

**PERTH AND KINROSS COUNCIL****Strategic Policy and Resources Committee****30 November 2016****Annual Risk Report 2015/2016****Report by Depute Chief Executive, Environment  
(Sustainability, Strategic and Entrepreneurial Development)****PURPOSE OF REPORT**

This report submits the Annual Risk Report 2015/16 for consideration by the Committee.

**1. BACKGROUND/ MAIN ISSUES**

- 1.1 The effective management of risk in the Council's activities is a vital part of supporting the delivery of positive outcomes for Perth and Kinross, and is a key part of the Council's strategic improvement framework.
- 1.2 If we do not manage risk effectively, the consequences can impact on the Council's reputation, its financial position, and safety of staff and the public. However, adopting an approach which is too risk averse can deprive the Council of the opportunities to be innovative and creative, in tackling the considerable challenges facing our public services.
- 1.3 Risk Management is part of the Council's overall governance framework. Governance around local government decision-making and delivery has never been so crucial or complex, as we continue to adapt to changing circumstances and develop more diverse and ambitious ways of working with partners and with our communities.
- 1.4 Elected Members have a key role in managing risks, as well as the scrutiny of Council services in mitigating these risks. This report contains the Annual Risk Report 2015/16, for corporate risks and Service risks (Appendix 1) which demonstrates the activity undertaken to mitigate the corporate and service risks to the Council, up to 31 March 2016.
- 1.5 The corporate risks are monitored monthly by the Executive Officer Team, with each risk being presented on a programmed rolling basis, over the year. Service risks are monitored and reviewed as regular items on the agenda of Service Senior Management Teams.

- 1.6 Previously, the Annual Risk Report has been presented to Committee concurrently with the Risk Management Strategy for the following period, and this was the original intention for this year's report. However due to the increasing pace of public service reform and other factors, a much more intensive review of risk and a new approach to risk is required. This work has been delayed due to the long term absence of a key member of staff leading on this work.
- 1.7 The key drivers for a significant change in our approach are:
- The impact of public service reform, with new operational models such as the Integration Joint Board for Health and Social Care.
  - The move to more partnership based working, through Arms Length External Organisations (ALEOs) such as Culture Perth and Kinross; collaborative working with other Councils; and our changing engagement with communities through local Action Partnerships.
  - With the challenges facing the Council we need to be more entrepreneurial and commercial in our approach, to create our authorising environment, where we are highly risk aware, but not risk averse.
- 1.8 To support the review of our risk management arrangements, an Internal Audit review of the current Risk Management Strategy was carried out as part of the audit plan for 2015/16, with the scope to ensure the adequacy of corporate risk management within the Council. This audit identified a number of opportunities for the Council to develop its risk management arrangements further, to provide greater levels of assurance to senior management and Elected Members that key risks are being managed effectively. These recommendations are being factored into our new approach to risk.
- 1.9 The new Risk Strategy and Framework are currently being updated to reflect recent changes arising from the Council's Annual Governance Statement, and will be submitted for consideration by the Strategic Policy and Resources Committee and Scrutiny Committee in January 2017.

## **2. CONCLUSION AND RECOMMENDATION**

- 2.1 Presentation of the Annual Risk Report gives the Committee an opportunity to review both the subject of corporate and service risks, and the measures being taken to manage these risks.
- 2.2 The Strategic Policy and Resources Committee Committee is asked to:
- (a) Approve the Annual Risk Report for 2015/16, detailed in Appendix 1.

**Author**

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**Approved**

<b>Name</b>	<b>Designation</b>	<b>Date</b>
Jim Valentine	Depute Chief Executive, Environment (Sustainability, Strategic and Entrepreneurial Development)	18 November 2016

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

<b>Strategic Implications</b>	<b>Yes / None</b>
Community Plan / Single Outcome Agreement	<b>Yes</b>
Corporate Plan	<b>Yes</b>
<b>Resource Implications</b>	
Financial	<b>None</b>
Workforce	<b>None</b>
Asset Management (land, property, IST)	<b>None</b>
<b>Assessments</b>	
Equality Impact Assessment	<b>None</b>
Strategic Environmental Assessment	<b>None</b>
Sustainability (community, economic, environmental)	<b>None</b>
Legal and Governance	<b>Yes</b>
Risk	<b>Yes</b>
<b>Consultation</b>	
Internal	<b>Yes</b>
External	<b>None</b>
<b>Communication</b>	
Communications Plan	<b>None</b>

### 1. Strategic Implications

#### Community Plan / Single Outcome Agreement/Corporate Plan

- 1.1 This report supports the delivery of the Strategic Objectives within Community Plan/ Single Outcome Agreement 2013-23 and Corporate Plan 2013-18.

### 2. Resource Implications

#### Financial

- 2.1 Not applicable

#### Workforce

- 2.2 Not applicable

#### Asset Management (land, property, IT)

- 2.3 Not applicable

### **3. Assessments**

#### Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.2 This report has been considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:
- Assessed as not relevant for the purposes of EqIA

#### Strategic Environmental Assessment

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals. No further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

#### Sustainability

- 3.4 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.
- 3.5 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

#### Legal and Governance

##### Internal

- 3.6 The Head of Legal and Governance has been consulted in the preparation of this report.

##### External

- 3.7 No external consultation was required in the preparation of this report.

##### Risk

- 3.8 This report is entirely related to the management of risk in the organisation

#### **4. Consultation**

##### Internal

- 4.1 The Head of Legal and Governance, Head of Democratic Services and chief Internal Auditor have been consulted in the preparation of this report.

##### External

- 4.2 No external consultation was required.

#### **5. Communication**

- 5.1 Communicating this new approach to risk management will be central to embedding good practice in the organisation. Subject to approval of the report a Communications Plan will be implemented to achieve this objective

#### **6. BACKGROUND PAPERS**

No background papers were referred to.

#### **7. APPENDICES**

- Appendix 1 – Annual Risk Report 2015/16