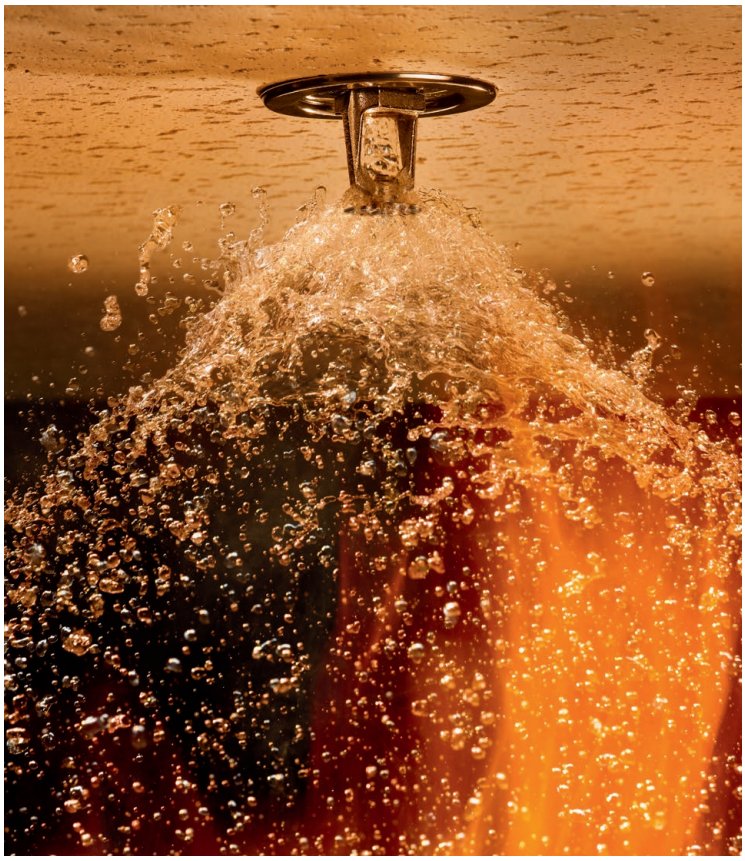
BUSINESS BULLETIN

Protecting commercial property from the risk of fire



NFU Mutual
CORPORATE INSURANCE

Foreword

A fire can damage a company in many different ways. There's the initial threat to human life, while the loss of stock, equipment and infrastructure can have a huge impact upon operations – but there are also the hidden costs to consider.

Although many clients and customers will initially be sympathetic, there is a real danger they'll move on if repairs take too long. Other knock-on effects might include the loss of trusted suppliers, and, if the fire has caused the loss of a building, there could be serious implications for employees.

It's important that companies adopt a proactive stance in managing the risks they face. Ensuring they have built-in resilience and appropriate measures to protect their reputation puts a company in a great position to drive business forward.

In this edition of our business bulletin, we examine three strategies that companies can follow to help safeguard themselves from the risks of fire.

Beccy Richards, Client Engagement Manager, NFU Mutual Corporate Insurance.

For more business insights, visit:
nfumutual.co.uk/business

Thermography: detecting the dangers

Melissa Boyes, Account Director,
Vulcan Inspection Services.

VULCAN INSPECTION SERVICES

One of the biggest fire risks that commercial properties face is the threat caused by faulty electrics. Between 2017 and 2018, there were over 3,680* such fires in businesses throughout the UK. A simple thermography survey can be carried out to highlight any potential danger spots.

*Source: Home Office Incident Recording Service

Thermography works by having specialist cameras analysing heat patterns in wiring systems. The images produced alert engineers to discrepancies such as overloaded connections or circuit arcing. Worryingly for commercial property owners, over 75% of thermography surveys detect defects that pose an electrical fire risk, with 25% of those requiring urgent attention.

Over 75% of thermography surveys detect defects that pose an electrical fire risk.

Based on surveys conducted by British Engineering Services (2014 to 2018)

The risk isn't confined to older buildings. Our inspection team recently carried out a thermography survey on a new-build retail premise which was fully stocked and due to open imminently to the public. Every component in the electrical infrastructure was new and had passed regulatory testing. Yet the survey detected four critical hotspots, all of which would almost certainly have caused a fire if left unchecked.

MINIMUM DISRUPTION

A thermographic survey is an unobtrusive and affordable technique, which can be carried out with little or no disruption to everyday business. Although it is not a replacement for statutory maintenance, inspection and testing, thermography is an invaluable supplement, helping businesses detect and repair any issues before they escalate.

> Electrical installations should not be left without any attention for the periods of years that are normally allowed between formal inspections.

Section 3.5, Guidance Note 3: Inspection and Testing,
The Institution of Electrical Engineers

HIGH-RISK AREAS

Businesses should consider thermography surveys no matter which industry they operate in. However, there are certain sectors and circumstances that are particularly vulnerable and where the use of thermography should be prioritised.

