



Leicester
City Council

WARDS AFFECTED
All

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS
Audit and Risk Committee

6th March 2019

Risk Management and Business Continuity Strategy and Policies 2019

Report of the Director of Delivery, Communications and Political Governance

1. Purpose of Report

- 1.1. To present to the Audit and Risk Committee (A&RC) the revised Risk Management and Business Continuity Policy Statement and Strategies (Appendix 1 and 2), which provide an effective framework for the council to manage and respond to key risks facing its services to help achieve the delivery of its Business Plan.
- 1.2. The documents have been significantly reviewed this year, leading to minor changes in the structure and general format.

2. Recommendations (or OPTIONS)

- 2.1. A&RC is recommended to consider and approve, on behalf of council, the updated:
 - Corporate Risk Management Policy Statement and Strategy at Appendix 1. This sets out the council's attitude to risk, the approach to be adopted to manage the challenges and opportunities facing officers; and
 - Corporate Business Continuity Management Policy Statement and Strategy at Appendix 2. This sets out the council's business continuity practices.

3. Report

Risk Management Strategy and Policy 2019

- 3.1 The council's original Risk Management Policy and Strategy was approved by Cabinet in 2009, with subsequent updates approved each subsequent year (since 2012 by the Executive). The Risk Management Strategy sets how the council tackles the risks it faces. It plays a vital part in the overall governance framework of the council and is particularly important in the current environment given the need to deliver our services in an effective and efficient way.

- 3.2 To date, improvements have been made in strengthening risk management arrangements within the council's diverse business units. A thorough review of the Policy and Strategy has taken place by the Manager, Risk Management to reflect developments made in the industry and to support the procedures/processes. Thereafter, insurers (at the time) reviewed these to provide some external assurance. Only minor presentational changes were made following their feedback. However, the assurance provided by insurers is not to be construed as an audit of the policies and strategies (see paragraph 3.5). The revised strategy will continue to help embed risk management throughout the council. It should however be noted that substantial changes were made to the policies and strategies in the previous year.
- 3.3 Effective risk management is essential for organisations and their partners to achieve strategic objectives and improve outcomes for local people. Good risk management looks at, and manages, both positive and negative aspects of risk. This process allows the council to methodically address risks stemming from its activities with the aim of achieving sustained benefit within each activity and across the portfolio of all its activities. The council's risk management process should (and if the policy is complied with, does) allow 'positive risk taking'.
- 3.4 Every project/programme should have a risk assessment/log. Risk, Emergency and Business Resilience (REBR) provides risk management training (Appendix 3 of the strategy provides details and dates). Following the strategy review by the Corporate Management Team (CMT) in October 2014, this training became mandatory for staff expected to complete a risk assessment. REBR is continuing to work with business areas and a training programme has been established for 2019 approved by CMT in December 2018.
- 3.5 In 2018, an independent external review of the Risk Management Policy and Strategy stated that 'The Policy and Strategy documents were considered against good practice guidance, including ISO31000 and working practices observed by Zurich in both the public and private sectors. The Policy Statement clearly sets out the council's risk management objectives identifying that risk presents both threats and opportunities to the organisation. The Strategy articulates a suitable framework for the delivery of risk management identifying key features including roles and responsibilities, risk reporting requirements, risk appetite, risk assessment methodology and competency requirements. Fundamental to the success of risk management is the integration of risk processes into "business as usual" activities and the development of a risk aware culture. To this extent it is important that the council's Risk Team continues to engage with and support business functions to ensure ongoing development of robust and relevant risk information which will support decision making and resource allocation at all organisational levels'. For risk management to be embedded and implemented successfully, support from both the Executive and senior management is imperative.

Business Continuity Policy and Strategy 2019

- 3.6 The council has established robust business continuity practices which are reviewed and maintained continuously throughout the year by service areas. Progress continues to be made to improve and strengthen business continuity management

arrangements, particularly addressing the continuous change the organisation experiences.

3.7 REBR is currently targeting the following key business continuity activities:-

- Continuing development of Business Continuity Management (BCM) at the council to better align with current accepted best practice standards (ISO22301) and requirements of the Civil Contingencies Act (2004) – including a revised pro-forma plan issued for staff and schools to use;
- Ensuring that up to date, tested plans exist for all areas. Primary focus remains on critical activities, followed by review of the remainder of the council's activities, those deemed 'non-critical' which will continue to be reviewed and dealt with by divisions;
- Challenging the definition and interpretation of critical;
- Managing the number of services deemed to be critical; Business Impact Analysis will be undertaken to aid this. This will involve Directors/ Heads of Service nominating/identifying a Business Continuity Lead for each of their service areas to work with REBR to identify priority processes, resource requirements as well as the impacts of not delivering key activities. This process will identify those services which are critical. Leicester City Council currently have 42 Business Critical Areas and it is anticipated to reduce these to ensure that resources can be correctly prioritised in the event of an incident;
- Continued delivery of a specific business continuity training programme for senior managers, management and their staff;
- Review, maintain and update the Business Continuity Plan (BCP) template periodically and ensure its implementation council wide; and
- Assisting schools with developing and testing of their BCPs.

