

PERTH AND KINROSS COUNCIL**COUNCIL – 24 JUNE 2009****PRIORITIES AND RISK FRAMEWORK****Report by the Chief Executive****ABSTRACT**

The Priorities and Risk Framework (PRF) is a national tool issued by Audit Scotland to identify the key national and local initiatives and priorities facing local authorities as well as the main risks to achieving these. It is updated annually by our external auditor, Henderson Loggie, to reflect any changing national priorities and associated risks. This report outlines that Henderson Loggie's view that the Council continues to make good progress to address improvement and remains committed to delivering Best Value.

1. RECOMMENDATIONS

- 1.1 The Council is asked to
- (i) note the contents of this report; and
 - (ii) approve Appendix A as the Priorities and Risk Framework for Perth & Kinross Council

2. BACKGROUND

- 2.1 The Priorities and Risk Framework (PRF) is an integral part of Audit Scotland's overall risk based audit approach that helps ensure their audit work is properly focussed. It takes account of both national and local priorities. The PRF is a public document, available from the main Audit Scotland website.
- 2.2 The Code of Audit Practice and International Standards on Auditing require auditors to understand the Council's business, sufficient to identify and assess the risks of material misstatement. This understanding is informed by the PRF. Audit Scotland requested Henderson Loggie to complete and submit a PRF return outlining the main risks identified from the 2008/09 PRF work. This will be used by Audit Scotland to collate a national picture.
- 2.3 This report provides a brief position statement for each of the specific areas within the current PRF in the Appendix A and lists the identified risks in Appendix 1. The report was submitted to Audit Scotland as the PRF Return, following agreement with officers that it accurately represented the Council.
- 2.4 The information was gathered from a review of key strategic documents, Council and Community Planning Partnership (CPP) meeting minutes and associated papers. In discussion with Henderson Loggie, it was felt that the Best Value Improvement Plan agreed by the Council and its partners in October 2008, following the publication of the Audit of Best Value and Community Planning report in August last year, covered most of the areas

included in the current PRF. The Best Value Improvement Plan progress update report was approved by the Council at its meeting on 6 May 2009 (Report No. 09/207 refers) and this has formed the basis for the completion of the much of the PRF, including the position statement and identified risks, for each of the specific PRF areas, where appropriate.

- 2.5 It is important to note that the risks identified within the report are not ones that Henderson Loggie expected to materialise within Perth and Kinross Council, but are simply a reflection of the national perspective of priorities and risks.
- 2.6 There is an expectation that the PRF will now have a greater importance than previously as it will be one of the key pieces of evidence used to support the revised arrangements for Best Value 2 in relation to the shared risk assessment outlined within the response to the BV2 consultation document (Report No 09/... refers). Appendix 2 of that report contains the draft characteristics of a Best Value council and the PRF now addresses the six key themes in detail. As a result, it is felt that it is appropriate that the PRF comes to Council for discussion and approval.

3 PRIORITIES AND RISK – KEY FINDINGS

- 3.1 The PRF identifies that the Council has made good progress in addressing the actions, issues and risks identified in the Best Value Improvement Plan and also in addressing the PRF national risks. The few risks identified in Appendix 1 are where the Council is unable to significantly mitigate these risks due to circumstances beyond its control such as the Financial Settlements beyond 2009/10.
- 3.2 Henderson Loggie's review of the key issues in this year's PRF demonstrates that the Council is risk aware and in most areas the Council has taken steps to address/mitigate the risks identified. In other areas the Council is aware of the potential risks which may or may not crystallise.
- 3.3 It is important to note that it is not possible for Henderson Loggie to carry out detailed work on all areas noted within the PRF. They plan to cover all areas over the next three years. Henderson Loggie believe however that the Council has in place a robust risk management system that will assist it in identifying and managing both local and national risks.

4 PRIORITIES AND RISK – NEXT STEPS

- 4.1 The PRF issues and associated risks will be kept under observation through Henderson Loggie's attendance and review of Council committee and Community Planning Partner meeting minutes and papers as well as their ongoing audit work. Where necessary, Henderson Loggie will discuss specific issues with officers as they arise.

- 4.2 Henderson Loggie plan to revisit both the Best Value Improvement Plan and the PRF areas before concluding this year's audit. They will provide an update within their annual report, the Report to Members and the Controller of Audit, before the end of October.

5. CONSULTATION

- 5.1 The Executive Officer Team, the Depute Director (The Environment Service) the Head of Finance, and the Head of Shared Support Services have been consulted in the preparation of this report.

6. RESOURCE IMPLICATIONS

- 6.1 Any financial implications arising out from this report will be contained within existing revenue budgets.

7. COUNCIL CORPORATE PLAN OBJECTIVES 2006-2010

- 7.1 The Council's Corporate Plan 2006-2010 lays out five Objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:-

- (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

8. EQUALITIES ASSESSMENT

- 8.1 The Council's Corporate Equalities Assessment Framework requires an assessment of functions, policies, procedures or strategies in relation to race, gender and disability and other relevant equality categories. This supports the Council's legal requirement to comply with the duty to assess and consult on relevant new policies to ensure there is no adverse impact on any community group or employees.

- 8.2 The function, policy, procedure or strategy presented in this report was considered under the Corporate Equalities Assessment Framework and assessed in relation to the Race/Disability/Gender Equalities Assessment. Consequently the following points were identified –

- implement and monitor the community engagement strategy to enable the council to become more systematic in involving communities and in particular, equalities groups
- establishment of a Communities Equalities Advisory Group in October 2008
- deliver on equalities and diversity across the Council

9. STRATEGIC ENVIRONMENTAL ASSESSMENT

- 9.1 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).
- 9.2 However, no action is required as the Act does not apply to the matters presented in this report. This is because the Committee are requested to note the contents of the report only and the Committee are not being requested to approve, adopt or agree to an action or to set the framework for future decisions.

10. CONCLUSION

- 10.1 The Priorities and Risk Framework provides the members, service users, citizens of Perth and Kinross and other key stakeholders with further assurance that the Council remains focussed on ensuring a strong commitment to best value and continuous improvement to deliver improved outcomes and better services.