- **New builds and extensions.** The constant pressure that contractors face to complete projects can sometimes lead to mistakes and carelessness with serious consequences. New extensions can also be susceptible to error, and cause excessive strain on existing electrics. We suggest that you carry out a thermography survey once your system is operational but before any contractor warranties expire.
- **Construction.** It would be advisable for any building project that involves flammable construction materials, such as composite panels, to seek the reassurance of an annual thermographic survey, or as directed by their insurer.
- **Nature of use.** The purpose a building is used for plays a significant factor in the risk of fire. Annual thermography surveys are recommended for:

– Any commercial property including offices.

– Dusty environments (e.g. flour dusts), where there is a higher risk of explosion.

– Locations with large volumes of people, either employees or the general public.

In conditions where there are round-the-clock operations, or heavy engineering or manufacturing present, an acceleration in the deterioration of electrical systems should be expected. Under these circumstances, initial survey cycles of three months would be advisable, before reverting to annual surveys, depending on the number and severity of defects detected.

- **High-value contents.** Expensive stock, specialist parts, bespoke machinery – while insurance can cover the initial cost of any damage, the long-term loss of these assets can prove highly detrimental. In these days of market uncertainty, many companies are now stockpiling, which makes them particularly vulnerable should an incident occur.
- **Historical buildings.** The unique nature of these properties and the irreplaceable contents they contain, means risks must be minimised, with every possible precaution taken.
- **Cold stores.** Thermographic surveys can be used in any climate-controlled environment to detect dangers and identify inefficiencies; for example, in refrigerated areas to pinpoint where cold air is leaking, and to prevent system failures and damage to stock.

A SENSIBLE PRECAUTION

Thermography should form part of every commercial property manager's risk reduction strategy. It is a highly effective, non-disruptive way of enhancing the maintenance of electrical systems, that will help safeguard your staff, your property, and also your business reputation.

An initial survey by Vulcan Inspection Services will lead to recommendations for a bespoke schedule based on the outcomes and the specific needs of your business.

Vulcan Inspection Services is part of the British Engineering Services Group, working in partnership with NFU Mutual since 1997 to provide statutory inspections of our customers' plant and machinery.

Development Planning Advice: safeguarding your investment

Glenn Woolley, Senior Risk Management Consultant,
NFU Mutual Risk Management Services Limited.

All commercial properties in the UK have to meet certain safety regulations regarding the threat of fire. Yet, these standards only represent the tip of what preventative measures are available. One of the best ways to protect your business is to go beyond what the law demands. By factoring such considerations into the planning phase of development, you can help avoid expensive upgrades and refits in the future.

THE LEGAL MINIMUM

When it comes to fire risk, architects and building managers tend to focus on the five Requirements stated by the government regulatory Fire Safety Approved Document B. These are:

- Requirement B1: Means of warning and escape
- Requirement B2: Internal fire spread (linings)
- Requirement B3: Internal fire spread (structure)
- Requirement B4: External fire spread
- Requirement B5: Access and facilities for the fire service

While these objectives are obviously paramount, the document itself states "... the Building Regulations are intended to ensure a reasonable standard of life safety in a fire. The protection of property including the building itself, often requires additional measures."

Section 0.7, Fire Safety Approved Document B

DEVELOPMENT PLANNING ADVICE

If your business is growing, and you're committing to a new building or extension project, then you should consider going beyond minimum regulatory standards, to incorporate Development Planning Advice.

BEST PRACTICE

Development Planning Advice is expert guidance that exceeds legal building requirements and takes into account a broad range of factors and trends that can save you time and money in the long run. It includes information on suitable construction materials, the safest layouts, the most effective locations for equipment, and appropriate building processes. Further sections cover issues such as how to reduce the likelihood of initial ignition, how to use compartmentalisation to contain any damage, and how to prevent premature structural collapse. There is even guidance on limiting the damage from firefighters' water and the environmental impact caused by fire effluent.

Exceeding regulatory obligations will almost certainly be of benefit to your business in the future. Naturally, there are upfront costs to consider; however, by incorporating this guidance into your plans from the start, you can protect your company against any unpleasant surprises and, ultimately, boost efficiencies within your business.

PLANNING AHEAD

Pursuing a proactive strategy on fire safety provides many benefits to businesses. In addition to protecting valuable stock and infrastructure, it increases the attractiveness to insurers, which helps to manage running costs year on year.

The lesson for managers of commercial property is a clear one. By seeking and acting on Development Planning Advice early in any building or renovation process, you'll be better able to protect your investment, strengthen the resilience of your business, and maximise the opportunities for growth.

NFU Mutual Risk Management Services Limited is a subsidiary of NFU Mutual and is committed to providing a high level of guidance and advice on many aspects of health and safety, including Development Planning Advice.

> "Over 600 fires occur in warehousing and manufacturing sites across England every year."

