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# **Risk Management and Business Continuity Strategies and Policies 2023**

Audit and Risk Committee

Date of meeting: 15<sup>th</sup> March 2023

Lead director: Miranda Cannon

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### Useful information

- Ward(s) affected: All Wards
- Report author: Sonal Devani
- Author contact details: (0116) 454 1635 / 37 1635; [sonal.devani@leicester.gov.uk](mailto:sonal.devani@leicester.gov.uk)
- Report version number: Version 1

## 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 Statements and Strategies (Appendix 1 and 2), which form an important part of the council's governance arrangements by providing an effective framework for Leicester City Council (LCC) to manage and respond to key risks facing its services and to support the delivery strategic priorities and objectives, and to manage the impacts of potential disruption to ensure continuity of service delivery..

Effective risk management is essential for organisations and their partners to achieve strategic objectives and to deliver and improve outcomes to its stakeholders including local people. Good risk management determines and manages both positive and negative aspects of risk and officers are not required to be risk averse as part of this process (more detail at paragraph 3.3).

## 2. Recommended actions/decision

A&RC is recommended to note, 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 (BCM) 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 2023

- 3.1 The council's Risk Management Policy and Strategy are reviewed and updated annually. The Risk Management Strategy sets out 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. In line with our agreed corporate approach, 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. There have been no major developments that would affect the council's risk management process. However, an internal development has been made to the Strategic Risk Register (SRR) and the way strategic risks here are captured (more details at paragraph 4.1). 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. Our risk management policy is not aimed at being risk averse. The 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.

### **Business Continuity Policy and Strategy 2023**

- 3.4 Good practice in relation to any Business Continuity Management (BCM) system emphasises the importance of:

- Understanding the business need and necessity for establishing a BCM policy and strategy;
- Implementing and operating controls and measures for managing disruptive incidents;
- Monitoring and reviewing the performance and effectiveness of BCM; and
- Continual improvement based on objective measurement.

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. To support the effectiveness of this key staff within each division are encouraged to attend the BCM awareness training sessions delivered by REBR. This is formalised at CMT and remains a key activity within 2023.

**Appendix 2** is the BC Policy and Strategy which sets out how the council achieves this approach. The council's BCM practices are consistent with the International BC Standard (ISO22301) and ensure that its business continuity responsibilities under the Civil Contingencies Act (2004) are met. Following the progress made in the last few years, the council is aligning to the standard and Covid-19 demonstrated the robustness of the Council's BC arrangements. However, further work will continue to enhance business continuity practices at the council, for example, through the continuation of work to refine and update business

critical activities and ongoing testing exercises. The BCM framework adopted by LCC contributes towards identifying LCC's critical services and ensures BCPs exist for those services. An annual self-certification process is standard practice whereby directors confirm their plans have been reviewed annually as a minimum and tested. However, plans should also be updated to reflect changes in service areas as and when they occur. All business-critical service BCPs are robustly reviewed every 2 years by REBR.

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

## **LCC and the Local Resilience Forum (LRF)**

- 3.5 REBR work with partners/stakeholders to discuss and share best practice and to promote BC. LCC's Incident Response Plan, if invoked, is aligned to link to wider LRF emergency response plans and LCC work to ensure we have consistency of approach and work collaboratively to achieve the desired outcome. The Manager for Risk Management is recommencing and chairing a 'Multi-Agency Business Continuity Group' inviting BC Officers from partner organisations to share good practice and lessons learnt from responding to any BC-related issue. The participants include, for example, blue light services, district authorities, utilities. Such collaborative work should help continue to strengthen the Council's BCM approach.

## **4. Key deliverables**

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

### **4.1 Risk:**

- Divisional risks to be more effectively aligned to the strategic risks facing the organisation, therefore, improving the links between the ORR and SRR which will be achieved by ensuring communication and implementation of the revised process of how the SRR is populated and presented as agreed at CMT in November 2022 (see **paragraphs 34 and 35 of the risk strategy** for detailed information);
- Ensuring the Risk Management Framework at the council continues to reflect the organisational structure, and those 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 Strategic and Operational Risk Register, which is reviewed by CMT, led by the Chief Operating Officer, supported by the Director of Delivery, Communications and Political Governance and the Manager, Risk Management;

- Continuing to integrate and embed risk management into the council's culture and its everyday business operations. Risk management should be a significant part of a manager's 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 '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 of our significant procedures, 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;
- Ensuring it is understood that risk management is a cross service planning activity and not to carry out this in isolation otherwise risks can be missed;
- A training programme has been established for 2023.. Directors and managers should continue identifying 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 continued to be considered, identified and assessed and in the procurement of goods / services with contractors and partners and;
- Emphasising that the risk service is perceived across the council as 'risk advisers' 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 service areas' responsibility.

## 4.2 **Business Continuity:**

During the next 12 months the focus in relation to effective BCM will be:

- To ensure the Corporate BCP template is reviewed and updated and made available for council-wide use;
- To ensure BCPs are reviewed and updated accordingly by services, particularly for business-critical services and are submitted to REBR;
- Scoring of business-critical services plans and providing feedback to plan owners;
- The Business Impact Assessments are submitted to REBR for each critical service alongside associated BCPs;

- To ensure the continuation of testing of BCPs;
- Working with maintained schools to ensure they have access to relevant business continuity information and guidance and the updated Schools Incident Management Plan template and;
- Provide training council-wide and bespoke sessions upon the request of services.

Poorly managed incidents could leave the council and its officers exposed to insurance claims. Embedding risk management and business continuity is beneficial to the council to ensure proactive measures are taken in these areas to help maintain the organisation's reputation, meet stakeholder needs, ensure incidents are managed with minimal disruption and claims are kept to a minimum. This opens new doors to insurance premium discounts and reduced excesses as insurers look favourably at organisations that manage their risks. BC planning also protects the council, ensuring that it can help others in an emergency (facilitated by the BCP).

## **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, and hence in financial terms minimise the costs of insurance premia, successful claims and responding to incidents

Rigorous, targeted and proportionate 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.

However, 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 2023 strategy identifies other potential risks which are relevant to equalities, such as legislative requirements (ensuring that the council meets its statutory duties) and the risks posed by demographic changes. The strategy promotes that the management of such risks should be embedded into the day-to-day business and culture of the council, the continued integration and embedding of risk management into the council's culture and its everyday business operations support the continued delivery of positive equalities outcomes for the citizens of Leicester.

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 2023 Corporate Business Continuity Management Policy Statement and Strategy will support a robust approach and minimise the impact of incidents which could have a disproportionate impact on certain protected groups.

The correct prioritisation in the event of an incident, will ensure that those areas of greater risk, including risks around equalities and human rights will be prioritised provided this is a consideration in any changes that are made.

**Surinder Singh, Equalities Officer, Ext. 37 4148**

#### 5.4 Climate Emergency implications

There are no significant climate emergency implications directly associated with this paper. However, it worth noting that the impacts of worsening climate change are among those covered by council's risk management processes. It is worth noting that the BCM Policy Statement & Strategy and associated documents play a key role in ensuring the council is prepared for potential incidents and emergencies linked to the impacts of worsening climate change, such as flooding and extreme weather.

**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