

DEALING WITH DISASTERS  
AUGUST 2008



British  
Chambers of  
Commerce  
The Ultimate Business Network

# ABOUT US

The British Chambers of Commerce is the national body for a powerful and influential Network of Accredited Chambers of Commerce across the UK; a Network that directly serves not only its member businesses, but the wider business community.

Representing 100,000 businesses who together employ more than 5 million employees, the British Chambers of Commerce is The Ultimate Business Network. Every Chamber sits at the very heart of its local community working with businesses to grow and develop by sharing opportunities, knowledge and know-how.

No other organisation makes such a difference to business than the British Chambers of Commerce.

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An important part of my role as Director General of the British Chambers of Commerce is getting out of London and speaking to businesses the length and breadth of the UK. Last summer I spent a lot of time visiting those regions that had been worst hit by flooding. Although only Sheffield and Doncaster tell their story in this report, there were many more parts of the UK that experienced the chaos and disruption of the floods. What struck me at the time was the scale of the devastation in some of these areas and from the perspective of last June it seemed recovery would be a long and painful task. However, having been back several times since - it has been quite remarkable how towns and cities like Doncaster and Sheffield have propelled themselves onwards and upwards.

For me, there is a sense of pride in the fact that Chambers of Commerce were intimately involved in this recovery process. They have been valued local partners for Local Authorities and Regional Development Agencies and trusted support organisations for local firms. This doesn't just apply to last year's floods, but to all those unexpected events covered in this report from foot and mouth to Birmingham's tornado.

Part of the threat associated with climate change is an increase in extreme weather conditions and it seems likely that the disruption of last summer will

be repeated. Other threats whether they be foot and mouth disease or terrorist attack remain present. From a business perspective, it's important that risk is managed rather than feared and so those partnerships forged through a crisis - between Chambers of Commerce and public agencies - are retained and strengthened to ensure that next time firms are better prepared.

Businesses are a key part of any community - they create, wealth, jobs and opportunities for local people and the sooner that they are able to recover from extreme conditions, then the sooner local communities are able to return to normal. Chambers, as part of the Ultimate Business Network, are best placed to help them do this.

A handwritten signature in black ink that reads "David D. Frost". The signature is written in a cursive style with a large, stylized 'D' and 'F'.

David Frost  
Director General  
British Chambers of Commerce

The challenges of globalisation and climate change have brought increased prominence to planning for emergencies. Unexpected events such as those outlined within this publication highlight the importance of advance planning for support to business in the recovery phase from an emergency. In responding, all parts of society have a role to play in getting back to normal. This report sets out the important role that Chambers of Commerce can play in support of business.

The Pitt review<sup>1</sup> explored the lessons learned from the 2007 floods across the country. The report demonstrated the vulnerability of infrastructure and the dependency of our society on the essential services provided. A recent study<sup>2</sup> undertaken to assess the impact of Yorkshire Forward's response to the 2007 floods surveyed 303 small businesses and 23 larger companies who received Regional Development Agency grants. The impact on businesses was great.

Similarly, in areas across Gloucestershire, over 500 businesses were flooded, and approximately 11,000 businesses were disrupted by the loss of water supply. In the East Midlands, the Flood Business Recovery Fund allocated a total of £330K in grants to 272 businesses in the region.

The problems faced with the 2007 flooding were not a new experience. In 2005 Carlisle in Cumbria was badly hit by flooding and a number of businesses were severely affected. The Northwest Regional Development Agency provided funding to assist businesses in the area for short term and long term measures.

Following the summer 2007 floods England's Regional Development Agencies, including my own, Advantage West Midlands, provided support and reassurance to businesses affected in their regions, making over £11 million available to support business recovery in the affected areas.

As a result of their activity in support to businesses, England's Regional Development Agencies have been asked as part of the 2007 Comprehensive Spending Review to take on responsibility for managing the response to industrial crises and natural disasters which have the potential to create substantial economic shocks.

England's RDAs are addressing a range of ways in which businesses can be offered support at times of crises, be these economic shocks, or natural disasters. They have the primary role in forging links, establishing strategic direction and initiating action in times of economic difficulty, through working in partnership with key stakeholders, including Chambers of Commerce. I have witnessed this first hand during the Rover crisis through the work of the MG Rover Task Force. This publication illustrates how good partnership working can achieve significant support to businesses at times when they need it most.



Nick Paul  
Chairman  
Advantage West Midlands

<sup>1</sup> The Pitt Review: lessons learned from the 2007 Floods. Cabinet Office, June 2008

<sup>2</sup> EKOS Consulting Ltd, 2008.

The 7th July 2005 was a terrorist attack that will live long in the memory of Londoners. The impact was sudden and powerful and the consequences were long lasting. In the years since, London Chamber of Commerce and Industry (LCCI) has worked hard to restore business confidence and help prepare firms for the unexpected.