BRE Global, independent three year study originally published in 2014

Sprinklers: controlling the fire

Nathan Brew, Technical, Quality & Development Manager,
NFU Mutual Risk Management Services Limited.

The international Food and Drink sector recently suffered a series of high-profile fires, with the damage to factories and warehouse facilities running into hundreds of millions of pounds.

The result for business has been more complex and costly cover. One way to help counter this is to install additional fire protection systems such as sprinklers. Such measures not only reduce the risk of a costly outbreak, but can also help companies secure more favourable premiums and terms from their insurer.

A LIMITED UPTAKE

When a fire occurs, the long-term consequences to a company's reputation can be as devastating as the initial damage. Disrupted supply chains, disappointed customers, a laid-off workforce – the effects are often grim. Yet all of these problems can potentially be avoided by the adoption of sprinkler systems. Unfortunately, their uptake in this country is not as widespread as it should be.

Fires can be catastrophic for any company, so it is perhaps surprising to learn that there is no legal requirement in the UK for the majority of businesses to install sprinklers. Currently, only companies with warehouses measuring more than 20,000m^2 are obliged to fit a fire sprinkler system. Yet in Europe, many countries expect sprinklers to be a priority fire protection in most cases.

The result is that European companies are far better prepared and equipped to deal with the effects of a fire than their UK competitors.

CHALLENGING THE MYTHS

The regulatory situation in the UK regarding sprinklers has led to some businesses not giving them the consideration they deserve. This view has been compounded by a number of myths derived from films and TV shows as to how sprinklers actually operate.

For dramatic effect, filmmakers tend to show every sprinkler being activated during a fire, causing widespread water damage. The more mundane reality is that only those sprinklers directly next to the fire are triggered. In fact, the majority of fires are contained by just two sprinkler heads. It is important that companies don't allow themselves to be misled by media misconceptions.

WHY SPRINKLERS?

- **Rapid control.** Sprinklers control 88% of fires before the fire service arrives.
- **Containment.** 89% of fires are confined to the room of origin (57% without sprinklers).
- **Low water damage.** Sprinkler heads use fifteen times less water than firefighters for the same impact.
- **Reliability.** There's only a 1 in 16,000,000 chance of a sprinkler causing an accidental discharge of water.
- **Environmentally friendly.** Sprinklers limit airborne pollutants from fire, and the small volume of water used prevents contaminated run-off entering rivers and drains.

Chief Fire Officers Association (CFOA)

SAVING TIME

The earlier a fire comes under control, the less risk there is to life and property. Sprinklers are activated by a temperature increase, normally within three minutes of the fire's ignition. They are designed to bring a fire under control within five minutes, well before the Fire and Rescue Service has arrived.

Indeed, the research above shows that in buildings with sprinkler systems, 88% of fires are brought under control by the time the emergency services reach the outbreak, with sprinklers containing 89% of fires within the room of origin. Even if the fire isn't fully extinguished, precious time is saved, and the risk to both the firefighters and property is greatly diminished.

> The installation of fire sprinklers could virtually eliminate fire deaths.

British Automatic Fire Sprinkler Association (BAFSA)

A COMPELLING CASE

When it comes to sprinklers, the figures speak for themselves. A report by BRE Global concluded that "... whole life costs for warehouses buildings larger than 2,000m² with fire sprinklers are on average 3.7 times lower than for ones without them."

If more sprinklers were fitted, the annual saving to businesses could be £210 million.

The report goes on to state that if more sprinklers were fitted, the annual saving to UK businesses could be £210 million. Add to this reduced CO2 emissions from the fire itself, and the saving in water used to fight the fire, and the argument for sprinklers becomes a compelling one.

There is some movement. The ABI have backed sprinkler use in buildings of more than 2,000m². However, we would recommend that UK businesses recognise the benefits of sprinklers for themselves, rather than waiting for legislation to lead the way.

Staying safe

Carrying out regular thermography surveys, going beyond the regulatory minimum and the fitting of sprinkler systems are all ways that commercial property managers can protect their investment. Should the worst happen and a fire occur, these precautions will help contain any damage and enable your company to move forward in the right direction.

Through NFU Mutual Corporate Insurance, you're connected to a wide range of in-house and external experts, from risk management and inspection services to loss adjusters and a panel of solicitors.

Working in partnership with you, we can offer tailored services that help protect your valuable assets and let your business thrive.

For more information on how NFU Mutual can help your business, please contact your NFU Mutual agency.

Find details at nfumutual.co.uk/business

NFU Mutual

If you'd like this document in large print, braille or audio, just contact us.

To find out more about how we use your personal information and your rights, please go to nfumutual.co.uk/privacy.

To stop us contacting you for marketing write to Marketing Department (Do Not Contact Me), NFU Mutual, Tiddington Road, Stratford upon Avon, Warwickshire CV37 7BJ or contact your local agency.

BUL1-CORP-1019