



Terrorism – Prevent Your Assets Becoming a Target

Terrorism is an ever present risk, never more so than last year when the terrorism threat level in the UK was raised to 'critical', the highest possible on the five-point scale, at the end of June.

London, in particular, has lived with the threat of terrorism from the IRA and, more latterly, Islamic extremists for many years. However, Manchester, Birmingham and, more recently, Glasgow, have not been immune to attacks and hence the threat to property owners and managers is widespread.

Risks

The potential risks to a property owner are not just limited to physical damage to the building and its contents, but also include damage to the business itself through the loss of documents or equipment, poor PR handling, loss of rental income and the need to find alternative accommodation.



Neither is it just damage to the landlord's own building which may cause a loss, but damage to neighbouring buildings as well. As a result of the attacks on the World Trade Centre in New York, ten major buildings totally or partially collapsed causing some 30 million square feet of commercial office space to be lost. Immediately following the London bombings in July 2005, cordons were set up around the affected areas, preventing access to many offices and workplaces, which affected the revenue of those businesses housed in surrounding buildings.

A number of insurance claims were lodged for loss of 'footfall' in the days after the 7th July 2005 attacks. The validity of such claims depended upon the location of the business in relation to the bombings. Those businesses whose premises were physically damaged or within the cordoned off areas were able to claim any lost revenue through denial of access business interruption cover.



Other businesses may have suffered a loss in revenue due to the tube and Zone 1 buses being suspended, even though their premises were not in the immediate 'vicinity' of the bombs themselves. Their claims were generally declined by insurers who drew a line between the denial of access by the police following the incident and the general public's fear of travelling into London.

Liability

Apart from the more obvious risks of damage to premises and loss of rent, terrorist acts can also increase property owners' and managers' liability exposures. One can imagine the consequences, for example, of inappropriate evacuation procedures during a bomb alert.

Whilst there is no specific legislation relating to protection against terrorism, Health and Safety legislation requires risk assessments of buildings to be undertaken and, if necessary, landlords are required to take action to reduce the risk of injury to staff and the public.

Prevention

Various lessons have been learned as a result of previous terrorist attacks. For example, the World Trade Centre Twin Towers had their fire escapes grouped closely together and they became unusable as fire spread. Architects are now designing buildings with fire escapes separated from each other. Likewise, the quality of fire resistant cladding on the structural components of buildings is a key focus area as this proved ineffective in the World Trade Centre.

It is extremely difficult to prevent a determined attack on a specific location, but there are many deterrents which could force a terrorist to look elsewhere rather than focus on a particular building, similar to the way in which having an intruder alarm at your home may make a burglar look for an easier target.

Appropriate protection measures will depend on the use and occupancy of a building and of properties in the immediate vicinity. Commercial premises with few visitors can implement a high security approach, but this is impossible to put into practice at shopping centres, restaurants and hotels that are required to provide full public access.

At the very minimum, it is vital to encourage tenants to report suspicious activity and unattended packages, and to challenge unidentified strangers wandering into the building.



Other measures include:

- Keeping shrubbery outside the building under control;
- Keeping furniture in reception areas to a minimum;
- Protecting glass fronted buildings with shatter-resistant film, blast curtains or shutters;
- Controlling access to buildings with magnetic strip swipe cards, digital keypads or iris / fingerprint / voice recognition;
- Retaining or voiding swipe cards when a tenant's employee leaves the company;
- Managing the influx of visitors by use of signing-in books and visitor badges;
- Providing security guards at reception and for patrolling around buildings and car parks;
- Providing CCTV for 24-hour security of vital areas such as the building perimeter; and
- Adhering to the basics, such as alarms, internal and external lighting, and high quality locks on windows and doors.

In addition to the above, the Centre for the Protection of National Infrastructure (CPNI) lists the following guidelines for protecting your property and business against an attack:

- Carry out a risk assessment to identify vulnerable areas;
- When acquiring or extending premises, consider security at the planning stage;
- Make security awareness part of your organisation's culture;
- Ensure good housekeeping throughout your premises, keeping areas well lit and free from combustible materials;
- Keep access points to a minimum and do not allow unauthorised vehicles (that can carry explosives) close to your building;
- Examine your mail handling procedures (particularly pertinent following recent mail bombs);
- Check identities and references of all new staff or contractors;
- Consider how best to protect your information and take proper IT security precautions; and
- Review, test and update your business continuity plans, ensuring the company can continue to function if access to your main premises is restricted or denied. These should also incorporate appropriate evacuation procedures.

In a future article we will review the current situation regarding terrorism insurance cover in the UK.