

OVERVIEW AND SCRUTINY BOARD

29th March 2006

STRATEGIC RISK REGISTER AND BUSINESS CONTINUITY MANAGEMENT

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Summary

1. To provide Scrutiny with information relating to:
 - the third quarter monitoring of the Council's Strategic Risk Register 2005/06
 - the Council's approach to strengthening one method of mitigating risk, Business Continuity Management (BCM).

Introduction

2. The focus of good risk management is the identification and treatment of risks. Risk management in public sector organisations has gained an increasing profile over the last few years. Previous internal and external audits identified the Council's risk management approach as in need of development. However, significant progress has been made and external auditors recently stated, "The Council is performing strongly on Risk Management" [1]. This progress included producing a revised Corporate Risk Management Strategy 'a sense of proportion', which builds upon the previous strategy 'Chance or Choice' and a revised Strategic Risk Register, aligned to the Community Strategy themes.
3. The Council is continually striving to improve its approach to risk management one element of which is Business Continuity Management. The Council intends to strengthen its approach to BCM. BCM is the main method used to mitigate the risk of external factors, which might prevent the Council from continuing its service delivery in the event of a major incident.

Evidence / Discussion

STRATEGIC RISKS MONITORING, APRIL 2005 – DECEMBER 2005

4. There are fifty-one risks on the Strategic Risk Register 2005/06, these are categorised in line with the Council's six Community Strategy themes and the Council's overarching 'Fit for Purpose' priority as detailed in table 1.

Table 1 – Number of risks by Community Strategy Theme

Community Strategy Theme	Number of Risks
Supporting children and learning A new risk was added at quarter two: 'Failure to achieve the smooth transfer of the Connexions Service from Tees Valley to Middlesbrough as one of the constituent local authorities'	9
Promoting healthier communities and effective social care for adults	6
Creating safer and stronger communities	3
Transforming our local environment	8
Meeting local transport needs more efficiently	2
Promoting the economic vitality of Middlesbrough	5
Fit for purpose	18
Total number of risks on the 2005/06 Strategic Risk Register	51

5. A full version of the Strategic Risk Register 2005/06 complete with the third quarter update is available upon request from Jacky Booth, Senior Corporate Performance Officer, Performance and Policy.

MAIN ACHIEVEMENTS

6. Actions completed to date to help mitigate identified risks are shown in table 2.

Table 2 – Main actions completed in each Community Strategy Theme

RISK FACTOR & POTENTIAL RISK	COMPLETED ACTION
SUPPORTING CHILDREN AND LEARNING	
Ineffectiveness of the partnerships delivering the Supporting Children and Learning theme - resulting in a loss of focus on outcomes and reduced ability to deliver these outcomes.	Development of Duty to Co-operation Group.
Failure to identify problems delivering Building Schools for the Future (BSF).	Resource assessment report produced by external consultant with BSF experience.

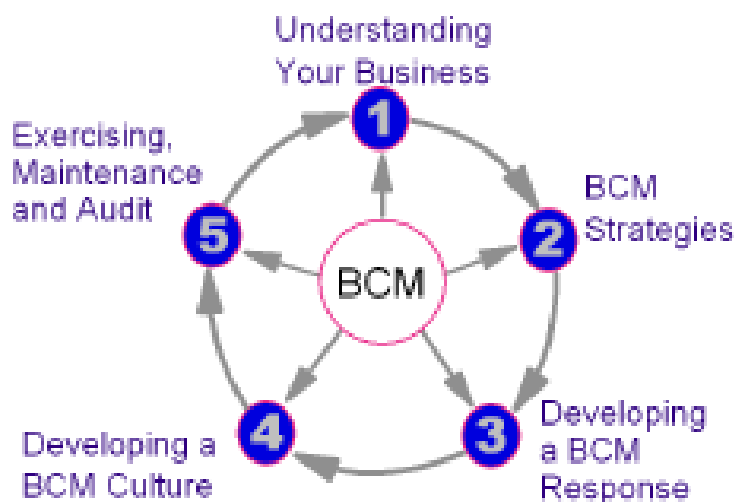
RISK FACTOR & POTENTIAL RISK	COMPLETED ACTION
PROMOTING HEALTHIER COMMUNITIES AND EFFECTIVE SOCIAL CARE	
Ageing population leading to an inability to provide statutory care services.	Block contracting arrangements for domiciliary care and nursing home care in place.
Inability to react to the requirements of the Adults Green paper due to a lack of understanding and /or lack of capital.	<p>National and Regional Association of Directors of Social Services (ADSS) meetings ran from April 2005 to July 2005.</p> <p>Consultation period ended 28-07-05 with:</p> <ul style="list-style-type: none"> • Users • Carers • Council staff • Other voluntary organisations e.g. Age Concern
CREATING SAFER AND STRONGER COMMUNITIES	
Fear of crime not reduced.	7 promotional events have been held to date for the Megaphone Man campaign.
Alcohol related disorder – reducing uncontrolled outdoor drinking.	Alcohol free zone is now in place and new licensing arrangements since November 2005.
TRANSFORMING OUR LOCAL ENVIRONMENT	
Middlesbrough Partnership fails to deliver the Local Public Service Agreement (LPSA) agenda for Improving the Public Realm.	Draft report completed for a Green Spaces Strategy and presented to CMT.
Funding for new estates is not provided and resources are taken from other areas resulting in a lower score.	Complete. Executive approved £150k funding on August 2 nd 2005.
Recycling level does not improve with 2 nd kerbside recycling scheme not materialising.	Abitibi appointed and contract underway.
High quality key facilities not provided – skate park.	Opened November 6 th 2005 with very good initial attendance figures.

