

## PERTH AND KINROSS COUNCIL

**Strategic Policy and Resources Committee – 19 September 2012**  
**Scrutiny Committee – 19 September 2012**

### **CORPORATE RISK MANAGEMENT STRATEGY 2012/13 & ANNUAL RISK REPORT 2011/12**

**Report by the John Fyffe, Depute Chief Executive**

#### **ABSTRACT**

This report presents the Council's Corporate Risk Management Strategy 2012/13, Corporate Risk Profile 2012/13 and Annual Risk Report 2011/12.

## **1 RECOMMENDATION**

- 1.1 It is recommended the Strategic Policy and Resources Committee:
  - i) approves the Corporate Risk Management Strategy 2012/13 & Annual Risk Report 2011/12; and
  - ii) approves the Corporate Risks to be managed by the Council in 2012/13.
- 1.2 It is recommended the Scrutiny Committee:
  - i) scrutinises and comments as appropriate on the performance of Services in managing the Service Risks at Appendix 3.

## **2 BACKGROUND**

- 2.1 Since April 2010 the Council's Risk Management Strategy has been progressed in a way which integrates risk management within the Council's wider strategic improvement framework. This year, risk management has been further embedded by streamlining the Council's risk management framework. In doing so, the Corporate Risk Management Strategy has been integrated with the Council's Corporate Risk Profile to provide a single document which sets out the strategic direction of the Council in terms of risk management along with a mitigation plan for the Council's key corporate risks.
- 2.2 To build on the success of joining Service Business Management and Improvement Plans (BMIPs) with Service Annual Performance Reports to create one document, this year the Annual Risk Report has been incorporated within the Risk Management Strategy. The document will be reviewed on an annual basis to ensure that we are effectively progressing the Council's risk management objectives and effectively controlling our key corporate risks.
- 2.3 Joining the Corporate Risk Management Strategy and Corporate Risk Profile together with the Annual Risk Report has created a single document which brings together all of the high level information that senior managers and elected members need to manage effectively the risks associated with the delivery of our corporate priorities. See Appendix 1.

### **3 RISK MANAGEMENT STRATEGY OUTLINE**

3.1 The strategy is introduced by the Depute Chief Executive and includes the following sections:

- Risk Management at PKC – This section provides an introduction to the Council's approach to risk management and how it is closely linked to the Council's strategic planning framework. It also sets out the Council's Risk Management Objectives and Roles and Responsibilities.
- Progress Update 2011/12 – This section provides an update on progress in delivering the Council's Risk Management Objectives over the last year and areas for improvement 2012/13
- Corporate Risk Profile – Appendix 1 includes the Council's Corporate Risk Profile 2012/13 which identifies the Council's key corporate risks and the controls and actions in place to manage these.
- Deleted and Changed Corporate Risks – Appendix 2 includes details of corporate risks changed or deleted since last year.
- Service Risks 2011/12 – Appendix 3 includes details of the key risks managed by Services last year and illustrates the effectiveness of the controls in place for these.

### **4 RISK MANAGEMENT OBJECTIVES 2012/13**

4.1 As part of the redevelopment of the Corporate Risk Management Strategy a review of the Corporate Risk Management Objectives was conducted to ensure that they remain relevant and provide a clear focus on continuous improvement. The revised objectives reflect current priorities in terms of partnership working, outcomes focus, embedding risk management at a service level and developing stronger links between performance and risk management.

Risk Management Objectives 2010	Risk Management Objectives 2012
<ul style="list-style-type: none"><li>• Continue to improve identification, monitoring and reporting processes to manage risks faced by the Council;</li><li>• Strengthen risk management processes and information to support strategic planning and the budget process of the Council;</li><li>• Ensure effective risk management processes are in place to support delivery of positive outcomes through transformational change and continuous improvement.</li></ul>	<ul style="list-style-type: none"><li>• Corporate and partner risk management processes support delivery of positive outcomes for Perth and Kinross;</li><li>• Risk management is further embedded by all Council Services;</li><li>• Strong links continue to be developed between performance and risk management;</li><li>• Effective risk management processes that support transformational change and continuous improvement are strengthened.</li></ul>

## **5      PROGRESS UPDATE 2011/12**

- 5.1 Over the past year, support has been provided to Services by revising the corporate risk management guidance and providing training through workshops and an e-learning module. The Corporate Performance, Planning and Risk Group has met on a monthly basis to share best practice in implementing systematic processes for identifying and managing risk, and continues to play a pivotal role in supporting Services to embed risk management as part of their wider performance and planning arrangements.
- 5.2 The methodology for identifying risks for each Service varies and depends on what works best for each Service. In preparing the 2012/13 risk profiles, the Environment Service and Chief Executive's Service used the annual self evaluation process How Good is Our Council to identify their key risks which shows how risk management has become integrated in the improvement process for these Services. Education and Children's Services and Housing and Community Care held risk workshops looking specifically at the Service risks. The outcome of these different approaches is a thorough understanding of the risks faced by the Service and identification of the key controls and actions which need to be taken to mitigate these. Support to all Services to embed risk management within the Council's strategic improvement framework continues.
- 5.3 All Services have been required to carry out an impact analysis of their budget proposals and transformation projects which has provided a further opportunity to identify key service risks. Targeted support has also been provided to Services to deliver the Corporate Transformation Programme and manage the associated risks of these high profile change projects.

## **6      AREAS FOR IMPROVEMENT 2012/13**

- 6.1 Constant change in the internal and external environment of the Council means that the importance of specific risks will shift and change over time. Areas for improvement during 2012/13 relate to proactively identifying new risks and effectively monitoring and managing existing risks to ensure the control structures are effective. This means making better use of assessment tools available such as the Equality Impact and Strategic Environmental Assessment to identify key risks.
- 6.2 There is a need to develop integrated risk management processes across the Perth and Kinross Community Planning Partnership where appropriate, for example the integration of health and social care. Effective management of the risks associated with current developments in partnership working will support the achievement of desired outcomes for Perth and Kinross. By continuing to improve and streamline risk management processes, as well as provide ongoing training on risk management, staff understanding of risk at all levels of the Council and across the partnership will be improved.

## **7 CORPORATE RISKS 2012/13**

7.1 The proposed Corporate Risks 2012/13 are:

- I. Deliver the capital programme
- II. Support the most vulnerable in our society during welfare reform
- III. Protect adults at risk
- IV. Protect vulnerable children and families
- V. Maintain the homeless targets set by the Scottish Government for 2012
- VI. Plan for demographic change (including planning for housing growth)
- VII. Deliver on equalities and diversity across the Council
- VIII. Deliver on the curriculum for excellence
- IX. Effectively manage changing financial circumstances
- X. Implementation of City of Perth Development Strategy

7.2 These remain the same as last year with the following exceptions:

### **Deleted**

It is proposed that a number of risks which were monitored as corporate risks last year are now managed by the responsible service as part of the Service Risk Profile 2012/13. Robust controls are in place for these risks, dramatically reducing the likelihood of the risk occurring and the impact should it materialise. Services will continue to monitor the following previous corporate risks as part of their Service risk and performance monitoring processes:

- Manage partnership activity and integrated working to reduce the negative impact of alcohol consumption on individuals.
- Deliver on the Waste Management Strategy
- Deliver the Single Outcome Agreement
- Continue to deliver the benefits from Investment in Learning Programme and maintain a sustainable cost model

### **Changed**

It is proposed that the corporate risk 'Effectively manage the transition to a reduced level of resources' has evolved and the risk now relates to 'Effectively manage changing financial circumstances' and is continued to be monitored corporately as part of the Corporate Risk Management Strategy.

It is proposed that the corporate risk 'Deliver the Housing Standard Delivery Plan' is widened in scope to 'Deliver the Council's Capital programme'.

### **New**

Implementation of City of Perth Development Strategy.

7.3 Appendix 1 provides full details of the corporate risks and the controls and improvement actions in place to manage these.

7.4 Appendix 2 provides details of the deleted and changed corporate risks.

## **8 SERVICE RISKS 2011/12**

- 8.1 To underpin this Corporate Risk Management Strategy, each Service has its own Service Risk Profile which includes the corporate level risks that the Service is responsible for, as well as any additional key risks for the Service. The Service Risk Profiles are updated on an annual basis to support the delivery of Service Business Management and Improvement Plans by identifying controls and improvement actions to mitigate key risks associated with the delivery of service objectives.
- 8.2 Appendix 3 provides details of the risks which have been managed by Services during 2011/12. A colour coding system has been applied to illustrate the impact of the service risk before and after controls are in place.

## **9 CONSULTATION**

- 9.1 The Executive Officer Team, Head of Corporate Business Change and IT (ECS), Head of Performance and Resources (TES), Finance & Business Support Manager (HCC) and the Council's Performance, Planning and Risk Group have been consulted in the preparation of this report.

