North Lanarkshire Council
Report

Audit and Scrutiny Panel

☐ approval   ☒ noting   **Ref**   AM   **Date**   10/12/20

Risk Management Update: Key Corporate Risk – Business Continuity Planning

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Executive Summary

The Corporate Management Team has identified a number of key corporate risks which are subject to periodic review by management to ensure that the risk is properly understood and is being adequately controlled.

The purpose of this report is to provide the Panel with an overview of management's current assessment of Corporate Risk 'Business Continuity Planning' with particular reference as to how the current arrangements have performed during the current pandemic.

The report also highlights the current key management processes and controls which are designed to mitigate this risk, as well as any planned actions which are intended to enhance current controls or to mitigate the risk further.

Recommendations

It is recommended that the Audit and Scrutiny Panel:

1. Consider whether there are any issues arising from this report, on which the Panel would like to receive further information;
2. Otherwise note the contents of this report.

The Plan for North Lanarkshire

Priority   All priorities

Ambition statement   All ambition statements

1.   Background

1.1   As part of the agreed approach to the management of key corporate risks, each risk has a nominated member of the Extended Corporate Management Team (ECMT) as Risk Lead. Each risk has also been assigned to a relevant Corporate Working Group/Management Team for ongoing assessment, monitoring and review. Reviews are done on a frequency aligned to residual risk rating.

1.2   Under the Risk Management part of its agenda and in order to properly fulfil its role, the Panel is seeking to receive more detailed reports on the management of some of the key corporate risks. For this cycle, it has been agreed that a report be submitted on Corporate Risk 'Business Continuity Planning'.

1.3   This particular risk is aligned to the Corporate Resilience Management Team, with the Head of Regulatory Services & Waste Solutions identified as the Corporate Risk Lead.

1.4   Business continuity planning has been identified as a key corporate risk largely due to the need to effectively manage threats to service delivery given the essential nature of many Council services and the importance of the Council being able to continue to provide services in the light of some of the potential impacts of service disruption e.g. as a result of non-availability of staff and assets due to a severe weather event, fire, flood, cyber-attacks or other failure event within the Council's IT Infrastructure. Most notably however, effective business continuity planning has been integral in ensuring that the Council has continued to deliver its critical services during the current pandemic.

1.5   The Civil Contingencies Act 2004 and the Civil Contingencies Act 2004 (Contingency Planning) (Scotland) Regulations 2005 define local authorities as Category 1 Responders and as such we are required to fulfil certain statutory obligations in respect of contingency planning and business continuity.

1.6   Following an internal audit report in November 2018, although it was noted that there had been significant progress in improving the Council's overall Business Continuity arrangements, a number of additional actions were still identified as being required to further improve the Council's overall resilience through effective Business Continuity Planning (BCP).

2.   Report

2.1   An initial 'deep dive review' of this risk was presented to Audit and Scrutiny Panel in August 2017 with a residual risk rating of 15 – which signifies a "high" risk. Following the latest management review, the 'deep dive review' of this risk (at Appendix 1) has recently been reviewed and updated in light of the recent pandemic with an unchanged residual rating of 15 HIGH. Although the residual rating remains unchanged and at a "high" level, this is always to be expected due to the nature and complexities of the risks involved within this area.

2.2   A key recommendation from the internal audit report was the introduction of corporate guidance relevant to Business Continuity. The purpose of this would be to:

- Allow a more consistent approach towards BCP across all Council Services;
- Ensure that all Plans are regularly reviewed, updated and tested;
- Ensure that failure of critical IT infrastructure/ systems are part of BCP; and

- Ensure that periodic assurance is provided by all Senior Managers that appropriate and robust BCP is in place to cover all service areas.

2.3 In response to the above, the Resilience Development Team produced a standard Business Continuity Guidance document. A copy of the document is attached as Appendix 3 to this report.

2.4 The document provides specific guidance on key areas of BCP together with standard templates which will assist all Services in delivering an improved and standardised approach towards BCP.

2.5 Included within the guidance is an assurance return which all Heads of Service will be required to complete on an annual basis. This reflects a further key recommendation of the internal audit report and confirms that effective Business Continuity management is in place across all Service areas. The first return date for assurance returns was set at the 18th September 2020 and all returns have now been received from each Head of Service.

