

Managing Change - Property

Version: 1.7

Date: 31st January 2025

The effective management of change in the workplace is critical to the success of risk management programmes. These changes include physical alterations to buildings, new or replacement equipment, new processes, new technology, changes to fire detection and/or fire protection systems as well as changes to supply chains, business activities, budgets, and key workers.

This Loss Prevention Standard provides guidance on managing change safely and effectively.

Introduction

Organisational change is a key business strategy to facilitate growth, new strategies and/or processes, for example new buildings or extensions; changes to premises layout; new or replacement equipment etc. These changes can however bring new or increased risks to the workplace, and a well organised change management programme will help reduce the potential for associated loss and damage.

Whilst originating within industries where incidents have high severity consequences, such as chemical, petroleum and other energy industries, all businesses, from an office to a fully integrated production facility, have varying hazards and exposures that, if left unchallenged during a change, could lead to a loss that significantly impacts the business.

This Loss Prevention Standard discusses the key concepts in more detail and provides useful guidance on safely managing change in the workplace.

Note: This document relates to management of change from a Property loss prevention perspective, and related risk management guidance. It is not intended to address Liability exposures. The presumption is that all regulatory requirements, such as Fire Risk Assessments and compliance with local building regulations, codes, or standards, have or will be met.



Understanding the Risks

The risks associated with change management programmes include, but are not limited to:

Damage to buildings and Other Valuable Assets

Many loss or damage incidents can be attributed to poor change management, including ineffective planning, lack of risk assessment, lack of safety protections, poor communication, inadequate training, and unfocussed oversight. The consequences of poorly managed change to buildings and assets include:

- Long term closure of sites or key site areas to complete reinstatement works, or repair damage.
- Impacts to manufacturing equipment, storage racking, stock transportation e.g. lift trucks.
- Loss of, or contamination of raw materials, work in progress and finished stock.

Business Interruption

As well as the physical damage to property, loss events associated with poor management of change include:

- Impacts to production targets and outputs.
- Loss of key customer contracts as orders are delayed/not fulfilled.
- Loss of key suppliers, who may go on to work for competitors.
- Loss of key workers, possibly to competitors.
- Budgetary impacts with potential knock on effects or impacts to other areas of the business.
- Impacts to Environmental, Sustainability and Governance goals and associated reputational damage.

Experience shows that a number of significant losses can be attributed to the lack of formal change management procedures, or where the site teams haven't adhered to the existing standards in place.

- Many losses are larger than expected due to the legacy that remains following inappropriate historical changes.
- The largest losses normally have numerous changes involved.
- Small changes have the potential to have a large impact.
- For a change management process to be effective it needs to be formal, robust, and rigorous, and have accountability and closure.

Where Can Change Originate?

Change can occur across all levels of an organisation. From a property exposure these include:

- Dismantling or decommissioning of buildings and equipment.
- New buildings and extensions.
- Internal alterations such as new or replacement suspended ceilings, wall partitions or flooring.
- Remediating penetrations to existing walls, floors, or ceilings.
- Upgrading building services such as cabling, process or building heating, boilers, and lighting.
- Modifications or alterations to processes, process equipment and premises layout.
- 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 e.g. goods/packaging etc.
- Changes to building/plant protection infrastructure, including fire alarms, fire detection, fire suppression systems, and fire sprinkler protection systems.
- Installation of renewable technology, such as roof mounted solar photovoltaic systems and/or battery energy storage systems, electric vehicle and lift truck charging facilities etc.
- Use of new or replacement of existing external contactors, who may not understand the specific hazards or risks associated with a site.
 - ✓ They may not have the interest in a business as their primary concern, and as a result often need closer supervision.
 - ✓ This may be 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 the business is high.

Designing Change Management Procedures

Formalised change management procedures are the essential component of the change management programme and should be implemented across all levels and departments. The procedures should be designed to incorporate all types of changes to your business, including seemingly smaller changes or investments or projects which may otherwise escape close scrutiny, and lead to unexpected losses. All changes have the potential to lead to a loss and this risk is increased if they are not managed effectively.

Change management procedures should include, but not be limited to:

Change Scope. Clearly identifying what constitutes ‘change’ and other terminology to ensure consistency in approach.

- Defining the scope of what is included or considered a change and what is excluded.
- How change management requests will be raised and processed.

Change Management Team. Procedures for establishing a Change Management Team (CMT) for the duration of the change are critical.

- Ensure roles and responsibilities are defined, from pre-planning stages to commissioning and final handover.
- Include team members from different areas of the business and across seniority levels.
- Ensure the CMT are empowered to make decisions at agreed authority levels and regularly audit.
- Ensure regular progress updates are provided by the CMT team to senior leadership to ensure the change remains within scope and budget.