## INTRODUCTION

The 7th July 2005 London bombings were a series of co-ordinated terrorist bomb blasts that hit London's public transport system during the morning rush hour. At 8:50 am, three bombs exploded within 50 seconds of each other on three London Underground trains. A fourth bomb exploded on a bus nearly an hour later at 9:47 a.m. in Tavistock Square. The bombings killed 52 commuters, injured 700, and caused disruption to the city's transport system and the country's mobile telecommunications network.

While telecommunications quickly returned to normal, the disruption to the transport network did not. The underground, Zone one bus services and most over-ground rail services were immediately suspended following the attacks. Limited bus and rail services were restored by about 4pm and this limited capacity was supplemented with tourist river boats, pressed into service to provide free travel out of the city centre. Thousands of people chose to walk home or make their way to the nearest Zone two bus or train station.

The bombings also affected the financial markets. The pound fell 0.89 cents to a 19-month low against the U.S. dollar. The FTSE 100 Index fell by about 200 points in the two hours after the first attack triggering the London Stock Exchange's special measures, restricting panic selling to ensure market stability. However, by the time the market closed it had recovered to 71.3 points only 1.36 per cent down on the previous day's three-year closing high. Markets in France, Germany, the Netherlands and Spain also closed about 1 per cent down on the day.

Business confidence in the capital plunged in the wake of the attacks, with the London Chamber of Commerce and Industry's London Monitor Quarterly Economic Survey of company directors registering a low of -8, (only the third time in the survey's history) where the number of directors pessimistic about the London economy out numbered those that were confident.

The impact upon tourism and retail was pronounced. The number of people visiting the West End fell by between 20 and 30 per cent following the attacks and took more than a year to recover. Retail sales in July 2005 were down 8.9 per cent on the previous year. The loss of tourist revenue cost London around £300m, with attractions in the centre of the city such as Madame Tussauds and the Tower of London reporting a fall of 15 per cent in visitor numbers compared to 2004.

The negative impact was compounded by a second attack on the 21st July 2005, which added weight to consumer fears that London was not a safe place to visit. The number of people saying that they would change their plans about visiting London rose from 21 per cent after the 7th July attacks to 27 per cent after the 21st July.

## THE RESPONSE

The terrorist acts of July 2007 were designed to terrorise the people who live, visit and work in London and therefore they threatened London's economy. In the aftermath, the Chamber played an important role in bringing confidence back to the business community and ensuring that in future they would be better prepared for the unexpected.

Our immediate priority was to use the expertise from within our own membership to increase the awareness of contingency planning. In September 2005 we published 'Crisis Management and Business Continuity Planning: A Programme for Business Survival'. This covered the essential principles of contingency planning for all businesses and signposted company directors - many of whom would have been addressing business continuity issues for the very first time - to additional sources of advice and information. In addition, the LCCI held a half-day conference in October 2005 entitled, 'Contingency Planning for Natural, Criminal and Terrorist Disasters'. This was chaired by General Sir Michael Rose and attended by 150 company directors.

These efforts were followed up with our first policy report on the 7/7 bombings, 'The Economic Effects of Terrorism on London: Experiences of Firms in London's Business Community' published in August 2005. For more than two years this remained the most frequently downloaded report from the LCCI website. It was followed in 2006 by a second report, 'One year on from 7/7'.

As well as providing advice and guidance to businesses we have also ensured that their concerns have been communicated to government both at a local level and nationally. In November 2007, the LCCI hosted a small business focus group to help prepare our response to the London Assembly's inquiry into contingency planning and SMEs.

A diverse community is one of London's great strengths and business is an integral part of this. In the aftermath of the terrorist attacks on London LCCI members were keen to play their part in strengthening community relations. Our then President, Michael Cassidy CBE, was instrumental in setting up the Business Forum on Serious Crime. This brought together: the Metropolitan Police, the Safer London Foundation and leading members of the LCCI's Asian Business Association, to tackle Islamic extremism amongst young people in London. One major project to result from this collaboration was the Business Partnerships Certificate scheme, this recognised and rewarded business investment in long-term community crime prevention initiatives.

An important role for the Chamber has been to drive joint work with expert bodies and other stakeholders. This included liaison with the Homeland Security and Resilience department of the Royal United Services Institute, the UK's oldest defence and security think-tank. We were able to exchange ideas and provide speakers and representatives for events.

The Chamber has also set up a Defence and Security Group, which works with the City of London police, the Serious and Organised Crime Agency and the Metropolitan Police.

The LCCI's regular Security Breakfast programme serves as a forum for high-level discussion of security and contingency topics between senior

industry figures and relevant government agencies. Speakers have included: Sir Ken Knight (London Fire and Emergency Planning Authority), Mike Bowron (Commissioner, City of London Police), Sir Richard Mottram GCB (Permanent Secretary, Intelligence, Security and Resilience) and the Assistant Commissioner of the Metropolitan Police. An additional event on transport security, with speakers from Transport for London, the British Transport Police and the Metropolitan Police, was also held in 2007.