2.6 At the same time as the guidance document being released, work has already been undertaken to update and improve BCP across all Council Services. This has been coordinated by the Resilience Development Team through assistance from the Business Continuity Champions within each Service area. This review was significantly influenced by the lessons learned from the pandemic and the risk of a potential 'second wave'. All services have been asked to fully review their business continuity arrangements with specific reference to:
- Sudden loss of access to central IT provision to reflect increasing reliance on home working;
- Significant loss of staff for a period of 14 days;
- A reduced availability of central office provision; and
- Enhanced lock down provision similar to that experienced in March/ April.

2.7 This review was completed on the 31st October and the consequence of this is that a revised Corporate Business Continuity Plan is now in place: http://connect/CHttpHandler.ashx?id=44828&p=0 and this is further supported with detailed BCP's at each Service level.

2.8 The robustness of this updated Plan can be shown in the most recent exercise undertaken by the Council to test the resilience of its' Services against the 5 Levels of the new National Strategic Framework for COVID. The outcome from this exercise is shown in Appendix 2 and demonstrates that even at Level 4 restrictions, 84% of all Council service activities will continue, 10% would be reduced and only 6% would be stood down. Of those that would reduce or be stood down, none are listed as critical services and are the areas of business which you would expect to close under Level 4 restrictions – gyms, leisure facilities etc.

2.9 Also included within the guidance document is a summary of the Council's ongoing preparation to develop specific Business Continuity arrangements relevant to Power Resilience and how the Council will respond to a 'black start' event – the complete loss of power across the national grid. Original proposals were to provide emergency generator provision at the Civic Centre. However due to the costs involved and ongoing office rationalisation proposals, it was agreed to pause the introduction of such

arrangements. As an interim measure, arrangements are now being made to utilise the Council's CCTV centre within Coatbridge as a coordination hub in the event of any 'black start' event.

2.10   Further detailed guidance on 'black start' has now been released by the Scottish Government and the Resilience Development team is now preparing a Council document in line with the new guidance. A copy of this new policy will be submitted to the Council's Environment and Transportation Committee in the New Year.

2.11   In addition to the above, there has also been a review of the entire suite of Resilience documents to reflect the recent changes within the Council. This includes an updated Corporate Resilience Plan, Rest Centre Information Guide and Emergency Out of Hours directory.

2.12   Following approval of the updated Resilience Planning and Business Continuity arrangements by the CMT, information on the new guidance and the new Resilience documents was issued to all senior officers and updated on the Council's intranet system: http://connect/index.aspx?articleid=20534.

2.13   To allow all Services to review their own revised Business Continuity arrangements and the new Corporate documents, two Resilience Response Awareness Sessions were organised for the 4th and 12th June 2019 and were well attended by senior officers across all Services within the Council. Repeat events such as this will be arranged by the Resilience Development Team over the coming year.

2.14   The Council has an ICT Disaster Recovery (DR) plan which provides support and guidance to the Disaster Recovery Team – comprising ICT management, staff and service delivery partners - to recover from a significant disruption to ICT services.

2.15   The DR plan focuses on actions, process and timelines required to recover core/priority systems, applications and data hosted within the Council's two datacentres, but does not detail how services should maintain business as usual in the absence of their key systems.

2.16   An overview of the DR Plan and testing arrangements was presented to the Audit and Scrutiny Panel in September 2019. This report advised that maintenance of the DR plan would be incorporated into the DigitalNL programme to ensure continuity and consistency of approach is maintained during the period of significant change.

2.17   As members are aware, the Council engaged a specialist system integrator (SI) partner to develop, build and implement the technology changes envisaged within the DigitalNL transformation programme. Working collegiately with the SI, an independent view of DR requirements will take place during the discovery and design stages, with outputs considered by the Council's Enterprise Architecture Governance Group, who have a remit to ensure DR arrangements are considered and implemented consistently going forward.

3. Equality and Diversity

3.1 Fairer Scotland Duty

3.1.1 There is no requirement for any assessment.

3.2 Equality Impact Assessment

3.2.1 There is no requirement for any assessment.

4. Implications

4.1 Financial Impact

4.1.1 There are no financial impacts associated with this report.

4.2 HR/Policy/Legislative Impact

4.2.1 Delivery of effective Business Continuity Planning is essential in fulfilling the Council's statutory obligations. Adoption of these guidance notes will assist in that regard.

4.3 Environmental Impact

4.3.1 There are no environmental impacts associated with this report.

4.4 Risk Impact

4.4.1 This BCP risk ensures appropriate management and monitoring of the risks to successful achievement of effective BCP, and will increase the likelihood of delivering effective BCP arrangements.

5. Measures of success

5.1 Effective Business Continuity Planning will ensure the delivery of critical services in the event of a major incident.

