
Risk Management and Business Continuity Strategy and Policies 2021

Audit and Risk Committee

Date of meeting: 17th March 2021

Lead director: Miranda Cannon

Useful information

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1. Summary

The purpose of this report is to present to the Audit and Risk Committee (A&RC) the Risk Management and Business Continuity Policy Statement and Strategies (Appendix 1 and 2), which provide an effective framework for Leicester City Council (LCC) to manage and respond to key risks facing its services and to support the delivery of its Business Plan.

2. Recommended actions/decision

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 attitude, perception and approach towards implementing business continuity practices.

3. Detailed report

Risk Management Strategy and Policy 2021

- 3.1 The council's original Risk Management Policy and Strategy was approved by Cabinet in 2009, with subsequent updates approved each year (since 2012 by the Executive). The Risk Management Strategy sets how the council can tackle 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 review of the Risk Policy and Strategy has taken place to reflect any developments made in the industry and to support internal risk procedures / processes. Substantive amendments were not made that would affect the risk management process.

Changes made that are of significance are:

- Expanding on the 'risk' definition referring to the ISO 310000 standard and;
- Adding the risk response column (4T's – treat, tolerate, terminate and transfer the risk).

The revised strategy will continue to help embed risk management throughout the

council (**see paragraph 4.1 for further detail**).

- 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. Officers are not required to be risk averse. This process allows the council to methodically address the possibility of 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 this 'positive risk taking' to be taken and evidenced. (**See paragraph 11 and 12 of the Risk Management Strategy**). With the council adopting a '**Risk Aware**' approach rather than '**Risk Averse**' and integrating risk management into the council's culture and day-to-day practice, it is in a better position to identify opportunities that may benefit the council (including financial) where associated risks are managed rather than avoided altogether.
- 3.4 Every project / programme should have a risk assessment / log. Risk, Emergency and Business Resilience (REBR) delivers risk management training (**Appendix 4 of the Risk Management Strategy provides details and dates for 2021**). This training became mandatory for staff expected to complete a risk assessment and has been approved by Corporate Management Team (CMT) in December 2020. In addition, the Manager (Risk Management) is currently working with HR to further embed risk management within the organisation.
- 3.5 The LCC Risk Management Policy and Strategy formulated by the Manager, Risk Management was considered against good practice guidance, including ISO31000 and working practice observed by Zurich in 2018 in both the public and private sectors. The feedback stated that 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 an appropriate framework for the delivery of risk management and a positive is that risk management is to be integrated into "business as usual" activities and the development of a risk aware culture in on the forefront.

Business Continuity Policy and Strategy 2021

- 3.6 BCM is a cross-functional, organisation-wide activity and 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 commissioned services;
 - Other relevant stakeholders.

The BCM programme needs to be managed in a continuous cycle of improvement for it 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 where appropriate staff within each division attend the BCM awareness training session delivered by REBR. This is formalised at CMT and remains a key activity within 2021.

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. In many ways, Covid-19 has demonstrated that LCC's business continuity practices are effective and efficient (see paragraph 3.7) where the Corporate Business Continuity Plan, now the Incident Response Plan, which is developed as part of the overall framework for contingency planning, was invoked.

The implementation of this revised Business Continuity Policy and Strategy will support the delivery of an effective BCM programme including the above-mentioned points.

3.7 How Covid-19 proved LCC'S BCM System was implemented:

- The Corporate BC Plan was invoked (now incorporated with the Major Incident plan into the Incident Response Plan);
- An incident response team was set up which met weekly;
- Service level BCPs were invoked as required;
- LCC's Incident Response Team ensured critical services were up and running;
- Prior to the lockdown in March 2020, a Covid-19 Coordination Centre was set up in the control room resourced with staff from LCC to provide guidance and information to staff and LCC Schools;

REBR facilitated recovery planning sessions with each division considering BC elements.

4. Key deliverables

The **key deliverables** in both Policies and Strategies include:

4.1. 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;
- Continuation of the process whereby Divisional Directors (and now their Heads of Service) have individual risk registers feeding through to the council's Operational Risk Register, which is reviewed by the CMT, led by the Chief Operating Officer, supported by the Director of Delivery, Communications and Political Governance and the Manager, Risk Management;
- Continue to integrate risk management into the council's culture and its everyday business operations. Risk management should be a significant part of managers overall duties. 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';

- 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, provide support and guidance and delivering training to them;
- A training programme has been established for 2021 (**Appendix 4 of the strategy**). Directors and managers should ensure they identify staff requiring risk management training not only through the appraisal process but also by 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;
- Risk is considered, identified and assessed and in the procurement of goods / services with contractors and partners and;
- REBR are 'Risk Consultants' who will assist managers in scoping and managing risk exposure to enable the implementation of innovative schemes. This team do not manage the council's risks as this remains service areas' responsibility.

4.2 **Business Continuity:**

- Continuing development of BCM at the council to better align with current accepted best practice standards (ISO22301) and requirements of the Civil Contingencies Act (2004);
- Ensure 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 by managing the number of services deemed to be critical by undertaking out a Business Impact Analysis. 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. LCC currently have 40 Business Critical Areas and it is anticipated to reduce these to ensure that resources can be correctly prioritised in the event of an incident. The BIA process has been piloted with the Director of DCPG and this has resulted in some refinements to the process and template. REBR has carried out the exercise with the Directors of Adult Social Care and Safeguarding and the intention is to roll this out to other divisions in 2021. This was deferred due to Covid-19.
- The former Corporate Business Continuity Plan has been combined with the Major Incident Plan now the **LCC's Incident Response Plan**;
- Continued delivery of a specific business continuity training programme for senior managers, management and their staff, virtually during Covid-19;

- Review, maintain, update the corporate BCP template annually and promote council wide use;
- Promoting BC Planning to schools and assisting with developing and testing of their BCPs and
- Targeted chargeable work with some academies.

5. Financial, legal, equalities, climate emergency and other implications

5.1 Financial implications

'The revised Risk Management Policy Statement and Strategy is intended to promote an effective approach to risk across the council. It should minimise the costs of insurance premia, successful claims and responding to incidents. Rigorous BCP arrangements are essential to ensure the council can be confident of recovering effectively from a major incident and with as little additional or abortive expense as possible'.

Colin Sharpe, Deputy Director of Finance, Ext. 37 4081

5.2 Legal implications

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

5.3 Equalities implications

'Effective risk management is essential for organisations and their partners to achieve strategic objectives and improve outcomes for local people and therefore is likely to be beneficial to people from across all protected characteristics.

As an organisation, with a range of different stakeholders, each with differing needs and expectations, this can be a challenge. In some circumstances, effective risk management will be particularly relevant to those with a particular protected characteristic (for example, safeguarding risks and risks which could result in service disruption). Therefore, a robust risk strategy and policy statement which is embedded effectively will minimise the likelihood of ineffective risk management resulting in a disproportionate impact on those with particular protected characteristic/s.

The strategy identifies other potential risks which are relevant to equalities, such as legislative requirements (ensuring that the council meets its statutory duties) The strategy promotes that the management of such risks should be embedded into the day to day business and culture of the council. This would support the continued delivery of positive equalities outcomes for the citizens of Leicester.'

Surinder Singh, Equalities Officer, Ext. 37 4148

5.4 Climate Emergency implications

'There are no significant climate change implications associated with this report'
Aidan Davis, Sustainability Officer, Ext 37 2284

5.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

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. Summary of appendices:

Appendix 1 – Risk Management Policy Statement and Strategy

Appendix 2 – Business Continuity Management Policy Statement and Strategy

7. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No

8. Is this a “key decision”? If so, why?

No