



Motor Trade

Preparing for flood





Flood planning for the motor trade

In the UK and around the world, flood risks will continue to cause interruption with climate change already having an impact, with so called “freak” events now becoming the norm.



Even shallow surface water flooding that has a very short duration can have a significant impact, especially where it damages sensitive equipment, vehicles and instrumentation.

The motor sales trade can have high used vehicle stock levels, which can take considerable time to reinstate especially when the trader, dealer or retailer may have very specific requirements in terms of marque, age, mileage and condition. Add to that new showroom stock often with high single vehicle values.

A key principle of any Business Continuity Management system is the development of mitigation strategies, i.e., actions taken before an event to reduce, or even eliminate the impact and downtime as a result of a specified event, in this case flooding.



AXA regularly see flood plans for motor traders. Often the plans require further support to make them viable.

This document will identify some of the key features that the most effective assessments will include:

Business impact analysis

Do you understand the impact of the flood?

This would include the type of flood (river, coastal, surface water or ground water) and the duration of the flood event that might be considered.

- Could the flood water be contaminated? This impacts the clean-up possibility of the site, vehicles, stock and contents.
- Consider how much of the site is at risk.
 - » Showrooms, workshops, offices, forecourts and storage areas can be at risk to varying degrees of flood so it's worth considering all areas.

How deep may the flood water become?

- History isn't always an accurate description of future events.
- Think of the vehicle stock and the likely consequences.
 - » SUV's and commercial vehicles may not be overly impacted by shallow flooding but others will be.
- With no raised floor levels into workshops and showrooms consideration needs to be given to equipment damage including high value diagnostic and electrical items.
 - » Where inspection pits are still present, think of the health and safety risk when entering a flooded building.