#### LESSONS LEARNT

- In the aftermath of the attacks it was crucial that the transport network was brought back into full operation as speedily as possible. A correct balance must be struck between a highly visible security presence acting as a deterrent to further attacks and promoting the message that London is a safe place to visit. The bombings came at a time when London was the centre of significant international attention: the first full day of the UK-hosted G8 summit, a day after London was awarded the 2012 Summer Olympics, five days after the Live 8 concert, and shortly after the UK had assumed the rotating presidency of the Council of the European Union. This international scrutiny made it all the more important that London was able to recover quickly.
- While major incidents serve to focus attention on contingency planning in the short-term, it is much harder to translate this into permanent change. In fact, the bigger the incident, the more likely businesses are to think that lightning doesn't strike twice and consider that the danger has passed.

**The London Chamber of Commerce and Industry**  
<http://www.londonchamber.co.uk/>

At 2:41 pm on Thursday 28th July 2005, Birmingham was hit by one of the strongest tornadoes in the United Kingdom for almost thirty years. This was a disaster which was sudden, unexpected and caused substantial damage. In this case study we look at the role of Birmingham Chamber of Commerce and Industry (BCI) in supporting the city's recovery.

Our experience highlights the importance of effective partnerships, communications and promoting enterprise in disaster recovery situations.

## INTRODUCTION

The tornado, with wind speeds of up to 135 mph, struck several districts in the south and east of the city including Sparkbrook a part of the city known as Birmingham's Balti Belt: a hub for British Asian restaurants and retailers. It affected 5,066 properties of which 4,449 were residential properties and 617 were businesses, employing 9,383 people<sup>3</sup>.

In the immediate aftermath, it was clear that recovery would not be easy. Structural damage to properties meant that movement in the area had to be severely restricted, which hampered the clean-up operation and prevented local business people from returning to their premises. Negative publicity, road closures and increased levels of anti-social behaviour compounded traders' difficulties leading many to note a significant decrease in custom and a drop in takings<sup>4</sup>. Business confidence dropped markedly with many traders instigating redundancies. The cost of regenerating the area after the tornado was placed at £40 million<sup>5</sup>.

## THE RESPONSE

Sparkbrook was an area of the city that had been earmarked for regeneration before the tornado struck. Business survival rates were low<sup>6</sup> and so the tornado threatened to set the area's economic development back even further. BCI's objective was not just to get businesses up and running again, but to encourage the long-term development of a successful business base in the community.

Achieving this, meant forging strong partnerships with those agencies who would need to inject the investment into Sparkbrook to aid its recovery. We called for the formation of a multi-agency body the Tornado Taskforce, to plan for Birmingham's response to the disaster. The Taskforce was comprised of: the City Council, BCI, Advantage West Midlands and local trade associations.

BCI had a dual role to play in this forum. First, was to ensure that important information on the recovery operation reached the business community. Local traders were heavily dependent on accurate advice to plan for the future. We used a number of channels to keep them up-to-date, including: leafleting of affected firms and organising public meetings. BCI was able to assign two officers to oversee our community liaison and provide local businesses with a personal contact point.

Second, was to represent the concerns of local businesses back to the taskforce and ensure that the recovery operation was sensitive to their needs.

In fulfilling these roles BCI was able to ensure that the recovery operation minimised the impact on local businesses. For example, before residents and traders could return to the disaster area, their premises or property were subject to a full structural examination from the Council. Our involvement helped to ensure that this process was completed as quickly as possible allowing traders to reopen and get people back into work.

The support we were able to offer was strengthened by our partnership with the Institute of Asian Businesses (IAB), an integral part of BCI that promotes awareness of and provides solutions for the Asian business community. Working closely with them and local trader associations we were able to articulate the needs of local businesses. To ensure that our concerns were taken seriously, we sought to develop an evidence base assessing the damage to levels of business as well as traders' premises. BCI was determined to ensure that the scale of the disaster was not underestimated by simply measuring it in terms of the structural damage; the loss of business suffered by traders and the impact this would have for the local economy was, for us, of equal importance. The data that we were able to collect helped to determine the priorities for the clean up operation and long-term regeneration programme. Birmingham City Council then used our research as the basis for further work .

Successfully recovering from the tornado was not just about repairing damaged property, but protecting the local community, which derives significant benefits from a thriving private sector. The tornado immediately placed the survival of these firms in doubt. It was the job of BCI to ensure that reasonable steps were taken to mitigate the impact on business continuity.

<sup>3</sup> T4 Change-Turning Adversity into Opportunity: The Neighbourhood Renewal Plan for the Tornado Affected Communities, Birmingham City Council, p. 10.

<sup>4</sup> Economic Regeneration Report-September 2005, Birmingham City Council: Sparkbrook District.

<sup>5</sup> T4 Change- Turning Adversity into Opportunity.

<sup>6</sup> Between 2003 and 2004 the number of VAT registered businesses in Sparkbrook fell by 2.4%, compared to 0.6% across Birmingham. See, T4 Change, pp. 14-17.

Through local, national and in-house publications we were able to use the media to support the recovery effort by placing pressure on local, regional and national decision makers to consider businesses in their recovery response. In due course, our effective media strategy also helped to 'sell' the recovery and to get people back into Sparkbrook's shops and restaurants.