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Date: 25 May 2009



HENDERSON LOGGIE

Perth & Kinross Council

**Priorities and Risks Framework Report/Return
March 2009**

External Audit Report No: 2009/02

Draft Issued: 25 March 2009

Final Issued: 31 March 2009

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<input type="checkbox"/> Vision and strategic direction	3	<p>This report has been prepared in accordance with our responsibilities under International Statements of Auditing and Audit Scotland's <i>Code of Audit Practice</i> for the audit of Perth & Kinross Council. It covers significant risks identified from our discussions with management and is based upon our understanding of the Council's business and consideration of risk management procedures within the Council. For this reason the matters referred to in this report and in particular the appendix may not be the only risks which exist.</p> <p>We take this opportunity to remind you that:</p> <ul style="list-style-type: none"> <input type="checkbox"/> This report has been prepared for the sole use of Perth & Kinross Council and the Audit Sub-Committee and will be shared with the Accounts Commission and Audit Scotland; <input type="checkbox"/> It must not be disclosed to a third party without our prior written consent; <input type="checkbox"/> No responsibility is assumed by us to any other person who may choose to rely on it for his or her own purposes.
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Executive Summary

Background

The local government Priorities and Risks Framework (PRF) is a national tool issued by Audit Scotland and used by auditors to help plan the risk-based audits of local authorities. It is designed to identify the key national initiatives and priorities facing local authorities as well as the main risks to their achievement. The current PRF that was issued in November 2008 covers a three year period from 2008/09 to 2010/11. It will be updated annually to reflect any changing national priorities and associated risks.

The PRF work is an integral part of our overall risk-based audit approach that helps to ensure our audit work is properly focussed and takes account of national priorities and risks as well as the key local area priorities and risks. The PRF is a public document, available from the main Audit Scotland website.

The Code of Audit Practice and International Standards on Auditing require auditors to understand the Council's business, sufficient to identify and assess the risks of material misstatement. This understanding is informed by the PRF.

Audit Scotland has requested local auditors to complete and submit a PRF return outlining the main risks identified from the 2008/09 PRF work by 31 March 2009. This will be used as a means for a national picture to be collated centrally by Audit Scotland.

Scope

This report provides a brief position statement for each of the specific areas within the current PRF in the main report and lists the identified risks in the appendix. The report will be submitted to Audit Scotland as the PRF Return. This report was agreed with officers prior to being lodged with Audit Scotland.

Audit Approach

The information has been gathered from a review of key strategic documents, Council and Community Planning Partnership (CPP) committee/meeting minutes and associated papers. A meeting was held with the Executive Officer Team (EOT) to agree our approach to completing this year's report and return. At this meeting it was agreed that the Best Value Improvement Plan (BVIP) agreed by the Council and its partners in October 2008, following the publication of the Audit of Best Value and Community Planning report in August last year, covers most of the areas included in the current PRF. The EOT agreed to provide an updated BVIP of progress made to date and that this information should form the basis of the position statement and be used to identify risks, for each of the specific PRF areas, where appropriate.

It was also agreed that we use the updated action plan we recently received from the Depute Director (Environment) outlining progress made by the Council to date in implementing the agreed recommendations in our Corporate Asset Management Report (Report no 2007/07 issued on 18/02/08, updated for EOT on 27/01/09) for the section on asset management within the use of resources.

Our review of the draft SOA agreement for 2009/10 to 2011/12 that was submitted to the Scottish Government in February 2009 was used to inform the position statement and associated risks for the Council's vision and strategic direction. We used the recent budget papers to inform the position statement and associated risks for the section on finance within the use of resources.

Unless specifically noted in the above areas we have not covered or identified risks in the cross-cutting areas of equality and diversity and sustainability. We have been asked by Audit Scotland to carry out some audit work on the impact of their Race Equality Duty (RED) report and this will be completed in September 2009.



HENDERSON LOGGIE

Executive Summary

Overall Conclusions

Overall the Council has made good progress in addressing the actions, issues and risks identified in the BVIP and also in addressing the PRF national risks. The few risks identified in the Appendix are where the Council is unable to significantly mitigate these risks due to circumstances beyond its control such as the Financial Settlements beyond 2009/10.

Our review of the key issues in this year's PRF demonstrates that the Council is risk aware and in most areas the Council has taken steps to address/mitigate the risks identified. In some other areas the Council is aware of the potential risks which may or may not crystallise.

It is important to note that it is not possible for us to carry out detailed work on all areas noted within the PRF. We plan to cover all areas over the next three years. We therefore have not identified all of the risks that may exist. We believe however that the Council has in place a robust risk management system that will assist them in identifying and managing both local and national risks.

Next Steps

The PRF issues and associated risks will be kept under observation through our attendance and review of Council committee and CPP meeting minutes and papers and our ongoing audit work. Where necessary, we will discuss specific issues with officers as they arise. We also plan to review the Annual Report 2008/09 on Corporate Business Risks due to be submitted to the Scrutiny Committee in June.

We plan to revisit both the BVIP and the PRF areas before we conclude this year's audit and provide an update within our annual report, the Report to Members and the Controller of Audit, before the end of October.

Acknowledgements

We would like to take this opportunity to thank the EOT and all of the officers of the Council who provided information to us during our completion of this report.



Main Report - Position Statements

Vision and strategic direction

Vision

The overall vision for the Perth and Kinross area is set out in the Community Plan: *“working together for Perth and Kinross 2006-2020”* published in January 2007. The plan focuses on cross-cutting aims and outcomes to achieve its vision *“of a confident and ambitious Perth & Kinross, to which everyone can contribute and in which all can share. We will create and sustain vibrant, safe, healthy and inclusive communities in which people are respected, nurtured and supported and where learning and enterprise are promoted.”*

The plan has three underpinning principles: equalities, community engagement and sustainability. It also has three key aims with agreed associated outcomes: vibrant and successful area, safe, healthy and inclusive communities and nurtured and supported people. The aims and outcomes of this plan closely align with the national priorities included in the Single Outcome Agreement (SOA).

Strategic Direction

The draft SOA for 2009/12 builds on the vision and aims of the Community Plan and sets out the key local outcomes that the Community Planning Partnership (CPP) is committed to achieving for the area. It is now recognised as the key strategic driver for public service delivery across the area and was developed with significant involvement from all core partners in the CPP. It was approved by the CPP on 27 February 2009 for submission to the Scottish Government and it was agreed at this meeting to submit it to each of the Boards of the statutory partners for approval prior to May 2009.