Planning for Change.

- Obtain relevant regulatory approvals etc.
 - ✓ In the United Kingdom this may include planning permission, building regulations, local authority approval, Fire and Rescue Service, Health and Safety Executive approval for higher risk sites etc.
- Agree timescales, budget, and approval processes.
- Appointment of external experts such as architects, fire engineers, environmental consultants etc.
- Consider how and when information updates will be communicated to stakeholders.
- Agree allocation of responsibilities, including supervisory.
- Assess the existing fire strategy and ensure compartmentation fire resistance ratings etc., are not compromised.
- Formalise how tenders, quotations and contracts are managed, reviewed, and approved.
- Risk assessment:
 - ✓ Complete formal risk assessments and any other regulatory requirements e.g. safety reviews, explosion assessments etc., to identify hazards and quantify the exposure from a property damage and business interruption perspective, for the lifecycle of the change (before, during and after).
 - ✓ Ensure all hazards are considered in the risk assessments including fire, explosion, collapse, impact, escape of water and other fluids, flood, security.
 - ✓ Consider and specifically review in detail the buildings and areas of the proposed work, the access requirements, the processes, the plant/machinery, and the work methods involved.
 - ✓ Will fire detection and fire protection systems be compromised/isolated, and how will impairments be managed? Aviva Loss Prevention Standard **Impairment Management** provides further guidance.
 - ✓ Are there seasonal issues that may impact delivery e.g. poor weather, Christmas production etc?
 - ✓ Agree the key risk control arising from risk assessments and how the actions will be managed and reviewed.
- Review disaster recovery and business continuity Plans, and any environmental and/or sustainability plans to ensure they remain adequate or require updating.
 - ✓ Refer Aviva Loss Prevention Standards **Business Continuity Management, Business Continuity Planning – Testing and Maintenance** and **Environmental, Social and Governance Overview** for further guidance.
- Consider what additional training is needed for workers managing and carrying out the change.
- Involve your Property Insurer and Broker as soon as practically possible, ideally at concept stage. They can assist with:
 - ✓ Reviewing the change in advance.
 - ✓ Reviewing drawings and submissions on your behalf, or for you.
 - ✓ Undertaking field visits and supporting formal acceptance testing.

Execution and Oversight. Execution of change requires close ongoing management to ensure the hazards are managed appropriately through the lifetime of the change. These include:

- Agreeing the implementation strategy and timeframes.
- Ensuring plans are adhered to and any necessary changes are properly assessed and managed.
 - ✓ Any changes to the original plans should be managed via the change management procedures as necessary.
 - ✓ Emergency change procedures may be required for some change events and should be documented e.g. gas leaks, electrical failures etc.
- Ensuring ongoing compliance with actions arising from risk assessments.
 - ✓ All work undertaken should be underpinned by formal risk assessments and method statements.
- Ensuring fire compartments are not compromised and are reinstated promptly.
- Issuing and management of permits to work including hot work operations.
 - ✓ Refer Aviva Loss Prevention Standard **Hot Work Operations** for further guidance.
- Communicating with the CMT and other stakeholders as the change progresses.
- Working with contractors including planning, liaison, communications, supervision, inspections, sign off etc.

- Monitoring progress and evaluating the works.
 - ✓ Regular review of the change is critical to ensure the works are being completed in line with planning and within budgetary and timescale requirements.
- Undertaking regular self-inspections of the change areas including storage, transportation, and security areas.
- Undertaking regular Stop Audits can help check stakeholders are complying with plans, rules, procedures etc.
 - ✓ Refer Aviva Loss Prevention Standard **Stop Audits** for further guidance.
- Regular review of completed permits to work to ensure compliance with rules.
- Regular updates to the Property Insurer and Broker.

Operational Guidelines. Develop and introduce best practice guidelines for the key/common change management issues. These include:

- Planning for change.
- Agreeing allocation of responsibilities.
- Completing risk assessments and corrective actions.
- Communication requirements/expectations.
- Contractor controls.
 - ✓ Working with contractors including planning, liaison, approval of tenders and plans, contract management, communications, supervision, inspections etc.
 - ✓ Contractor and visitor inductions and site visit approvals and sign-in arrangements.
 - ✓ Only using contractors who are suitably experienced and competent to undertake the work. The selection procedure should also include a formal check that contractors have adequate Liability insurance cover.
- Conflict management.
- Tracking changes to plans and work methods.
- Self-inspection and housekeeping expectations.
 - ✓ Refer Aviva Loss Prevention Standards **Self-Inspections, Fire Safety Inspections** and **Housekeeping** for further guidance.
- Stakeholder management, including liaison with the Property Insurer and Broker.
- Emergency change review procedure.
 - ✓ Refer Aviva Loss Prevention Standard **Emergency Response Teams** for further guidance.
- Integrating change management procedures within current company procedures.
- Developing Request for Change (RFC) notices, review, and approval procedures.