The revised Business Continuity Policy and Strategy will assist on the delivery of the above mentioned points.

4. Key Deliverables

4.1 The key deliverables in both Policies and Strategies include:

4.1.1 Risk:

- Ensuring the Risk Management Framework at the council continues to reflect the organisational structure, and that risks affecting the delivery of the council's priorities and its objectives are properly identified, assessed, managed, monitored and reported;
- Continuance of the process whereby Divisional Directors and their Heads of Service have individual risk registers feeding through to the council's

Operational Risk Register, which is reviewed by CMT, led by the Chief Operating Officer, supported by the Manager, Risk Management, REBR;

- Improving divisional engagement with risk management processes to further embed a culture within the council where risk is anticipated and managed proactively and is part of the daily process. It is not a quarterly 'form filling' exercise but should be seen to 'add value'. A risk assessment should be completed and/or updated for each project or contract being let and for all the council's significant activities, as a minimum;
- Increasing recognition of the benefits that can be achieved, operationally and strategically, with effective and embedded risk management;
- Continuing to support the operational service areas in the development and improvement of their individual risk registers by identifying training needs, providing support and guidance and delivering training to them;
- Directors and managers continuing to identify staff requiring risk management training through the appraisal and job specification process. As highlighted above, this is a key deliverable for directors and their teams to better protect the council. It is the business areas that 'own' and should manage their risks; and
- Emphasising that REBR is perceived across the council as 'Risk Consultants' who will assist managers in scoping and managing their risk exposure to enable the implementation of innovative schemes. This team do not manage the council's risks as this remains the responsibility of service areas.

4.1.2 Business Continuity:

- **Resilience** - Proactively improves resilience when faced with the disruption to the council's ability to achieve its key objectives;
- **Reputation** - Helps protect and enhance the council's reputation as well as reducing the risk of financial loss;
- **Business improvement** - Gives a clear understanding of the entire organisation which can identify opportunities for improvement;
- **Compliance** - Demonstrates that applicable laws and regulations are being observed;
- **Cost Savings** - Creates opportunities to reduce the cost of business continuity management and may reduce insurance premiums. Poorly managed incidents also leave the council and its officers exposed to insurance claims;
- **Delivery** - Provides a rehearsed method of restoring the council's ability to supply critical services to an agreed level and timeframe following a disruption;

- **Management** - Delivers a proven capability for managing disruptions which helps to retain confidence in the council.

BCM is a cross-functional, organisation-wide activity; consequently, the arrangements in this strategy apply to:

- All services within the council;
- Every staff member;
- All resources and business processes;
- Suppliers, service partners and outsourced services;
- Other relevant stakeholders.

4.1.3 The BCM programme needs to be managed in a continuous cycle of improvement if it is to be effective. Therefore, formal and regular exercise, maintenance, audit and self-assessment of the BCM **culture** are essential. This would be more achievable and effective if the appropriate staff within each division attend the BCM awareness training session delivered by REBR. This needs properly formalising and managing and remains a key activity within 2019.

4.1.4 The revised Business Continuity Policy and Strategy will assist on the delivery of the above mentioned points and in paragraph 3.7

5. FINANCIAL IMPLICATIONS

5.1 Rigorous BCP and risk management arrangements are essential to ensure the council can minimise the likelihood of incidents occurring, minimise insurance costs and claims, and be confident of recovering effectively from any major incident that does occur with as little additional or abortive expense as possible.

Colin Sharpe, Head of Finance, 37 4081

Legal Implications

5.2 'Rigorous Risk Management and BCM arrangements are essential to ensure the council can be confident of ensuring it has proper cover for its legal liabilities'.

Kamal Adatia, City Barrister, 37 1401

Equality Implications

5.3 'A robust approach to business continuity planning will limit the impact of incidents and plays a key role in maintaining service delivery, therefore there will be a positive impact across all protected characteristics. If business continuity planning is not effective there is a greater risk where a service has been identified as critical. If those critical services were unable to maintain service delivery, there may be a disproportionate impact on those with particular protected characteristic/s, such as age and disability. The recommendations of the report will support a robust

approach and minimise the impact of incidents which could have a disproportionate impact on certain protected groups.

Hannah Watkins, Equalities Manager, 37 5811

OTHER IMPLICATIONS	YES/NO	Paragraph/References Within Supporting information
Risk Management	Yes	All of the paper.
Legal	Yes	
Climate Change	No	
Equal Opportunities	Yes	
Policy	Yes	All of the paper.
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	
Corporate Parenting	No	
Health Inequalities Impact	No	

6. Other Implications

7. Report Authors

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