



# TOP FIVE TIPS ON BUSINESS CONTINUITY IN THE FACE OF EXTREME WEATHER

HANDY GUIDE

# Top five tips on business continuity in the face of extreme weather

We're approaching that time of year when snow, gales and flooding can wreak havoc on trains, planes and automobiles. It's time to think about how such adverse weather could affect your business. Making plans in advance can save your business money. So what are the key areas to consider?

## 1. Your contracts

Extreme weather may affect your ability to supply your customers and impact your suppliers' ability to get essential goods or materials to you. Who picks up the cost in these situations?

Most commercial contracts will have a 'force majeure' clause. This prevents someone being held liable for breach of contract due to events beyond their control. However, the terms of these clauses vary between different contracts and a minor variation can have a big cash impact on your business.

If your customer contracts contain a force majeure clause, you will not have to pay damages if you are unable to fulfil your contractual commitments due to extreme weather conditions. However, remember that your contracts with suppliers may have similar clauses. Adverse weather at the other end of the country could affect your business if that is where your key supplier is based, and you may then be unable to claim any damages from your supplier if you suffer a loss because of their failure to deliver.

- **Make sure you know who to call to report any damage, and remember that you might be required to report any issues with a property within a certain timeframe.**

Review your contracts to see if they contain a force majeure clause so you can plan and prioritise in the event of extreme weather. If you notice particular contracts that do not contain this clause, note it down as something to consider the next time they are renegotiated. If you are concerned about your suppliers not being able to deliver, make sure that your own customer contracts don't leave you liable for your suppliers' failure to supply.

## 2. Your people

It is important that your staff understand your policy in relation to adverse weather. They should be advised of the circumstances when they are, and are not, expected to attend work and you should have a system in place for letting staff know whether or not your business is open.

If your business can allow people to work from home, make sure that this is set up in advance of any extreme weather. You should be aware that home working brings with it questions about the security of your data and, if staff are using their own equipment to work from home, you should make sure your IT policies cover this. There are also health and safety compliance issues.

If staff can't make it into work, and can't work from home, you should make clear how this will be treated. Options include unpaid leave, emergency leave (usually for a limited number of days), using holiday allowance or making up the time at a later date.

## 3. Your property

You should always be aware of what your rights and responsibilities are in relation to any premises you occupy. Make sure you know who to call to report any damage, and remember that you might be required to report any issues with a property within a certain timeframe. If you have damage that needs to be repaired, you might need to obtain permission from the landlord or neighbours before proceeding, particularly if the work will disrupt surrounding properties.

Remember that you might be liable to cover the costs of repair to communal areas of your building, even if the damage does not impact on your part of the property. If time allows, always try to establish who will be responsible for the bill before instructing work. Have a look at your lease or title deeds.



#### 4. Your liabilities

If a member of staff or member of the public is injured on premises you own or occupy, you could be liable. This liability could be civil (where you would need to pay damages to the injured person) or criminal (where penalties could be enforced against you or your business). In either scenario, a court case can be costly, time consuming, and damaging to your business reputation.

Make sure you or your landlord have a regime in place to keep your property well maintained, and to deal with hazards such as ice in the car park or snow falling from the roof. If you are worried about a particular hazard, make sure there are appropriate warning signs in place.

Extreme weather can often result in power cuts or other mechanical breakdowns. You should make sure that your staff know what to do should this happen and that possible risks are dealt with. The Health and Safety Executive issues guidance for employers in relation to the acceptable temperature of workplaces. Whilst no exact temperature is provided, it must be "reasonable". Anything below 16 degrees Celsius is generally considered unreasonable unless the work being done is physical in nature.

#### 5. Your insurance

It is particularly important that your insurance policies are up to date before you are hit by extreme weather conditions. Make sure that you are complying with all conditions of insurance and that you have all the cover you need. Cover can be obtained to deal with all of the issues mentioned above, but the cost of carrying this cover will need to be weighed against the risk of damage occurring.

Remember that damage done by extreme weather can take months to repair and disruption before Christmas can be costly as it is the busiest time of the year for many businesses. If you have business interruption cover, make sure it is sufficient to cover your busiest trading periods.

It will be too late to change or upgrade insurance policies after extreme weather, so the earlier you can review your cover the better.

Extreme weather, be it snow, winds or floods, can cause chaos but planning in advance can minimise the risk to your business. As the scouts say, be prepared!

## Key contacts



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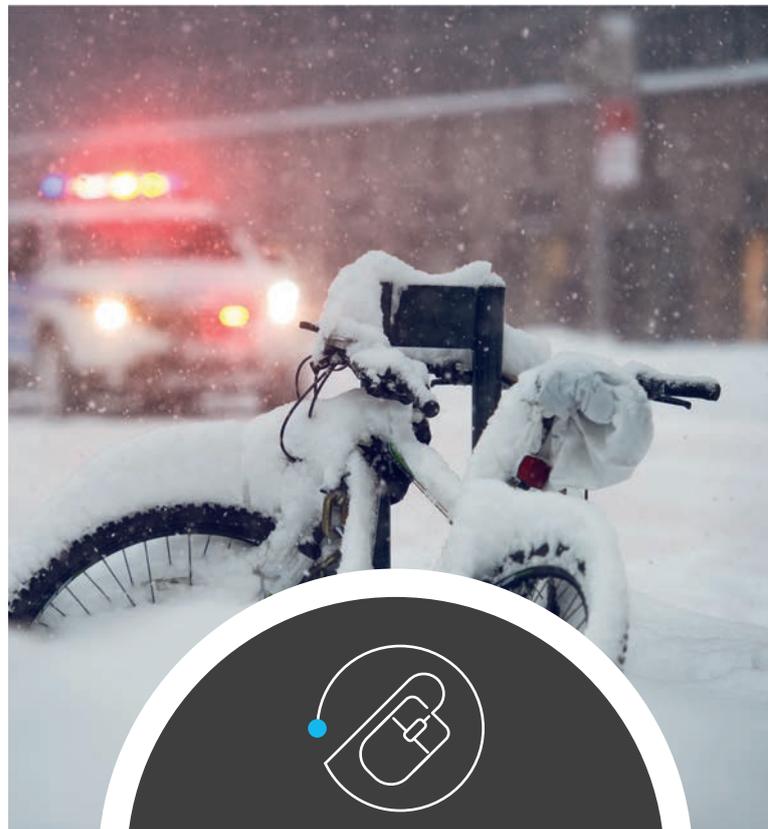


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