## **10 RESOURCE IMPLICATIONS**

- 10.1 There are no direct financial implications arising from this report.

## **11 COUNCIL CORPORATE PLAN OBJECTIVES 2009-2012**

- 11.1 This report relates to the delivery of all five Corporate Plan objectives.
- (i) A Safe, Secure and Welcoming Environment
  - (ii) Healthy, Caring Communities
  - (iii) A Prosperous, Sustainable and Inclusive Economy
  - (iv) Educated, Responsible and Informed Citizens
  - (v) Confident, Active and Inclusive Communities

## **12 EQUALITIES ASSESSMENT**

- 12.1 The function, policy, procedure or strategy presented in this report was considered under the Corporate Equalities Assessment Framework and the determination was made that the items summarised in this report do not require further assessment as they do not have an impact on people's wellbeing.

## **13 STRATEGIC ENVIRONMENTAL ASSESSMENT**

- 13.1 Strategic Environmental Assessment (SEA) is a legal requirement under the Environmental Assessment (Scotland) Act 2005 that applies to all qualifying plans, programmes and strategies, including policies (PPS). No further action is required as this report does not qualify as a PPS as defined by the Act and is therefore exempt.

## **14 CONCLUSION**

- 14.1 Significant progress continues to be made in developing and embedding risk management in the business planning and management processes of the Council. All Services can now demonstrate their awareness of the risks they must manage and the effectiveness of the controls they have put in place to do so. This report integrates the Council's Corporate Risk Management Strategy and Corporate Risk Profile with the Annual Risk Report to streamline the risk management framework and focus on continuous improvement.

**JOHN FYFFE  
DEPUTE CHIEF EXECUTIVE**

**Contact Officer:** Michelle Cochlan  
Team Leader (Strategic Planning, Improvement and Risk)  
Education and Children's Services

**Address of Service:** Pullar House,  
35 Kinnoull Street  
Perth, PH1 5GD

**Date of Report:** 6 September 2012

**Appendix 1:** Corporate Risk Management Strategy 2012/13 and  
Annual Risk Report 2011/12

If you or someone you know would like a copy of this document in another language or format, (on occasion only, a summary of the document will be provided in translation), this can be arranged by contacting **Michelle Cochlan**



Council Text Phone Number 01738 442573



# **Corporate Risk Management Strategy 2012/13**

## **& Annual Risk Report 2011/12**

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# INTRODUCTION

**By John Fyffe, Depute Chief Executive**

Perth and Kinross Council has a vision for our area, our communities and our people. Our vision is of a confident and ambitious Perth and Kinross with a strong identity and clear outcomes that everyone works together to achieve. Our area will be vibrant and successful; a safe, secure and healthy environment; and a place where people and communities are nurtured and supported.

Over the next five years the Council faces significant challenges in the delivery of this vision, as it will have fewer staff and less money to spend on services. This will require transformation of the Council as it reshapes and redesigns services and functions; in turn this will increase the range and levels of risk that requires to be managed. The Council has a track record of being dynamic, innovative and ambitious and therefore will rise to the challenge ahead. It also has a culture of proactively managing risks and uncertainties to reduce the likelihood and/or impact of negative consequences. Development of the Council's approach to risk will be crucial if it is to gain the greatest possible benefits from the changes that need to be made as it continues to deliver its ambition and commitment to best value and sustainability.

This year we have revised our Corporate Risk Management Strategy to strengthen the strategic direction of the document. It sets out our risk management objectives and provides an update on how we have progressed these over the last year. It also details the Council's key corporate risks along with the controls and improvement actions which are in place to mitigate these. Finally it provides an update on the management of service level risks.

The Corporate Risk Management Strategy is just one element of our overall performance and risk management framework, which we continue to develop. Over the last year we have established a Performance, Planning and Risk Group to oversee service level risk management arrangements. The group will further embed risk management within the Council's performance management framework to help deliver better strategic, operational and financial management that supports delivery of the Perth and Kinross SOA and Corporate Plan priorities.

# RISK MANAGEMENT AT PKC

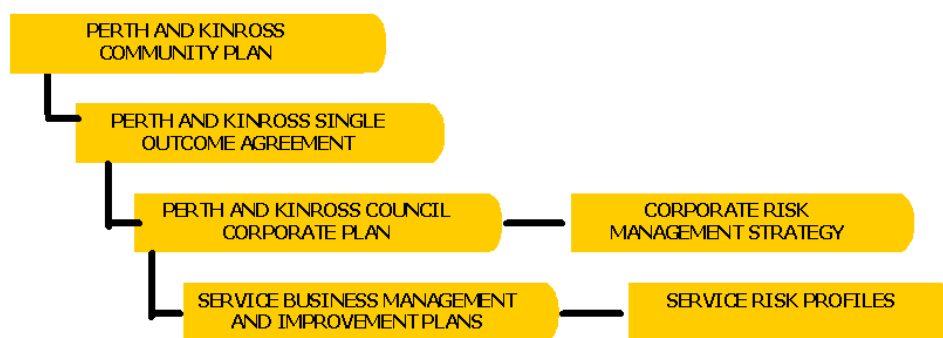
Risk Management is the process of identifying risks, evaluating their potential consequences and determining the most effective way to control or respond to them. It is a continuous and developing process, running throughout the delivery of the Council's priorities and local outcomes. The aim of risk management is to deliver strong strategic, operational and financial management which will support delivery of Council and Community Planning Partnership outcomes and objectives by reducing the occurrence of risk events and minimising the severity of any consequences should they happen.

Risk management ensures that the Council delivers services more effectively and efficiently. It ensures the Council is proactive to risk by anticipating what could go wrong and putting plans in place to respond if the worst-case scenario occurs.

The Council's corporate risk management framework is directly linked to the Council's key strategic plans, also known as 'the golden thread'. At a corporate level, the Council has in place a Corporate Risk Management Strategy which sets out the Council's objectives to deliver an effective and systematic approach to risk management that supports the delivery of the Perth and Kinross Community Plan, Single Outcome Agreement and Council's Corporate Plan.

Underpinning the Corporate Risk Management Strategy, each Service has its own Service Risk Profile which includes the corporate level risks that the Service is responsible for, as well as any additional key risks for the Service. The Service Risk Profiles support the delivery of Service Business Management and Improvement Plans by identifying controls and improvement actions to mitigate key risks associated with the delivery of service objectives.

*Diagram 1: Perth and Kinross Council's Golden thread*



## **Our Risk Management Objectives 2012/13**

1. Corporate and partner risk management processes support delivery of positive outcomes for Perth and Kinross;
2. Risk management is further embedded by all Council Services;
3. Strong links continue to be developed between performance and risk management; and
4. Effective risk management processes that support transformational change and continuous improvement are strengthened.

## **Roles and Responsibilities**

The Senior Management team in each service has responsibility to ensure risk management is part of the day-to-day management systems within their Service. This includes ensuring active development and monitoring of their Service risk profile and any Corporate Risks that they have responsibility for and reporting on the progress of mitigating the risk by implementing controls.

The Executive Officer Team has overall responsibility for the Council's risk management framework and corporate level risks and maintains a rolling programme for reviewing Corporate Risks. This ensures that all Corporate Risks are reported on a six monthly basis. The Executive Officer Team will receive an Annual Report on the progress of implementing this Strategy. The Depute Chief Executive is the Executive Sponsor for Risk Management and the Head of Corporate Business Change and IT is the Senior Responsible Officer.

This year the Strategic Policy and Resources Committee will be asked to approve this joint Corporate Risk Management Strategy and Annual Risk Report prior to the consideration of it at the Scrutiny Committee.

## PROGRESS UPDATE 2011/12

Over the past year, support has been provided to Services by revising the corporate risk management guidance and providing training through workshops and an e-learning module. The Corporate Performance, Planning and Risk Group has met on a monthly basis to share best practice in implementing systematic processes for identifying and managing risk, and continues to play a pivotal role in supporting Services to embed risk management as part of their wider performance and planning arrangements.

The methodology for identifying risks for each Service varies and depends on what works best for each Service. In preparing the 2012/13 risk profiles, the Environment Service and Chief Executive's Service used the annual self evaluation process How Good is Our Council to identify their key risks which shows how risk management has become integrated in the improvement process for these Services. We continue to support all Services to use How Good is Our Council to identify Service risks to promote embedded of the process within the Council's strategic improvement framework.

All Services have been required to carry out an impact analysis of their budget proposals and transformation projects which has provided a further opportunity to identify key service risks. Targeted support has also been provided to Services to deliver the Corporate Transformation Programme and manage the associated risks of these high profile change projects.