Completion and Handover

- Ensure completion certificates are collected and reviewed following commissioning for key works, such as electrical installations, gas supplies/systems, refrigeration, hydraulic systems etc.
- Review/modify the building's:
 - ✓ Fire risk assessment.
 - ✓ Dangerous Substances and Explosive Atmospheres risk (DSEAR) assessment, where appropriate.
 - ✓ Construction and compartmentation drawings.
 - ✓ Site plans/services' drawings.
 - ✓ Plant layout, equipment, etc.
- Review valuations and adequacy of property and business interruption sums insured.
- Formalise maintenance arrangements in respect of any new equipment.
- Update any standard operating procedures, safety rules etc., impacted by the change.
- Implement any necessary operator training and training reviews.

Review

- Periodically review and update the change management procedures based on experience.
- Include the change management procedures within regular self-inspections/audits and ensure robust follow-up measures/systems are in place to confirm that any findings are monitored through to resolution.
- Establish a procedure to routinely review and update the change management procedures.

Requests for Change

The change management procedure may need to be modified for smaller projects with lower complexity and reduced hazard and asset exposure. Where it is appropriate, a Request for Change (RFC) form can instead be utilised. This should be completed and submitted to the Change Management Team (CMT).

- The CMT will determine the appropriate RFC review and approval process, in accordance with the change management procedures and the actions to be taken.
- The CMT should review the proposal, identify potential hazards and threats or effects on the business, processes, operations, customers, and suppliers.
- The CMT 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 CMT 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 CMT will record the outcome and the actions undertaken for future review as required.
- The CMT should ensure all relevant management systems are modified during the change and permanently revised following the change.

Request for Change (RFC) Forms

An RFC document 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 change management process, and should include, but not be limited, to:

- RFC number.
- Approval 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 (see Appendix 1).
- Revisions required to procedures and drawings.
- Process safety information and revisions.
- Training required.
- Authorisation requirements and authorisation signatures.

Checklist

A **Change Management Checklist** is provided in Appendix 1, which can be tailored to your organisation's needs.

Specialist Partner Solutions

Aviva Risk Management Solutions can offer access to a wide range of risk management products and services via our network of Specialist Partners who are reputable companies offering agreed discounted rates for Aviva customers.

For more information please visit:

- Fire risk assessment: [Cardinus Risk Management](#).
- Electrical/Lightning installation testing and explosion/DSEAR Risk Assessments: [Bureau Veritas](#).
- Flood Protection: [Adler and Allen](#)
- Flood Protection: [Apex Flood Solutions](#)
- Thermographic imaging and PAT testing: [PASS](#)
- Automatic fire detection and portable extinguishers: [SECOM](#)
- Business continuity: Horizonscan

[Aviva Risk Management Solutions – Specialist Partners](#)

Additional Information

Relevant Loss Prevention Standards include:

- **Managing Change – Liability**
- **Maintenance Regimes**
- **Hot Work Operations**
- **Emergency Response Team**
- **Self-Inspections**
- **Fire Safety Inspections**
- **Impairment Management**
- **Housekeeping**
- **Stop Audits**
- **Business Continuity Management**
- **Business Continuity Planning – Testing and Maintenance**
- **Environmental, Social and Governance Overview**

To find out more, please visit [Aviva Risk Management Solutions](#) or speak to one of our advisors.

Email us at riskadvice@aviva.com or call 0345 366 6666.*

*The cost of calls to 03 prefixed numbers are charged at national call rates (charges may vary dependent on your network provider) and are usually included in inclusive minute plans from landlines and mobiles. For our joint protection telephone calls may be recorded and/or monitored.

Appendix 1: Change Management 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)

	General Considerations	Y/N	Comments (B), (D) or (C)
1.	Has a Change Management Team been formed with clear and defined responsibilities?		
2.	Is there a confirmed budget and time period for the change?		
3.	<p>Have quantified risk assessments for property damage and business interruption been completed in respect of critical, important, or vulnerable:</p> <ul style="list-style-type: none"> • Machinery or equipment? • Infrastructure, services, and utilities? • Stock and products, etc.? • Access routes and yard areas? <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? ✓ Flood? • Theft? • Other? • Non-insurable perils? 		
4.	Has your Property Insurer, Broker and other relevant bodies been notified and involved in the change process?		

LOSS PREVENTION STANDARDS

	Construction	Y/N	Comments (B), (D) or (C)
5.	Have non-combustible materials been selected for construction (Insurance/LPCB approved)? Aviva always recommends the use of non-combustible materials.		
6.	Fire compartmentation: Have/will penetrations be sealed with materials having a consistent fire resistance rating to the wall or floor?		
7.	Is fire resistance needed for compartments, supporting structural steel work, critical control systems, cable runs and services, etc.?		

