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Guidance for Businesses - How to protect your business from flooding

Following the widespread flooding in June and July there has been a Government wide effort to support flood recovery with a significant package of up to £64 million to date being made available to support the areas affected. Government Departments and Regional Development Agencies (RDAs) are working to ensure that their assistance is provided in the timeliest and most appropriate way to support recovery.

The floods have had a considerable effect on businesses in the affected areas and the Government is committed to doing all it can to help business to get back on its feet quickly. The RDAs quickly put in place packages of support tailored to the circumstances of their regions. The Department for Business, Enterprise and Regulatory Reform (BERR) is now working closely with other Government Departments, the RDAs, the Government Offices, the insurance industry and business organisations to assess the longer term impact of the flooding on business and to continue to ensure the most effective responses.

As Ministers we and other colleagues have visited flood-hit firms over the months since the summer and BERR Ministers have hosted two business recovery flood summits with local businesses and stakeholders in South Yorkshire and the West Midlands to discuss the key issues faced by business following the floods and what can be done to resolve them. A further summit to be held in the South West is planned for the New Year.

A key issue raised at these meetings and highlighted by the Association of British Insurers (ABI) is that a number of businesses, particularly small and medium enterprises, did not have adequate flooding or business interruption insurance in place prior to the floods. Clearly the insurance industry itself can promote this, but public agencies have an important role in ensuring that relevant information is available for businesses to understand their own risks and take appropriate action based on their assessment.

Our departments have worked with the Association of British Insurers (ABI) and Business Link to review the information available for businesses on how to consider their risks, insurance needs and to plan appropriately to deal with the effects from flooding.

1 Victoria Street, London SW1H 0ET
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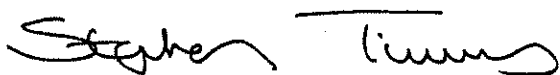
Continuation 2

The strengthened guidance 'Protecting your business from flooding' is nationally available on www.businesslink.gov.uk (the full link is at the end of this letter). A copy is attached for your information. The businesslink.gov website also provides a range of relevant guides covering business insurance matters, including an interactive tool to help businesses assess what types of insurance are needed and help to decide what cover they must have and what cover it is advisable to have. Business Link can be contacted on 0845 600 9 006.

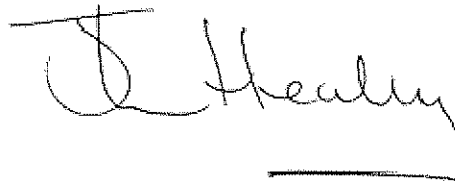
We would be grateful if you could do everything possible to distribute this guidance through your networks to your members and grateful if you would also make it available from your websites as appropriate and raise awareness of it to businesses through your existing networks wherever possible. The ABI website (www.abi.org.uk) also contains a useful section on insurance issues in relation to businesses which your stakeholders may find useful.

Government and the Insurance Industry will continue to work together to promote continuity planning and risk awareness in SMEs. ABI, BERR and DEFRA plan to hold a workshop early next year to identify the best means of achieving this.

We hope that you find this information helpful.



STEPHEN TIMMS MP



JOHN HEALEY MP

Protecting your business from floods:

<http://www.businesslink.gov.uk/bdotg/action/layer?r.l1=1073858799&topicId=1075437245&r.l2=1073859248&r.s=t1>

Health, safety, premises guidebook

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Protect your business from flooding

Subjects covered in this guide

Introduction

Assess the risks of flooding

Draw up a flood plan

Insure your business against flooding

Reduce potential flood damage

Train employees to deal with flooding

What to do after a flood

Helplines

Related guides on businesslink.gov.uk

Related web sites you might find useful

You can find this guide on
<http://www.businesslink.gov.uk> by
navigating to:

Home > Health, safety,
premises > Premises > Protect your
business from flooding

Introduction

Flooding can be a business disaster. As well as damage to premises or equipment, you may lose stock and supplies. You may also find that you cannot trade while the damage is repaired, contracts are lost, customers go elsewhere and suppliers may not be able to meet your needs. Your employees' homes may be affected and they may be unable to get to work if transport is affected. In addition to heavy financial losses, a flood may expose your business to civil or even criminal liability. In the worst-case scenario, employees and customers can be hurt or killed.

