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**REPORT TO: CORPORATE COMMITTEE ON 23 APRIL 2024**

**SUBJECT: RISK MANAGEMENT AND BUSINESS CONTINUITY POLICIES**

**BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND ORGANISATIONAL DEVELOPMENT)**

**1. REASON FOR REPORT**

- 1.1 To seek approval of the updated Risk Management Policy and Business Continuity Policy for the Council.
- 1.2 This report is submitted to Committee in terms of Section III (B) (41) of the Council's Scheme of Administration relating to the formulation and review of council policy, strategy, and objectives in relation to cross cutting issues which do not fall within the remit of service committees.

**2. RECOMMENDATION**

- 2.1 **Committee is asked to consider current risk management and business continuity arrangements within the Council and approve:**
  - (i) **The updated Risk Management Policy in Appendix 1;**
  - (ii) **The updated Business Continuity Policy in Appendix 2.**

**3. BACKGROUND**

- 3.1 The council has statutory obligations in relation to Risk Management and securing good governance in terms of the Local Government in Scotland Act 2003 (duty to secure Best Value) and to Business Continuity in terms of the Civil Contingencies Act 2004.
- 3.2 Currently within the Council the Corporate Risk Register is reported regularly to the Corporate Committee. Services, to varying extents, maintain risk registers and business continuity plans which help inform the Corporate Risk Register. Risk registers exist for some major projects and work takes place across services for cross cutting risks, for example consideration of the impact of an interruption to fuel supplies.

- 3.3 The Council's recently appointed Risk Management and Business Continuity Officer (0.5 fte) maintains the Corporate Risk Register and provides advice to services over their registers and plans, working in conjunction with the Emergency Planning Officer (1 fte).
- 3.4 In order to make best use of the available resource, priority has been given to:
- Reviewing and updating the Corporate Risk Register which summarises, at a strategic level, the principal risks facing the council..
  - Refining the agreed list of critical services in terms of business continuity. This list was updated during the pandemic and identifies services assessed as likely to have the greatest adverse harms should they be interrupted for any reason.
  - Working initially with sample services to gain insight into the current managerial approach to both risk management and business continuity to aid development of policy and practice.
  - Updating the policy documents and linked manager toolkits/ guidance notes having regard to organisational change, for example, more flexible ways of working; greater use of use of technology, and rationalisation of the council estate.
- 3.5 It is noteworthy from the work done and documentation reviewed thus far that there is a commitment on the part of managers to manage down any risks so far as is practicable and ensure that they can maintain continuity of their services. All this in many instances without specifically putting risk management or business continuity 'labels' against the actions that routinely form part of day-to-day service operations.
- 3.5 Examples of 'routine' business continuity arrangements are evident across multiple service areas. These include in building control, roads, housing, and social care, where staff teams respond to requests for support both within and out-with normal working hours as required. There are also situations that arise from time to time where staff 'step up' to deal with emerging risk and continuity issues, a recent example being the disruption at Forres Academy, where the risk of collapse of Reinforced Aerated Autoclave Concrete was re-evaluated at short notice in light of experiences elsewhere.
- 3.6 So there is a significant amount of risk management and business continuity activity already ongoing, and the need principally is to formalise the evidencing of this in a structured manner. The updated policy documents, given as **Appendices 1 and 2**, supported by guidance notes for managers and staff, should assist.
- 3.7 Importantly, it should be noted that solutions in terms of maintaining or increasing resilience are dependent on resources available and the capacity of services to adapt to any situation that may present. This is increasingly challenging given the changing environment in which the council operates. There will be a need for acceptance and tolerance of a higher level of risk than was hitherto required, and business continuity planning is likely to face limitations where services are operating with reduced levels of resource. As with all change, there are positives and negatives. For example, the 'smarter

working' initiative will improve the flexibility of that part of the workforce working from multiple venues, whereas concentrating depot activity in fewer locations creates the potential for greater disruption should one of these locations become unavailable for any reason.

- 3.8 The process of identifying and evaluating risk issues does however aid transparency and provide clarity as to where risk exposures may remain, with some level of risk having to be accepted if the cost of mitigation, in relative terms, is considered to be unaffordable. This in essence reflects the risk appetite of the organisation when developing relative priorities.

#### **4. SUMMARY OF IMPLICATIONS**

##### **(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

Effective management of risk aids the organisation to achieve strategic planning objectives and business continuity planning seeks to ensure, so far as is practicable, that any disruption to delivery of services linked to these objectives is minimised.

##### **(b) Policy and Legal**

The council has statutory obligations in relation to Risk Management and securing good governance in terms of the Local Government in Scotland Act 2003 and to Business Continuity in terms of the Civil Contingencies Act 2004.

##### **(c) Financial implications**

There is no separate budget for any improvements identified through the risk management or business continuity processes; where these require additional funding, this will require to be met from existing budgets.

##### **(d) Risk Implications**

The tasks outlined in this report support good governance arrangements of the council; effective management of risk limiting exposure to negative consequences, and business continuity aiding services to be maintained, in particular, for those who rely on them most.

##### **(e) Staffing Implications**

There are demands on staff time within services to undertake this work which require to be met from existing resources.

##### **(f) Property**

There are no implications.

##### **(g) Equalities/Socio Economic Impact**

There are no implications.

**(h) Climate Change and Biodiversity Impacts**

With both disciplines focussing on mitigation measures, any proposals arising are unlikely to have any adverse impacts relative to climate change or biodiversity.

**(i) Consultations**

Council Group Leaders and CMT/SMT have been consulted and any comments received incorporated into the report and the accompanying policy documents.

**5. CONCLUSIONS**

- 5.1 The changing environment in which the council operates brings with it an ongoing need to ensure risks are managed down and continuity of services is maintained so far as is practicable. This work is being progressed in various ways as outlined in this report.**

Author of Report: Atholl Scott, Business Continuity and Risk Management Officer  
Background Papers: None  
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