## RISK MANAGEMENT OBJECTIVES 2012/13

### **Corporate and partner risk management processes support delivery of positive outcomes for Perth and Kinross**

#### What is the Council already doing?

This year we have integrated the Risk Management Strategy with the Council's Corporate Risk Profile to provide a single document which sets out the strategic direction of the Council in terms of risk management along with a mitigation plan for the Council's key corporate risks. As part of the redevelopment of the Corporate Risk Management Strategy we conducted a review of the Corporate Risk Management Objectives to ensure that they remain relevant and provide a clear focus on continuous improvement.

The Executive Officer Team (EOT) has overall responsibility for the Council's Risk Management Strategy and corporate level risks. The EOT monitors progress in delivering the strategy and mitigating corporate risks via an annual risk report. This year the annual risk report has been incorporated in this document to help streamline further the corporate risk management framework. It brings together all of the high level information that the EOT needs to manage effectively the risks associated with the delivery of our corporate priorities. In addition to the annual risk report, since May 2010 the EOT has been considering progress in managing and controlling corporate risks as part of the monthly performance and risk report. Appendix 1 provides details of the Council's Corporate Risks and a progress update on how these are being managed.

Elected Members have a role in providing policy direction and challenge on risk management. In previous years the Strategic Policy and Resources Committee has approved the Risk Management Strategy and the Scrutiny Committee has considered performance via the Annual Risk Report. This year the Strategic Policy and Resources Committee will be asked to approve this joint Corporate Risk Management Strategy and Annual Risk Report. The Scrutiny Committee will be asked to consider the performance element of the document.

#### Key areas for improvement 2012/13

- Include risk assessment in Council Committee Reporting template to further embed risk management in the Council's decision making processes.
- Support Services through training to increase their risk appetite (tolerance to risk taking) by improving their knowledge and understanding of benefits that can be realised when using risk management techniques.
- Develop a joint approach to risk management across the Perth and Kinross Community Planning Partnership.

#### **Risk management is implemented and embedded by all Council Services**

##### What is the Council already doing?

The Senior Management team in each service has responsibility to ensure risk management is part of day-to-day management within their Service. This includes ensuring active development and monitoring of their Service risk profile and regularly monitoring progress throughout the year. Over the last year, Services have been managing the risks that they identified within their Service Risk Profile 2011/12 and have put in place controls to effectively reduce the probability of risks happening, and the impact should they occur.

The enhanced corporate risk management guidance was followed to produce Service Risk Profiles for 2012/13. Details of Service Risks are provided at Appendix 3 which illustrates the difference in the impact of the service risk before and after controls are in place. To ensure that there is a clear audit of changes made to the service risk profiles since last year, we have included details of changed and deleted risks. Services also do this throughout the year by maintaining an update log.

#### Key areas for improvement 2012/13

- Continue to deliver training to further develop Service's skills and understanding of risk and how it can be managed to achieve greater benefits for the organisation
- Enhance the identification and management of environmental and equalities risks through Equality Impact Assessment and Strategic Environmental Assessment.

## **Strong links between performance and risk management**

### What is the Council already doing?

This year we have continued to develop a more joint approach to performance and risk management arrangements. We have achieved this in a number of ways, including the development of the Corporate Performance, Planning and Risk (PPR) Group. All members of the group have received risk management training to ensure that they understand the Council's risk management system and also to give them the knowledge they need to make further improvements. As a result, the group has been instrumental in taking forward the key areas of improvement outlined in the corporate risk management strategy. Training was delivered to the group in November 2011 and an e-learning module was also developed for all employees so that staff at all levels have a better understanding of risk management and how it can benefit their service area.

The corporate guidance on producing Service Risk Profiles was revised to strengthen the risk management process and ensure it is better aligned with the Council's Business Management and Improvement Planning (BMIP) framework. The corporate BMIP guidance was also revised to reflect the closer relationship between managing risks and strategic performance management. Support to Services in using the Council's self evaluation process How Good is Our Council to identify key risks has continued to ensure risk management is embedded within the Council's strategic improvement framework.

Services have worked together to continue to develop best practice in implementing systematic processes for identifying and managing risks and monitoring and reporting progress. The PPR Group will continue to play a pivotal role in supporting Services to embed risk management as part of their strategic business planning.

### Key areas for improvement 2012/13

- Explore further opportunities to develop management information that articulates the linkages between risk and performance management information and financial monitoring and reporting.

## **Effective risk management processes that support transformational change and continuous improvement**

### What is the Council already doing?

The Council recognises it faces significant challenges in coming years and that these are largely financial. The Council aims to address these challenges through its transformation programme that will reshape and redesign services and functions. A strategy, 'Securing the Future Towards 2015 and Beyond' was approved by Council in 2010 to guide the process. It sets out a path to 2015 which will allow the Council to achieve the required modernisation and efficiencies to meet the financial challenges and future service demands. Delivery of the programme is supported by the Medium Term Financial Plan (MTFP).

Centrally the Corporate Change team has worked with Services to deliver the main business re-design projects and to support services with managing the risks associated with delivery of the transformation programme. Regular quarterly update reports have been submitted to and considered by the Executive Officer Team (EOT) since the beginning of 2011 to monitor progress of the agreed Transformation Programme and highlight key benefits and savings achieved. It also provides detail of new projects for consideration as part of Transformation.

Key areas for improvement 2012/13

- Improve links between risks, robust business cases and benefits realisation programmes to deliver customer focused quality services for the future.
- Strengthen risk management processes by streamlining and developing further the capital budget monitoring framework.

# APPENDIX 1 CORPORATE RISK PROFILE 2012/13

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CORPORATE RISK 1	Deliver the capital programme
CORPORATE RISK 2	Support the most vulnerable in our society during welfare reform
CORPORATE RISK 3	Protect adults at risk
CORPORATE RISK 4	Protect vulnerable children and families
CORPORATE RISK 5	Maintain the homeless targets set by the Scottish Government for 2012
CORPORATE RISK 6	Plan for demographic change (including planning for housing growth)
CORPORATE RISK 7	Deliver on equalities and diversity across the Council
CORPORATE RISK 8	Deliver on the curriculum for excellence
CORPORATE RISK 9	Effectively manage changing financial circumstances
CORPORATE RISK 10	Implementation of City of Perth Development Strategy

DELETED/ CHANGED CORPORATE RISKS

## KEY

### Control Effectiveness

<b>A</b>	Controls are working effectively
<b>B</b>	Controls require further development
<b>C</b>	Significant controls not operating effectively
<b>D</b>	Significant controls do not exist or have broken down

### Risk Impact and Probability

Impact	Probability
1. Insignificant	1. Rare
2. Minor	2. Unlikely
3. Moderate	3. Possible
4. Major	4. Likely
5. Critical	5. Almost Certain

See Appendix 4 for detailed impact scale



## CORPORATE RISK 1      Deliver the Council's Capital Programme

The Council's Capital Programme delivers a wide range of major infrastructure projects. Significant controls are in place to ensure that the Council continues to deliver this programme. Progress and levels of slippage are routinely monitored and scrutinised.

**Risk manager**                      The Environment Service  
**Risk impact with controls**        3 - Major  
**Risk probability with controls**    2 - Unlikely  
**Risk control effectiveness**        B

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
<b>Leadership</b>				
Effective leadership of the delivery of the programme.	Executive Director (TES)	B	Complete review of governance and scrutiny structures – Dec 2012	<b>New action</b>
Financial and Service Capital Programmes in place	Executive Director (TES)	B	Develop Overall Capital Programme – Dec 2012	<b>New action</b>
Draft contract arrangements in place to take due account of the need to ensure probity in the expenditure of public money.	Head of Legal	B	Complete external review of contract types – Dec 2012	<b>New action</b>
Financial regulations in place to ensure that contract arrangements take due account of the need to ensure probity in the expenditure of public money.	Head of Finance	A		
<b>Management</b>				
Effective scrutiny arrangements in place to enable officers to monitor performance of Capital programme to achieve delivery. Performance arrangements established to confirm performance to EOT, SMTs, Corporate Resources Group (CRG) and Committee.	Executive Director (TES)	B	Complete review of governance and scrutiny structures – Dec 2012	<b>New action</b>
Programme Board for Programme (CRG) has been approved by EOT to monitor progress against key targets and milestones and highlight any issues which are likely to have an impact on the plan.	Executive Director (TES)	B	Complete review of governance and scrutiny structures – Dec 2012	<b>New action</b>

## CORPORATE RISK 2      Support the most vulnerable in our society during welfare reform

The Welfare Reform Act received Royal Assent on 8 March 2012. It introduces a wide range of reforms which aim to make the benefits and tax credits system fairer and simpler. The Council needs to ensure that it implements the changes from reform including helping people to move into and progress in work, while supporting the most vulnerable.

