

## **BUSINESS SUPPORT OVERVIEW AND SCUTINY COMMITTEE**

**28 JANUARY 2021**

### **RISK MANAGEMENT, EMERGENCY PLANNING AND BUSINESS CONTINUITY**

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#### Summary

This report informs members of the Council's responsibilities for Risk Management (RM), Emergency Planning (EP) and Business Continuity (BC) and how these management processes complement each other to protect the Council.

#### 1. Budget and policy framework

1.1. The Civil Contingencies Act 2004 requires all councils to have an emergency plan and service business continuity plans. These plans enable the Council to best protect itself and minimise loss and negative impacts in the event of any business disruption and puts a basic duty for Welfare for residents during an Emergency Incident and assist the Blue light Services.

1.2. Risk management is an integral part of good governance. The Council has a Risk Strategy and Strategic Risk Register that supports effective decision whilst making the most of opportunities and reducing the likelihood of failure.

#### 2. Background

2.1. At an agenda planning meeting for the Business Support Overview and Scrutiny Committee on 4 October 2019 it was agreed an item be added to the work programme to explain (particularly for benefit of new Members) the governance structures, plans and processes in place to ensure that the Council can respond to emergencies and contingencies effectively, by describing the differences between risk management, business continuity and emergency planning.

### 3. Advice and analysis

#### 3.1. Risk Management

- 3.2. The Council recognises that it has a responsibility to identify and manage the barriers and opportunities to achieve its strategic objectives, enhance the value of services it provides to the community and ensure good governance.
- 3.3. The Council is clear that the responsibility for managing risk belongs to everyone and that there needs to be an appropriate level of understanding of the nature of risk by all stakeholders.
- 3.4. Risk management is an iterative process which aims to help the Council understand, evaluate and take action on all risks. It supports effective decision making, identification of priorities and objectives and increases the probability of success by making the most of opportunities and reducing the likelihood of failure.
- 3.5. Risk management is applied at all levels of management and service delivery. It helps us manage business planning, change management, innovation, budget setting, project management, equality and access and contract management. This enables the effective use of resources; helps secure the assets of the organisation and continued financial and organisational well-being.
- 3.6. All Members, employees and partner organisations have a role to play in ensuring that business risk is effectively managed across the Council.
- 3.7. Risk is unavoidable. However, successfully managing risk, by having the correct level of controls in place to provide sufficient protection, enables the Council to transform and progress. This allows the Council to meet the needs of its communities now and in the future.
- 3.8. The Risk Strategy ensures that the Council has an effective process to support better decision making through good understanding of risks and their likely impact.
- 3.9. The Strategic Risk Register details the current strategic risks together with the controls in place to reduce the likelihood of the risk occurring or the impact should the risk manifest. The Strategic Risk Management Group comprises of representatives from each Directorate and is responsible for the co-ordination and review of the Strategic Risk Register.
- 3.10. All service and project managers are also responsible for the effective management of risk within their services and projects. All service managers receive periodic training to ensure they manage risk in line with the Council's strategy.
- 3.11. Arrangements are in place for risk to be considered in decision-making, with a risk assessment required in each report to Members.

### 3.12. Emergency planning

3.13. An 'Emergency' is defined as "An event, situation or incident which threatens serious damage to human welfare in a place in the UK, the environment of a place in the UK, or the security of the UK or of a place in the UK" (JESIP definition).

3.14. The Civil Contingencies Act 2004 requires all councils to have Plan for Civil Emergencies. Every two years the Government produces a list of potential National Emergency Risks (National Risk Register) and as part of the Kent Resilience Forum, Medway Council has helped to create the Kent Community Risk Register in line with this National Risk. This register determines the greatest risk to the whole of Kent and is the focus for the Forum's activities aimed at reducing risks. Medway Council responds in a number of different ways, depending on the nature of the incident; Emergency Shelter (Rest Centres) to provide temporary accommodation for people evacuated from a specific area, accommodation for those evacuated for prolonged periods of time, survivor reception centres, additional plant and equipment, advice and guidance or simply monitoring the situation.

3.15. The Council is affected by other legislation that requires it to carry out an emergency planning role, such as the Housing Act 1996.

3.16. Medway Council supports the emergency services in the event of a major incident through close working partnerships.

