



Leicester
City Council

WARDS AFFECTED:

Cabinet
Audit and Risk Committee

17 January 2011
9 February 2011

BUSINESS CONTINUITY MANAGEMENT STRATEGY

Report of the Chief Finance Officer

1. Purpose of the Report

1.1 To seek the agreement and support of Strategic Management Board and Cabinet for the first Business Continuity Management Policy Statement and Business Continuity Management Strategy as contained in this report.

2. Recommendations

2.1 The Committee is recommended to:-

- 2.1.1 Approve the 2011 Corporate Business Continuity Management (BCM) Policy Statement at Appendix 1. This sets out your attitude to BCM and the approach to the challenges and opportunities facing the Council;
- 2.1.2 Approve the Business Continuity Management Strategy (BCMS) 2011 at Appendix 2;
- 2.1.3 Approve the 'high level' Action Plan detailing the actions arising from this paper necessary to integrate an acceptable Business Continuity culture within the Council. Appendix 3 – Business Continuity Management Strategy – Action Plan 2011.
- 2.1.4 Agree that a programme should be developed that covers:
 - Establishment and embeddedness of a BCMS (PLAN);
 - Implementation of the BCM plans across all Divisions (DO);
 - Establish a system of internal audit reviews; BSI Assessments; and self-assessments by business managers and the BCM Co-Ordinator (CHECK);
 - Establish a mechanism to continually maintain and improve on an ongoing basis the plans, identifying both preventative and corrective actions (ACT).

3. Summary

- 3.1 At its meeting of 26 October 2010 this Committee approved the development of a Business Continuity Management Strategy and Policy for the Council. Strategy and Policy documents are needed to move the Council further into line with accepted best practice and the current British Standard.
- 3.2 The Council currently has a set of high level, Corporate Business Continuity Plans (BCPs). These have started to influence continuity thinking in the organisation but have not changed appreciably since they were devised four years ago. Nonetheless, they have survived the acid test of being deployed in real, live situations. They now need development within an overall framework for contingency planning.
- 3.3 The Council's initial BCP sought to define the most critical activities; get plans written for them; and, crucially, put in place a structure to manage an incident and the recovery from it with Directors co-opted into key roles. Further development now needs Business Impact Analyses – a full and systematic evaluation of critical services and their dependencies; threat assessments; supplier resilience; and, communications strategies.
- 3.4 Additionally, fresh arrangements for the Council's Emergency Management function have also highlighted the need for a clear BCM strategy which integrates with emergency planning arrangements.
- 3.5 There is a British Standard for BCM (BS25999) along with additional responsibilities for BCM placed upon Local Authorities by the Civil Contingencies Act (2004) and the Corporate Risk Manager, supported by an assessor from the British Standards Institute, have assessed how much LCC need to do to align to these requirements. This suggests that a significant amount of work is still required.

4. Report

- 4.1 BCM is no longer just about dealing with the big impact, low probability events. It should be an essential enabler of organisational resilience as part of 'business as usual', thanks primarily to its focus on identifying and protecting the most critical parts of an organisation.
- 4.2 BCM is cross-functional by its nature. The BCM manager should have, primarily, a programme management and facilitator role with the plans to ensure continuity of the business being owned by the areas of the organisation that need to protect service delivery. As the process matures within a business then the role of the BCM manager will move toward being a policy setting, governance and quality assurance activity.
- 4.3 The Council's BCM needs to be consistent with the British Standard (BS25999) and ensure that BC responsibilities within the Civil Contingencies Act (2004) are being met.

