

Loss Prevention Standards

Managing Change

Introduction

We are most vulnerable during 'change'. Managing change is central to the effectiveness of your risk management policy. Changes to your buildings, services, plant, machinery, storage, protection systems, supply chain, business activity, maintenance budget, etc., or even key personnel may introduce new or alter existing hazards that could result in a loss and/or a threat to your business activities.



These changes may include:

- New buildings or alterations/extensions
- New or replacement suspended ceilings, wall partitions or flooring
- Penetrations to existing walls, floors or ceilings
- Building services such as cabling, process or building heating, boilers and lighting
- Modifications or alterations to processes and/or process equipment
- Changes to raw materials or raw material suppliers
- Alterations to, or new storage methods/arrangements, changes to storage heights, or changes to the type of storage (goods/packaging)
- Changes to building/plant protection infrastructure including: fire alarms, fire detection or fire suppression systems, fire sprinkler protection systems, etc.
- Changes to management procedures
- Changes to key personnel

Managing change procedures and the need to correctly manage change is not new. It is particularly prevalent within industries where incidents have high severity consequences, such as chemical, petroleum and other energy industries. However all businesses, regardless of size and occupancy, from an office to a fully integrated production facility, have varying degrees of hazards and exposures present, which if left unchallenged during a change could lead to a loss which could significantly impact the business.

Often many companies may only have a single Facilities Manager, Health and Safety Manager or Maintenance Engineer and so can rely heavily on external contractors. External contractors may not understand or be aware of the specific hazards or risks associated with a site, they may not have the interest in a business as their primary concern, etc. and as a result often require much closer supervision. This may be very relevant in areas with critical or sensitive plant or machinery, where the work is located in high risk areas or where the exposure/impact to your business is high.

A number of significant loss experiences can be attributed to the lack of a formal change management procedure, or where the site management or contractors have not adhered to the standards in place. In addition, many losses are larger than expected due to the legacy which remains following inappropriate historical changes, and the largest losses normally have numerous changes involved. Small changes have the potential to have a large impact!

For a management of change process to be effective it needs to:

- Be formal
- Have accountability
- Be robust
- Be rigorous
- Have closure

Design the Managing Change Procedures

Establish formal written managing change procedures and implement the procedures throughout your business. Procedures should be designed to incorporate all types of changes to your business. Smaller changes/investments and less obvious projects can lead to unexpected losses as they are more likely to escape notice. All changes have the potential to lead to a loss and this risk is increased if they are not managed effectively.

As a minimum, the following should be included in any managing change procedures:

1. Establish a Managing Change Team (MCT)
 - a. Define roles and responsibilities, from pre-planning stages to commissioning and final handover
 - b. Include team members from across different areas of the business
2. Clearly identify what constitutes 'change' and other terminology to ensure consistency in approach
3. Define the scope of what is included or considered a change and what is excluded
4. Develop guidelines for key managing change issues to assist users, such as: evaluating hazards (risk assessment in whatever guise); communicating changes; tracking changes and providing an emergency change review procedure
5. Develop Request for Change (RFC) notice, review and approval procedures. This is dependent on the type and complexity of the changes being planned/implemented
6. Identify likely changes or alterations. These should include minor modifications or replacements that may require a simple review process only
7. Integrate managing change procedures within current company procedures
8. Plan and programme changes in advance
9. Complete formal risk assessments and quantify the exposure from a property damage and business interruption perspective, for the life cycle of the change (before, during and after)
10. Involve Aviva and other bodies as appropriate including local planning/emergency authorities:
 - a. Aviva would like to review your change in advance
 - b. Aviva would like to review any drawings and submissions on your behalf or for you
 - c. Aviva would like to complete field review and formal acceptance tests as required
11. Consider and specifically review in detail the buildings and areas of the proposed work, the access requirements, the processes, the plant/machinery and the proposed work involved
12. Only use contractors who are suitably experienced and competent to undertake the work.
The selection procedure should also include a formal check that the contractor has adequate employers' liability and public liability insurance cover