Staying in business was dependent on whether some level of cashflow could be maintained. To assist, we were able to persuade HM Revenue & Customs (HMRC) to adopt a sympathetic policy on payment matters. Amended guidance for HMRC staff, allowed for businesses affected by the tornado to be treated sympathetically with the expectation that they would return to a compliant position as soon as possible.

We also co-ordinated a direct mail campaign to alert traders to the relief available on business rates and empty properties, as well as general hardship grants.

## LESSONS LEARNT

- Strong partnerships are the most effective way to drive recovery and regeneration forward. In Birmingham, establishing the Tornado Taskforce was the first step towards achieving this and ensured that from the outset all those with an interest in the area were working together. It also gave the private sector- through the Chamber of Commerce and its partners- influence at the highest level of the recovery operation.
- Financial support made the difference for disaster hit businesses, whether this was in the form of reliefs or whether it was direct finance and grants it helped to keep firms going in exceptional circumstances. It is essential that recovery operations are well funded and that flexibility is displayed by local authorities and central government when dispensing funds.
- Selective and controlled use of the media is helpful in highlighting the impact of disasters upon the business community and supporting the recovery process.

**The Birmingham Chamber of Commerce and Industry**  
<http://www.bci.org.uk/>

Since 2000 there have been four severe flooding incidents in the UK - an average of one every two years. Thousands of businesses have been affected and the financial cost has amounted to billions of pounds.

The causes of flooding vary, from rivers bursting their banks to an overflow of surface water. As with all natural disasters the exact location and timing of floods are virtually impossible to predict, and often communities are given little time to protect themselves before the water is upon them.

The following chapters detail the experiences of three Chambers that played a vital role in the recovery from two separate flooding events: June 2007 and January 2005. Each Chamber of Commerce played an important role in helping local businesses recover from a serious natural disaster.

## 2007 SOUTH YORKSHIRE

### INTRODUCTION

At 10pm on the 25th June 2007, ten members of Sheffield Chamber staff, plus a man dressed only in a Union Jack flag, stood on the roof of their office surrounded by six feet of water. An RAF helicopter hovered overhead to airlift them to safety.

The severity and speed of the flood water in the city was such that they had not managed to leave the office before the water levels became too high. They had been waiting seven hours to be airlifted from the building, during which time they had rescued a man who was being washed down the street by the swiftly flowing water. The man had abandoned his car nearby, and was wet through. To recover from the cold, the staff had helped him change from his wet clothes into the only material that could be found in the building: a flag from the Chamber's International Trade Centre.

The previous week, Sheffield had experienced rainfall totalling twice the monthly average, resulting in some localised flooding. Over the space of two days - the 24th and the 25th June - Sheffield suffered another month's worth of rainfall. This proved too much for the rivers and reservoirs to cope with, and on the 25th June they burst their banks. Water levels quickly rose by several feet, submerging cars, ripping up traffic signals and roads, and leaving many people stranded. Some 1,000 businesses were flooded. For the first time since its opening in 1990, Meadowhall Shopping

Centre was closed for business, having been submerged under six feet of water. The M1 motorway was shut for three days.

The flooding affected areas all over South Yorkshire. By Monday 25th June around 80mm of rain had fallen in the Doncaster area. The flooding hit around 1,000 businesses equivalent to 20 per cent of the town's business stock. Toll Bar, a village to the North of Doncaster, was one of the borough's worst hit areas after the Ea Beck overflowed, effectively cutting the village off. Another area, Bentley, was also badly affected after the River Don burst its banks. The centre of Bentley was completely submerged with some businesses left languishing underneath four feet of water for several days.

### THE RESPONSE FROM SHEFFIELD CHAMBER OF COMMERCE AND INDUSTRY

The immediate loss of trade that Sheffield businesses suffered was prolonged by the physical devastation that had been left behind. Flood waters deposited mud, sewage and plants ripped from the riverbed into business premises. This restricted access and also damaged stock, machinery and IT equipment, and made the immediate resumption of trade impossible. Flooding in residential areas had a knock-on effect for local businesses who suffered temporary losses in staffing; employees had to either remain at home to deal with flood damaged property or were unable to get to work because of the disruption to transport infrastructure.

After the water levels dropped, the priorities for flooded businesses were to clean up their premises, submit an insurance claim and find temporary accommodation in order to resume operations as soon as possible.

Cashflow disruption was a major problem. Even businesses that had escaped the physical effects of the flooding faced problems. Supply chains were disrupted causing organisations to lose trade even if they were located outside the flooded area.

Sheffield Chamber played a leading role in helping businesses meet these challenges. Although Sheffield Chamber's offices were badly affected, remaining closed for ten days after the floods, our staff continued to operate off-site using mobile phones to maintain communication with our members. In the immediate aftermath a Business Recovery Group was formed, including representatives of: Sheffield Chamber of Commerce

and Industry, Sheffield City Council, Creative Sheffield, Business Link South Yorkshire and Yorkshire Forward. Together we set up a helpline manned by staff from each organisation. Through this service we were able to provide advice and information for those affected.