3.17. Medway Council also plans for other threats to the community. Under the Control of Major Accident Hazard Regulations (COMAH) 2015, it is required to produce an External to Site emergency plan and to co-ordinate the response for an emergency that could affect the community beyond the boundaries of a particular site.

3.18. The Council's Emergency planning arrangements were most recently enacted in response to the Covid-19 outbreak in March 2020 with the response ongoing alongside work recover as reported to Cabinet.

### 3.19. **Business continuity management**

3.20. "The capability of the organisation to plan for and respond to incidents and business disruptions in order to continue services at an acceptable predefined level" Quote: BCI website.

3.21. Business Continuity Management (BCM) is a holistic process that identifies potential threats to an organisation and the impacts to business operations those threats, if realised, might cause, and which provides a framework for building organisational resilience with the capability of an effective response that safeguards the interests of its key stakeholders, reputations, brand and value-creating activities.

3.22. BCM does not involve dealing with the actual event (cause) itself; this is dealt with through Medway Council Major Emergency Plan (MEP).

- 3.23. Medway Council has a Corporate Business Continuity Plan (CBCP) the purpose of which is to set out the Council's intentions, responsibilities and commitment to ensuring the provision of essential services and corporate service priorities in the event of a significant disruption or incident affecting Council services, whilst meeting the Council's legislative responsibilities under the Civil Contingencies Act 2004 (CCA), contributing to good corporate governance and maintaining community coherence.
- 3.24. Business Impact Analysis (BIA) is the process of analysing activities and the effect or risks that a business disruption might have on them.
- 3.25. The objectives of the CBCP are:
- To minimise the impact on the community and the organisation of a disruption / interruption to the delivery of one or more council services.
  - To facilitate an effective, efficient and timely resumption of services.
  - To address longer term issues of organisation recovery following the disruption / interruption to the delivery of one or more council services.
- 3.26. For the purpose of the CBCP a 'significant disruption' is defined as being an incident which renders one or more of the Council's service areas inoperable and, therefore, unable to fulfil its function or provide its services to the public and placing the council in breach of its statutory duties. The following have been identified as potential sources of disruption to the Council's operations:

Denial or access or damage to premises	Fire/arson/vandalism/flood/weather damage, aircraft/vehicle impact, public order/terrorist attack
Loss or damage to ICT systems, voice networks, hardware, software, data	As above + power failure, technical failure, virus, human error, failure of external provider
Non availability of key staff/skills	Industrial action, sickness/injury, transport difficulties
Loss or damage to other resources	Commercial/utility failure, service provider failure, damage to distribution network, Loss of supplier providing critical functions.
Environment & Infrastructure	Adverse weather, Fuel crisis and transport disruption.

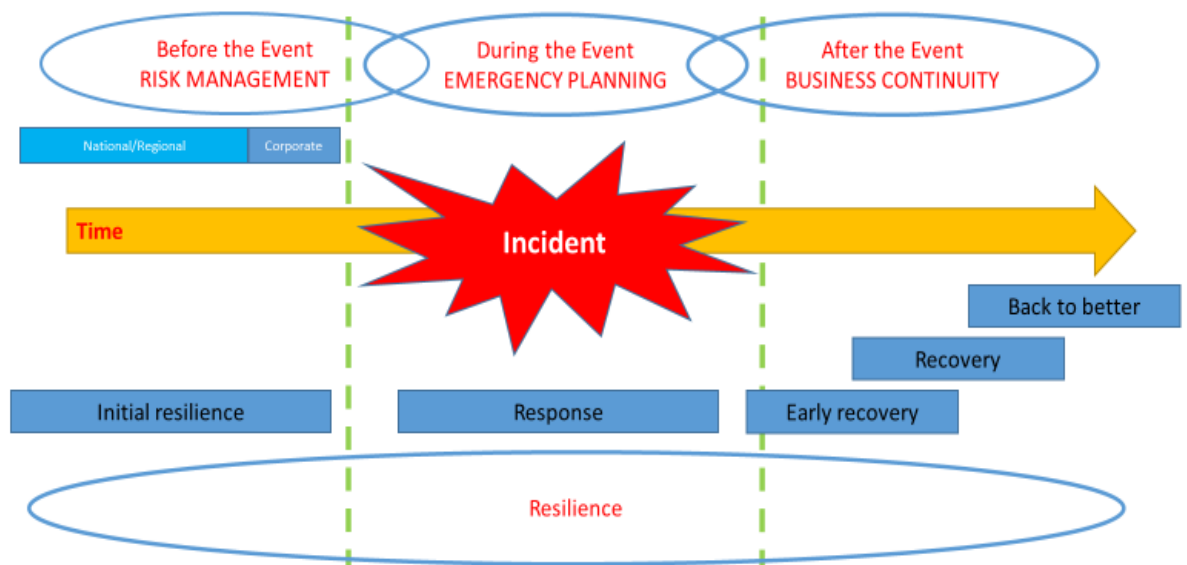
**3.27. How do Risk Management, Emergency Planning and Business Continuity fit together?**