**Risk manager**                      Housing and Community Care  
**Risk impact with controls**        4 - Major  
**Risk probability with controls**    2 - Unlikely  
**Risk control effectiveness**        B - Controls require further development

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
<b>Leadership</b>				
Employment Connections Partnership in place to improve access to employment services and opportunities for sustained employment for vulnerable and disadvantaged groups and individuals living in both urban and rural areas.	Head of Planning & Regeneration	<b>B</b>	Review membership of the Partnership to ensure appropriate representation from senior management - 2013  Develop Partnership Action Plan to achieve employability outcomes - 2013	<b>New action</b>  <b>New action</b>
Perth and Kinross Employability Strategy and Action Plan outlines an approach for tackling worklessness in Perth and Kinross.	Head of Planning & Regeneration	<b>A</b>	Review the employability strategy – Mar 2012	<b>Revised timescale – March 2014</b> The Perth & Kinross Employability Network has been operational for 8 months. There are four themed working groups taking forward a diverse range of proposals which address the areas of employer engagement, pathways to work, social enterprise and workforce training and development. The “Year One Evaluation and Progress Report” will be prepared for early 2013 Housing and Health Committee. This will inform the development of a revised employability strategy.
Perth and Kinross Fuel Poverty Statement and action plan demonstrates the Council's commitment to tackle fuel poverty in Perth and Kinross by 2016	Head of Housing & Strategic Commissioning	<b>A</b>		

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
<b>Management</b>				
Effective leadership by the EOT, Housing and Community Care Services Management Team, and the Council wide working group (chaired by Depute Director of Housing & Community Care) to develop high level strategic plan for the Council.	Head of Finance & Support	A	External report commissioned to provide impact analysis of the downturn in the economy and the changes in welfare reforms - August 2013	<b>New action</b>
Revenues & Benefits and Welfare Rights Business Management and Improvement Plan in place to set out current plans for managing welfare reform. Progress monitored by HCC SMT.	Head of Finance & Support	A	Disaggregating of Rent Arrears team to neighbourhood services – Sep 11  Manage DWP welfare reform as a transformation project once more detail is available – Mar 12	<b>Completed</b> As a result of the new arrangements, the strength of this control has changed from a B last year to an A.  <b>Revised timescale – Oct 13</b> Delayed until further information is available
Making Connections Liaison Group meets to allow Elected Members from the Lifelong Learning, Housing and Health and Community Safety Committees to meet together to discuss areas of interface, including current developments in welfare reform.	Head of Community Care and Depute Director of Education and Children's Services	A		
Ongoing briefings to staff to raise awareness of current developments in welfare reform and potential impact on the Council.	Head of Finance and Support	A		
Money and welfare advice is available to all tenants, resident household members, sharing owners and housing applicants and provides information and advice on a range of money matters.	Head of Housing and Strategic Commissioning	B	Development of online Hub containing welfare benefit information and forms to compliment the existing services available – Dec 12  Development of credit union – Apr 2012	<b>New action</b>  <b>Revised timescale – Apr 13</b>
Youthbuild is designed to give 16-24 year-olds who have been in care or are known to Youth Justice services access to a wide range of training and employment opportunities, and to help them reach their full potential.	Depute Director of Housing and Community Care	A	Review effectiveness of programme following the first graduates of the new youthbuild training – Dec 2011	<b>Completed</b> As a result of the review, the strength of this control has changed from a B last year to an A.

**CORPORATE RISK 3      Protect adults at risk**

Public protection covers a wide range of individuals and communities. The Council cannot guarantee the protection of the public as such, but can identify the circumstances and opportunities that are most likely to lead to harm and take steps that can help reduce the risk happening. This corporate risk focuses on the protection of children and vulnerable adults. There are effective controls in place; however as the impact of this risk is major the overall rating has been shown as B.

<b>Risk manager</b>	Housing and Community Care
<b>Risk impact with controls</b>	5 - Critical
<b>Risk probability with controls</b>	1 - Rare
<b>Risk control effectiveness</b>	B - Controls require further development

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
<b>Leadership</b>				
Chief Social Work Officer post in place to provide clear professional leadership and accountability.	Chief Executive	A		
Support effective leadership of the Community Planning Executive Officer Group.	Executive Director of Housing and Community Care	A	Increase attendance of key partners at key strategic and operational meetings – Ongoing	<b>New action</b>
<b>Management</b>				
Strategic performance management and scrutiny arrangements in place, including use of self evaluation, to ensure quality control and targets are being met.	Head of Housing and Strategic Commissioning	B	<p>Improve analysis of management information - Jan 2012</p> <p>Head of Community Care to review performance reporting requirement of the Executive Officer Team – Dec 12</p>	<p><b>Completed</b> We have developed a dashboard and data information sheet to improve the presentation of performance data in this area. As a result of the changes, the strength of this control has changed from a B last year to an A.</p> <p><b>New action</b></p>

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
Training and development of staff at all levels to ensure we have a skilled and competent social care workforce, able to meet the challenges the sector faces.	Head of Finance and Support	A	Improve awareness of staff involved with service user groups less frequently identified as being at risk of harm – e.g. Prisoners and Substance misusers.- Mar 2012	<b>Completed</b> A training programme has be designed and delivered to improve awareness of staff. Two training sessions have been held at CATH day centre on Adult Support and Protection (ASP), Greyfriars hostel and PUSH shop. Housing & Community Care have also been involved in ASP training in prison settings at a national and local level. As a result of the training programme, the strength of this control has changed from a B last year to an A.
Ongoing public awareness raising around adult and child protection issues to encourage members of the public to report any concerns to the various agencies involved.	Head of Community Care	A		
Regular involvement of and feedback from service users to ensure services are designed to meet their needs.	Head of Community Care	A		
Disclosure Scotland procedures in place to enhance public safety by protecting vulnerable adults through safer recruitment.	Chief Social Work Officer	A	Phased introduction of the Protection of Vulnerable Groups Scheme to replace and improve upon the current disclosure arrangements – March 2015	<b>Ongoing</b>
Appropriate Adult Scheme in place to ensure people under 17, or anyone with mental health problems or learning difficulties, has an appropriate adult present when interviewed by the Police.	Head of Community Care	A		
Multi Agency Public Protection Arrangements (MAPPA) and Multi-Agency Risk Assessment Conference (MARAC) arrangements and in place to give a consistent approach to the management of offenders across Perth and Kinross.	Head of Community Care	A		Audits of arrangements and implementation of improvement actions completed.

**CORPORATE RISK 4      Protect vulnerable children and families**

Public protection covers a wide range of individuals and communities. The Council cannot guarantee the protection of the public as such, but can identify the circumstances and opportunities that are most likely to lead to harm and take steps that can help reduce the risk happening. This corporate risk focuses on the protection of children and vulnerable adults. There are effective controls in place; however as the impact of this risk is major the overall rating has been shown as B.

<b>Risk manager</b>	Education and Children's Services
<b>Risk impact with controls</b>	4 - Major
<b>Risk probability with controls</b>	1 - Rare
<b>Risk control effectiveness</b>	B - Controls require further development

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
<b>Leadership</b>				
Chief Social Work Officer post in place to provide clear professional leadership and accountability.	Chief Executive	<b>A</b>		
Effective leadership of the Children & Young People's Strategic Partnership to ensure we work effectively with our partners to deliver seamless services.	Executive Director of Education and Children's Services	<b>A</b>		
<b>Management</b>				
Strategic performance management and scrutiny arrangements in place, including use of self evaluation, to ensure quality control and targets are being met	Head of Children and Family Services)	<b>A</b>		
Child protection frameworks in place to ensuring the best possible outcomes for vulnerable children.	Head of Children and Family Services / Chief Social Work Officer	<b>A</b>	<p>Child protection procedures to be updated to take account of new national guidance – Mar 12</p> <p>GIRFEC (Getting it Right for Every Child) improvement plan coordinated by GIRFEC Implementation Group – Mar 12</p>	<p><b>Completed</b></p> <p><b>Ongoing</b></p>

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
			Strategy for Looked After Children to be encompassed within wider strategy – Mar 12	<b>Completed</b>
			Implement Carers Recruitment Strategy to improve recruitment and retention of carers – Mar 12	<b>Completed</b>
Proportionate intervention in line with GIRFEC (Getting it Right for Every Child)	<i>Head of Education (Early Years and Primary) and Head of Children and Families' Services</i>	<b>B</b>		Proportionate intervention in line with GIRFEC is at a B as the roll out the updated integrated assessment framework across all services (multi agency) will be completed during 2012/13 (and therefore is not yet in place).
Partnership working with SRCRA to reduce delays to processing Children's Hearings and decision making	<i>Head of Children and Family Services</i>	<b>B</b>		Partnership working with SRCRA to reduce delays to processing Children's Hearings and decision making is at a B due to a period of adjustment following the reorganisation of SCRA.
Ongoing public awareness raising around child protection issues to encourage members of the public to report any concerns to the various agencies involved.	Head of Children and Family Services	<b>A</b>	Develop community engagement model that encourages active participation by communities in keeping children safe. Wording is different: Implement the plan for community engagement around child protection – Jul 12	<b>Revised timescale – Mar 2013</b>
Regular involvement of and feedback from service users to ensure services are designed to meet their needs.	Head of Children and Family Services	<b>B</b>	Review existing arrangements to support vulnerable groups through advocacy services – Mar 2012	<b>Completed</b>
Disclosure Scotland procedures in place to enhance public safety by protecting vulnerable children through safer recruitment.	Chief Social Work Officer	<b>A</b>	Phased introduction of the Protection of Vulnerable Groups Scheme to replace and improve upon the current disclosure arrangements – Mar 2015	

**CORPORATE RISK 5****Maintain the homeless targets set by the Scottish Government for 2012**

The Scottish Government set a target that all households assessed as unintentionally homeless by local authorities will be entitled to settled accommodation by 2012. Whilst we have achieved this ambitious 2012 target, homelessness continues to be a key risk for the Council.