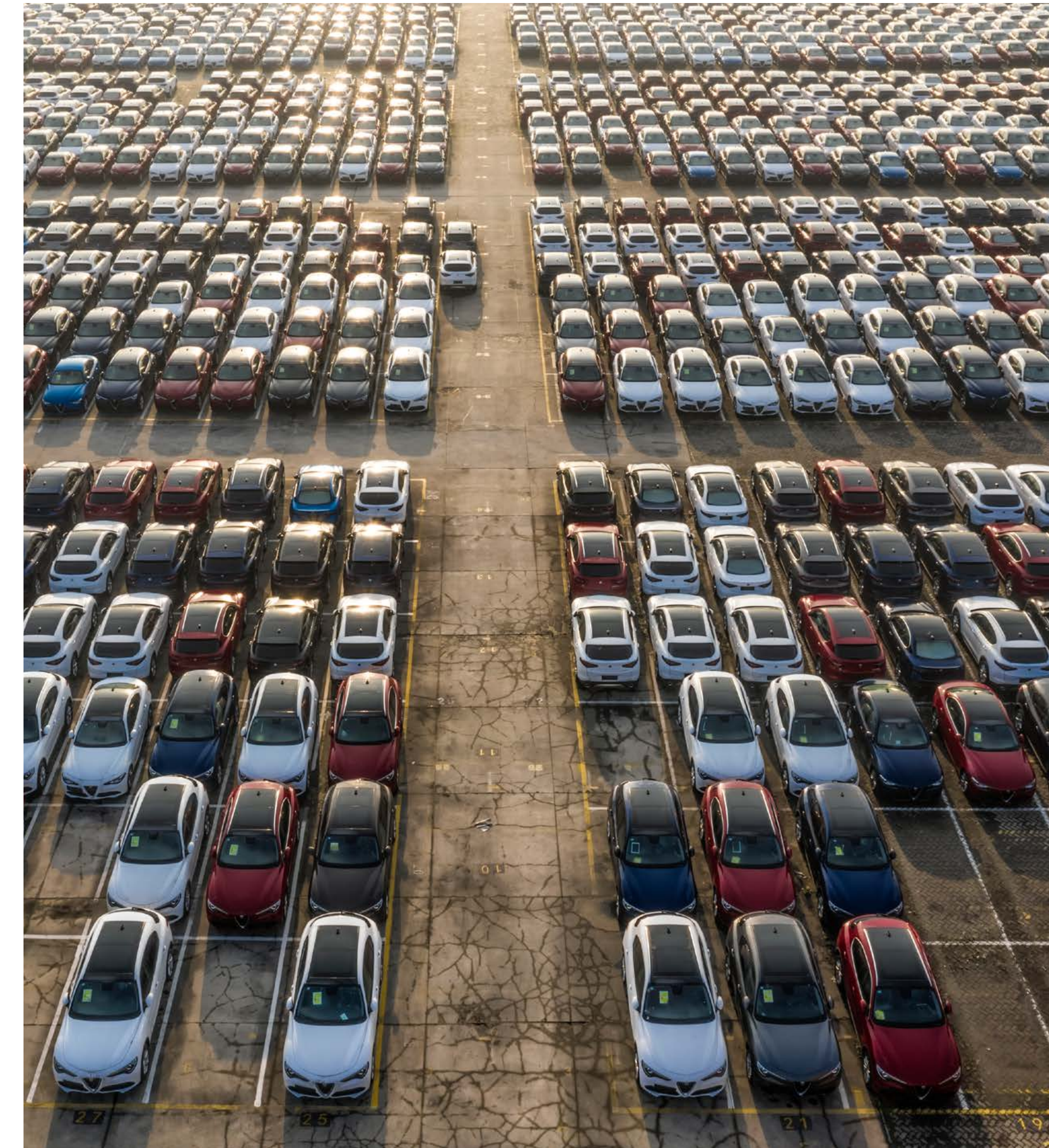


Can the flood risk be mitigated against?

Early warning of a flood is important to consider, but crucially what actions will this create? A regular feature of plans that we review are around moving vehicles to higher ground or multi storey car parks. However, this is typically far more challenging than first appears for all but the smallest trader.

Key considerations:

- Have you signed up to flood warnings via Floodline and how do you receive the warning (i.e. email, text or phone message)?
 - » Who receives the warning, or how many?
 - » How confident can you be that it will drive the necessary actions?
- How long before the location is likely to flood?
 - » How much time do you have to mobilise the driver(s)? What out of hours arrangements do you have?
- How many drivers will you need?
 - » Do you **always** have that resource or how can you escalate response?
- Where's the so called "higher ground"?
 - » Will this always be available? Will other local motor traders have the same idea?
 - » If it's a residential area does availability of parking differ between day and night?
- Logistically how long would it take to move the vehicles?
 - » Consider how far away the location is and how the drivers would return to base to move the next vehicle (on foot?)
- Could you prioritise certain higher risk vehicles i.e., by value and by lower ground clearance?
 - » Is there any option to provide elevated storage in the forecourt such as modular parking decks? This could also support storage for new unregistered vehicles if permission is likely to be granted.
- What if your main flood risk is from surface water – are you aware of areas around the site that could pond and avoid parking vehicles there?





Premises protection

When considering premises protection for showrooms and workshops, there's now a good market for tested and approved temporary deployable protections under BS851188 (British Standard for flood resistance products). However, these need careful selection, but it's important to consider:

- Critical storage areas that are easily accessible and avoids damage to the equipment
- Planned/routine maintenance
- Spares
- Regular training and exercising of the equipment
- The likely ability to deploy 24 hours and 365 days a year

There are myriad of other solutions including 1 way valve systems (to protect incoming pipework), water removal pumps etc that can be considered. There can also be the possibility of increasing finished floor levels internally within a premises, but clearly would require more planning and development considerations.

There are companies who specialise in flood risk reduction solutions across your site. Companies

should have signed up to operate via CIRIA C790 – Code of Practice for Property Flood Resilience.

If a risk location has no protection against flood what are the other considerations?:

- Would you consider a permanent site move?
Should this be a medium to long term ambition?
- If stock of vehicles can't be repaired from the damage (or would be delayed), where's replacement stock of sufficient quality coming from?
 - » Do you have enough contacts in the industry that will assist?
 - » If you have multiple sites, can you transfer vehicles quickly to avoid an empty forecourt for too long?
- How will you maintain customer interest with reduced stock?
 - » Does this have longer term reputational damage?
 - » Would you consider a temporary alternative site if buildings require major repair?

Please note that information of specific location flood risk can be confirmed by your insurer.

Further guidance on developing a business based flood plan can be found on the Flood Guidance Website.

Floodline: 0345 988 1188

Textphone: 0345 602 6340

www.gov.uk/sign-up-for-flood-warnings



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