Most of the CPP partners are Tayside wide organisations such as NHS Tayside and Tayside Joint Police Board. These organisations are key partners in all three SOAs and CPPs in Tayside and each has its own strategic plans that set out their priorities for the whole of Tayside. **(Risk 1)**

The revised SOA builds on the priorities and outcomes identified in the first SOA (2008/09) that was agreed by the CPP on 28 March 2008. External changes, such as the economic downturn, are reflected in the priorities for action in the new SOA and it also includes revised targets for improvement and updated indicators. (See section on Performance management and improvement)

Leadership and Culture

The Best Value review found that *“The leadership of the council is strong and effective in terms of strategic direction, delivering change and providing capacity for further improvement. There are good working relationships between elected members and executive directors and relations between political group leaders are constructive.”*

From our attendance at meetings, including the CPP, since the Best Value Report was published last August we believe that the good working relations have continued and no specific risks have been identified during our planning meetings with chief officers.

Planning and Resource Alignment

The CPP has developed both budget and planning processes to ensure that there are clear links between the allocation of resources and the local outcomes included in the SOA.

As the current SOA covers a three year period many of the outcomes will require resources in each of the three years covered. In Scotland currently there are few details available of the overall allocations from the Scottish Government to each of the public sector areas beyond 2009/10. **(Risk 2)**



Main Report - Position Statements

Partnership working and community leadership/engagement

Partnership Working

The Best Value Report stated that *“The council and its partners work well together, are clear about priorities for the area and are committed to the Perth and Kinross Single Outcome Agreement.”*

From our ongoing review of partnership papers and our recent attendance at the CPP meeting we believe that the above statement is still valid and no specific risks have been identified during our planning meetings with chief officers.

Community Leadership

The draft SOA 2009/2012 was approved in February 2009 by the CPP, based around a shared vision and with local outcomes agreed by all CPP partner bodies. The Council has the lead role in Community Planning and the development of the SOA for the area and acknowledges that this is achieved with significant input from all partner bodies in the CPP.

The Best Value review found that *“Community Planning is well developed in Perth and Kinross, supported by a strong commitment to partnership working, effective planning structures and a clearly defined set of desired outcomes.”*

From our ongoing review of partnership papers and our recent attendance at the CPP meeting we believe that the above statement is still valid and no specific risks have been identified during our planning meetings with chief officers.

Community Engagement

Although the Best Value review found *“many positive examples of directly involving local communities and service users in shaping plans and services”* the Best Value Improvement Plan (BVIP) included an agreed action to *“implement and monitor the community engagement strategy to enable the council to become more systematic in involving communities and in particular, equalities groups.”*

The Community Engagement Strategy includes a detailed action plan which the Council has agreed it would develop to include clearer targets (including qualitative measures) against which to judge success. Similarly clearer targets are also to be developed for the Equalities Strategy. The agreed delivery timescales for these actions were March 2009. The Council has been actively addressing the associated risks in relation to this action in the BVIP and has developed targets for this area.

Progress made by the Council to date includes:

- Development and use of the VOICE toolkit (National pilot) by Services for engagement activities;
- Appointments of two Senior Community Capacity Workers; one Equality & Diversity officer until June 2009 to help work with equalities groups and set up a Diversity Forum and one in Environment Services to engage with local communities involved in the Placecheck initiatives;
- An evaluation of community engagement by an external consultant. The findings are being used to help target work in this area and training has been provided to Services upon request; and
- Establishment of a Communities Equalities Advisory Group in October 2008. This group is being consulted on a range of equalities issues and will help to inform Council policies and practices. **Risk 3**



Main Report - Position Statements

Governance and accountability

The Best Value report stated that *“the Council has successfully undertaken significant structural change over the last few years. Political and executive structures clearly align with the delivery of corporate priorities.”*

The Council's committee structure reflects the key themes of the Community and Corporate plans and has been designed to ensure there is appropriate scrutiny from elected members. Each themed committee is responsible for monitoring the performance of Services in delivering the Council's corporate objectives. The Best Value report found that *“Scrutiny arrangements to support performance and continuous improvement are sound but the scrutiny committee is at an early stage in its development regarding its coverage of the council's decision making processes.”*

Scrutiny committee development is being progressed through a “Forward Programme for Scrutiny”. This includes an improvement plan covering roles and responsibilities, the development of a scrutiny programme and member development. The Committee has identified a programme of two areas which will take place over 2009. Work is underway in relation to the first review of grounds maintenance which will be completed by June 2009. Scoping for the second review will take place following this and examine strategic, cross-cutting integration of policies within areas of social and economic regeneration. Further development of the approach by the Council is expected to follow over the course of the next year. **Risk 4**

An annual update of the Council's Local Code of Corporate Governance is being progressed and a working group has been set up to take forward the move towards an annual review of internal controls reported in an Annual Governance Statement (AGS).

Available good practice, the CIPFA/Solace guidance note is being used to comply with the Delivering Good Governance in Local Government Framework. The Council plans to produce an AGS for 2008/09.

Role and Development of Elected Members

Post-election induction and awareness training was provided for all members following the 2007 elections. In October 2008 the Council adopted the role profiles/descriptions recommended from Scottish Local Authorities Remuneration Committee (SLARC) and competency framework. Personal development plans (PDPs) for elected members were also introduced which include a Development Needs Analysis and a Record of Development. It is the responsibility of each elected member to record development they undertake. All 41 members have personal development plans. **Risk 5**

Support for Elected Members

A training programme for members covering areas such as scrutiny roles/ remit, operating principles for undertaking investigations as part of the “Forward Programme for Scrutiny” has been introduced. In addition the Chief Executives Service is available to assist with and support the PDP process.

Working with External Organisations

The Council and CPP have taken cognisance of good practice guidance from the High Level Steering Group (HLSG) and the Concordat Oversight Group (COG) when developing their governance and accountability arrangements for the SOA. The draft SOA 2009/12 includes agreed governance and reporting arrangements and these are approved by the Council and partner boards.



Main Report - Position Statements

Performance management and improvement

The Best Value review found that “*A robust performance management framework is in place across the council.*” The BVIP included the following two improvement actions relating to further development and enhancement of performance management:

- Enhance performance management processes by being more systematic in the use of customer satisfaction information, clearer articulation of milestones and outcomes and benchmarking comparators; and
- With strategic partners, further develop performance management arrangements across Community Planning Partnership to support the delivery of the Single Outcome Agreement.