As well as the helpline, the Chamber was able to develop a number of proactive initiatives to keep local businesses informed. Within two days of the flood, the Chamber's policy manager had produced a fact sheet for affected businesses. This contained information to help businesses deal with the clean up operation after the flood, apply for business rates relief, prepare for power shortages and signpost firms to information on road closures. This was sent via email and to accommodate the 300 companies that had lost their IT connections, the Chamber teamed up with Business Link South Yorkshire to send out teams of staff to walk around flooded areas hand-delivering leaflets to each company.

In order to keep local firms well-informed, the Chamber events and marketing team worked in conjunction with the policy department to organise public information events and panel discussions in the weeks after the floods. These provided business owners with advice and an opportunity to question those with important roles in the recovery operation, such as, representatives from the insurance industry, banking, Sheffield City Council, Yorkshire Forward, the Chamber itself and government ministers.

The Chamber was able to operate as an information hub with the ability to collect, share and disseminate information to local businesses. We could do this so

effectively due to the strength of our position locally and the long-established relationships we had developed with a wide variety of organisations. We have credibility with businesses making us a likely initial contact for those in need and we have strong links into public agencies such as Sheffield City Council and Yorkshire Forward. This allowed us to link those overseeing the recovery effort with businesses hungry for up-to-date information and advice.

We realised very quickly, that beyond communicating with local businesses we had to ensure that the wider world was aware of the scale of the recovery operation facing Sheffield. We worked with the media to provide case studies from members and interviews with staff. However, a delicate balance had to be struck between raising awareness of the recovery effort and encouraging people to come back to Sheffield to visit, shop and do business with those organisations that remained open.

In addition to connecting businesses with the media and local agencies we were also able to co-ordinate a business to business response. In collaboration with other organisations in the region, such as Business Link South Yorkshire and Creative Sheffield, the Chamber compiled a comprehensive list of businesses affected by flooding. We were then able to match this with local private sector organisations offering support services to flooded companies.

**Sheffield Chamber of Commerce and Industry**  
<http://www.scci.org.uk/>

## **THE RESPONSE FROM DONCASTER CHAMBER OF COMMERCE AND ENTERPRISE**

It was evident from the earliest stages of the flooding that a significant recovery operation would be needed to provide support and help to the businesses affected by the floods in Doncaster. Doncaster Chamber was able to co-ordinate a multi-agency response to the crisis bringing together the Chamber, Business Link South Yorkshire, and Doncaster Metropolitan Borough Council.

Our first priority was to get out and visit businesses face to face. Within 48 hours of the floods, Doncaster Chamber staff were on site talking to businesses that had been affected. We were able to assist firms in applying for financial aid and ensure that they were getting the right information from the Local Authority and emergency services. The strength of this approach was that it was personal and people knew that they had a point of contact beyond the initial visit. It also allowed us to feed concerns back up to the Local Authority and the Regional Development Agency, which ensured that the disaster response was sensitive to the needs of those on the ground. Rolling our sleeves up and putting on wellington boots was incredibly valuable.

However, with limited resources we couldn't visit all those businesses that had been hit. Within a day of the floods Doncaster Chamber launched a dedicated flood helpline. This was a 24 hour, seven days a week service providing emergency information and guidance as well as putting firms in touch with specialised support. To supplement this we held Flood Advice Surgeries. These were held in flood hit areas and encouraged businesspeople to drop in and speak to advisors.

The strength of our response was not just the enthusiasm and commitment of our staff, but also the willingness of our own members to offer their time and expertise. For example, a local company, ACS, provided emergency ICT support to businesses - similarly, Chamber Patrons Atkinson Smith provided a free advisory service on insurance helping businesses to make claims. Barclays Bank, provided special financial support including extended loan periods.

**The Doncaster Chamber of Commerce and Enterprise**  
[www.doncaster-chamber.co.uk](http://www.doncaster-chamber.co.uk)

## **2005 CUMBRIA**

### **INTRODUCTION**

Severe weather over the weekend of the 8th and 9th of January 2005 led to flooding, storm damage and significant power outages across Cumbria. The area endured a month's rainfall in 24 hours.

The impact was most acute in Carlisle where large areas of the city were flooded, 260 businesses were affected. Across Cumbria 80,000 properties were without power for two days or more.

If anybody escaped the flood water they were still affected as the city closed down and the clean up operation began. Many business owners and their staff were caught up in the mass evacuation of flooded residential areas.

Cumbria is a County with strong emergency planning procedures. The presence of Sellafield in the region has ensured that local authorities have regularly planned and rehearsed for an emergency situation. However, the combination of circumstances that surrounded the floods in 2005, especially in the dead of winter, posed a significant challenge. Most of the county was without power and mobile networks were down in the worst affected areas.

