

Audit and Corporate Governance Committee Report

Report of Head of Business & Information Systems

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AGENDA ITEM NO 4

Business continuity update

PURPOSE OF REPORT

1. The purposes of this report are to:
 - provide background information on business continuity
 - provide a summary and progress report on the council's business continuity arrangements
 - invite the Audit & Corporate Governance Committee to satisfy itself that the council has adequate arrangements for business continuity.
2. The committee has previously received reports on operational risks (March 2008) and strategic risks (June 2008). A separate aspect of risk management not covered in those reports is business continuity. As the committee has not received a report on business continuity since August 2006, and its membership has since changed, this report contains sufficient information of the council's approach to enable the committee to form a judgement on the adequacy of the council's arrangements.
3. The report will be preceded by a presentation on business continuity by Geoff Bushell, business improvement manager.

BACKGROUND

4. Business continuity is defined as the ability to maintain operations/services in the face of a disruptive event. There are a number of reasons why the council needs to have business continuity arrangements:
 - like any other organisation, the council needs to have plans in place to continue operations and continue providing services to its customers in the event of a disruption to its business
 - the Civil Contingencies Act 2004 places a duty on councils to “maintain plans for the purpose of ensuring, so far as is reasonably practicable, that if an emergency occurs, the body is able to continue to perform its functions”
 - our 2006 Comprehensive Performance Assessment report listed an explicit area for improvement that “business continuity arrangements need to be in place”
 - the existence of business continuity arrangements helps the council meet its strategic objective of “managing our business effectively”.
5. The Civil Contingencies Act 2004 also places a duty on councils to promote business continuity to local businesses and to make plans for the management of civil emergencies. While this report focuses mostly on our own business continuity arrangements, these other aspects are briefly covered in paragraphs 27 to 29.

PROGRESS TO DATE

6. In 2006, the council began to address the need to put business continuity arrangements in place. However it lacked the necessary in-house knowledge and capacity to develop this approach. After seeking competitive quotations, the council commissioned Garrison Continuity, a specialist business continuity consultancy, to assist the council with the development of business continuity arrangements across all service areas. We did this jointly with Oxford City Council to achieve cost savings and commonality of approach. The main aim of this work was to help ensure continuity of service provision in the event of a business disruption. Garrison Continuity has helped the council to implement a structured approach to business continuity, as described briefly in the following sections. The process is illustrated graphically and described more fully in the 2006 business continuity strategy which accompanies this report.

Risk assessment

7. The process began by all services undertaking an assessment of risk relating to business continuity, using the council’s existing risk register and risk management process.

Business impact analysis

8. The second stage was to undertake a business impact analysis. In this, heads of service and line managers identified critical functions, activities, key staff and key suppliers. These were prioritised, taking into account the time when each would be required following a business disruption. For example, we decided that benefits

payments would be required on day one of a disruption, because of their importance to claimants. However, we judged that the processing of planning applications could be delayed by several days without severe impact on residents. This prioritisation enables available effort to focus on immediate priorities.

Business continuity strategy

9. The third stage was the development of the strategy accompanying this report. This sets out a number of business continuity aims, the business continuity process, structure and documentation, disruption scenarios and the recovery strategy for each. The strategy covers the first two weeks of a business disruption, allowing time for alternative arrangements to be explored if the disruption is longer.
10. The 2006 business continuity strategy included an action plan for establishing business continuity arrangements. All actions in this plan have now been completed.

Detailed business continuity plans

11. Accompanying the strategy is a more detailed document describing the council's business continuity arrangements. This document is not included within the strategy because it contains sensitive detail about the council's arrangements that could be compromised if it were made known publicly.
12. In addition, the council has worked with Garrison Continuity to produce ten business continuity plans – one for each service, but with separate plans for human resources and facilities because of their different operational role.
13. Each service team has its own business recovery team with sufficient resilience to implement the business continuity plan in the event that one or more team members are unavailable.
14. We have created a specific business continuity plan for Cornerstone arts centre.

Supplier continuity plans

15. Because the council outsources many of its services, it is important that the business continuity arrangements with suppliers are part of its plan. In most existing contracts, there is no contractual requirement for a supplier to have business continuity management in place. We now have a policy that requires key suppliers to have business continuity arrangements in place. The pre-qualification questionnaire used for all major procurements asks for details of the supplier's business continuity arrangements and the evaluation of responses forms part of the selection process. The requirement to have business continuity arrangements has been written into recent and future contracts such as financial management and waste management.
16. We identified four essential services the council would have to continue to provide in the first two weeks of a disruption that are provided directly by suppliers (see page eight of the strategy). The cost of having a secondary 'reserve' supplier on standby would be too prohibitive so individual services are identifying potential alternative suppliers, and their contact details will be recorded in business continuity plans.

Crisis management plan

17. The council has developed a crisis management plan which will be implemented in the event of a disruption. This is owned by a strategic crisis team (SCT), whose role is to provide overall direction in recovery of service activities, to make decisions on the council's priorities and coordinate resource requirements across the organisation. SCT membership is the management team together with one person from management team support. Designated heads of service will act as backups. The SCT calls on support from teams who are likely to have a key role during a disruption, such as human resources, facilities (for office accommodation), ICT and communications.
18. The SCT will operate from a command centre at a local company's premises about a mile from council offices. As a backup, the council has reached a mutual agreement with Vale of the White Horse District Council that if an emergency affects one council, the other will provide accommodation and ICT facilities for the strategic crisis team to operate from.