Corporate Priorities

The Council has recently revised its Corporate Plan to ensure that the plan’s priorities more closely align with the key outcomes it has responsibility for delivering within the SOA. The Services’ Business Management Improvement Plans (BMIPs) have also been updated to ensure the SOA outcomes that they have responsibility for delivering are included as Service priorities. The revision of the Corporate Improvement Plan (which replaces the OCIP) is ongoing and will cover the issue of customer satisfaction information.

Performance Indicators

The revised SOA (2009/2012) includes a number of updated indicators to provide more meaningful information that supports effective monitoring of performance. In line with the 2008 Direction the Council is currently reviewing its statutory performance indicators (SPIs) so that appropriate arrangements will be put in place to ensure that the new suite of indicators required for 2009/10 are effectively collated from 1 April 2009.

Monitoring Performance

The first interim performance report against the SOA 2008/09 was submitted to the CPP in December 2008. Work is ongoing to improve the monitoring and reporting of outcome delivery and a final performance report will be submitted shortly to the CPP. Further interim reports are planned for the revised SOA.

The Council’s 2007/08 annual performance report included trend information to allow benchmarking. The monthly performance reports to the EOT have been modified to include details of the Scottish average, top performing councils and the Council’s ranking on SPIs. The BMIP guidance was revised last year and the BMIPs will include trend and benchmarking information within the Services’ action plans in future years.

Involving Users

A review of the Council’s approach to the collection and use of customer satisfaction information as part of its overall performance management arrangements is currently ongoing and is expected to be fully implemented by March 2010. Actions taken by the Council to further involve communities is covered in the Community Engagement section of this report.

Performance Reporting

Further to the improvements covered in monitoring of performance above work is ongoing to further develop the performance reporting framework following the revision of the SOA.

The Council has a good reporting framework in place which the Best Value review found was “*clear and balanced.*” “PKC Performs” was seen to “*provide a useful update of the Council’s performance against its main objectives.*”



Main Report - Position Statements

Risk management

The Council demonstrated to the Best Value Review team that “*Risk management and contingency planning principles are well understood within the council. The council has had a corporate risk management strategy in place for some time. There is an established process for producing risk profiles at corporate and service level which link with the planning process and are monitored by EOT and the Scrutiny Committee.*”

Policy, Strategy and Procedures

In June 2008 the Council revised its Risk Management Strategy which was approved by the Strategic Policy and Resources Committee. The revised strategy articulates the benefits of risk management in a more practical way, outlines the process and includes a section that highlights a practical approach to embedding risk management across the organisation. Guidance notes are also included on the Council’s overall risk management process.

Corporate Risk Management

In November 2008 an annual report on risk management was submitted to the EOT for consideration which highlighted a revised set of corporate business risks for discussion and provided information on the top ten prioritised key Service risks as at 31 March 2008. The report also included a review of progress made in embedding risk management across the Council in 2007/08 and a proposed plan of risk management activity for 2008/09.

Twelve new Corporate Business Risks were identified in an appendix to the report together with the consequences and causes. Details of the current internal controls in place and action plans to mitigate the identified risks are also included, as are the Risk Owners (the EOT) and the Risk Managers (Services) for each of these risks.

A number of these risks are covered in this report and also feature in the BVIP. The key risks are as follows:

Failure to

- Deliver improvements attainment and achievement in respect of learning and teaching;
- Deliver the Single Outcome Agreement (SOA);
- Protect vulnerable children and families;
- Protect vulnerable adults;
- Fail to deliver the Waste Management Strategy;
- Recognise the impact of and deliver on demographic change (including planning for housing growth);
- Deliver the Homelessness Strategy;
- Deliver the Investment in Learning Programme and associated Business Change;
- Deliver the Capital Programme;
- Deliver the Housing Standard Delivery Plan;
- Deliver on equalities and diversity across the Council; and
- Deliver, implement and support the development of Information management systems/processes and procedures across the Council.

The Council continues to demonstrate that it is risk aware and has good governance arrangements in place, both corporately and within the Services to identify and manage risk. Identified good practice in this area includes quarterly monitoring reports to the EOT, annual follow-up risk workshops with Services, Risk Management Champions within the Services, a Corporate Risk Management Team and the refined “Embedding Risk” questionnaire issued in January 2009 to all Services.



HENDERSON LOGGIE

Main Report - Position Statements

Use of resources - financial management

The Best Value report found that “*financial management is very strong in the Council and has continued to improve in recent years. A comprehensive reserves policy is regularly updated as part of the budget process and, more recently, medium term planning has been further developed to better align budgets and corporate objectives.*”

Budgets and Budgetary Control

The Council has well defined structures for planning, preparing and finalising both revenue and capital budgets. Resources are targeted towards priority areas. Moves towards outcome led budgeting will help to establish links between the Council’s Single Outcome Agreement with the Scottish Government, the Community Plan, the Corporate Plan, the Business Management and Improvement Plans and the individual Services’ budgets.

The 2009/10 budget was prepared in the context of the Single Outcome Agreement (SOA). Services were tasked with ensuring budget submissions were consistent with the SOA and Best Value and on the delivery of the Corporate Plan and Service BMIPs that support delivery of the SOA.

When preparing the budget the Council identified changes to income and expenditure patterns, known and anticipated pressures such as possible increased pressure on Housing Benefits /Council Tax (CT) Benefits on the budget for supporting homeless clients and reductions in new housing completions that will potentially impact on the CT base reducing CT income. Budget monitoring reports have reported reductions in income generated from planning fees and building warrants and a reduction in capital receipts, which have implications for the capital programme. Although the changes are less predictable the Council is aiming to manage these within available resources. **Risk 6**

The Council submitted their 2007/08 Efficiency Statement to the Scottish Government by August 2008. For 2008/09 key areas targeted under the Council’s efficiencies programme are procurement and Human Resources and this is to be supplemented by a Diagnostic Review assessing where improvements can be made to generate efficiencies and make improvements to Services. The Corporate Resources Group is charged with tracking and monitoring the progress and success of this programme. Uncertainties with the impact of the overall UK efficiency targets on the devolved Scottish budget in 2010/11 are a risk to the Council’s management of the budget. **Risk 7**

National Influences

Perth & Kinross Council has agreed a freeze on Council Tax rates for 2008/09.