- 4.4 Following work done, the Council now has a definitive base from which to build and will allow a programme to be constructed to move toward alignment with the principles of the Standard. This programme and its action plan forms the basis of the Council's first Business Continuity Management Strategy presented here. It should be noted that the Action Plan is a 'high level' plan that will need to be underpinned by several more detailed plans for each area.
- 4.5 Business Continuity is essential for LCC for the following key reasons:
- **Statutory Duty** – The CCA requires the Council, as a Category 1 responder, to be able to exercise our functions in the event of an emergency as far as reasonably practicable; and,
 - **Commercial 'best practice'** - By planning now rather than waiting for an event to happen, the Council can get back to normal business in the shortest possible time. This is essential to those who rely on the Council's services and it helps the community retain their confidence in us. It also reduces the potential for financial loss when an event does happen.
- 4.6 Key to delivering this is an appreciation of what BCM actually is: the Business Continuity Plan is one of the outputs of this management process.
- 4.7 Further benefits of having a clear, unambiguous and appropriately resourced Business Continuity policy and programme include:
- **Resilience** - Proactively improves your resilience when faced with the disruption of your ability to achieve key objectives;
 - **Reputation** - Helps protect and enhance the Council's reputation;
 - **Business improvement** – Gives a clear understanding of the entire organization 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;
 - **Delivery** - Provides a rehearsed method of restoring our ability to supply critical services to an agreed level and timeframe following a disruption;
 - **Management** - Delivers a proven capability for managing a disruption.
- 4.8 The Standard recommends a BCM Champion at Board/Executive level, hopefully, to ensure the correct level of importance is given to the BCM programme within the organisation. This 'role' has been accepted by the Chief Operating Officer. This 'role' needs support from a Programme Co-ordinator, which is the position that the

Corporate Risk Manager fulfils. The foundations for recovery are, therefore, in place.

- 4.9 In order to apply an appropriate Business Continuity strategy the Council's processes have to be fully documented - identify its critical activities, resources, duties, obligations; identify its threats and risks and set its overall risk appetite – hence the facilitation role sits comfortably within Risk Management. Poorly managed incidents also leave the Council and its officers exposed to insurance claims, which is also a function managed by Risk Management. Only once this process is completed properly can a Business Continuity Strategy be fully implemented.
- 4.10 The accepted 'best practice' methodology for gaining this initial understanding is by means of a Business Impact Analysis (BIA). These will identify how long the Council can survive without a service in the event of an incident. They will identify a 'time window' in which services need to be recovered and help to direct (what potentially will be scarce resources) to the most critical service areas – those that need to be back up and running in hours not days. They effectively timetable the Council's recovery plan.
- 4.11 A BIA should be completed by management of each service/business area. They will need assistance, challenge and guidance from support service functions - primarily ICT, Risk Management, Health and Safety, Human Resources and Strategic Asset Management. They will identify critical staff members, as well as minimum numbers of staff and assets needed to run their services in emergency mode, until full service can be restored. They will also identify and prioritise the individual elements within a critical service area.
- 4.12 If a BIA is done properly then LCC will have a clear prioritisation plan, meaning that in the event of a serious incident affecting several critical activities, much time will not be wasted in deciding the order in which services should be recovered first.
- 4.13 A further development required is incident response structure which will also need to be integrated with the Emergency Management incident response structure, which itself is also under review.
- 4.14 Finally, development is required in testing and updating of the plan. Once implemented, the BCM programme needs to be managed in a continuous cycle of improvement if it is to be effective. This means that formal and regular exercise, maintenance, audit and self-assessment of the BCM **culture** is essential. The first formal exercise to test LCC's plan was earlier this year, with previous 'testing' being carried out at 'live' incidents. This needs properly formalising and managing.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1 Financial Implications

There are no financial implications of any note.

5.2 Legal Implications

There are no legal implications of any note.

5.3 Climate Change Implications

There are no climate change implications of any note.

6. Other Implications

OTHER IMPLICATIONS	YES/ NO	Paragraph/References Within Supporting information
Equal Opportunities	No	
Policy	Yes	Appendix
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	

7. Report Author

Tony Edeson - Corporate Risk Manager - 29 7465

Key Decision	No
Reason	N/A
Appeared in Forward Plan	N/A
Executive or Council Decision	Executive (Cabinet)

Appendix 1 - The Council's Business Continuity Management Policy Statement 2011

This Policy sets the direction for Business Continuity Management at Leicester City Council.

