

## **Cabinet**

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**Date of Meeting:** 10 July 2018

**Report Title:** Risk Management and Business Continuity Policy Statements

**Portfolio Holder:** Cllr Paul Findlow, Corporate Policy and Legal Services

**Senior Officer:** Daniel Dickinson, Acting Director Legal Services

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### **1.0 Report Summary**

1.1 Cabinet has responsibility for approving the Council's Risk Management Policy and Risk Appetite Statement and the Council's Business Continuity Policy Statement and Strategy, following reference to and recommendation from the Audit and Governance Committee. In order to support Cabinet in fulfilling its role this report provides Members with;

- an updated Risk Management Policy and Risk Appetite Statement set out in Appendix A; and
- a Business Continuity Policy Statement and Strategy set out in Appendix B.

### **2.0 Recommendations**

2.1 That Cabinet

2.1.1 Approve the updated Risk Management Policy and Risk Appetite Statement as set out in Appendix A; and

2.1.2 Approve the Business Continuity Policy Statement and Strategy as set out in Appendix B.

### **3.0 Reasons for Recommendations**

3.1 Risk management is central to good governance and effective strategic management. Cheshire East Council is publicly accountable and must be able to demonstrate effective management of the kinds of risks which threaten the achievement of its strategic objectives, the effectiveness of its operations, the reliability of its financial reporting, and the security and value of its assets. Risk Management provides a structured, consistent and continuous process across the whole of Cheshire East Council for identifying, assessing, deciding on responses to, and reporting on opportunities and threats that affect the achievement of the Council's Corporate Plan objectives and outcomes.

- 3.2 The benefit of a strong risk management framework from a governance viewpoint is that it gives a greater level of confidence that management have properly and adequately fulfilled their responsibility in operating an effective system of internal control. This in turn gives confidence to both Members and staff to support a higher appetite for risk, at a time when major change is necessary and desirable. Cabinet needs to provide a consistent, coherent, sustained and visible leadership in terms of how we behave and respond when dealing with risk. Publishing a clear risk management policy covering risk management philosophy and responsibilities helps to set our desired risk culture.
- 3.3 Business continuity management is concerned with developing an organisation's ability to provide critical services, or business processes in the event of an interruption, and incorporates all aspects of an incident lifecycle from identification of an incident through to resuming business as usual activities. The Council's corporate risk register identifies a wide range of threats which may disrupt services; these include capacity and resource threats, financial resilience, and technology threats which mean that the need for plans to deal with potential disruptions is more important than ever before.
- 3.4 This is reinforced by the Civil Contingencies Act 2004 (CCA), which imposes a statutory duty for the Council to be resilient. The Council recognises the importance of having effective business continuity management arrangements to ensure the effective identification, evaluation and management of business critical services. In order to achieve this, a new Business Continuity Policy Statement and Strategy has been drafted.
- 3.5 Following approval the policies will be reviewed annually and any necessary minor adjustments made.

#### **4.0 Other Options Considered**

- 4.1 The requirement for the Council to have a Risk Management Policy is long established with the last version being approved by Cabinet at its meeting on 9 February 2016. This report advises Cabinet of the outcome of the latest review.
- 4.2 Business Continuity is a specialist area of risk management and is an established requirement. The previous Business Continuity Policy was a sub policy of the risk management policy and was last approved on 22 July 2013. This report provides a new policy statement and strategy for approval.

#### **5.0 Background**

- 5.1 The Council's Risk Management Policy Statement was last approved by Cabinet at its meeting on 9 February 2016, since then a review of the policy has been undertaken and a small number of actions to improve the Council's risk management arrangements were reported to the Audit and Governance Committee in May 2018, This has resulted in an updated Risk Management Policy and Risk Appetite Statement which Cabinet is asked to approve. The Policy has been endorsed by the Corporate Leadership Team, and the Audit

and Governance Committee recommended its adoption to Cabinet at its meeting on 31 May 2018.

- 5.2 The Business Continuity Policy was last approved by Cabinet on 22 July 2013. A new Business Continuity Statement and Strategy has been endorsed by the Corporate Leadership Team, and the Audit and Governance Committee recommended its adoption also to Cabinet alongside the Risk Management Policy at its meeting on 31 May 2018.

## **6.0 Implications of the Recommendations**

### **6.1 Legal Implications**

6.1.1 The Accounts and Audit Regulations 2015 require the Council to have a sound system of internal control which includes effective arrangements for the management of risk and the Civil Contingencies Act 2004 (CCA) imposes a statutory duty for the Council to be resilient.

6.1.2 Alongside the need to protect the Council's ability to achieve its strategic priorities and to operate its business, general principles of good governance require that it should also identify risks which threaten its ability to be legally compliant and operate within the confines of the legislative frameworks. These policies are aimed at addressing those requirements.

### **6.2 Finance Implications**

Effective risk management and business continuity arrangements help to maximise opportunities, achieve service objectives and minimise loss events including those with financial consequences.

## **7.0 Policy Implications**

### **7.1 Equality Implications**

The Council's equality impact assessment process has been used throughout the development of the Risk Management Policy Statement and Business Continuity Policy and Strategy documents. The process has concluded that there is no need to proceed to a full equality impact assessment.

### **7.2 Human Resources Implications**

In order to ensure that the policies and strategy are implemented effectively, training will need to be delivered to Members, senior managers and staff to ensure that they are familiar with risk management and business continuity principles and aware of their responsibilities in relation to these two areas. Promotion and explanation of the policies through training sessions, and during induction sessions for new staff will take place. The requirements of the policy strategy and procedures will also need to be reiterated and discussed regularly at staff meetings to ensure they remain relevant.

### **7.3 Risk Management Implications**

The Council recognises that there are risks and opportunities involved in everything it does and that it has a duty to manage them in a balanced, structured and cost effective way. In doing this, the Council is better placed to achieve its objectives and enhance the value of the services it provides.

Taken together the Risk Management Policy and Appetite Statement and the Business Continuity Policy Statement and Strategy provide a framework by which managers and Members can view, manage and respond to risk (both threats and opportunities) in a robust and systematic way. An effective framework for managing risks and preparing resilience plans helps to ensure that every effort is made to manage risk appropriately to maximise potential opportunities and minimise the adverse effects of risk.

### **7.4 Rural Communities Implications**

There are no direct implications for rural communities.

### **7.5 Implications for Children & Young People**

There are no direct implications for children and young people.

### **7.6 Public Health Implications**

There are no direct implications for public health.

### **8.0 Ward Members Affected**

All wards are affected by the policies.

### **9.0 Access to Information**

Reports been provided to the Audit and Governance Committee of 31 May 2018 which recommends the policy statements and strategy for approval by Cabinet.

### **10.0 Contact Information**

Any questions relating to this report should be directed to the following officer:

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