Financial Governance

The Head of Finance at the Council is the Section 95 Officer under Local Government (Scotland) Act 1973 which requires Local Authorities to make arrangements for the proper administration of their financial affairs. Whilst Perth & Kinross’s Head of Finance is not a substantive member of the EOT he is a standing member of the Council’s officer/member Budget Review Group and is in attendance throughout the EOT review of the Budget. He regularly briefs the EOT on expenditure monitoring and finance issues during the course of the year and has right of access to the Leader of the Council, the Chief Executive and the EOT on all issues relating to the Council’s financial governance and management. The Head of Finance is a standing consultee on all reports seeking approval to commit Council funds. **Risk 8**



Main Report - Position Statements

Long Term Planning

Medium term financial planning is seen as a high priority. In recent years the Council has developed three year revenue budgets with resource levels incorporated into the BMIPs and has moved to a rolling five year capital programme to improve forward planning of projects included in the programme.

The Best Value report recognised that further improvements should be made by *"further developing medium term financial planning linked with asset management plans"* and by *"creating linkages between planning arrangements."* The Council has agreed to target dates for the annual updating of the Medium Term financial plan, to complete a comprehensive asset management plan, to put in place mechanisms for aligning and linking capital and asset management plans. Asset management actions are covered in the asset management section of this report.

A Final Revenue Budget, Composite Capital Programme and Reserves Strategy were set at a Special Council Meeting of 12 February, with the HRA Budget and Housing Capital Investment Plan having previously been approved by the Council's Housing & Health Committee on 4 February. Due to uncertainty in relation to the 2010/11 Local Government Finance Settlement the Council has set a one year revenue budget for 2009/10 only. The Head of Finance, however, proposes to update the Council's Medium Term Financial Plan in outline later in the summer to provide context for commencing more detailed work on the development of the 2010/11 Revenue Budget. (Refer to **Risk 7**)

The Best Value report found that *"a comprehensive system of effective budget monitoring is in place with regular reporting to members"* and that *"a budget flexibility scheme has operated for a number of years which allows the carry forward of unspent monies with Council approval and within permitted limits."* From our ongoing review of monitoring reports/minutes we believe the above statement is still valid.

The Council has developed strategies to address ongoing financial pressures, such as the Investment in Learning strategy, with Services being asked to contain all new unbudgeted cost pressures.

Single Status and Equal Pay

The Council faces continuing exposure to potential claims under Equal Pay legislation in respect of its own employees and its share of the potential liability for Tayside Contracts employees. The Council has previously earmarked reserves to meet the cost of any resulting liability based upon a risk assessment of its possible exposure to Equal Pay claims, although there remains a real risk that the potential cost of claims could be in excess of the levels earmarked. Whilst it is viewed as desirable to earmark additional reserves in relation to this issue, the Council judges that there is not sufficient capacity to do so within existing resources and considers that a tightened budgetary environment limits its capacity to raise reserves through taxation in the medium term. The managed use of reserves is also supporting the Council to meet the cost of implementing the local SOA over the next few financial years. **Risk 9**

Repairs and Maintenance

The Housing and Health Committee reported pressures on 4 February 2009 including the cost of the Housing Repairs Service and pressures from the Capital Investment Plan to meet housing quality standards. A revised Business case is being developed following on from a review of processes and budgetary control arrangements. This will ensure that the Scottish Housing Quality Standard target is met within the revised figures. **Risk 10**

A Property Asset Condition Report 2008 also identified a repair and maintenance requirement of almost £23 million of which £20.5 million is in the next five year period. With combined revenue and capital budgets of £11.5 million over the same five years, this leaves a £9 million shortfall. **Risk 11**



Main Report - Position Statements

Use of resources - financial management (Cont'd)

Global Events

The Council's £1 million investment in the Icelandic bank Glitnir has not been repaid on the due date. An official claim has been lodged for full recovery plus interest. The Council is now operating under revised treasury limits and practices and the lending list continues to be reviewed regularly with financial institutions removed as a result of market conditions / downgrading. The Council's interests are being pursued under the umbrella of the Local Government Association and COSLA. The risk of failing to recover this investment is also mitigated by the recent statutory guidance issued by the Scottish Government.



HENDERSON LOGGIE

Priorities and Risks
Framework Report/Return 2008/09 for Perth & Kinross Council

Main Report - Position Statements

Use of resources - people management

The Best Value report found that the Council “values its employees and regards them as central to delivering improvement” but it has yet “to develop a coordinated approach to workforce planning and needs to ensure its employees review process is up to date across all services.”

Workforce Management

The Council has made some progress with the BVIP improvement action to “develop and implement workforce planning and ensure all employees have reviews that are up to date and objectives set and monitored.” The BVIP progress update reports that all Services have developed a Service Level Workforce Plan to address specific issues in their Service. Although currently there is no Corporate Workforce Plan (CWP) we have been informed that a CWP will be presented to the Executive Officer team (EOT) and then to the Modernising Governance Member Officer Working Group during March /April 2009. **Risk 12**

A Human Resources Strategy “Securing the Future – Together with our Employees” was published in June 2007 and this included an Employee Charter setting out the Council’s commitments to, and expectations from, employees to support the Council’s vision. The Human Resources (HR) Management Information six month report to the SP&R Committee on 4 February 2009 notes progress with workforce planning in relation to the CWP and also notes that key actions will be reflected in Service BMIPs.

The BVIP requires 100% of eligible employees to have objectives agreed through the Employee Review and Development process and be up to date with monitoring reviews by June 2009.

For the nine months to December 2008 over 3,500 or 60% of Employee Review and Development (ERDs) are reported as complete for eligible staff. Service meetings in the last quarter of 2008/09 should add to this total. ERD targets are included within Service BMIPs and the levels of completed and planned ERDs are due to be reported in the Council’s annual report. **Risk 13**

The HR Management Information six month report included proposals for the future reporting of HR management information. To give the statistics context, linkages with the three objectives in the Council’s HR Strategy are proposed, with specific secondary indicators developed over time.

Absence Management

The HR Management six month report includes sickness absence movements, and reports the marginal decrease in the Council’s sickness absence SPI from 5.6% to 5.31%, although the overall trend from 2006 is still noted to be upwards. A corporate BMIP target of 4.8% for sickness absence has been set for 2009. A review of sickness absence management arrangements at the Council by a project team led by HR and comprising representatives from all Services, Capital Health Solutions and Trade Unions is aimed at achieving this target.