ICT disaster recovery plan

19. We have put in place an ICT disaster recovery plan to cover the possibility that council's IT and/or communication systems are unavailable for a significant period of time following a disruption. This includes an external contract for the provision of 40 workspace positions in a dedicated secure office in Newbury with access to the necessary ICT equipment such as computers, servers and telephony. This facility would be used by key staff to operate priority services, and can be operational within a few hours following a disruption.
20. In addition, the council has a routine process for backing up all data stored on the IT network, emails etc and storing it offsite on a daily basis.

Relationship between plans

21. Page five of the accompanying business continuity strategy shows graphically the relationship between these various plans described above.
22. However, disclosure of the plans could compromise the council's business continuity arrangements, so they do not form part of the published strategy or this report.

Training and testing

23. Testing the plans ensures they are effective and work in practice. Garrison Continuity has provided training to heads of service and line managers so they know how to activate and use the plans. Each plan has been tested by operating a 'walk through' with a named business continuity team leader (normally head of service) and line managers.
24. We have stopped short of organising a full-scale test of the plan because of the unnecessary disruption this would cause to public services. However, we intend to repeat training and desk-top testing from time to time, especially when new staff join the council.

Review and maintenance

25. We have a schedule to ensure we review and update the plans every six months, for example to ensure that contact details of employees are up to date and they can be contacted in the event of a disruption. Plans have also been updated whenever there have been organisational structure changes.
26. Audit and Corporate Governance Committee is responsible for monitoring the council's risk management arrangements. Cabinet agreed in 2006 that the same arrangement should apply for business continuity.
27. Internal audit produced a report on business continuity planning on 31 March 2008. Of the nine recommendations, four have already been completed. The remaining actions will be addressed as part of the role of a new Corporate Risk Officer who takes up their post in December.

PROMOTION OF BUSINESS CONTINUITY TO LOCAL BUSINESSES

28. A further requirement of the Civil Contingencies Act 2004 is that the council provides advice and assistance to businesses and voluntary organisations in the district about business continuity management. The council has signed a legal agreement (agreed by Cabinet 8 December 2005) with Oxfordshire County Council in which the latter is charged with organising the promotion of business continuity to local businesses across Oxfordshire. We have worked with them by hosting some events at our offices.
29. Since 2006, three such sessions have been held here for South Oxfordshire businesses. Over 3,500 businesses were invited and approximately 50 attended. All invitees were also sent links to the council website which contains advice and help for businesses in setting up their own business continuity arrangements.

EMERGENCY PLANNING

30. A separate requirement under the Civil Contingencies Act 2004 covers the management of civil emergencies. The legal agreement mentioned above also covers Oxfordshire County Council's leadership of planning arrangements for civil emergencies. The council already has a civil emergency plan (managed by our emergency planning officer) that covers its role in such an emergency, updated in 2008 to reflect lessons learned from the July 2007 floods.

COMMUNICATION

31. Our business continuity plans are only of use if officers are aware of their existence. We have published several articles in Staff Briefing and intranet-based Inlook publication. We have also sent an email to all staff so they are aware of the plans and how to respond if implemented.
32. In the event that the council building is inaccessible, and/or the IT infrastructure disabled, we have uploaded all business continuity documents to a location which is completely independent of all council systems. We have given the details of how to access this to heads of service and the strategic crisis team.

FUTURE PLANS

33. An imminent challenge is to consider the implications of the merged senior management team shared with Vale of White Horse District Council. During 2009, this will result in the realignment of South and Vale functions into eight new services.
34. While there may continue to be differences between the two councils in practical business continuity arrangements, there will inevitably be a need to merge together existing business continuity plans to reflect the new structure. Fortunately, when Vale was considering implementing business continuity arrangements, they adopted our recommendation of using same consultants, and as a result have a similar approach to business continuity with key documents formatted in a similar way. This will make the task easier of converting plans into the new structure.
35. The council has recently appointed a Corporate Risk Officer whose role alongside risk management will include developing an action plan to ensure that business continuity arrangements are maintained and improved at South. We intend to explore with Vale what resource they have for managing business continuity, and one option would be to achieve efficiency and economy by one officer owning business continuity at both councils, providing both councils are prepared to share funding of this work.
36. Our business continuity strategy expires in 2009, and the management restructuring gives us the opportunity to update it to reflect the new structure and to consider harmonising business continuity and ICT disaster recovery arrangements with Vale, with potential efficiency savings.

CONCLUSION

37. The council now has fully integrated business continuity arrangements in place. This report shows that the council has responded to the business need for continuity arrangements, and addressed an area for improvement identified in CPA, as well as demonstrating good business practice. These arrangements meet the requirements of the Civil Contingencies Act 2004, demonstrate a more robust approach to risk management, and provide peace of mind that we can provide essential public services in the event of a disruption.
38. Audit and Corporate Governance Committee is recommended to:
 - note and comment on the arrangements described in this report and the accompanying business continuity strategy
 - form a view on whether the council has an adequate approach to business continuity.

ACCOMPANYING PAPER

- Business continuity strategy and action plan (Cabinet 3 August 2006)