**Risk manager** Housing and Community Care  
**Risk impact with controls** 4 - Major  
**Risk probability with controls** 1 - Rare  
**Risk control effectiveness** B - Controls require further development

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
<b>Leadership</b>				
Perth and Kinross Housing Forum to enable improved communication and joint working between housing providers.	Head of Housing and Strategic Commissioning	A		
Homeless Strategy & Improvement Plan sets out what Perth & Kinross Council is planning to do, in co-operation with our partners, to meet the homeless targets by 2012.	Head of Housing and Strategic Commissioning	A	Review strategy – Nov 2012	New action
Strategic Housing Investment Plan supports the Local Housing Strategy and shows how affordable housing investment priorities will be delivered in practice.	Head of Housing and Strategic Commissioning	A		
<b>Management</b>				
Joint working with Education and Children's Services to support young people in temporary accommodation	Head of Housing and Strategic Commissioning	A		
Performance management systems in place to monitor progress against delivery of the Homelessness Improvement Plan and Affordable Housing Plan.	Head of Housing and Strategic Commissioning	A		
Making Connections Liaison Group meets to allow Elected Members from the Lifelong Learning, Housing and Health and Community Safety Committees to meet together to discuss areas of interface, including current developments in welfare reform.	Head of Housing and Strategic Commissioning	A		
Private Sector Access Team provides high quality, professional services for landlords whilst assisting homeless households and those with modest incomes or who are reliant on Local Housing Allowance.	Head of Housing and Strategic Commissioning	A		



Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
Housing options scheme in place to look at different ways of accessing housing, including council housing, renting from a private landlord or a specialist housing association, or buying through a low cost ownership scheme.	Head of Housing and Strategic Commissioning	B	Review housing options scheme – Oct 2011	<b>Revised timescale – December 2012</b> Lead responsibility for Housing Options was transferred to the Homeless Service in February 2012. Business Improvement Team Events were held in April 2012 and June 2012 have revised the customer journey removing areas of overlap and duplication. PKC is the lead authority for the Tayside, Fife and Central Housing Options Hub and a conference was held in June to raise awareness of Housing Options and progress welfare reform mitigation activities. Work is underway to implement the self serve web based Housing Options portal and the completion date for this is 14 December 2012.
The Rent Bond Guarantee Scheme aims to help people who urgently need accommodation to access housing opportunities in the private rented sector.	Head of Housing and Strategic Commissioning	A		

## CORPORATE RISK 6      Plan for demographic change (including planning for housing growth)

In the past 10 years we have experienced the second highest population growth in Scotland (9.5%), more than 3 times the national average. Our population is projected to grow by 27% by 2033 which is again the second highest growth in Scotland. We face real challenges to service delivery, including an increased demand for affordable housing, an increase in in-migration, an aging population and growing numbers of children.

**Risk manager**                      The Environment Service  
**Risk impact with controls**        4 - Major  
**Risk probability with controls**    1 - Rare  
**Risk control effectiveness**        B - Controls require further development

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress Update
<b>Leadership</b>				
Strategic and local development plans and policies set out a vision of how Perth and Kinross should develop in a sustainable way.	Head of Planning and Regeneration	<b>B</b>	Action Programme for the implementation of the LDP to be finalised Autumn 2013	<b>Completed</b> TAYplan approved by Scottish Ministers in June 2012. Proposed LDP in place and response to representations to be considered by the Council in December prior to submission to Scottish Minister for examination and approval.
<b>Management</b>				
Sustainable development framework in place to manage the impact of plans, programmes and strategies on people, the economy and the environment.	Head of Planning and Regeneration	<b>A</b>		Annual report to SP & R September 2012
Regular reporting to members and Executive Officer Team on the implications of planning for growth and the impact that growth will have on communities and all services in an integrated and sustainable way.	Head of Planning and Regeneration	<b>B</b>	Review reporting effectiveness – Mar 2012  Introduce a bi-ennial scenario planning exercise to assess the implications of both high and low growth projections on communities and all services in an integral way – Mar 2012	<b>Completed</b>  <b>Completed</b>

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress Update
			A major review of monitoring information is planned for 2013 when accurate baseline information becomes available from the census. - 2013	<b>New action</b> .
			Finalise report to EOT on innovative and new means of forwarding major infrastructure investment capable of delivering required infrastructure improvements in the new economic climate – Sep 12	<b>In progress</b> A report will be considered by EOT in September.
			Establish cross service demographics group.  Review membership and role of the Demographics Group in conjunction with census data release - 2013	<b>Completed</b>  <b>New action</b>
Strategic Environmental Assessment toolkit to support environmental improvement and better manage the environmental impact of Council plans, programmes and strategies.	Head of Planning and Regeneration	<b>A</b>		Annual report to SP&R September 2012
The Housing Land Audit gives details of the housing land supply in Perth and Kinross and is an important source of information for the monitoring of the Perth & Kinross Structure Plan.	Head of Planning and Regeneration	<b>A</b>		

## CORPORATE RISK 7      Deliver on equalities and diversity across the Council

This Single Outcome Agreement (SOA) for 2009-2011 sets out the key local outcomes that the Community Planning Partnership is committed to achieving for the people and communities of Perth and Kinross. It builds on the strategic direction of, and commitments within, the Perth and Kinross Community Plan (2006 - 2020) and is integral to delivering our priorities for the area.

**Risk manager**                      Housing & Community Care/Chief Executive's Service  
**Risk impact with controls**        2 - Minor  
**Risk probability with controls**   2 - Unlikely  
**Risk control effectiveness**       B - Controls require further development

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
<b>Leadership</b>				
Equalities Strategic Group chaired by the Chief Executive to provide strategic direction regarding Corporate Equality activities.	Head of Corporate Business Change and IT	A		
Corporate Equalities Strategy and Action Plan sets out our vision for equalities and commitment to our staff and our citizens.	Head of Corporate Business Change and IT / Head of Legal	B	Revised strategy and action plan in response to Equality Act 2010 - Oct 2012	In progress
<b>Management</b>				
Equalities Action Plans in place across all Services to highlight areas for additional development.	Head of Corporate Business Change and IT	A		
Equality and Diversity Member Officer Working Group in place to monitor implementation of corporate and service equalities action plans.	Head of Corporate Business Change and IT	A		
Scrutiny by the Strategic Policy and Resources Committee and Scrutiny Committee of Service progress against equalities action plans.	Head of Corporate Business Change and IT	A		

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
Community Equalities Advisory Group in place to consult and involve all areas of the community in equalities issues.	Head of Corporate Business Change and IT	<b>B</b>	Increase collaborative opportunities with partners to deliver best value in respect of implementation of legislation including joint consultation and engagement activities to inform Council and CPP policies - Oct 2012	<b>In progress</b>
Corporate Workforce Plan to recruit and retain high quality staff, addressing any equalities issues.	Head of Human Resources	<b>B</b>	Revise Corporate Workforce Plan - Jan 2012	<b>Revised timescale – Sep 2012</b>
Regular monitoring, analysis and reporting of workforce, including monthly recruitment and workforce reports and annual equal pay audits for all employee groups.	Head of Human Resources	<b>B</b>	Expand current monitoring and reporting to cover all protected characteristics - March 2012	<b>Revised timescale – Sep 2012</b>
HR (Employment) Action Plan in place to ensure requirements of Equality Act 2010 are met.	Head of Human Resources	<b>A</b>		
Policy Planning Forum in place to prioritise HR policy for review to meet the Council's legislative and business needs and ensure policy takes into account any equalities issues.	Head of Human Resources	<b>A</b>	Develop effective consultation mechanisms with services to agree priorities - Oct 2011	<b>Completed</b>

## CORPORATE RISK 8 Deliver on the curriculum for excellence

Our vision in Perth and Kinross is for all learners to achieve to their fullest potential. We want all our children and young people to become responsible citizens, successful learners, effective contributors and confident individuals. To support this we have developed a strategy for creating a curriculum for excellence.