Police immediately declared the area a disaster zone. Recovery groups were set-up on the 13th January 2005 and were managed by the City Council. The groups covered a range of issues: welfare, infrastructure, public assets, schools, business, finance and media. Cumbria County Council, the North West Regional Development Agency (NWDA) and the Government Office for the North West, were active members of each group.

## THE RESPONSE

When the flood waters receded, businesses faced an enormous challenge to get back up and running quickly.

A survey conducted by Cumbria Economic Intelligence Partnership on behalf of the NWDA in May 2005 (four months after the floods) indicated that 59 per cent of affected businesses were trading fully from their original premises. 41 per cent of flooded businesses were still operating below their pre-flood levels of turnover, which was on average only 58 per cent of the level achieved before the floods hit.

More than £4.4 million worth of business was lost as a result of the flooding with the crisis costing firms in the region around £14.4 million.

The business response to the crisis was a shared responsibility between: the Chamber of Commerce, Business Link, Carlisle City Council, Cumbria County Council, the Government Office for the North West, the North West Development Agency, Cumbria Tourism and others. We were able to work together through the Business Recovery Group to ensure that Carlisle was back to normal as soon as possible.

Within a couple of days Chamber staff were out speaking to businesses and distributing support packs. These included:

- a recovery checklist of immediate actions necessary to maximise cashflow and get back up and running quickly;
- useful contacts;
- HM Revenue & Customs (HMRC) information;
- advice regarding insurance claims;
- warning about bogus repair people;
- health & safety advice;
- sources of alternative premises;
- sector specific information, for example, information for childminders when temporarily relocated;
- Information on business rate relief.

There were issues contacting businesses because premises were often unoccupied and even if owners were visiting, mail would be destroyed by any remaining flood water. Unfortunately, electronic communications were often not available after the floods. This made having advisors out visiting businesses particularly important. Employing a range of communication techniques from leaflets and posters to local media channels ensured that we were able to reach a wider group of flood hit firms.

Chamber advisors continued to work with affected businesses in the following weeks and months to provide ongoing support as it was needed, this help ranged from assistance with recovery plans to submitting a grant funding application.

We facilitated and participated in meetings of affected businesses, helping them to access the right people in the Environment Agency and other relevant organisations. We were able to make representations to those who had an influence over their recovery, this included meeting with the Association of British Insurers to raise issues of concern.

We knew from experience that it was important to hasten the recovery of local firms through active promotion of the region. We worked with the City Council tourism department to promote the message that Carlisle was open for business.

**The Cumbria Chamber of Commerce and Industry**  
<http://www.cumbriachamber.co.uk/>

## LESSONS LEARNT

- Helping a town's wealth creators survive the effects of flooding must not be an afterthought. Business is central to the local community providing jobs, products and services for local people. Getting firms back to 'business as usual' is an important part of any recovery.
- Once the flood waters subside it's important that all those with an interest in the local community remain engaged and work together to aid the recovery. In Cumbria's case the relationships between agencies that were forged during the foot and mouth crisis in 2001, proved invaluable to the recovery effort for the 2005 floods.
- Following the floods a number of priorities emerged. Insurance was top of the agenda in a number of different respects. When the floods hit, the insurance industry struggled to cope with the volume of claims. For a business faced with significant damage to property a swift pay out is all important.
- Firms also need to have the appropriate insurance cover. Unfortunately, it became clear that many lacked the appropriate insurance products to deal with the effects of flooding. While some chose not to take out insurance, many firms who thought they were protected had not fully understood the terms of their policy. A stronger case for the right insurance clearly needs to be made and there has to be a better explanation of the terms and limitations of any cover.
- Flexibility by public bodies towards businesses is important. For example, Her Majesty's Revenue and Customs (HMRC) agreed to ease the rules on late payment for flood hit firms. This helped to alleviate some short-term cashflow problems. Similarly, the standard of documentary evidence required to qualify for recovery grants through the RDA was dropped, so that firms which had lost paperwork in the floods were not excluded.

The outbreak of Foot and Mouth Disease in 2001 was a major disaster for the agricultural sector across the country. However, the impact was not restricted to the farming community, it reverberated throughout the economy and left very few firms untouched. The scale and ferocity of the epidemic seriously tested the support services.

This chapter draws on the experiences of Cumbria Chamber of Commerce and Herefordshire and Worcestershire Chamber of Commerce. An outbreak of disease is a particular type of crisis that casts a long shadow over the businesses in those Counties affected. In the case of foot and mouth it was exacerbated by uncertainty. The crisis hit in February 2001 and the last case was reported in September 2001.

## INTRODUCTION

The most recent outbreaks of foot and mouth have been devastating, but they were far less extensive than the 2001 outbreak and the response to the control of the disease was speedier and much more effective.

Cumbria was at the epicentre of the 2001 epidemic, with 983 outbreaks out of 2047 in the United Kingdom. A further 1934 farms were culled in whole or in part.