Efficient Use of Resources

A new Integrated HR and Payroll system contract was awarded for five years with effect from 31 October 2008. This system aims to allow the Council to manage and maintain comprehensive employee information on a single system over the next ten to fifteen years and implementation of this will require to be effectively managed. **Risk 14**



Main Report - Position Statements

Use of resources- asset management

The Best Value report found that the *“the Council has robust processes in place for handling its wide range of assets.”* Although the Best Value review recognised that *“the Council has done a significant amount of work in taking forward its asset management strategy and plans”* it contained agreed actions for asset management in relation to medium term financial planning as *“the process is not sufficiently developed to show whether resources are shifting to meet changing priorities.”* The BVIP improvement actions were to:

- Further develop medium-term financial planning linked with asset management plans; and
- Create linkages between asset management, financial management and workforce planning arrangements.

Strategic Planning

We issued report 2007/07, *“Corporate Asset Management”* from our review of Corporate Asset Management (CAM) during 2007/08 and reported that the Council had still to complete one of the key Improvement Actions listed in the Organisational Change and Improvement Plan (OCIP), the introduction of an overarching Corporate Asset Management Plan. A timescale of the end of 2008 was set to put this in place.

Follow-up Action Plan Report 2007/07 responses and the BVIP progress update reports that a draft CAM is complete and was presented to the Executive Officer Team (EOT) on 27 January 2009. We have also been informed that this plan includes information on all core assets. It is due to be re-presented to a future meeting of the EOT, with political approval anticipated by summer 2009. **Risk 15**

Information Management / Systems and Techniques

The January SP&R Committee reported a suite of three plans: the Corporate Property Asset Management Plan (AMP) 2008/2009; the Property Asset Performance (PAP) Report 2008 and the Property Asset Condition (PAC) Report 2008 that reflect progress by the Council with asset management strategies in relation to medium term financial planning. Property AMPs developed by Services are used to inform the content of the Corporate Property AMP. The PAP Report 2008 is the first of an annual publication that aims to provide key performance management information on the estate. The PAC Report 2008 aims to provide a link between assets and finance and to quantify the maintenance and repair requirements over the next five years. However these plans also reflect the need for further progress in this area. In addition related recommendations from our CAM report such as adopting the use of whole life costing and finalising the Property Maintenance Strategy have still to be completed. Progress with these will be reported in our Financial Statements Audit Plan. The BVIP progress update notes the following progress with mechanisms for aligning capital plan and asset management plan and with linkages between various planning arrangements:

- Asset Management is one of the criteria for assessing business cases;
- A review of Service Needs and Property Issues (SNAPI) is aimed at informing how best to use Council assets in each geographical area based on current and future service delivery needs;
- Good practice for linkages is being investigated. **Risk 16**

A review of Common Good assets is currently underway and is due for completion by 31 March 2009. Progress will be reported in our Annual Report.

The Council has reviewed their protocol for identifying and managing surplus and vacant property and their Void Property Process. The Void Property Process review is aimed at addressing falling SPI performance for void timescale; the Council slipped from 9th in 2006/07 to 13th in 2007/08.



Main Report - Position Statements

Use of resources - procurement

The Best Value report found that the Council had “*increased momentum in implementing its procurement strategy. Lead officers have been identified in services to promote a consistent approach to procurement. A central procurement unit is in place and a consortium involving Perth & Kinross, Dundee and Angus Councils has been established.*” In addition they also reported that “*progress in delivering efficiency savings is expected to accelerate now that a collaborative procurement framework is in place.*”

Strategies and Structures

The Council’s updated Corporate Procurement Strategy 2008-2011 approved in April 2008 works towards and builds upon the recommendations of the McClelland report. Currently there is still scope for improvement. Progress with the e-procurement system PECOS continues with implementation across all Council Services scheduled for August 2009.

The Council is a member of the Tayside Procurement Consortium together with Dundee City and Angus Councils. There is a Head of Procurement for the Consortium who is the professional lead for procurement across the three councils. Each Council has a Corporate Procurement Manager responsible for driving procurement initiatives at council level. The North East Regional Hub (Tayside councils, Aberdeen City Council and Aberdeenshire Council) is one of the centres of excellence of Scotland Excel and has now been established for over six months. The aim of the regional hub is to assist with the collaborative procurement between local authorities in each region. **Risk 17**

On 16 April 2008 the SP&R Committee approved the Council’s membership of Scotland Excel for the three years from 1 May 2008 and agreed the nomination of a Councillor to represent the Council on the Scotland Excel Joint Committee.

Efficiency Savings

Initial reports to the SP&R Committee indicated that the Tayside Procurement Consortium programme is working towards delivering savings of around £2 million per annum by 2011. The Council’s involvement with Scotland Excel is aimed at playing a part in this delivery as well as fostering a model for shared services in Tayside. Financial savings arising from the aggregation of spend for local authorities are projected to occur in three waves of procurement activity spanning four financial years from April 2008 to March 2012. The first wave is the identification of opportunities with the highest potential savings value and the least potential impediments.

Perth & Kinross Council’s Annual Efficiency Statement for 2007/08 reported to the SP&R Committee on 3 December 2008 that cashable savings of £305k for procurement were achieved due to budget reductions through new procurement, re-negotiation of contracts and bringing contracts in-house. The Council makes extensive use of “user intelligence groups” which determine the specifications for those commodities to be procured through procurement consortia. Going forward procurement continues to be one of the key areas targeted for efficiencies by the Council in 2008/09, with anticipated procurement savings of £1.2m projected over the next three years.

The Efficiency Statement also indicated that with the implementation of PECOS the Council will be in a better position to baseline information and report on efficiencies. Our Financial Control Evaluation work has reported purchases of only £92k from the use of PECOS to February 2009. Achievement of efficiency gains for 2008/09 will be affected in part by any delays with the roll-out and use of PECOS. (Refer to **Risk 17**)

Procurement performance reporting arrangements of the Council require that all benefits achieved through the implementation of the procurement strategy are tracked and reported to committee on a regular basis.



Main Report - Position Statements

Use of resources - information management

The Best Value report recognised that the Council “demonstrates its commitment to high quality customer service by the effective implementation of customer service standards, the introduction of a customer service centre and the use of Kaizen Blitz techniques to improve customer outcomes.”