Disruptive events do occur and are usually unexpected. It might be an external event such as severe weather, utility failure or pandemic flu, or an internal incident such as ICT failure, loss of a major supplier or loss of a key building.

By planning *now* rather than waiting for it to happen, we can get back to normal business in the quickest possible time. This is essential to those who rely on the Council's services and it helps our community retain its confidence in us. Planning ahead means there is less muddling through, more support for staff handling the situation and reduced potential for financial loss.

In a disruptive situation it will not be possible to run all Council services in the usual way. While all services are important, priority for recovery will be given to those which have been determined to be the most essential, the business-critical activities, and this is where resources will be directed first.

This enables us to fulfil our duties under the Civil Contingencies Act 2004. The Council has had plans in place for some time and is now bringing its arrangements into line with the principles of the British Standard for business continuity, BS25999.

Following the BS25999 programme improves understanding of critical assets and processes. Central to the work are preparations to mitigate the impact of disruptive events and recover faster from them. This can be as valuable as a plan or document.

All services and all staff have responsibilities for making sure the Council continues to operate through any crisis. The Business Continuity Strategy outlines these within the overall framework for our approach.

Sheila Lock

Cllr. Veejay Patel

Appendix 2 - The Council's Business Continuity Management Strategy 2011

1. Definition

Business Continuity Management (BCM) is not simply about writing a plan, or even a set of plans. It is a comprehensive management process that systematically analyses the organisation, identifies threats, and builds capabilities to respond to them.

Although the immediate response to a disruption (emergency or crisis management) is a key component, business continuity is more concerned with maintenance and recovery of business functions following a disruption.

2. Scope

BCM is a cross-functional, organisation-wide activity; accordingly the arrangements in this strategy apply to all services within the council, every staff member and all resources and business processes. It also necessarily includes suppliers, service partners and outsourced services.

The initial focus of the BCM programme will be on the Council's most critical activities – once identified – but will extend to cover planning for all services in due course.

3. Requirements & Standards

In addition to making sound business sense for any organisation, the Civil Contingencies Act 2004 requires the Council, as a Category 1 responder to:

- Maintain plans to ensure that it can continue to exercise its functions in the event of an emergency so far as is reasonably practicable;
- Assess both internal and external risks;
- Have a clear procedure for invoking business continuity plans;
- Exercise plans and arrange training to those who implement them;
- Review plans and keep them up to date; and
- To advise and assist local businesses & organisations with their BCM arrangements.

BCM arrangements are effective only if specifically built for the organisation. The Council's programme is aligned with the principles of BS25999. It is reinforced by reference to the Business Continuity Institute's (BCI) Good Practice Guidelines.

4. Methodology

The ultimate aim is to embed Business Continuity Management within the Council's culture. Training and education is an ongoing task but awareness and capability are also a product of the structures put in place and the way we manage our programme. Key stages are:

- ***Understanding our organisation:*** Intelligent, in-depth information-gathering. Understanding activities, dependencies (internal & external)

and the impact of disruption on each service. Captured in a formal Business Impact Analysis. Threats are risk assessed at this stage.

- **Determining appropriate Business Continuity Strategy:** Making decisions based on analysis of data gathered. Setting recovery time objectives for services and determining resources required.
- **Developing and implementing a response:** The Business Continuity Plan which pulls together the organisation's response to a disruption. Enables resumption of business units according to agreed corporate priorities. Provides strategies for use by response teams.
- **Exercising, maintaining and reviewing:** Testing plans, ensuring they keep pace with organisational change and are audited against defined standards.

5. Invoking the Business Continuity Plan

The Corporate Business Continuity Plan is triggered by serious situations such as:

- Serious danger to lives and/or the welfare of Council staff, Members, visitors, or in the community;
- Major disruption of Council services, or interruption of any of its business-critical activities;
- Serious loss or damage to key assets;
- Serious impact on the Council's financial status or political stability; or
- Emergency situation in Leicester, or wider.

6. BCM in the community

The Council will participate in appropriate practitioner groups and work with partner agencies to promote BCM in the community and will advise and assist local organisations with their BCM arrangements.