6. Supporting documents

6.1 Appendix 1 – Deep Dive Risk Review of Corporate Risk 'Business Continuity Planning'.

6.2 Appendix 2 – Service Readiness Assessment

6.3 Appendix 3 – Business Continuity Guidance Notes

Andrew McPherson
Head of Regulatory and Waste Solutions

Appendix 1 - Deep Dive Risk Review of Corporate Risk 'Business Continuity Planning'.

Deep Dive Report RIS0000015	Risk Title Business Continuity Planning	Owner Andrew McPherson

Risk Context	Latest Assessment 14 November 2020
Following crises in preceding years, the Civil Contingencies Act 2004 (Contingency Planning) (Scotland) Regulations 2005 were laid before the Scottish Parliament on 7th October 2005, and came into force on 14th November 2005. This provides the legislation for the Scottish dimension of civil protection in the UK, in terms of the Civil Contingencies Act 2004. Part of the Act requires businesses to have continuity planning measures in place in order to survive and continue to thrive, whilst working towards keeping the incident as minimal as possible. In accordance with the Act, North Lanarkshire Council has a duty to make relevant provisions and this forms an important part of the Council's Resilience Development functions. NLC has a statutory duty to provide a range of services to service users. Many of these services are time critical and must be provided within the current day, as failure to deliver could have a major impact on service users and other stakeholders e.g. home care support, gritting of roads etc. It is the responsibility of each Service within North Lanarkshire Council to detail their specific Business Continuity arrangements which would be enacted, as appropriate, to mitigate the impact of an emergency, complying with the following timescales:- Within 24 hours; 1-3 days; 4-7 days and 7+ days. The robustness of the Council's arrangements can be shown in the response to the recent pandemic where it was demonstrated that all critical services were maintained. Further, the most recent exercise undertaken by the Council to test the resilience of its' Services against the 5 Levels of the new National Strategic Framework for COVID, demonstrates that even at Level 4 restrictions, 84% of all Council services will continue, 10% would be reduced and only 6% would be stood down. Of those that would reduce or be stood down, none are listed as critical services and are the areas of business which you would expect to close under Level 4 restrictions - gyms, leisure facilities etc. With regards to the concerns over EU Exit, work continues across NLC to gain a better understanding of the potential risks and impacts on organisational ability to provide services at expected level of costs and quality. It is expected that BCP arrangements will be revised to reflect any changes when details of the final outcome of the EU Exit discussions are known.	**Next Assessment** 28 January 2021 **Frequency** Every 3 Months

Risk Description	Organisation Structure
The council fails to meet expected service delivery standards and/or legislative or statutory requirements and provides a poor response to disruptive external and internal events which result in a loss of people, buildings or IT systems e.g. as a result of a pandemic, non-availability of staff and assets, fire, flood, cyber-attack or other failure event (either internally or externally i.e. cloud based). **Due To** There being inadequate and ineffective Business Continuity Planning (BCP) arrangements in place. **Impact** Critical services or business operations being interrupted for more significant periods of time than would be acceptable and/or a failure to effectively safeguard service users or meet key legislative or statutory requirements.	North Lanarkshire Corporate

Corporate Priorities

• Improving economic opportunities and outcomes
• Supporting all children to realise their full potential
• Improving the council's resource base
• Improving relationships with communities and the third sector
• Improving the health, wellbeing and care of communities

Inherent Assessment ASM0000015	Likelihood - 5	Impact - 4	**High** - 20

Likelihood Reason

Experience shows it is almost certain that from time to time events will happen that will impact on the Council's ability to deliver key services or knock out critical processes or assets which support service delivery.

Impact Reason

Without a detailed understanding of potential threats and time critical services it is not possible to fully understand potential impacts to service users, stakeholders and NLC and to consider how the Council should respond, and without effective business continuity management arrangements, the council's response to managing these impacts and returning service delivery to expected levels will be unplanned and as a consequence is likely to be poorly co-ordinated and implemented.

