Nothing to sniff at

It is often proudly asserted that the UK is the best prepared country in the world when it comes to pandemic risk management. Deborah Ritchie investigates this bold claim.

H1N1, or swine flu, has been in and out of the headlines since the World Health Organisation (WHO) officially declared the beginning of the pandemic back in June. At the time of writing, Health Protection Agency calculations quote somewhere in the order of 100,000 clinical cases per week of the latest influenza strain, with 77 deaths in the UK – not vaguely close to the numbers originally predicted for the 2009 pandemic, but no less a call to action.

In an interview for the BBC’s recent Panorama programme, chief medical adviser, Sir Liam Donaldson spoke of an upper limit of 19,000 possible deaths, revised down from the original figure of 65,000. Indeed, the revised UK Planning Assumptions, published at the beginning of September by the Department of Health and the Cabinet Office, present the worst case scenario for the current influenza pandemic, with a view to a common basis for planning across both the public and private sectors.

While the virus remains mild in most cases, the estimated clinical attack rate for the current pandemic planning assumptions remains at 30 per cent of the population. By the end of the planning period (until May 2010), up to 30 per cent of the population could have experienced some symptoms of pandemic swine flu (with hospitalisation at 1 per cent and mortality at 0.1 per cent).

The predicted “substantial” peak in October is expected to be much higher than was experienced in July, and speculation and sensationalism aside, the associated threat to organisations public and private is real and should be addressed.

Some organisations will have had a degree of experience in planning for H5N1, avian flu, but experts advise caution as some of the assumptions differ. For instance, while mortality rates are higher with avian flu, virulence is considerably higher with swine flu.

Historical experience suggests that with the passage of time, each ‘wave’ within a pandemic becomes more risky as the virus becomes more lethal. Also a factor with this particular strain of flu, is that it can be at least 24 hours before an individual realises that he or she is infected, providing a window of opportunity for the virus to infect any number of others in the meantime.

With the average swine flu sickness period roughly two weeks long, the risks to organisations of all size are clear. Indeed, figures from the Chartered Institute of Personnel and Development (CIPD) put the price of each staff sick day at £754 in the manufacturing and production sector and a rather ominous £666 in the private services sector. Over the ten working days, this adds up to £6,660 and £7,540, respectively.

As the number of people diagnosed with swine flu rises, the government predicts the UK workforce will reduce by 15-20 per cent at the pandemic’s peak, with the potential to plummet by 35 per cent in the likely event of school closures. It is not just government that has a duty to prepare for this threat. Utilities have a very important part to play and must consider strategies that allow them to meet statutory responsibilities to ensure vital services function. Some organisations are using speech recognition to automate calls, for instance. Centrica has been looking at how its call centres will be able to cope with mass staff absenteeism, whilst there are fears that British Gas’ efforts to speed up call centre response times and the number of customer enquiries it handles per hour might unravel.

Matt Elkington, director of Governance, Risk and Compliance at PricewaterhouseCoopers, comments “We have been working with organisations in both the public and private sectors and it’s very impressive how much work they have put into it. Others, on the other hand, have not even discussed it at the board level so there is a really big difference. Most business continuity management plans are focused on recovery of assets, however, rather than people and prolonged absenteeism,” he explains.

Thinking and preparation clearly need to change. And with the onset of the colder weather and the greater likelihood of virus infection, alongside the start of school term, time should be spent scoping out the potential impacts. Elkington suggests organisations seek to
improve their current levels of preparedness: “The Cabinet Office advice is pretty robust stuff,” he suggests.

At present it would seem that the public sector is more aware of the impact of swine flu than the private sector – especially more so than SMEs. No change there, then. What smaller companies do have on their side, as PageOne's Clair Cawley points out, is the ability to cross-work. Medium-sized companies find it a lot harder to do that. Her experience is that public sector bodies are openly communicating with their suppliers, for their supply chain continuity, as well as looking at their own plans.

"Traditionally business continuity has focused on national disasters or terrorist attacks, whereas something like swine flu is a slow burner, and absenteeism for instance has to be slowly factored into plans, as well as the changes in the working environment.”

Slow-burning risks have unique features worth considering as part of any pandemic plan. “In the case of Buncefield, it was not apparent until months afterwards that the infrastructure was not sustainable,” Cawley says.

Some firms may also be in for a shock if they expect the vast majority of staff to work at home, because of bandwidth and security issues. One consultant advises identifying the critical people are then cross training to “three deep”. Some degree of coordination can be achieved with software, but limitations must be realised early on. Chris Alvord, CEO of Coop Systems, says "Software lets organisations assess the state of their pandemic plan, create coordinated continuity plans, and even run a recovery with real-time assignments, messages, and statuses.”

The unpredictable nature of this kind of risk is a key issue, so the more communication, the better. A survey conducted by Healthcare Connections suggests identified that over half of workers do not know whether their employer expects them to come to work if a family member has swine flu – rising to 71 per cent of people in Wales and 77 per cent in Northern Ireland. Sixty three per cent of all adults questioned as part of the survey said they would not be prepared to go to work if a friend of family member was to become sick with the virus, even if they did not have symptoms themselves, despite 60 per cent also admitting they could not fulfill their role from home.