7. Principles, Responsibilities & Minimum standards

Cabinet

- Approve the Business Continuity Strategy.

Audit and Risk Committee

- Ensure that the Business Continuity Strategy is produced, approved by Cabinet and updated regularly; and,
- Monitor effectiveness of BCM arrangements via reports from the CRM.

Strategic and Operational Directors

- Ensure the BCM policy, strategy and development plan is enforced and resourced appropriately;
- Participate as required in management teams with the Corporate BCP;
- Embed BCM culture into the ethos of operational management; and,
- Ensure appropriate levels of staff sit on Recovery teams in the BCP.

BCM Champion

- During an incident, lead the Council's BCM response.

Corporate Risk Manager

- Overall responsibility for co-ordinating the BCM programme;
- During an incident, co-ordinate the Council's BCM response;
- Following an incident, facilitate the 'lessons learned' session;
- Produce the Corporate BCP framework and key strategies;

- Make available best practice tools (eg templates);
- Chair the Corporate Business Continuity Management Team;
- Identify training needs and arrange delivery;
- Support and advise services;
- Arrange testing and exercising of the Corporate BCP;
- Quality control – review BCM arrangements for services; and,
- Lead on the duty to promote BCM in the community.

All staff

- Familiarisation with business continuity arrangements within their area;
- Engage with testing and exercising; and,
- Respond positively during a crisis situation.

All service managers

- Undertake a Business Impact Assessment annually;
- Prepare a recovery plan covering critical functions, update at least annually;
- Test arrangements at least annually; and,
- Implement the agreed arrangements in the event of a disruption.

8. Specific Roles in the Corporate Business Continuity Plan

Once the Corporate BCP has been triggered, the management and recovery teams have operational control of the situation and are authorised to take all decisions necessary.

The BCP sets out the detail. The following teams are subject to change as the BCM Programme develops, but currently are as follows:

Business Continuity Management Team

- Comprised principally of Directors. Manages and directs the Council's response to a serious incident.

Directors BCP Group

- Comprised principally of Directors. Leads on communications, workforce-related matters and directs non critical services.

Recovery Teams

- Comprised principally of Heads of Service. Collective responsibility for resumption of critical services within their ambit.

9. Value of BCM

The wider value of BCM is acknowledged as being 'no longer for big impact, low probability physical events' and 'becoming an essential enabler of organisational resilience as part of business as usual'. (BCI Good Practice Guidelines 2010).

Appendix 3– Business Continuity Management Strategy – Action Plan 2011/2012

Action	Responsible Officer	Target Date(s)
Complete urgent interim work to review and revise LCC's critical activities and key ICT systems.	Corporate Risk Manager	March 2011
Complete Business Impact Analyses covering all activities and areas of the Council.	Corporate Risk Manager	December 2011
Create effective, workable incident response structure for LCC.	Corporate Risk Manager Emergency Planning Manager	March 2011
Production of a new Business Continuity Plan for the Council (note – this is likely to be one central plan supported by several individual service plans, held and controlled within Divisional teams).	Corporate Risk Manager Divisional Directors Strategic Directors	December 2012
Establish formal and recorded programme of testing for the Council's BCPs.	Corporate Risk Manager	December 2012
Establish formal and recorded programme of updates for the Council's BCPs.	Corporate Risk Manager	December 2012
Establish a quality control process to enable BCM arrangements for services/divisions to be subject to regular review.	Corporate Risk Manager	December 2011
Create and deliver formal programme of training and awareness sessions on BCM.	Corporate Risk Manager	December 2011

Action	Responsible Officer	Target Date(s)
Develop a plan to promote BCM in the community, advising and assisting local organisations with their BCM arrangements.	Corporate Risk Manager	December 2011
Develop a plan to promote BCM to LCC key suppliers and partners, advising and assisting them with their BCM arrangements.	Corporate Risk Manager	December 2011
Participate in local BCM Practitioner Groups, sharing best practice ideas and working together with other practitioners to enable LCC's BCM responses to be more effective and offer better VFM.	Corporate Risk Manager	December 2010