13. Ensure all work is underpinned by formal risk assessments and method statements
14. Identify and provide specific requirements for monitoring/supervising all employees and contractors that will implement the changes
15. Ensure adequate employee and contractor induction and operational training is completed
16. Review/modify the building's:
 - a. Fire risk assessment
 - b. Dangerous Substances and Explosive Atmospheres risk (DSEAR) assessment, if appropriate
 - c. Construction and compartmentation drawings
 - d. Services' drawings
 - e. Plant layout, equipment, etc.
 - f. Drawings
17. Periodically review and update the managing change procedures based on experience
18. Include the managing change procedures in regular self-inspections/audits and ensure robust follow-up measures/systems are in place to confirm any findings are monitored through to resolution
19. Establish a procedure to modify the managing change procedures, the reviews and approvals necessary for making a proposed change, communicating agreed changes and controls on procedure documentation

Request for Change

The procedure can be modified based on project or change size, complexity and hazards present:

- Where appropriate a Request for Change (RFC) form, see below, should be completed and submitted to the Managing Change Team (MCT)
- The MCT will determine the appropriate RFC review and approval process, in accordance with the managing change procedures or actions to be taken
- The MCT team reviewing the RFC should review the proposal, identify potential hazards and threats or effects on the business, processes, operations, customers and suppliers
- The MCT will present/refer back to the project, confirming the action points and recommendations to be completed and/or the levels of approval required to progress the change
- Once approved and actions agreed, the MCT will monitor the change progression and provide support as necessary as changes occur. They will ensure any deviations are reported, documented and appropriate actions are implemented. This may involve further review and approval of any revisions to the agreed plans
- Once completed, the MCT will record the outcome and the actions undertaken for future review if required
- The MCT should ensure all relevant management systems are modified during the change and permanently revised following the change

Request for Change Forms

A Request for Change (RFC) document or form is a formal written request for permission to change or alter buildings, process, procedures, plant and machinery, storage, supplier, etc.. The form should be developed in combination with and integral to the managing change process and incorporate, but not be limited, to the following:

- RFC Number
- Date
- Change description and rationale
- Pertinent dates/timescales of the change
- Who is requesting
- Reviews undertaken
- Reviews to be taken
- Hazards, exposures and threats to the buildings, contents and business identified and quantified; refer to Appendix 1 - Checklist
- Revisions required to procedures and drawings
- Process safety information and revisions
- Training required
- Authorisation requirements and authorisation signatures

Checklist

A generic Managing Change Checklist is presented in Appendix 1 which can be tailored to your own organisation.

Further risk management information can be obtained from [Aviva Risk Management Solutions](#)

Please Note

This document contains general information and guidance and is not and should not be relied on as specific advice. The document may not cover every risk, exposure or hazard that may arise and Aviva recommend that you obtain specific advice relevant to the circumstances. AVIVA accepts no responsibility or liability towards any person who may rely upon this document.

Appendix 1 – Managing Change Checklist

Location	
Date	
Completed by (name and signature)	

The following are common areas that can increase and influence the risk before the change has started, during the change itself and as the change is nearing completion or being closed out. These will help you to compile a more appropriate or pertinent support framework/checklist in those areas that should be considered. You may want to consider the three prompts for your comments to each area of consideration:

- Before change (B)
- During change (D)
- Completion of change (C)

	Managing Change Checklist	Y/N	Comments (B), (D) & (C)
1.	<p>Have quantified risk assessments for property damage and business interruption been completed?</p> <p>Critical, important or vulnerable:</p> <ul style="list-style-type: none"> • Machinery or equipment? • Infrastructure, services and utilities? • Stock and products, etc.? <p>Have all perils been considered:</p> <ul style="list-style-type: none"> • Fire? • Smoke? • Water? <ul style="list-style-type: none"> ○ Surface water? ○ Escape of water? ○ Pipe leakage? ○ Roof leakage? • Theft? • Other? • Non-insurable perils? 		
2.	Have Aviva or other bodies been notified and involved in the change process?		
3.	<p>Have non-combustible materials been selected for construction (Insurance/LPCB approved)?</p> <p><u>Aviva always recommend the use of non-combustible materials.</u></p>		
4.	<p>Fire compartmentation:</p> <p>Penetrations should be sealed with materials having a consistent fire resistance rating.</p>		