**Risk manager** Education and Children's Services  
**Risk impact with controls** 3 - Moderate  
**Risk probability with controls** 1 - Rare  
**Risk control effectiveness** A - Controls are working effectively

Current Internal Controls	Control Owner	Strength	Improvement Actions	Progress update against improvement actions
<b>Leadership</b>				
Education Services three year implementation plan to deliver the Curriculum for Excellence.	Heads of Education	A	Development of school based curriculum plans for senior phase – Jan 2012	<b>Completed</b> School based curricular plans have been developed in all secondary schools for the senior phase.
Support effective leadership of the Employment Strategy Board through representation by the Perth City Campus Project Leader on the Board.	Head of Education (Secondary )	A	Prepare draft ECS Employability Strategy –Dec 2012	<b>New action</b>
<b>Management</b>				
Education and Children's Services Management Team receive regular updates and briefings.	Heads of Education	A		
Updates and briefings for Education Convener, Lifelong Learning Committee, elected members and senior management. Give presentation at elected members briefing session Provide briefing to Corporate Management Group.	Heads of Education	A	Annual briefing with attainment report to Executive Officer Team – Oct 2012	<b>New action</b>
National and cross authority liaison/ networking to share knowledge and best practice.	Heads of Education	A		
Education Services School Improvement process (Head of Service/Service Manager roles)	Heads of Education	A		
Implementation of Curriculum for Excellence developed through Education and Children's Services' "Transformational Change" project.	Heads of Education	A		

## CORPORATE RISK 9 Effectively manage changing financial circumstances

We recognise that our Services need to continue to adapt to meet the changing requirements of our communities and the economic environment. There is a serious risk that the financial climate and increasing demands for services will impact on our ability to deliver our outcome targets and maintain service performance into the future.

**Risk manager** Education and Children's Services  
**Risk impact with controls** 4 - Major  
**Risk probability with controls** 3 - Possible  
**Risk control effectiveness** B - Controls require further development

Current Internal Controls	Control Owner	Strength	Improvement Actions	Progress update against improvement actions
<b>Leadership</b>				
Effective corporate governance and leadership of transformation programme.	Head of Corporate Business Change and IT	A	Review of transformation programme reported to Executive Officer Team – Sep 12	Completed
Securing the Future Strategy to support the delivery of savings through revised service delivery models and ongoing improvement activities in the Council.	Head of Corporate Business Change and IT	A		
Reserves Strategy in place to cushion the impact of uneven cash flow, unexpected events or to meet liabilities.	Head of Finance	A		
Corporate Workforce Plan to recruit and retain high quality staff.	Head of Human Resources	B	Revise Corporate Workforce Plan – Jan 2012	Revised timescale – Sep 2012
Medium Term Financial Plan setting out financial direction for the Council.	Head of Finance	A		
Corporate Asset Management Plan in place to manage the Council's infrastructure and assets.	Head of Performance and Resources	B	Revise Corporate Asset Management Plan – Sep 12	In progress
<b>Management</b>				
Financial and performance management systems in place to monitor progress and highlight any issues which are likely to have a significant impact on the Securing the Future Strategy, Medium Financial Plan, Corporate Workforce Plan and Asset Management Plan.	Head of Finance/ Head of Corporate Business Change and IT	A	Quarterly monitoring to EOT and MOWG - Ongoing	New action

<b>Current Internal Controls</b>	<b>Control Owner</b>	<b>Strength</b>	<b>Improvement Actions</b>	<b>Progress update against improvement actions</b>
Elected Member cooperation/ collaboration in setting priorities for the future.	Head of Corporate Business Change and IT	A		
Budget monitoring process to highlight issues which may prevent Services from delivering within planned budget.	Head of Finance	A		
Budget Review Process in line with Transformation Strategy.	Head of Finance	A		



## CORPORATE RISK 10 Implementation of City of Perth Development Strategy

The restoration of Perth's city status has presented the Council with a unique opportunity to increase investment in Perth and generate benefits throughout Perth and Kinross. Controls are in place to capitalise upon the economic, social and cultural benefits associated with the formal recognition of Perth as one of Scotland's 7 cities and develop the City as an excellent place to live, work, visit and invest.

**Risk manager** The Environment Service  
**Risk impact with controls** 4 - Moderate  
**Risk probability with controls** 2 - Unlikely  
**Risk control effectiveness** B - Controls require further development

Current Internal Controls	Control Owner	Strength	Improvement Actions	Progress update against improvement actions
<b>Leadership</b>				
Economic Partnership in place to ensure we work effectively with local businesses and key partners.	Head of Democratic and Legal Services	B	Complete review of governance and scrutiny structures – Dec 2012	New action
Draft Regeneration Strategy developed	Head of Planning and Regeneration	B	Complete development of the strategy – Mar 2013	New action
Economic Leadership Board established to inform and drive forward the implementation of the Economic Strategy	Executive Director of The Environment Service	C	Refresh Board following Economic Summit – Mar 2013	New action
Draft Development Strategy for the City of Perth in place to optimise the benefits of City Status.	Head of Planning and Regeneration	B	Complete consultation with key stakeholders and finalise the draft strategy – Dec 2012	New action
City Development Group in place to oversee implementation of the City Development Strategy	Head of Planning and Regeneration	B	Review progress of the new group and effectiveness of governance arrangements – Mar 2013	New action
<b>Management</b>				
Project and performance management arrangements in place to monitor Council progress in implementing the City Development Strategy and highlight any issues which may impact on delivery of the strategy.	Executive Director of The Environment Service	B	Further development of project and performance reporting arrangements – Mar 2013	New action
Regeneration, Enterprise and Strategy and Policy Team Plans are in place to take forward the themes of the City Development Strategy	Head of Planning and Regeneration	B	Review teams plans to ensure they reflect City Development priorities – Mar 2013	New action

## APPENDIX 2 DELETED AND CHANGED RISKS

### DELETED CORPORATE RISK **Manage partnership activity and integrated working to reduce the negative impact of alcohol consumption on individuals and communities**

Alcohol has been identified as a direct contributor to crime, fire, health problems and deprivation. The impact of alcohol misuse on human health, society and the economy is of significant concern to the Council and will be monitored as a new corporate risk.

**Risk manager** Housing and Community Care  
**Risk impact with controls** 4 - Major  
**Risk probability with controls** 1 - Rare  
**Risk control effectiveness** A - Controls are working effectively

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress Update
Effective leadership by the Alcohol and Drug Partnership (ADP) including Health & Social Work, Police and Voluntary Sector.	Head of Community Care	A	Review support arrangements to the Alcohol and Drug Partnership – Dec 2011	<b>Completed</b> The review of support arrangements has been completed. The ADP Support Team have moved from Whitefriars to Pullar House, the team now have direct line management available to them and Bill Atkinson will move from the Vice Chair position to Chair allowing enhanced access to the Chair by the ADP team and other ADP members based in Pullar House.
Alcohol Strategy - 12 Point Pledge sets out the commitment of member agencies of the ADP to work with service users and their families and communities to deliver the recovery agenda.	Head of Community Care	A	Review Alcohol Strategy 12 Point Pledge – Dec 2011	<b>Completed</b> The ADP is currently completing its strategy for drugs and alcohol for 2012 – 15, including the 12 point pledge, and it will be reported to the Strategic Health Partnership in August 2012.
Drug & Alcohol Action Team Partnership Strategy is based on the national priorities concerning alcohol and drug misuse in the community and focuses on improving outcomes for Perth & Kinross.	Head of Community Care	A	Development of a strategy for drugs and alcohol for 2012/15 – Aug 2012	<b>Completed</b> The ADP is currently completing its strategy for drugs and alcohol for 2012 – 15, including the 12 point pledge, and it will be reported to the Strategic Health Partnership in August 2012.
Drug and Alcohol Forum in place to improve outcomes and service delivery for all service users and carers locally who are involved with alcohol and/ or drug use.	Head of Community Care	A		
Alcohol and Drug Commissioning and Performance Group established to oversee performance management of drug and alcohol services.	Head of Community Care	A	Development of commissioning and performance monitoring framework – Dec 2011	<b>Completed</b> The ADP Performance & Management Group has created a performance framework for services to complete which is supported by the waiting times national framework.