Bob Piggott, head of Group Crisis Management for HSBC decided to privately purchase antiviral medication for staff as part of his company’s business continuity plans. “With the clear need to protect our employees and business operations, we realised the importance of putting in place a scheme to assist in our planning arrangements against a pandemic threat,” he explained.

Dr Robert Kahn, a frequent commentator on this topic and coordinator of Avian Flu Action, recommends social distancing as the simplest, and most obvious weapon in the fight against the spread of the virus. “The best thing that can be done is to stay home, stay away from public places and public events. Hygiene and social distancing are the best prevention,” he asserts. While he does not consider, however, that the Olympics will be affected, local waves will make other smaller events in the meantime a problem.

“You can’t go giving risk seminars in areas where the risk is higher,” Kahn offers.

Around the world, according to a recent WHO update, influenza-like illness activity is being reported as slightly higher than seasonal epidemic levels in the United States, the United Kingdom, the Netherlands, France, Ireland, Israel and Japan. Many of these countries are seeing regional activity within their borders. India, Bangladesh and Cambodia are seeing active transmission, while declining activity is reported in Indonesia, Singapore and Thailand. Unchanged or decreasing trends have been evident in Bolivia, Venezuela, and Brazil. Chile, Argentina, and New Zealand have returned to seasonal levels with Australia and South Africa seeing further declines.

With experts predicting that, in the worst case scenario, this strain of influenza will be around for two years, planning for the potential consequences should not be considered as optional.

A new vaccine

WHO has reported that early use of antivirals like Tamiflu has been effective in treating swine flu, though health authorities have been advised to be vigilant for signs of resistance.

The latest development is the approval by the European Medicines Agency (EMEA) of two flu vaccines, Pandemrix (GlaxoSmithKline) and Focetria (Novartis). Licenses will be granted on approval by the European Commission. These are a key part of the flu strategies of governments around the world. In the UK, the government has contracts in place to supply up to 132 million doses of vaccine. There has been some concern, however, about the speed at which the new vaccines have appeared.

GlaxoSmithKline spokesperson, Bernadette Murdoch, explained that although the vaccine is new, a lot of
PANDEMIC RISK: ASSESSING THE IMPACT

All businesses need to review the impact of a pandemic on their business by looking in detail what they do, what and who they need to do what they do, what single dependencies they have, what can go wrong in a pandemic situation and what they can do to minimise the effects.

Andrew Keefe, a casualty broker at Marsh, points out that the issue of pandemic is very much a matter of business continuity planning rather than ‘risk transfer’. “In the event of a pandemic taking hold and/or the Government – under guidance from the World Health Organisation – implements various containment measures, the disruption to normal road, rail, air and sea transportation or logistics or movement of people or goods represents the main challenge to any organisation,” Keefe says.

“Even those organisations that are heavily IT or electronic commerce orientated and whose employees can work remotely, will still see significant disruption to normal business activity after the initial outbreak.”

In assessing the potential impact of a pandemic on any organisation, it is vital to have a clear idea on the various ways in which it could be directly affected by such a turn of events. Crawford’s Kelly says: “The people risk is key. Many businesses will undertake at least some planning to provide a continuity of service if they find themselves with far fewer staff than normal to service their customers.”

But, he adds, this is by no means the only impact likely to cause concern. “Businesses may also fail to realise that they might have far fewer customers than normal. If a business requires customers to come to them, they will find their customers may be unable or unwilling to do so because of the potential exposure to the virus.

“If a business model is based on customers being visited at their business or home, they may find that those customers will not any longer be willing to receive them or their own staff may be reluctant to undertake those visits. There will be a resulting loss in throughput of trade, revenue and profit.”

In addition, the goods and services that a business needs to trade will be compromised by staff shortages with suppliers and within the whole UK infrastructure. Organisations such as agents and wholesalers, that facilitate a business’s trade, will be less capable of doing so, as will service providers such as transport or logistic companies.

Rod Ratsma, a managing consultant in the business continuity management team at Marsh agrees that, assuming that H1N1 does not mutate and that the government’s predictions of likely outcomes are accurate, the overwhelming impact of the pandemic to business will be related to staff shortages.

“However,” he adds, “business must remember that organisations that they depend upon will have the same issues, and must consider the effect that staff shortages might have on their supply chain, and on their customers.

“In areas of supply chain where there are single points of failure or single sources of critical or just-in-time supply, an organisation’s business could be affected by a failure elsewhere.”

It is also possible that, in some sectors, customer demand will be directly affected as a result of pandemic illness. Examples include medical and cleaning supplies, which may see increase demand, and entertainment and hospitality sectors (such as cinemas and hospitals) which may see reduced demand.

“Many businesses are planning to mitigate the effects of staff absenteeism by adopting work-at-home policies,” Ratsma explains.

“This can be a good solution, but businesses should ensure that they have sufficient network bandwidth, user licenses and server power to support an increased number of remote users.

“In addition, organisations should consider the data security implications of working at home and changes in the way that people are managed and motivated.”