	Managing Change Checklist Contd.	Y/N	Comments (B), (D) & (C)
5.	Do structural elements require a fire resistance coating/protection?		
6.	Have suitable and reliable automatic and manual fire detection measures been considered? <ul style="list-style-type: none"> • Manual bells? • Manual break glass alarms? • Automatic fire detection? • Signalling to a 24/7 reliable and consistent response? 		
7.	Are the fire alarms operational?		
8.	Have suitable and reliable automatic and manual fire protection/suppression measures been considered? <ul style="list-style-type: none"> • Fire extinguishers, hoses? • Hydrants and water supplies? • Sprinkler protection? • Special and local extinguishing systems? 		
9.	Timelines for key equipment/area strip or fit-out versus plant/fire protection/detection impairment/installation.		
10.	Are appropriate plant protection/detection impairment management procedures in place?		
11.	Has the impact to the site and/or building been considered? <ul style="list-style-type: none"> • Access? • Fire escape? • Emergency planning? 		
12.	Is the emergency response appropriate? <ul style="list-style-type: none"> • Site level? • Public authorities? 		
13.	Are safe methods of working employed? <ul style="list-style-type: none"> • Risk assessments? • Method statements? 		
14.	Are contractors closely managed and do they follow agreed procedures, complying with all risk assessments and method statements?		
15.	Is the work location suitable?		
16.	Is there a rigorous routine for waste removal and housekeeping?		

	Managing Change Checklist Contd.	Y/N	Comments (B), (D) & (C)
17.	Is there a dedicated external area for storage of waste? • At least 10m away from building?		
18.	Have potential ignition sources been identified and safely controlled? • Electrical? • Hot work – any heat/spark producing activity? • Smoking? • Friction? • Hot surfaces?		
19.	Is a hot work management system including hot work permit in place?		
20.	Has security and threat of malicious damage, arson, theft etc. been considered?		
21.	Are suitable safe electrical equipment/systems provided for hazardous locations? • DSEAR assessment?		
22.	Has inspection, testing and maintenance been considered? • Plant protection systems? • Fire protection systems?		
23.	Are training procedures satisfactory for employees, contractors?		
24.	Is electrical grounding provided?		
25.	Are ventilation/venting systems adequate?		
26.	Are explosion prevention measures in place?		
27.	Are Material Safety Data Sheets (MSDS) available and are hazardous materials risk assessments completed?		
28.	Are operational safety interlocks provided and in operation? Are impairments considered in risk assessments?		
29.	Are instrumentation and critical controls satisfactory? Building Management Systems?		
30.	Is fire resistance needed for supporting steel work, critical control systems, cable runs and services, etc.?		

	Managing Change Checklist Contd.	Y/N	Comments (B), (D) & (C)
31.	Are adequate pressure relief devices fitted? Flame arrestors?		
32.	Any potential chemical reactions identified with appropriate controls?		
33.	Are inert gas and/or purge requirements considered?		
34.	Are corrosion control measures taken?		
35.	Is there adequate pipe and equipment identification and labelling?		
36.	Is there adequate spillage control?		
37.	Are environmental exposures and protections considered?		
38.	Are seasonal atmospheric conditions considered? <ul style="list-style-type: none"> • Spring? • Summer? • Autumn? • Winter? 		
39.	Are third party exposures considered? <ul style="list-style-type: none"> • Within the site? • External to the site? 		
40.	Are site drawings updated? <ul style="list-style-type: none"> • Construction? • Fire compartmentation? • Services? • Process and instrumentation? • Fire protection, etc.? 		
41.	Is electrical testing of new installations completed? Is thermographic imaging survey considered for any new electrics? (Reduce exposure while under warranty)		
42.	Additional comments:		