	Fire Detection and Protection	Y/N	Comments (B), (D) or (C)
8.	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? • Temporary fire detection and alarm systems for temporary buildings or whilst existing fixed systems are not operational? 		
9.	Are maintenance arrangements affected by the change?		
10.	Are the fire detection systems remaining operational?		
11.	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? 		
12.	Timelines for key equipment/area strip or fit-out versus plant/fire protection/detection impairment/installation?		
13.	Are appropriate plant protection/detection impairment management procedures in place?		

LOSS PREVENTION STANDARDS

14.	<p>Has the impact to the site and/or building been considered?</p> <ul style="list-style-type: none"> • Access? • Fire escape? • Emergency planning? 		
-----	---	--	--

	Working and Safety Practices	Y/N	Comments (B), (D) or (C)
15.	Are the current emergency response arrangements appropriate or are amendments necessary?		
16.	<p>Are safe methods of working employed?</p> <ul style="list-style-type: none"> • Risk assessments? • Method statements? 		
17.	Are contractors closely managed and do they follow agreed procedures, complying with all risk assessments and method statements?		
18.	Is the work location suitable?		
19.	Is there a rigorous routine for waste removal and housekeeping?		
20.	<p>Is there a dedicated external area for storage of waste?</p> <ul style="list-style-type: none"> • At least 10m away from the building? 		
21.	<p>Have potential ignition sources been identified and safely controlled?</p> <ul style="list-style-type: none"> • Electrical? • Hot work - any heat/spark producing activity? • Smoking? • Friction? • Hot surfaces? 		
22.	Is a hot work management system including hot work permit in place?		
23.	Has security and threat of malicious damage, arson, theft, etc. been considered?		
24.	<ul style="list-style-type: none"> • Are suitable safe electrical equipment/systems provided for hazardous locations? • Are explosion assessments adequate? 		
25.	<ul style="list-style-type: none"> • Have inspection, testing and maintenance arrangements been considered? • Do these need to be bought forward or changed to avoid creating hazardous conditions? 		

LOSS PREVENTION STANDARDS

26.	Are training procedures satisfactory for employees, contractors?		
27.	Is electrical grounding provided?		
28.	Are ventilation/venting systems adequate?		
29.	Are explosion prevention measures in place?		
30.	Are Material Safety Data Sheets (MSDS) available and are hazardous materials risk assessments completed?		
31.	<ul style="list-style-type: none"> • Are operational safety interlocks provided and in operation? • Are impairments considered in risk assessments? 		
32.	<ul style="list-style-type: none"> • Are instrumentation and critical controls satisfactory? • Building Management Systems? 		
33.	Is fire resistance needed for supporting steel work, critical control systems, cable runs and services, etc.?		
34.	Are adequate safety features planned e.g. pressure relief devices fitted, flame arrestors etc?		
35.	Have any potential chemical reactions been identified and where necessary have appropriate controls been implemented?		
36.	Are inert gas and/or purge requirements considered?		
37.	Are corrosion control measures necessary?		
38.	Is there adequate pipe and equipment identification and labelling?		
39.	Is there adequate spillage control?		
40.	Are environmental exposures and protections considered?		
41.	Are seasonal atmospheric conditions considered? <ul style="list-style-type: none"> • Spring? • Summer? • Autumn? • Winter? 		
42.	Are third party exposures considered? <ul style="list-style-type: none"> • Within the site? • External to the site? 		

LOSS PREVENTION STANDARDS

43.	Are site drawings updated? <ul style="list-style-type: none"> • Construction? • Fire compartmentation? • Services? • Process and instrumentation? • Fire protection, etc.? 		
44.	<ul style="list-style-type: none"> • Is electrical testing of new installations completed? • Has thermographic imaging survey been considered for any new electrical systems? 		
45.	Has the change been completed on time and within budget?		

46.	Additional Comments		
-----	---------------------	--	--

Please Note

This document contains general information and guidance only and may be superseded and/or subject to amendment without further notice. Aviva has no liability to any third parties arising out of ARMS' communications whatsoever (including Loss Prevention Standards), and nor shall any third party rely on them. Other than liability which cannot be excluded by law, Aviva shall not be liable to any person for any indirect, special, consequential, or other losses or damages of whatsoever kind arising out of access to, or use of, or reliance on anything contained in ARMS' communications. 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.

31st January 2025

Version 1.7

ARMSGI1002015

Aviva Insurance Limited, Registered in Scotland Number SC002116. Registered Office: Pitheavlis, Perth PH2 0NH.
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

LOSS PREVENTION STANDARDS