



Leicester
City Council

WARDS AFFECTED
All

FORWARD TIMETABLE OF CONSULTATION AND MEETING

Operational Board	6 November 2013
Strategic Management Board	12 November 2013
Audit and Risk Committee	14 November 2013

Independent Review of BCM Arrangements at Leicester City Council

Report of the Director of Finance

1. Purpose of Report

- 1.1. To advise the Board of the conclusions and recommendations arising from a twelve-week project looking at the effectiveness and embeddedness of the Council's Business Continuity Management. The project ran between 3 June and 24 August 2013, and was carried out by a De Montfort University post-graduate student on behalf of the Head of Internal Audit and Risk Management.

2. Recommendations (or OPTIONS)

2.1. The Board is recommended to:-

- Note, accept and address the findings of this report as they affect their Service Areas;
- Ensure that issues arising in this report are properly disseminated throughout their teams and that issues are fully and properly addressed and that the annual self-certification programme is meaningful when completed in June 2014;
- All Directors with a critical activity within their areas ensure that, by the end of December 2013 at the latest, the Business Continuity plans for those services are updated; put into current corporate format and submitted to RMIS for the secure internet site before the end of March 2014.
- As part of the above process the critical activities listed within the Corporate Plan (Appendix 2) need to be reviewed to ensure that service titles are up to date following reviews/mergers/changes. These should be confirmed (with any amendments) to RMIS, again, by the end of December 2013;

- Raise any issues or questions with the report author or the Director of Finance.

3. Summary

- 3.1. The Council's BCM needs to be consistent with the International Standard (ISO22301) and ensure that its business continuity responsibilities within the Civil Contingencies Act (2004) are being met. Following work done during the last two years, the Council has a definitive base from which to build further toward alignment with the principles of the Standard.
- 3.2. Business Continuity Management is cross-functional by its nature. A BCM manager (here at Leicester City Council it is the Head of Internal Audit and Risk Management) has a policy setting, governance, quality assurance primarily, programme management and facilitator role with, at a secondary level, individual plans to ensure continuity of the business being owned by the areas of the organisation that need to protect their service delivery. It is this secondary level that has been identified as weak by the DMU report.
- 3.3. In order to apply an appropriate Business Continuity strategy the Council's processes have to 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 and Insurance Services (RMIS). Poorly managed incidents also leave the Council and its officers exposed to insurance claims, a function also managed by RMIS.
- 3.4. In 2011 a pro-forma BC Plan was produced for business areas to use. This was accompanied by a series of training courses (which have been run every year since), explaining what the Council's BCM Strategy is all about; how it affects individual staff and their role within the process; and, why having a plan is important. If this pro-forma is used at least 60% compliance with the parts of the standard LCC wishes to align to would be achieved. Since June 2012, annually, all Directors have certified to the Chief Operating Officer and the City Mayor that each of their Service Areas has an effective and up to date plan in place.
- 3.5. This project was designed to test the accuracy of the self-certifications and the usefulness of the actual plans in place within the Council's Critical Activities. Regrettably, had this been an examination, the Council would have had a 'Fail'.

4. Report

- 4.1. Following the launch of the Council's first Business Continuity Strategy in January 2011, there was a need to better align the Council's Business Continuity Plans with professional standards (note – but not to fully comply) to allow it to demonstrate compliance with the Council's regulatory responsibility within the Civil Contingencies Act (2004).
- 4.2. Resource restraints after the first round of budget cuts that same year meant that this task was never completed by Risk Management and Insurance Services. An opportunity arose in early 2013 to utilise resource from De Montfort University's Post Graduate pool to carry out this work. A twelve-week project looking at the effectiveness and embeddedness of the Council's Business Continuity Management was agreed between the Head of Internal Audit

and Risk Management (HoIARM) and the University, with a masters student (Ginny Hawker - GH) being given this project.