Floods are one of the most common natural disasters - businesses are more likely to be flooded than hit by fire. Due to climate change, the risk of flooding is rising. Currently, more than two million properties in England and Wales are at direct risk from river or sea-flooding. Elsewhere, heavy rain can cause groundwater to rise or dangerous surface water run-off. Even blocked sewers could cause your business to flood.

Simple preparations and planning can help. This guide explains how to assess the risks, how to protect your business, and what to do after a flood.

Assess the risks of flooding

Understanding how much risk your business faces from flooding helps you decide what to do about it.

You should also assess how much damage a flood might cause. For example, your losses could be high if you have a lot of

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expensive stock in your shop or warehouse. Businesses who prepare for flooding can save 20 to 90 per cent of the cost of lost stock and moveable equipment, while advance preparation may reduce your regulatory liability and make it easier to obtain insurance. **Read about reasons to prepare for flooding on the Environment Agency website.**

You can use the **Flood Map on the Environment Agency website** to find out about the chance of flooding from rivers or the sea in most areas. You should also think about other flood risks, particularly if your property is at the bottom of a hill or below sea level, and you may wish to undertake a more detailed flood risk assessment for your premises. For more information, **read about other sources of flooding on the Environment Agency website.**

Your risk assessment can help you decide what to do to control the risks:

- Protect your premises and take steps to limit potential damage. See the page in this guide on how to **reduce potential flood damage.**
- Prepare a plan of how to deal with flooding. See the page in this guide on how to **draw up a flood plan.**
- Make sure that you have the right insurance cover for damage and business interruption. See the page in this guide on how to **insure your business against flooding.**

Draw up a flood plan

A good flood plan ensures that you are well prepared in case of flooding. As a minimum, your business flood plan should include:

- a list of important contacts
- a map showing locations of key equipment and where to shut off electricity and other services
- what you will do to protect your property and minimise business disruption
- key procedures for employees

View a flood plan template and create your own personalise flood plan at the Environment Agency website.

For more ideas on what you should include in your plan, **read a flood planning discussion guide on the Environment Agency website.** To help you prepare your own plan, you can also **read guidance on preparing a flood plan on the Environment Agency website.**

Insure your business against flooding

If you face a significant risk from flooding, you should make sure that you are properly insured. Flood damage is not always included in standard business insurance. You may have to buy it as an option, although it should be included as standard for small businesses outside areas of significant risk.

Bear in mind that floods can be very expensive. As well as replacing stock and repairing damaged premises, your business could be disrupted for weeks or even months. Check whether your insurance cover includes business interruption and other costs. Usually sold as part of a business insurance package or added to an existing policy, business interruption insurance compensates a business for lost

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income, expenses and profits if a disaster, such as a flood, forces you to stop trading. The cost of the policy depends on your type of business and how important your premises and location are, as well as the length of the disruption.

Thinking ahead will help make any insurance claim as straightforward as possible. Keep your insurance policy and an inventory of important possessions somewhere safe. You may want to keep photographic evidence. An independent appraisal of the potential cost of repairs and replacements can also help. For more information, read our guide on how to **insure your business and assets - general insurances**. In addition, you should discuss this with your broker or insurer.

If you are flooded, contact your insurer immediately, and make sure that you keep complete records of everything you do. Read **what to do after a flood on the Environment Agency website**.

Use our interactive tool to work out which forms of insurance you should have for your business.

Reduce potential flood damage

Planning ahead can dramatically reduce the damage you could suffer. For example, storing valuable items higher up reduces the likely loss from a flood at little or no cost. In high-risk premises, you might want to invest more in making your property more resistant to flooding - for example, by installing flood protection products.

There are a range of flood protection products and materials you could consider:

- **Dry floodproofing** products can be used to protect against the risks of shallow floods. They consist of permanent or removable barriers that can be used to seal doors, windows and other openings below the flood level - such as toilets and drains - to prevent water entering.
- **Wet floodproofing** products are suitable for deeper floods. They allow water to enter the building but reduce the likelihood of significant structural damage.
- **Flood protection barriers** can be used to hold water back.
- If you are building new premises or extending your existing premises you can use **flood-resistant materials** in the construction to reduce the risks of damage.

