drive a shift towards outsourcing security to managed security service providers (MSSPs).

Frost & Sullivan's report entitled [Analysis of the Global Managed Security Services Market](#), found that the market was around \$66.25 billion in 2012 and estimates this will increase to \$139.10 billion by 2021 – significant growth indeed.

Perhaps due to a reflection that we live in a more unstable world where security, rather than being seen a grudge purchase as in the past, is now firmly established as part of an organisation's defensive mechanisms, reducing risk and protecting the lives and safety of its employees and customers. Growth will also result from more contracting out of duties which traditionally have been the domain of the state's security apparatus – the police service and even the fire service.

As the current austere conditions continue, police, and to a certain extent fire and rescue, services will be pressed towards contracting out. This will encompass not just the traditional back office support functions, but increasingly more operational aspects of the task as well – although it will be interesting to see what effect the recently elected Police and Crime Commissioners have upon this trend. You should be aware that NSI wrote personally to every single PCC the day after the election to inform them of the capabilities of the private sector and the clear benefits of selecting NSI approved companies.

Many prisons are already privatised and a recent report suggested that these were well run. A paper by the think tank 'Reform' published some weeks ago said 10 out of 12 privately-run prisons had lower reoffending rates among those serving 12 months or more than comparable public jails. Privately-managed prisons were introduced in the UK in the 1990s and there are currently 14 private prisons in England and Wales, all managed by one of three firms. If Public confidence is to be maintained in an expanded contract security sector, then standards will be required for these services and these will need to be robustly audited.



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Last year I talked about the influence of technology and I stand by my assertion that this one single factor is the major influence on the direction and shape of the industry in the future. Smart software, M2M processes, remote monitoring, HD cameras and a host of other developments too numerous to list here will revolutionise the security provision over the next 10 years – and I do not use the word revolutionise at all lightly. The speed of change is faster than ever before, the influence of the World Wide Web is profound and new production techniques such as 3-D printing will seriously alter supply chain expectations for every one of us.

With regard to pricing for the coming year we are conscious of the difficult trading conditions for all in the security industry, and have adopted a conservative and sensitive approach balancing value for money with the need to maintain our own capabilities. Where possible we have kept prices flat, and where we have had to apply increases these will be below the prevailing rate of inflation.

I will leave you with one final thought as we enter the unknowns of what will undoubtedly be a further challenging year. Bob Johansen runs an organisation called the Institute for the Future and his best ever advice is “that the kind of strategy that works is to be very clear about where you’re going, but very flexible in how you get there.” Amen to that and my best wishes for 2013/14.

Yours sincerely

A handwritten signature in blue ink that appears to read "Jeff Little".

Jeff Little OBE  
CHIEF EXECUTIVE