- 4.3. The project focused on LCC's 40 'business critical activities' (as defined within the Council's Corporate Business Continuity Plan) by assessing their business continuity plans' (BCP) alignment with the ISO22301: 2012 Societal Security – Business Continuity Management Systems standard (although time only allowed 30 to be reviewed). As it has never been the Council's intent to fully comply with the professional standard (on grounds of cost and time) the 40 areas within the standard felt most relevant to the Council's BCM Strategy were selected (after discussion and review by HoIARM and GH) for the plans to be measured against.
- 4.4. To understand the Business Continuity 'tone from the top', GH commenced her work with thirteen interviews, beginning with the Chief Operating Officer and those Divisional Directors that have critical activities within their divisions.
- 4.5. A further thirty interviews were then held with Heads of Service and/or key team members named within the activities business continuity plans (BCPs), using a separate interview question set, followed by a brief desk-top review (DTR) of their BCPs. The DTR sought to,
 - Capture how operational areas would react to four particular scenarios – mainly loss of ICT; staff; premises; or a key supplier/partner; and to,
 - Consider if the responses were comparable with what was in their BCPs.
- 4.6. The results of the plan/interview comparison/gap analysis are reported through a red, amber, green (RAG) status at Appendix 1. A red 'blob' indicates little comparison of plans with DTR responses, moving through amber with partial comparison, to green which indicates good-to-strong comparison with their plans. In effect, this means that those plans showing as 'Red' bore little or no relevance to what that service area would do in the event of an incident. Those showing as 'Amber' were approximately 50/50 and those showing as 'green' were almost 100% accurate.
- 4.7. What this means in practice, is that any plan that was not showing as 'green' would be of little or no use in an emergency to anyone other than the staff of that area. As the critical activity plans are available to the Corporate BC Team, they are intended to be used by that team (who will be first port of call in an emergency) to commence recovery from notification of incident, rather than having to wait for service staff to be mobilized – which would also be done using the contact details within these plans, many of which were out of date – in one case had not been updated since 2008. This means that, if there were to be an incident requiring the intervention of the Corporate BCM team, the plans held on the secure site for just such an event would be almost useless. Equally, it is little consolation that staff in the areas knew what to do as the BC event may arise because of a loss, or unavailability, of those staff (pandemic or strike for example).

- 4.8. The black line running through the centre of this graph shows how closely the plans in place aligned to the elements of the standard against which they were measured. Those at the higher end have most of the information that is needed within a plan and were up to date. Those at the bottom (and some not reviewed as GH was told no current plan existed or where it did, was not up to date) do not or were out of date. Yet these are the activities identified by the Council (Divisional Directors) and reviewed each year since 2011, which need to be restored to as near full service as possible within 24 hours.
- 4.9. At the start of the project a 'target score' of 70% compliance to the elements of the standard selected was agreed. It is pleasing to report that 10 of the Council's critical activity plans achieved a mark at, or close to, that score. However, that does also mean that, disappointingly, there are 20 of the plans reviewed that fell below that level, with three plans failing to get even half that percentage score.
- 4.10. A further concern was that, even though the launch of the Strategy and Policy in 2011 was supported by, not only a series of training events for Directors; Heads of Service and all other staff with an involvement in their areas Business Continuity, but also a pro-forma template for a Business Continuity Plan which would have guaranteed a score of at least 60% had it been used, many plans were dated earlier than 2009 and were, therefore, out of date and lacking in required detail. With the pro-forma to use and having had the training (which has continued to run as part of the RMIS training suite each year since 2011), production of a reasonable BCP should take a trained person around a maximum of two hours.
- 4.11. Of even greater concern was that one of these out of date plans related to Property Services which is not only a critical activity in itself, but would also be critical in the recovery of many of the other critical activities - when alternative premises would be needed or other facilities management support. What is particularly concerning is that following the 'B5 fire' in November 2009 an action was taken by the then Director of Property Services to produce a meaningful BCP. This task has been chased by RMIS and has been agreed with three subsequent Directors (or Interims) and with three different Heads of Service.
- 4.12. This work has also, again, raised the issue that first arose in the 2010 de-brief following the 'B5 fire' in November 2009. This identified that the Council had a glaring weakness within its BCM planning in that there was no central record of which staff were based in which building; where those services would relocate to in the event of total loss of premises; and confirmations from Property Services and ICT that the proposed re-locations sites were suitable for those teams to work from. This remains an incomplete action on Property Services (although there now exists a plan showing where staff are currently based) and has also been raised as part of the work currently being carried out the Accommodation Strategy Team.
- 4.13. These findings also cast serious doubt on the effectiveness of the annual self-certification of the efficacy of Director's Business Continuity arrangements. This Board will recall that, again as a result of staffing constraints within RMIS, all Operational Directors were required to confirm to the Chief Operating Officer and the City Mayor that all of their service areas