Read **guidance on flood protection products on the Environment Agency website**.

There are also a number of no-cost and low-cost steps you can take to minimise the impact of a flood. As a minimum, you should make sure that you regularly back up computer data and store important records in a safe place.

For more information, use the **checklist on preparing for flooding on the Environment Agency website**. You can also **download a detailed information manual on preparing for floods from the Planning Portal website (PDF)**.

Getting early warning of floods can help you to reduce damage, for example you could move or protect valuable items. Call the Floodline on Tel 0845 988 1188 for more information on the flood warning service in

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your area. You can check current flood warnings in force on the Environment Agency website.

A good flood plan will also help you to react quickly. See the page in this guide on how to draw up a flood plan.

Finally, you should ensure that you have planned how to recover after a flood. See the page in this guide on what to do after a flood.

Train employees to deal with flooding

Proper training enables your employees to respond quickly if your business is flooded. This helps them to protect themselves and your business.

Employees need to understand flood warnings and what to do when they get one. This includes understanding the dangers of flooding and how to evacuate the building safely. You might also want to train a few staff to act as flood wardens, who know how to shut down the business and use any flood protection products. See the page in this guide on how to reduce potential flood damage.

A flood response exercise, like a fire drill, can help you check that employees are properly trained.

Flooding could also affect employees working from home. You should also check which of your employees' homes are at risk of flooding. Relying on the actions of these employees during flooding may not be practical, as their priority may be to protect their home first. You can read a checklist

of simple ways to protect your home from flooding on the Environment Agency website.

Or download a copy of the damage limitation brochure from the Environment Agency website (PDF) on how to make your home flood resistant.

What to do after a flood

Your first priority must be **safety**. Do not re-enter your premises until you are sure that they are safe. Even if a building looks safe, it may have suffered structural damage and could collapse. You could also risk a fatal electrical shock if the mains electricity has not been disconnected.

Once it is safe to re-enter, start salvaging goods and repairing damage. You may find it quicker and safer to replace damaged items rather than trying to repair them. You may need to take expert advice on the best way to repair damage to the building.

Check with your insurance company first before you throw anything away or start any repair work. They can often recommend suitable tradesmen to help you, and may be willing to make an interim payment to help you get your business going again as quickly as possible.

You will need to start trading again as soon as possible. A good flood plan should include a list of people you need to contact, such as suppliers. You may be able to operate from temporary premises while repairs are carried out.

Read guidance on what to do after a flood on the Environment Agency website.

Protect your business from flooding

Helplines

Floodline

0845 988 1188

Related guides on businesslink.gov.uk

Risk assessment - an overview | Set up a health and safety management system | Set up an environmental management system | Crisis management and business continuity planning | Buying business premises | Renting business premises | Use our interactive tool to work out which forms of insurance you should have for your business | Choose an insurance adviser and present your risk | Insure your business and assets - general insurances | Insure your business - people, life and health |

Related web sites you might find useful

Take part in a Cabinet Office review into the summer 2007 flooding

Check the chance of flooding in your area using the Flood Map on the Environment Agency website

Find out how to develop a flood plan on the Environment Agency website

View a flood plan template at the Environment Agency website

Read about sources of flooding on the Environment Agency website

Read about reasons to prepare for flooding on the Environment Agency website

Read about flooding and insurance on the Environment Agency website

Read what to do after a flood on the Environment Agency website

Select a broker through the British Insurance Brokers' Association website

Read guidance on flood protection products on the Environment Agency website

Download a factsheet on repairing your home or business after a flood from the Association of British Insurers website (PDF)

Use the checklist on preparing for flooding on the Environment Agency website

Download a detailed information manual on preparing for floods from the Planning Portal website (PDF)

Check current flood warnings in force on the Environment Agency website

Read a checklist of simple ways to protect your home from flooding on the Environment Agency website

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**flood on the Environment Agency
website**

**Find information on flooding on the
Association of British Insurers website**