- 3.28. Risk Management and Business Continuity Management are proactive and while Emergency Planning is mainly reactive it cannot function without identification of risk, mitigation placement training and recovery.
- 3.29. Risk Management helps identify the threats and opportunities to the Councils priorities and service operations. While Risk Management helps the Council to prepare for, and attempt to avoid business disruptions, there are no guarantees and no way to avoid some incidents beyond human control. It

also assists Emergency Planning in identifying delivery risk and solutions for providing our duties as a Category 1 responder.

- 3.30. Business Continuity prepares the Council to continue a level of effective critical operation during an incident through risk identified by the Councils risk management strategy. It also provides a platform in order to redeploy essential staff in the event of a sustained incident.
- 3.31. Emergency Planning takes the impact event under control when an unavoidable incident occurs.

Complete Incident Preparation, Response and Recovery matrix (Resilience)



- 3.32. All three business processes are of huge importance for the council to best protect itself and minimise loss and negative impacts in the event of any business disruption. All three methods work in a complementary fashion to one another. A continuous cycle whereby Risk Management identifies potential disruptions or incidents, Emergency Planning determines risks across Kent and Medway partnerships as an area, and both sets of information are utilised to update Business Continuity plans and improve the quality of Business Impact Analysis (BIA) data, which is regularly tested and findings fed back into RM and EP to revise the BCMS, is the optimal way for the Council to provide the most effective protection against disruption.
- 3.33. Governance
- 3.34. The Council's Corporate Risk Register is reviewed on a quarterly basis by Cabinet and Overview and Scrutiny committees alongside Council Plan Performance monitoring reports. Although there are many methods of capturing, logging and communicating issues, the risk register was used with significant success during the entire COVID-19 Response and Recovery Stages.

- 3.35. The MEP is a live document and is amended as new lessons are identified or legislation changes; it is fully reviewed every four years and is approved by the Corporate Management Team.
- 3.36. Heads of Service refresh their business continuity plans annually. These plans comprise of a variety of risk reduction measures to mitigate the likelihood of a disruption occurring, and recovery actions that would be implemented following a disruption and are designed to facilitate the provision of service until normal working can be resumed. These documents are reviewed and approved by Head of Service Assistant Directors.
- 3.37. The Corporate Business Continuity Plan (CBCP) is referred to within Section 4 of the Medway Council Major Emergency Plan (MEP). The CBCP is approved by the Strategic Risk Management Group and is refreshed after lessons identified through testing or an activation e.g. snow.
- 3.38. The Council's internal audit function, delivered through the Audit & Counter Fraud Shared Service, exists to support the organisation in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes; RM is therefore considered in every audit review undertaken. In addition, standalone audits of the council's RM processes are scheduled bi-annually and EP and BC are considered in the risk assessment which drives the annual Audit & Counter Fraud Plan. Audits were most recently undertaken of RM Compliance in May 2019, BC Planning in June 2018 and EP in May 2017.
- 3.39. The Strategic Risk Management Group has responsibility for the governance of RM, EP and BC across the Council. It meets quarterly and has senior manager representatives from each Council Directorates in attendance, as well as a representative from Audit & Counter Fraud.

#### 4. Risk management

- 4.1 There are no direct risk management implications to this report.

#### 5. Financial implications

- 5.1 There are no financial implications for this report.

#### 6. Recommendations

- 6.1 Members are asked to note the contents of this report.

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#### Appendices:

None

#### Background papers:

The Risk Strategy  
The Strategic Risk Register  
Emergency Plan  
Corporate Business Continuity Plan