had in place an effective business continuity plan; that those plans were up to date and were fit for purpose; and that those plans had been tested as appropriate.

- 4.14. This process of self-certification took place for the first time as at 30 June 2012 and was repeated again as at 30 June 2013. In 2012 there was a 100% return from Directors and in 2013 only the Interim Director of Property Services did not affirm as his Division was undergoing a substantial review. Clearly the results of this project suggest that these self-certifications are not completed with anything like the rigour they should be. Also, as Property Services is a critical 'critical' activity, should it be acceptable to the Council that they do not have a BC plan for any period of time?
- 4.15. The project report concludes with eight recommendations summarised below (GH's full report – as presented to FMT on 19 September - can be issued to those interested on request). Several of these will be dealt with by the required actions detailed in the rest of this report:
- Use of the Corporate Template should be compulsory;
 - The secure website should be refreshed to make it more user friendly for those Corporate Team Members who are not familiar with the make-up of LCC (RMIS have this in hand);
 - Business critical activity plans should be 'sense checked' within Divisional hierarchy (i.e. those responsible for the plan) before being submitted to RMIS;
 - RMIS to carry out annual health checks and desk top (or full) tests on all plans, prioritising critical activities. The report goes on to add that, in the absence of increased resource within RMIS, this could be done through continued use of DMU placements;
 - Review of Business Critical Activities (this is already done annually as part of the Risk Management and Business Continuity Management Strategy reviews) to align those named within the Corporate BC Plan with those named on the Critical Activities list. This list is now attached as Appendix 2 for the Board to confirm or amend these details;
 - Revise the format of the three Corporate BCM Team meetings and publicise in the annual strategy review papers attendance (or more to the point, lack of) by members of the Corporate BCM Team. This has already been a discussion point with members of this team in view of continuing poor support;
 - Define and formalise to all staff the Council's BCM Strategy and Policy and the Corporate Plan as most staff were unaware of these (they are, and have been, available to all on the RMIS Intranet pages); and,
 - Creation of a dedicated BC Officer role within RMIS to deliver these recommendations and better align Corporate BCM staff numbers (LCC has 0.5FTE dedicated resource) to similar teams reviewed as part of the project (County Council BCM team (2FTE); and LCC Emergency Management Team (3FTE).

- 4.16. To support this process the action that the RMIS team will take is as follows:
- For all plans that 'failed' (scored less than 70% in the alignment test or have an Amber or Red blob) Sonal Devani will contact and issue the new pro-forma;
 - For those Heads of Service that require further support, Sonal Devani and Tony Edeson will take the Head of Service through their old plan to highlight the areas of 'failure' and help them understand what needs to go in their new plan – this will be arranged before the end of December 2013;
 - RMIS will also run three BCM training sessions in Q1 2014 to allow those staff that require this to attend before having to write your plans. This requires Directors and Heads of Service to identify which of their staff (or themselves?) need this additional support;
 - All Critical Activity plans will be reviewed upon receipt and downloaded to the secure Internet site before 31 March 2014.

5. FINANCIAL AND LEGAL IMPLICATIONS

5.1. Financial Implications

5.1.1 '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, Head of Finance – 37 4081.

5.2. Legal Implications

5.2.1 'Rigorous 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

6. Other Implications

OTHER IMPLICATIONS	YES/ NO	Paragraph/References Within Supporting information
Risk Management	Yes	All of the paper.
Climate Change	No	
Equal Opportunities	No	
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	

7. Report Author

7.1. Tony Edeson, Head of Internal Audit and Risk Management – 37 1621