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress Update
Housing and Community Care Senior Management Team routinely monitor performance across all areas.	Head of Housing and Strategic Commissioning	A		

<b>DELETED CORPORATE RISK</b>	<b>Deliver on the waste management strategy</b>
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The Perth & Kinross Council Waste Management Plan provides clear strategic direction for municipal waste management in Perth and Kinross and takes into account Scotland's Zero Waste Plan which sets challenging targets for all waste (household, commercial and industrial) collected in Scotland.

<b>Risk manager</b>	The Environment Service
<b>Risk impact with controls</b>	4 - Major
<b>Risk probability with controls</b>	1 - Rare
<b>Risk control effectiveness</b>	B - Controls require further development

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress Update
<b>Leadership</b>				
Perth and Kinross Waste Management Plan 2010 - 2025 sets out our direction for achieving Scotland's Zero Waste Plan targets and determines the most appropriate course of action for procurement of waste services	Head of Environmental and Consumer Services	B	Work with neighbouring local authorities through the East of Scotland Zero Waste Group to assess the options for long term Residual Waste Treatment facilities to process residual waste from the combined Councils – Mar 12	Completed
Strategic Waste Member/Officer Group developed to provide information and discuss progress in delivering the waste management plan for the area.	Head of Environmental and Consumer Services	A	Bring forward a report to determine the most appropriate direction of long term residual waste treatment for the Council – Mar 12	<b>Revised timescale – Mar 2013</b> Waste Services are considering the outputs of the East of Scotland Zero Waste Group study and will report to Committee on the most appropriate direction for Residual Waste Treatment in early 2013.
<b>Management</b>				
Financial and performance management systems in place to monitor progress against waste management plan and targets.	Head of Environmental and Consumer Services	A		
Development of new, and monitoring of, existing waste and recycling contracts	Head of Environmental and Consumer Services	A		
Waste Services team plan identifies costs, objectives and priority projects to increase landfill diversion.	Head of Environmental and Consumer Services	A		

**DELETED CORPORATE RISK**      **Continue to deliver the benefits from Investment in Learning programme and maintain a sustainable cost model**

The Investment in Learning programme's new community campuses provide state of the art schools for more than 25% of all school children throughout Perth and Kinross and offer a wide range of other facilities for wider community use. Significant controls are in place to ensure we continue to deliver the intended benefits from the programme and maintain a sustainable cost model.

**Risk manager**                      Education and Children's Services  
**Risk impact with controls**        3 - Moderate  
**Risk probability with controls**    2 - Unlikely  
**Risk control effectiveness**        A - Controls are working effectively

Current Internal Controls	Control Owner	Strength	Improvement Actions	Progress Update
<b>Leadership</b>				
IIL Programme Board to oversee implementation of the programme and ensure it realises benefits.	Depute Director of Education and Children's Services	A	Involvement of key stakeholders/ partners - Dec 2011	<b>Completed</b> Construction programme complete – IIL Programme to be phased out in 2012
<b>Management</b>				
Community Campus Partnerships in place to provide an opportunity for local people to be involved in shaping the future of the Campus	Head of Cultural and Community Services	A		
Community Campus Management Groups responsible for co-ordination of the services operating from the Campuses	Depute Director of Education and Children's Services	A		
Monitoring of key risks through review of risk profiles and implementation of actions to mitigate risk.	Depute Director of Education and Children's Services	A		
IIL Project Board receives financial updates regularly to monitor budget spending.	Depute Director of Education and Children's Services	A		
Local staff work in an integrated way to deliver high quality opportunities within the Community Campuses.	Head of Cultural and Community Services	A		

## DELETED CORPORATE RISK      Deliver the Single Outcome Agreement (SOA)

This Single Outcome Agreement (SOA) for 2009-2011 sets out the key local outcomes that the Community Planning Partnership (CPP) is committed to achieving for the people and communities of Perth and Kinross. It builds on the strategic direction of, and commitments within, the Perth and Kinross Community Plan (2006 - 2020) and is integral to delivering our priorities for the area.

**Risk manager** Education & Children's Services/Chief Executive's Service  
**Risk impact** 3 - Moderate  
**Risk probability** 2 - Unlikely  
**Risk control effectiveness** B - Controls require further development

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress Update
<b>Leadership</b>				
Single Outcome Agreement sets clear direction for the future of Perth and Kinross.	Head of Corporate Business Change and IT	<b>A</b>	SOA revised to take account of performance and contextual changes – Mar 12	<b>Revised timescale – Dec 2012</b> The review period for the SOA has been extended to allow for the outcomes of the national review of community planning and SOAs to be considered, comprehensive engagement of partners, completion of a Strategic Environmental Assessment and consultation with the new Council following the local election on 3 May 12.
Council's Corporate Plan underpinning delivery of SOA priorities.	Head of Corporate Business Change and IT	<b>A</b>	Extend golden thread approach by establishing assurance of individual partner organisation internal business planning and performance management links to SOA – Mar 12	<b>Revised timescale – Dec 2012</b>
CPP governance arrangements in place to empower the CPP to make decisions affecting the future of Perth and Kinross.	Head of Corporate Business Change and IT	<b>B</b>	Implementation of enhanced joint governance arrangements – Dec 11  Review sub-group structure of CPP to ensure this remains effective and aligned to delivery of future CPP priorities – Dec 12	<b>Completed</b>  <b>New action</b>

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress Update
Government has a clear role in delivering the Perth and Kinross SOA as a key partner.	Head of Corporate Business Change and IT	<b>B</b>	Development of role of Scottish Government in CPP – Mar 12  Monitor and respond to outcomes from Nation Review of Community Planning and SOAs – Oct 12	<b>Completed</b>  <b>New action</b>
<b>Management</b>				
CPP Scrutiny of SOA progress to ensure that the Partnership is delivering local outcomes.	Head of Corporate Business Change and IT	<b>A</b>	Strengthen closer links between performance managers across partnership organisations – Mar 12  Development of measures to ensure customer satisfaction is an integral part of performance management framework – Mar 12	<b>Revised timescale – Dec 2012</b>  <b>Revised timescale – Dec 2012</b>
Council committee and EOT scrutiny of SOA progress to ensure that PKC is delivering local outcomes.	Head of Corporate Business Change and IT	<b>A</b>		
Council's annual public performance report on Corporate Plan, SOA and P&K/ PK Performs ensures that the public is informed about how the Council is working with partners to deliver local outcomes.	Head of Corporate Business Change and IT	<b>A</b>		
Self evaluation based on "How Good is our Partnership?"	Head of Corporate Business Change and IT	<b>A</b>	Embed use of "How Good is our Partnership?" (CIP) – Feb 12  Development of risk profiles by CPP and themed partnerships – Feb 12  Extend approach to outcome management and reporting – Feb 2013	<b>Revised timescale – Feb 2013</b>  <b>Revised timescale – Feb 2013</b>  <b>New action</b>

## CHANGED CORPORATE RISK      Deliver the Housing Standard Delivery Plan

The Housing Standard Delivery Plan (SDP) sets out how Perth and Kinross Council will reach the Scottish Housing Quality Standard by 2015. Significant controls are in place to ensure that the Council continues to deliver this document and progress is routinely monitored and scrutinised by Housing and Community Care Senior Management Team.

**Risk manager**                      Housing and Community Care  
**Risk impact with controls**        3 - Moderate  
**Risk probability with controls**    2 - Unlikely  
**Risk control effectiveness**        A - Controls are working effectively

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
<b>Leadership</b>				
Housing Standard Delivery Plan in place to road map how we will reach the Scottish Housing Quality Standard by 2015.	Head of Housing and Strategic Commissioning	A		
Housing Revenue Account Business Plan in place to meet all expenditure associated with the Housing Service.	Head of Housing and Strategic Commissioning	A		
Financial regulations in place to ensure that contract arrangements take due account of the need to ensure probity in the expenditure of public money.	Head of Housing and Strategic Commissioning	A		
<b>Management</b>				
Effective scrutiny arrangements in place to enable officers to monitor performance of HRA Capital programme to achieve delivery of the Scottish Housing Quality Standard by 2015. Performance arrangements established to confirm performance to EOT, Housing & Community Care Transformation Board and the Corporate Resources Group.	Head of Housing and Strategic Commissioning	A		
Programme Board for HRA Business Plan has been approved by EOT to monitor progress against key targets and milestones and highlight any issues which are likely to have an impact on the plan.	Depute Director Housing & Community Care	A		
Scottish Housing Quality Standard (SHQS) Annual return to Scottish Government to monitor progress towards the target and enable comparative analysis with other Councils.	Head of Housing and Strategic Commissioning	A		
Consultation with tenants and residents takes place in line with the Tenants Participation Strategy to ensure they are kept fully informed of progress and have the opportunity to express their opinions.	Head of Housing and Strategic Commissioning	A		



## APPENDIX 3 SERVICE RISKS 2011/12

### Key

	Will achieve critical deadlines
	Monitor
	Monitor with concern
	Won't achieve critical deadlines

### Chief Executive's Service Risks 2011/12

Service Risk	Risk without controls		Risk with controls in place		Current status
	Impact	Probability	Impact	Probability	
Adequately address the issues relating to equal pay claims.	Major	Possible	Moderate	Rare	
Comply with legal requirements.	Major	Possible	Minor	Unlikely	
Communicate effectively with members of the public.	Moderate	Likely	Minor	Unlikely	
Provide the required level of independent assurance through the internal audit process.	Critical	Possible	Moderate	Unlikely	

No new risks for 2012/13.