The disease was first confirmed in Devon on 22nd February 2001. Tens of thousands of animals were slaughtered across the country. The disposal of culled livestock was a considerable task and it was inevitable that a disposal system designed for 'normal' conditions could not cope with this volume. Existing landfill sites were turned into mass graves, some 500,000 sheep carcasses were buried at Great Orton airfield in Cumbria. In total, 1.4 million animals were slaughtered in Cumbria. Those that were not buried were burnt, a means of disposal which was eventually stopped because of public health concerns. Unfortunatley, the intense media coverage of the crisis meant that these images became closely associated with Cumbria, which delayed the recovery still further.

With the outbreak came movement restrictions on the general population in an effort to contain it. These limitations heightened the impact on a whole range of firms from suppliers of agricultural machinery and feed stocks to local manufacturers and hauliers. It was not just an agricultural problem

anyone living and working in the countryside faced problems.

Businesses in cities, town and villages suffered a significant loss of trade as people limited their movements and no longer visited to shop, trade or access other services. The reduction in custom varied by business and location, but most saw a fall off of between 40 and 80 per cent. Urban businesses did not escape unscathed, for example, a Birmingham based geophysical survey business found that around 60 per cent of their orders were cancelled or indefinitely delayed. The almost universal impact of the crisis not only demonstrated the underlying importance of the agriculture and tourism sectors, but highlighted the unity of the whole economy held together by an invisible web of relationships and supply chains.

For tourism, foot and mouth was a disaster. For many of the worst affected areas, it was and remains a vital sector to the local economy. Movement restrictions meant that many footpaths were closed and areas that would normally attract tourists were out of bounds. Many potential visitors avoided towns and villages. Tourism businesses faced going into the autumn without the custom that they would normally depend on, affecting both their ability to get through the winter and implement refurbishment plans.

## THE RESPONSE FROM CUMBRIA CHAMBER OF COMMERCE

A Cumbria foot and mouth disease task force was set up in March, to provide a co-ordinated response to the economic and social challenges that the County faced. Through this body we were able to work with, amongst others, the North West Development Agency, Cumbria County Council and District Councils.

Our most important role was to provide information and support to firms who were struggling financially. One of the Chamber's first steps was to produce a survival toolkit for use by businesses. This included resources designed to assist firms to stay in business under difficult circumstances, for example, it included template letters for the Inland Revenue and fact sheets on managing creditors and cash flow.

We were also able to dispense advice through seminars and workshops on a range of issues as well

as helping firms to access grant aid. We were active in lobbying on behalf of businesses for financial support and more effective handling of the crisis.

Chamber Advisors, were able to work with businesses and not just on recovery. Many firms were able to use these services to become better than they were before, for example, by implementing innovative marketing strategies, exploiting ICT and the internet or investing in new equipment and processes.

In all, more than 4000 businesses were supported through our activities.

**The Cumbria Chamber of Commerce and Industry**  
<http://www.cumbriachamber.co.uk/>

#### **THE RESPONSE FROM HEREFORD AND WORCESTERSHIRE CHAMBER OF COMMERCE**

Through the Chamber and its Business Link subsidiary, an integrated programme of support was provided across the two Counties of Herefordshire and Worcestershire.

Our business advisors were able to go out and visit firms directly and help them to draw up recovery plans. When a crisis hits it can be difficult to know where to start and so a knock on the door from a trained business advisor can be a timely intervention.

We supplemented this service with regular advice clinics run by Chamber staff. Businesses were free to drop in and get direct assistance with anything from: insurance claims, to dealing with HMRC. We were able to run these across both Herefordshire and Worcestershire.

Once the crisis had been averted. The challenge was to encourage people back to rural areas after many months of movement restrictions. The Chamber worked closely with tourism partnerships in both Counties to help encourage visitors back to the area.

**Hereford and Worcestershire Chamber of Commerce**  
<http://www.hwchamber.co.uk/>

#### **LESSONS LEARNT**

- Grant and relief schemes not only provided much needed financial support, but encouraged businesses to make positive investments for the future. However, support systems need to be flexible. It is not possible to follow usual procedures and time scales under difficult circumstances. Public agencies should work to the spirit rather than the letter of the scheme where possible.
- Unfortunately, state aid rules excluded some businesses who desperately needed grant support, while some changes have improved this situation many still fall outside the requirements.
- The Inland Revenue and Customs and Excise (now HMRC) announced that there would be no additional surcharge, for businesses affected by any debt deferred or placed on time to pay agreements. It is worth noting that HMRC has been equally helpful and supportive in the aftermath of the 2007 floods, setting a positive and business friendly example for all government agencies.
- Other commercial organisations should also be willing to be flexible. During both foot and mouth and the floods, there were many businesses of all types and sizes who went out of their way to be helpful to those that were affected. However, this was not always the case. A sympathetic approach particularly towards late payment is important. The same principle applies to the banking sector. The effects of any crisis will be exacerbated if banks foreclose on borrowing during the crisis period.
- During a crisis, there is huge media coverage. For very legitimate reasons it is necessary to make the public aware that certain areas must be closed or certain activities are not allowed. However, there is a balance to be struck between this and the need to keep communities and businesses functioning. Chambers of Commerce are able to offer advice to the police and others on the wording of statements that both raise awareness and minimise damage to businesses. Those with a stake in the local economy need to proactively engage with the media to ensure that the damaging after effects of a crisis are not prolonged or deepened.
- Supporting businesses through a crisis is vital for the recovery of local communities. Chambers of Commerce are uniquely placed to be the focal point of this work, because they link those charged with the public response, with businesses who might have been affected.

