



Building business resilience to fires

Alastair Brown looks at what it means for businesses to be resilient from external risks such as fire, as well as long-term stresses

JUDITH RODIN, former President of the Rockefeller Foundation remarked that in the 21st Century, building resilience is one of our most urgent social and economic issues because we live in a world defined by disruption. Her thinking was driven by the events of Hurricane Sandy that battered New York in 2011.

Indeed, the term 'resilience' is one that has come increasingly into vogue in the last ten years. Nowadays, everyone from football managers to politicians talk about their resilience whenever they wish to demonstrate their strength.

In the context of business, resilience is the ability to anticipate, absorb, and adapt to the kinds of challenges and changes that can destabilise – whether that is people, organisations, or communities.

Shocks and stresses

There are two different types of scenario to which businesses need to be able to respond to and recover from – sudden, short-term shock

events, such as fire, flooding, or terrorist attack, and long-term stresses such as droughts or pollution. Short-term shocks and stresses are relatively rare. Far more common are the ongoing and everyday pressures faced by business communities. This includes everything from localised crime and long-running travel disruption to national or even global developments such as epidemics, recession, or the increased automation of labour. Overcoming these challenges is crucial for all businesses, of any size.

In the context of fire, a particular incident would be described as a shock. Large building fires in city centres, such as those seen in recent years in Glasgow and Belfast, are good examples of the disruptive nature of a major fire. The threat of fire, however, may be classed as a long-term stress. In an historic town or city which relies heavily on visitors and tourists, a fire in a heritage building could have catastrophic economic consequences which could take years to recover from. Inequity and poorly followed regulations can lead some

communities to be more vulnerable, and therefore face a greatly enhanced risk from fire and other shocks, such as flooding. This results in a lack of resilience capability within these communities, perpetuating the cycle of risk and impoverishment.

Social, environmental, and economic impacts

The 2018 fire in Belfast city centre took hold in Primark, based in the Bank Buildings, one of the city centre's most iconic historic buildings. Fortunately, a quick evacuation prevented serious injury or fatality, although the building itself burned for three days. The economic impact from a significant city centre fire must be absorbed however, and is felt long after the incident response is over. Fourteen neighbouring businesses in Belfast were forced to close for many months after the fire and footfall in that part of the city was down by a third in the year following the incident.

Shocks and stresses from fire are not limited to buildings either. In 2018, a heatwave in June led to fires on Saddleworth Moor in Greater Manchester, resulting in air pollution levels affecting millions of people. These fires were battled over several days by hundreds of firefighters and soldiers and, sadly, have now become an almost yearly event. Wildfires throughout the world are becoming increasingly common and, with climate change, occur even outside of their usual season.

The peatlands of Saddleworth Moor are a vital recreational resource and act like a huge sponge, helping reduce the impact of flooding in Greater Manchester. Such peatlands are also the biggest stores of atmospheric carbon in the UK. This demonstrates another interesting aspect of the resilience challenge – the interdependency between various shocks and stresses. As well as the damage to the environment and property from fires, the impact on the local economy can be devastating. The Saddleworth fires in 2018 cost the local economy an estimated £21m. A failure to anticipate these interdependencies and any potential knock-on effects by looking at fire alone will result in a reduction in resilience capacity.

Fires can be sudden, devastating, and extremely traumatic for those involved or affected by it. Businesses need to understand the wider consequences from a major fire, including social and health impacts, even if that fire did not involve the businesses premises itself. In a recent consultation, the UK government spoke about a whole-of-society

approach to resilience that recognises that businesses, individuals, and organisations all have a part to play. Local communities provide not only customers to a business, but also often the staff who work there. The resilience of that community is almost as critical to the business' resilience as the premises from which the business operates.

The horrors of the Grenfell Tower fire in 2017 will live with those present for many years. The effects from Grenfell are felt not only for those who were present in the tower on the night of the fire but, also for the bereaved, for residents in the local community, and for those who were part of the response. This was picked up by the Senior Coroner in her report in 2018 on the Grenfell fire, which focused not on the fire itself, but on the effect that the fire may have on the physical and mental health of those involved and on preventing future deaths. In response, the NHS has set up a health and wellbeing service for all local residents, with an additional dedicated service specifically for those who are bereaved and/or survivors of the tragedy itself.

The Department for Levelling Up, Housing and Communities (formerly Ministry for Housing, Communities and Local Government) continues to consult with survivor and local community groups on the future of Grenfell Tower which remains standing today, and although wrapped, still acts as a daily reminder of the tragedy to all in the local community. It is undetermined at this time what the future will be for the Tower or the site on which it stands.



Enhancing resilience – training and insurance

Resilience goes beyond just dealing with the fire itself, with those directly affected or even the immediate aftermath. To become resilient, a business needs to anticipate its shocks and stresses and how it can absorb and adapt to their impacts. For fires and similar-type events, this means not only the operational consequences, but also the social and economic. Accessing resilience best practice is vital and allows businesses to be properly prepared to face shocks and stresses, for the betterment of the businesses themselves and the wider communities in which they operate.

Small businesses in particular need to ensure that their insurance cover is appropriate if they are to enhance their resilience. For example, would the business be covered if faced with being denied access to their

property in the event of fire in an adjoining or nearby building? If your business was affected by a fire, would your insurance company's claims processes be straightforward and accessible so that your business can gain access to vital funds and insurances when it is most needed? And will your insurance build back better and adapt to the change, or is it just a like-for-like replacement? Insurance companies also need to embrace the desirability of resilience and encourage and incentivise this in their own policies.

When considering their resilience planning, businesses must consider who could be affected by a fire in their property. This would in the first instance be their staff, but would also include customers and local residents. They must also consider the effects for staff beyond the evacuation of the building. Temporary business closures and the consequences





for staff members are something we are all more familiar with from the pandemic, but a business and its employees cannot always rely on a government scheme assisting in the way it did during COVID. Is there a business continuity plan in place and, if so, does it make the business more adaptable? Extending the thinking on interdependencies, how would the business be affected by someone else's fire, such as a supplier or a facility in the local community or transportation links?

Resilience is thinking in greater detail about what can disrupt your business over and above the immediate consequences. No one can expect to always anticipate what is coming round the corner - few predicted in 2019 a global pandemic affecting business in the way that it did. Planning to absorb impacts from shocks and stresses and being prepared to adapt to both predictable and unpredictable events is critical if a business is to be able to not only bounce back, but survive and thrive in a world increasingly defined by disruption.

Resilience First is a business member organisation that specialises in supporting its members in becoming more resilient. It has several resources available online that can aid businesses to anticipate, absorb, and adapt. This includes the recently launched Self-Assessment Tool for businesses, developed in partnership with EY, as well as comprehensive and relevant guides on emotional resilience, resilience planning, and on transitioning risk to resilience ■

www.resiliencefirst.org/join-us/achievements

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For more information, see page 6.