RISK FACTOR & POTENTIAL RISK	COMPLETED ACTION
MEETING LOCAL TRANSPORT NEEDS MORE EFFICIENTLY	
Failure to submit Local Transport Plan (LTP).	On target for completion in March 2006 as the provisional LTP 2006-2011 was submitted on 29 th July 2005.
PROMOTING THE ECONOMIC VITALITY OF MIDDLESBROUGH	
Regional and sub-regional documents - changes at regional and sub-regional levels aggregate decision-making responsibilities so as to disadvantage small authorities at the expense of larger ones and advantage Tyneside at the expense of Teesside.	Active engagement with Government over population figures complete. Population figures have been increased. Mayor's Raising Hope Agenda is built into key documents e.g. Service Plan, and informs, for example, the Local Development Framework.
Housing Market Renewal (HMR) programme - scale and nature of problem overwhelming staffing capacity.	Additional resources secured in medium term financial strategy to support staffing.
FIT FOR PURPOSE	
Central Government controls. Failure to develop a clear Council vision which complements the community strategy and which is based upon the shared national and local priorities.	Completion of Community Strategy 2005, Corporate Performance Plan 2005/06 and embedding of Performance Management Minimum Standard with revised standard taken to CMT in December 2005.
Health and Safety legislation, (including property). Council is in breach of Health and Safety legislation or fails to follow good practice, resulting in avoidable accidents and resource intensive and costly legal action.	Completion of a new inspection programme and amended action plan. The Boiler and Engineering and Heating and Ventilation maintenance contracts were extended for 2005/06 with Streetscene.
Equal pay legislation - rate of progress in implementing Single Status could mean that in some areas equal pay claims could succeed which would be costly.	Agreed timetable with Trade Unions for second phase of Single Status Job Evaluation.
Sickness absence. Failure to reduce high sickness absence rates affecting service delivery, increasing costs and inability to meet Gershon efficiency targets.	Recruitment to post for an officer to undertake pilot attendance management initiatives has been completed. Sickness absence targets set for each department with monthly monitoring via CMT and Corporate Managers' Best Practice Group. Attendance Management Action plans developed.

7. Middlesbrough Council's approach to risk management has been deemed by external auditors to be a strength, however, there is still room for further improvement. An area of risk management that can be further strengthened is the Council's approach to BCM.

Business Continuity Management

8. BCM is a holistic management process that identifies potential impacts that may threaten an organisation. It provides a framework for building resilience and the capability for an effective response to a major incident. The BCM process is shown below.



9. The key output from Business Continuity Management is a Business Continuity Plan. A Business Continuity Plan documents how, in the event of any type of disaster/disruption/emergency i.e. a fire, IT failure, flood, loss of staff or any type of threat whether it be external or internal, a business will return to normal and restore full services within a reasonable timescale.
10. The Council has ensured through its partnership with HBS that Council-wide Business Continuity Plans are in place in high priority areas (e.g. customer services) and high-risk areas (e.g. IT). The specific functional areas covered by Business Continuity Plans include:
- IT Services covering all the Council's IT systems
 - HR and Employee Services including; payroll, health and safety, training, communications and HR advisory
 - Financial Services
 - Customer Services including; Contact Centre, Middlesbrough House, reception areas, and Careline.
11. The Council intends to further strengthen its BCM approach and to align it within the Risk Management Framework by implementing the following changes:
- the Deputy Mayor becomes Risk Management and BCM Champion for members
 - the Chief Executive becomes Risk Management and BCM Champion for CMT
 - the directorate risk champions become Risk Management and BCM Champions
 - the risk forum is expanded to include BCM and becomes the Risk and BCM Forum.

12. The actions outlined below will further strengthen the Council's approach to BCM.

Action	Timescale
Agree a BCM framework	March 2006
Appoint consultants to assist with Business Impact Analysis	March 2006
Produce a draft BCM Strategy	March 2006
Directorates to prepare for Business Impact Analysis (advice to be given by Performance and Policy)	Prior to workshops
Undertake a Business Impact Analysis across the Council	24 – 26 April
Undertake BCM awareness training / workshop for all Directors, Heads of service, BCM champions and other relevant staff	
Produce a council-wide generic BCP	May 2006
Produce generic BCPs for each directorate	June 2006
Provide BCM awareness training for all members	December 2006
Provide BCM awareness training for staff, via a corporate training programme	February 2007
Audit BCM process and BCPs	February 2007
Revise BCM process and BCPs	March 2007

CONCLUSION

13. That Scrutiny note the progress made to mitigate the 2005/06 Strategic Risks and the actions to be undertaken to strengthen the Council's approach to BCM.

**Report prepared by
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[1] CPA Use of Resources, annual auditors scored judgement, December 2005.