Key

	Will achieve critical deadlines
	Monitor
	Monitor with concern
	Won't achieve critical deadlines

## Education and Children's Services Risks 2011/12

Service Risk	Risk without controls		Risk with controls in place		Current status
	Impact	Probability	Impact	Probability	
There is a risk that we fail to protect children and families at risk ( <b>corporate risk</b> ).	Critical	Likely	Major	Unlikely	
There is a risk that we fail to deliver on the Curriculum for Excellence ( <b>corporate risk</b> ).	Critical	Likely	Moderate	Unlikely	
Continue to deliver the benefits from Investment in Learning Programme and maintain a sustainable cost model.	Major	Likely	Moderate	Unlikely	
PKC IT service and infrastructure does not meet the needs of users.	Critical	Likely	Moderate	Unlikely	
Failure to effectively respond to business failure (business continuity).	Critical	Likely	Moderate	Unlikely	
Failure to deliver the ECS capital programme.	Major	Possible	Moderate	Unlikely	
Deliver the Single Outcome Agreement (SOA).	Major	Rare	Moderate	Unlikely	Transferred from the Chief Executive's Service 2011/12.
Effectively manage changing financial circumstances ( <b>corporate risk</b> ).	Critical	Likely	Major	Possible	Transferred from the Chief Executive's Service 2011/12 - changed corporate risk
<b>New Risks for 2012/13</b>					
There is a risk that we do not identify and meet the additional support needs of children and young people.	Major	Likely	Minor	Rare	New service risk
Failure to support the Councils response to public sector reform.	Major	Unlikely	Minor	Rare	New service risk
There is a risk that we do not effectively engage with our communities.	Major	Likely	Minor	Rare	New service risk

# Key

	Will achieve critical deadlines
	Monitor
	Monitor with concern
	Won't achieve critical deadlines

## Housing and Community Care Risks 2011/12

Service Risk	Risk without controls		Risk with controls in place		Current status
	Impact	Probability	Impact	Probability	
Protect adults at risk ( <b>corporate risk</b> ).	Critical	Likely	Critical	Rare	
Maintain the homeless targets set by the Scottish Government for 2012 ( <b>corporate risk</b> ).	Major	Possible	Major	Rare	
Deliver the Housing Standard Delivery Plan.	Major	Possible	Moderate	Unlikely	
Support the most vulnerable in our society during welfare reform ( <b>corporate risk</b> ).	Critical	Likely	Major	Unlikely	
Deliver on equalities and diversity across the Council ( <b>corporate risk</b> ).	Moderate	Possible	Minor	Unlikely	Transferred from Education & Children's Services 2012/13.
<b>New Risks for 2012/13</b>					
Self directed support	Critical	Likely	Major	Unlikely	New Service Risk

The following risks have been deleted from the Service Risk Profile as management of these risks is embedded within service delivery and monitored at a team level:

- Effective partnership working with our partners
- Effectively manage health and safety across the service.
- Properties are accessible to those who need them in Perth and Kinross.

It is proposed that the risk 'Manage partnership activity and integrated working to reduce the negative impact of alcohol consumption on individuals and communities (corporate risk)' is removed from the Council and Service Risk profile to be managed by the Alcohol and Drugs Partnership.

# Key

	Will achieve critical deadlines
	Monitor
	Monitor with concern
	Won't achieve critical deadlines

## The Environment Service Risks 2011/12

Service Risk	Risk without controls		Risk with controls in place		Current status
	Impact	Probability	Impact	Probability	
There is a risk that we fail to effectively manage the transition to a reduced level of resources.	Critical	Likely	Critical	Unlikely	
There is a risk that we fail to plan for demographic change (including planning for housing growth) ( <b>corporate risk</b> ).	Major	Unlikely	Major	Rare	
There is a risk that PKC does not comply with Health and Safety legislation.	Major	Likely	Major	Possible	
There is a risk that we fail to deliver on the waste Management strategy.	Major	Unlikely	Major	Rare	
There is a risk that we fail to sustain the supply of serviced land for when the economy turns around.	Moderate	Unlikely	Moderate	Rare	
There is a risk of not divesting vacant properties.	Major	Likely	Major	Possible	
<b>New Risks for 2012/13</b>					
Deliver the Council's Capital Programme ( <b>corporate risk</b> )	Major	Likely	Major	Unlikely	New corporate risk
Implementation of City of Perth Development Strategy ( <b>corporate risk</b> )	Major	Likely	Moderate	Unlikely	New corporate risk

## APPENDIX 4 IMPACT SCALE

We measure risk in terms of the impact it would have if it does materialise and the probability of it actually occurring. The following scale includes exemplars of impact and has been used to rate the risks detailed in Appendix 1 and 2. We measure risk in terms of the impact it would have if it does materialise and the probability of it actually occurring.

Category/ Descriptor	Insignificant	Minor	Moderate	Major	Critical
<b>Operational delivery</b>	Service delivery affected but not disrupted	Some disruption to specific service	Disruption to a number of service areas	Shutdown of specific service area/ disruption to a number of service areas	Shutdown of a number of service areas
<b>Strategic Direction</b>	Slight, temporary deviance from one area of strategic direction	Slight, temporary deviance from several areas of strategic direction	Significant deviance from one area of strategic direction	Significant deviance from several areas of strategic direction	Strategic direction totally compromised/ unrecoverable
<b>Council Financial Impact</b>	Loss of less than 15% of monthly budget or £	Loss of more than 15% of monthly budget or £	Loss of more than 5% of monthly budget or £100k	Loss of more than 10% of monthly budget or £500k	Loss of more than 15% of monthly budget or £1m
<b>Legal</b>	Sued for small amount of money	Court action – not prolonged	Prolonged court action/tribunal	Court action impeding delivery of Council objective	Protracted high profile legal proceedings
<b>Governance</b>	Individual internal control not effective	Number of internal controls not effective	Loss of confidence in internal controls requires senior officer intervention	Loss of confidence by Council or external audit bodies/suspension of Council officers	External body required to intervene in governance of Council
<b>Reputation</b>	Minor adverse publicity in local media	Significant adverse publicity in local media	Significant adverse publicity in national media	Sustained adverse publicity in national media Board and Member dissatisfaction	Chief Executive and/or Elected Member resignation/ removal
<b>Workplace health &amp; safety</b>	Incident – no lost time & near miss	Less than 3 days lost	More than 3 days absence	Serious injury/ stress resulting in hospitalization	Fatality (not natural causes)
<b>Health</b>	No detrimental impact on health of individuals	Health issues will require treatment at community level	Health issues will require treatment in hospital	Long-term or acute health issues	Fatalities
<b>Security</b>	No notifiable or reportable incident	Localised incident. No effect on operations	Localised incident. Significant effect on operations.	Significant incident involving multiple locations	Extreme incident seriously affecting continuity of operations.
<b>Social &amp; Environmental Factors</b>	No lasting detrimental environmental or social impact	Short-term detrimental environmental or social impact to localised area/ small group	Short-term detrimental environmental or social impact to wider community/ area/groups	Long-term detrimental environmental or social impact to wider community/ area/groups	Extensive detrimental long term impact on the environment and community
<b>Assets</b>	Low level loss or damage to asset; no effect on service or community provision	Short-term loss of asset not critical to service or community provision	Long-term loss of asset not critical to service or community provision	Short-term loss of asset critical to service or community provision	Total long-term loss of asset critical to service or community provision
<b>Other services/ organisations</b>	Service delivery by other services /organisations affected but not interrupted	Some interruption to specific services provided by other services /organisations	Disruption to a number of service areas provided by other services /organisations	Shutdown of specific service areas provided by other services /organisations	Shutdown of a number of service areas provided by other services /organisations
<b>Local economy</b>	Low level economic decline/ rise in unemployment	Significant economic decline affecting under 25% of businesses/rise in unemployment across limited no. of areas of P&K	Significant economic decline affecting between 25% and 50% of businesses/rise in unemployment across P&K	Significant economic decline in more than 50% of businesses/rise in unemployment across many areas of P&K	Economic decline and unemployment is significant across all of Perth and Kinross