Each of these case studies highlights the common experience shared by Chambers who have been at the centre of exceptional circumstances. There are clear lessons both for Chambers themselves and their members.

It is a truism that preparation is the best protection in an emergency. However, the risk of being subject to such difficult circumstances is increasing. The striking thing about many of these stories is the way in which disaster was silent in its approach, whether it was the tornado in Birmingham or flooding in South Yorkshire those on the receiving end were largely unprepared. Whereas in previous years it may have been possible for many local communities to think that these were events which happened to other people - the reality is that these risks are increasing and cannot be ignored.

For example, flooding is becoming more frequent. Summer 2007 was the wettest on record affecting 23 counties of England and Scotland, Wales and Northern Ireland. Winter rainfall is estimated to increase by 30 per cent over the next 70 years<sup>7</sup>.

Of course there are other risks on the horizon. For example, avian influenza may have dropped off the news agenda, but the threat is still real. What is guaranteed, is that events that we may currently describe as exceptional are likely to become regular and be joined by new threats and risks.

So the requirement to be prepared applies to every public and private sector body. If we want to deal with these challenges, then we all need to apply

ourselves to the response. Organisations likely to be at the forefront of recovery - including Chambers of Commerce - need to have contingency plans in place.

For businesses themselves, contingency planning should be higher up their list of priorities. This must include procedures for backing up IT and paperwork, as well as investigating alternatives for supply chains and office based staff if these become unavailable. Emergency procedures should be in place and staff must be aware of them so that everybody knows what to do in the case of an emergency.

A theme which is common to all the recovery operations in which chambers were involved was the importance of joint working. Establishing a good working relationship between key public and private sector organisations will help to ensure a speedier and more efficient disaster response. Working in partnership is far more effective than toiling in isolation. However, relationships need to be built well in advance.

Confusion is closely associated with disaster and it is this which can really compound the impact over the weeks and months which follow. Good communication is the way to overcome it and again these case studies show how valuable it is in responding to the unexpected. For those Chambers involved, there was no substitute for speaking to affected businesses directly.

<sup>7</sup> The Summer Floods 2007: One year on and beyond, Association of British Insurers, June 2008.

The other side of communication is the media, both local and national. The media is a powerful tool that can be used to highlight the scale of a disaster. However, this can be both positive and negative. Too much emphasis on the problems can deter people from returning. It's better to tell the full story of a disaster from initial impact to 'open for business'.

Finally, it is clear that too many firms have taken the view that certain types of insurance cover are non-essential. In light of the increasing risk that the unexpected poses, this seems to be an unsustainable position. Local authorities and RDAs need to be commended for the way in which they were able to plug the finance gap that many firms suffered in the aftermath of these crises. However, in future Chambers of Commerce need to be working with local businesses to ensure that they are making informed choices about insurance and the risk that a lack of it might expose them to.

Finally, these stories highlight the important role that Chambers of Commerce play in their local areas. They are not just business organisations they are local institutions, which are locked very firmly into the fabric of their local communities. They have and will continue to play a key role in driving economic recovery in those areas that suffer unexpected events.

## DEALING WITH A DISASTER

The experience of chamber members from across the UK suggests that firms can take steps to mitigate the impact of a crisis and some of these points are listed below. This is not a comprehensive list, but it does provide some points for firms to consider when planning and then responding to a crisis.

### PLANNING AND PREPARATION

- **Continuity planning**  
It is important to have comprehensive continuity plans in place. Having an easy to implement emergency strategy that is clearly understood by all members of staff is invaluable in a crisis. There are some key issues to address including:
  1. Where are computers, paperwork and perishable stock sited?
  2. Is there adequate back up for IT and paperwork?
  3. Are there alternatives when staff attendance or key supply chains are interrupted?
  4. Can your emergency strategy be rehearsed? Does it include emergency contact details?
- **Insurance**  
Check existing insurance policies and clarify what you are insured against. Consider whether business interruption cover might be appropriate.

### RESPONDING TO A DISASTER

- **Get in touch with your insurers as soon as possible**  
Dialogue is important and although it may take some time for a proper assessment of your claim, there is every possibility that an interim payment could be arranged.
- **Monitor local media for useful information**  
As far as possible, keep referring to local media such as radio and newspapers. In a crisis things can change rapidly and it is worth keeping track of developments locally.
- **Speak to your local chamber.**  
With so much to think about in the aftermath of a crisis, it can be helpful to know that there is somebody available at the end of a phone who can provide support and assistance. Chambers have trained and experienced business advisers on hand to handle queries on everything from emergency funding to insurance.





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