Controls and Actions	Owner	Status	Completion Date
CON0000672 - Annual reporting of Business Continuity to both Corporate Management Team and Environment & Transportation Committee.	Andrew McPherson	Implemented	28 January 2019
CON0000183 - Clear ownership of BCM risk and proven skill set	Andrew McPherson	Implemented	20 November 2019
ACT0000088 - All functions to finalise detailed business continuity plans including disaster recovery procedures.	Andrew McPherson	Complete	31 July 2018
ACT0000410 - Annual Business Continuity Return to be drafted and circulated to all Heads of Service.	Andrew McPherson	Complete	30 August 2019
CON0000184 - Approved Corporate BCP now in place covering all Council services, including disaster recovery procedures.	Andrew McPherson	In Progress	
ACT0000089 - Annual testing of BCP Plans, including arrangements in respect of ALEO delivery, by all functions.	Andrew McPherson	Complete	31 August 2019
ACT0000406 - Ensure that procedures in the event of the loss of ICT systems are documented in all disaster recovery plans	Andrew McPherson	Complete	30 November 2019
ACT0000407 - BCP/DR Plans to be updated to reflect changing organisational structure	Aileen McMann	Complete	31 March 2019
ACT0000408 - Consider at least one area of each Service's BCP to be peer reviewed/independently challenged at an appropriate point in the future. Review appropriateness at next risk review 28-01-2021.	Aileen McMann	Raised	28 January 2021
ACT0000409 - The ICT Disaster Recovery Plan to be reviewed and updated as a matter of urgency.	Katrina Hassell	Complete	30 October 2019
ACT0000411 - Specific Business Continuity Arrangements are being drafted to reflect response in the event of a Power Resilience event.	Andrew McPherson	Underway	31 January 2021
CON0000185 - BCP Champion within each Service is responsible for BCP development through their respective business functions, using standard methodology and documentation, with feedback to Resilience Development Unit (RDU) and Risk Lead	Andrew McPherson	Implemented	28 January 2019
ACT0000090 - Establish annual reporting of position with Business Continuity to CMT and Environment & Transportation Committee	Andrew McPherson	Complete	30 September 2018
CON0000186 - BCP Core Group established and meeting regularly Chaired by Resilience Development Co-ordinator	Aileen McMann	In Progress	
ACT0000091 - Ensure that services dependent upon ALEO/external partner service delivery, formally document processes and procedures to be followed should such arrangements end prematurely.	Katrina Hassell	Complete	31 December 2019

ACT0000093 - The Covid 19 emergency required ALEOs to focus on essential services and plans to review their BCP arrangements were not progressed as council staff and services prioritised responding to the pandemic. A review of these arrangements will take place once the emergency is over - lessons learned from the pandemic will be incorporated as appropriate.	Katrina Hassell	Raised	30 June 2021
ACT0000535 - Consideration of Impacts on service BCPs as a result of asset rationalisation through BCP Core group and service management teams. Update at Nov 2020 - This will be covered by the ongoing review of individual BCP's within Services and will depend on which buildings will be available and where Services are allocated their 'base'. Services have completed a complete review of their BCP through the current review and completed by 31st October. Once we have allocation of office accommodation this should be complete. Review position again at end January 2021.	Aileen McMann	Underway	31 January 2021
CON0000673 - Corporate Guidance for Business Continuity in place	Aileen McMann	Implemented	18 June 2019
ACT0000412 - New Corporate Guidance for Business Continuity drafted and presented to all Heads of Service	Aileen McMann	Complete	30 April 2019
CON0000836 - Annual assurance return framework now in place and to be made by all Heads of Service covering: - Annual testing and review of BCP's - Documented arrangements and procedures in respect of failure of ALEO/External Partner service delivery - Procedures in the event of the loss of ICT systems are documented in all disaster recovery plans.	Andrew McPherson	In Progress	
ACT0000534 - Annual assurance return to be completed by each Heads of Service to ensure: - Annual testing and review of BCP Plans - Documented arrangements and procedures in respect of failure of ALEO/External Partner service delivery - Procedures in the event of the loss of ICT systems are documented in all disaster recovery plans.	Andrew McPherson	Complete	31 August 2020
ACT0000536 - Guidance to be provided to services on how testing can be achieved.	Aileen McMann	Complete	2 March 2020

Residual Assessment ASM0001259	**Likelihood -** 5	**Impact -** 3	**High -** 15

Likelihood Reason

The likelihood of an emergency incident affecting the Council is almost certain within a 12-month period.

Impact Reason

A new BCP methodology has been developed and there is a focus across all Services on consistent and comprehensive completion of detailed business continuity planning based on critical activities and their Recovery Time Objectives (RTOs). However, irrespective of the controls in place, an emergency incident by definition, will always have a degree of impact on the Council and potentially its residents.

Appendix 2 – Service Readiness Assessment

Total business areas:	425

	Service continues	%	Service reduced	%	Service stood down	%
Level 0	415	98%	7	2%	3	0.7%
Level 1	415	98%	7	2%	3	0.7%
Level 2	404	95%	18	4%	3	0.7%
Level 3	388	91%	31	7%	6	1.4%
Level 4	358	84%	43	10%	24	6%