Citizen Information / ICT Investment

The Council formally commenced Customer First in April 2005 as part of its Business Change and Improvement Framework, with aims of delivering excellent customer service, maintaining positive employee relations and anticipated cost and labour saving efficiencies. A Customer Service Centre (CSC), the first point of contact for a number of services, has been established and a Customer Relationship Management System (CRM) procured. National Entitlement Cards can be applied for by telephoning the Council’s CSC and requesting an application pack.

Customer Service standards were implemented from April 2007 in all services. Employees receive training and ongoing communication for implementation of these standards, together with regular reports from Service coordinators on performance. Services’ action plans detail how they will monitor against these standards and report performance through BMIPs and other reporting mechanisms.

The Council aims to further develop their face to face customer service provision. This is being progressed by expanding the functionality of the CRM system to interface with national systems in preparation for interaction with the National Infrastructure and National Citizen Account. This will allow customers to make on-line requests through CRM and provide more staff access to system and technology upgrades. Capital proposals for this expansion are included in the Council’s Composite Capital Budget 2009-2014.

Further ICT investment by the Council on a new Integrated Human Resource and Payroll system is also covered in the People management section.

Data Handling and Security

The Council has reported the following strategies - *Information Management (IM) Strategy 2009-12* and *Information & Communications Technology (ICT) Strategy 2009-11* to the SP&R Committee on 3 December 2008.

The IM strategy 2009-2012 focuses on information as an asset. This strategy, a response to a 2005 review, identified the need for the Council to adopt a corporate ICT strategy. The Council notes that this strategy presents a change in direction from the previous Corporate Information Strategy, moving away from “the importance of what the information is and what it is being used for, to an emphasis on how the information is being processed and stored.” Actions from this strategy are to be reviewed and revised on a regular basis to reflect changing priorities and operational requirements. Development of a communication plan and further components for this strategy are currently being progressed by the Council. **Risk 18**

The revised ICT strategy reports on the Council’s progress to date under the heading “*What the Council has done*”. The Council’s first ICT Strategy was approved in October 2006 to ensure the Council has a flexible, adaptable ICT infrastructure that facilitates and supports change and improvement and enables the Council to deliver on corporate and service objectives. The next steps are reported under the heading “*What will the Council do?*” The Council has listed targets for achieving these objectives by 2011 under the heading “*The Council will know it has made progress towards the objectives,*” although without setting individual targets for each objective it may be difficult for the Council to track progress over the two years. (Refer to **Risk 18**)



Main Report - Position Statements

Service priorities and risks

Sustaining rural communities, providing affordable housing and responding to the highest population growth in Scotland over the next 25 years are significant challenges faced by Perth & Kinross Council. The Best Value report recognises that the Council's vision reflects these challenges and found that "services are improving above the Scottish average and overall, council services perform slightly better than the national picture."

Strategic Service Challenges

One of the BVIP improvement actions relating to Services is to "ensure that effective progress is made on the key strategies that support sustainable growth and regeneration, and in particular, the specific issues around planning for growth and affordable housing." The Council has set targets to address this improvement action and progress to date includes:

- Approval of a revised Economic Strategy at CPP February 2009;
- Development of a Strategic Waste Plan to follow issue of national guidance;
- A social inclusion strategy is being developed;
- A 2009/10 Local Housing Strategy is in place and work is underway to progress the new Local Housing Strategy from 2010;
- Alteration to the Structure Plan reflecting revised population figures;
- 138 affordable houses built since start of April 2008, with 202 possible completions for the entire year 2008/09; and
- A bid to Scottish Government for subsidy to build 26 council houses.

Although the Council has developed a strategy for the significant challenge of homelessness, they have reported that due to lack of affordable housing and social rented housing the Council will not meet some of the Scottish Government's priority targets. **Risk 19**

Quality of Service Leadership

The Best Value report noted that following a period of instability in management and leadership in education and children's services, indications are that the new leadership is providing clear direction and focus for improvement. The BVIP improvement action outlined that the Council should "continue to provide corporate support to the new service management team in education and children's services to maintain stability and sustain improvement." Recent external inspections reports indicating leadership is a strength and recognising quality of services provided demonstrate the Council's progress. A recent HMIE Child protection inspection report has still to be published. **Risk 20**

Recent changes at the Council include the appointment of a new Executive Director Housing & Community Care and Housing & Community Care service restructuring. In addition the Council has recently reported on progress towards integrated service delivery within the Education and Children's service. Our Annual Report will provide comment on these changes, where appropriate.

Service Delivery

Two improvement actions were included in the BVIP that the Council should "sustain performance improvement in handling planning applications" and that the Council "needs to further improve ...educational attainment."

We have been informed that the respective progress to date for these actions include BMIP targets met for planning applications for household applications and all applications for the period to 31 January 2009 and targets have been and are being set for 2009/10. Improvements in levels of attainment were reported to the Lifelong Learning Committee on 29 October 2008 in their analysis of progress achieved in 2008. Additionally progress towards improving individual school performance against school comparator, education authority comparator and the national average is being monitored, with the aim of achieving attainment levels above comparator authorities by 2011. **Risk 21**





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Appendix I

Risks Identified

Appendix I – Risks Identified

Vision and Strategic Direction

Area	Page Ref.	Identified Risk	Circumstances Leading to the Risk
Strategic direction	3	<p>1. Priorities in other bodies' plans are not always particular priorities in the CPP area. An example includes tackling teenage pregnancy in Tayside which is a particular issue in Dundee, whereas tackling misuse of alcohol is a particular priority in both Angus and Perth & Kinross areas.</p>	<p>Many of the statutory partner bodies in the CPP are Tayside wide bodies such as NHS Tayside and Tayside Joint Police Board. These bodies are also members of the CPPs in Dundee and Angus and each has its own strategic plans and priorities. However they have been working with all three councils in Tayside as part of the CPPs for a number of years.</p>
Leadership and culture	3	None	N/A
Planning and resource alignment	3	<p>2. Available resources are not yet established in each of the CPP bodies beyond the current year but there are commitments within the SOA from each of the partner bodies to deliver outcomes that will require funding beyond that period.</p>	<p>The current SOA covers a three year period and many of the outcomes will require resources in each of the three years covered. Budgets have only been set and agreed for 2009/10, in line with the recent Scottish Government financial settlement.</p>



Appendix I – Risks Identified

Partnership Working and Community Leadership / Engagement

Area	Page Ref.	Identified Risk	Circumstances Leading to the Risk
Partnership Working	4	None	N/A
Community Leadership	4	None	N/A
Community Engagement	4	3. The Council and the CPP not being able to demonstrate success of the community engagement and equalities strategies and the improvements they have brought about in the services and outcomes through the Council's and CPP's engagement with the local communities.	The Best Value Improvement Plan (BVIP) included an agreed action to <i>“implement and monitor the community engagement strategy to enable the council to become more systematic in involving communities and in particular, equalities groups.”</i> The Council has made progress but it is still too early to say this risk has been fully addressed.



Appendix I – Risks Identified

Governance and Accountability

Area	Page Ref.	Identified Risk	Circumstances Leading to the Risk
Governance- Scrutiny	5	4. The Council has still to fully develop its approach to the review process. A robust review process is required to ensure that the Scrutiny committee meets its remit in the most effective way.	The Best Value report noted that although Scrutiny arrangements to support performance and continuous improvement are sound, the scrutiny committee is at an early stage in its development regarding its coverage of the Council's decision making processes.
Role and Development of Elected Members	5	5. By not taking up training offered elected members will affect their abilities to fulfil their key purpose /roles.	Although it is expected that elected members will wish to develop in each competency, Personal Development Plans are the responsibility of each elected member.
Support for Elected Members	5	None	N/A
Working with External Organisations	5	None	N/A



Appendix I – Risks Identified

Performance Management and Improvement

Area	Page Ref.	Identified Risk	Circumstances Leading to the Risk
Corporate Priorities	6	None	N/A
Performance Indicators	6	None	N/A
Monitoring Performance	6	None	N/A
Involving Users	6	None	N/A
Performance Reporting	6	None	N/A



Appendix I – Risks Identified

Risk Management

Area	Page Ref.	Identified Risk	Circumstances Leading to the Risk
Policy, Strategy and Procedures	7	None	N/A
Corporate Risk Management	7	None	N/A



Appendix I – Risks Identified

Use of Resources

Area	Page Ref.	Identified Risk	Circumstances Leading to the Risk
Financial Management	8	6. The Council's capacity to generate income and the expenditure it incurs in meeting demand for Services is noted to be less predictable.	The current economic climate has led to changes in the Council's income and expenditure patterns and these include reductions in income from planning fees and building warrants and slow down in the growth of the Council Tax base.
	8	7. The Council's longer term management of the budget, including the update of the Medium Term Financial Plan is affected by uncertainties of the overall UK efficiency targets and also by the fact that updates to the three year Local Government Finance Settlement have not indicated the level of Scottish Government funding available to the Council beyond 2009/10.	<p>Uncertainties with the impact of the overall UK efficiency targets on the devolved Scottish budget in 2010/11.</p> <p>Due to this uncertainty the Council has set a one year revenue budget for 2009/10 only. The Head of Finance, however proposes to update the Council's Medium Term Financial plan in outline later in the summer to provide context for commencing more detailed work on the development of the 2010/11 Revenue Budget.</p>
	8	8. If the Head of Finance is not at the heart of the authority's decision making process there is a risk that he may not fulfill the statutory responsibilities effectively or facilitate robust corporate governance.	Whilst Perth & Kinross's Head of Finance is not a substantive member of the Executive Officer Team (EOT) he has a right of access at his discretion to the Leader of the Council, the Chief Executive and the EOT to raise any issues relating to the Council's financial governance and management.
	9	9. The Council has noted that there is a real risk that cost of equal pay could be in excess of levels earmarked and that although they consider it desirable to earmark additional reserves, they do not have sufficient capacity at this time.	The tight budgetary control environment and the successful operation of the Council's approved budget flexibility scheme have led to significant constraints on the Council's ability to raise balances.



Appendix I – Risks Identified

Area	Page Ref.	Identified Risk	Circumstances Leading to the Risk
	9	10. The Scottish Housing Quality Standard target is not met.	Due to the economic downturn, which has directly impacted on Council house sales, the investment capital has been greatly reduced. Both the end of the current agreement with the Tenants' and Residents' Federation and the stock condition survey being carried out are key drivers of the review of the Housing Delivery Plan. This will inform the next agreement with tenants which requires to be approved by the Housing & Health Committee in due course.
	9	11. The suitability and condition of operational properties and educational buildings across the Council may continue to deteriorate.	While few Council properties fall in the lower percentile with regard to sustainability and condition, budgetary pressures on repair and maintenance and on the Capital Investment Plan have recently been reported.



Appendix I – Risks Identified

Use of Resources (continued)

Area	Page Ref.	Identified Risk	Circumstances Leading to the Risk
People Management	11	12. Without a comprehensive workforce strategy in place there is a risk that the Council is not able to fully identify risks in relation to workforce matters.	The BVIP noted that the Council should “develop and implement workforce planning and ensure that all employees have reviews that are up to date and objectives set and monitored.” Although we have been informed that a Corporate Workforce Plan (CWP) will be presented to the Executive Officer team (EOT) and then to the Modernising Governance Member Officer Working Group during March /April 2009, currently there is no CWP in place.
	11	13. As the target date for 100% of eligible employees having objectives agreed through the ERD process June 2009 has still to be reached this BVIP improvement action is on-going. Without regular assessment of all staff there is a risk that the staff skills of those not assessed will not improve and develop.	The BVIP target is 100% of eligible employees have agreed objectives through the Employee Review and Development (ERD) process. 60% have been completed for the nine months to December 2008.
	11	14. Payroll costs are the main expenditure cost for all Councils and as such the introduction of any new payroll system is a significant risk which will require effective management.	A new Integrated Human Resources and Payroll system contract has been awarded for five years with effect from 31 October 2008.



Appendix I – Risks Identified

Use of Resources (continued)

Area	Page Ref.	Identified Risk	Circumstances Leading to the Risk
Asset Management	12	<p>15. Slippage with the development of a Corporate Asset Management CAM Plan has meant that although a CAM is drafted it is not yet in place across the Council and there is a risk that assets may not be utilised to their full potential and efficiencies realised.</p>	<p>The introduction of an overarching CAM Plan was scheduled to be in place by the end of 2008. This has now been drafted and was presented to the Executive Officer Team (EOT) on 27 January 2009. After refining this plan is to be represented to the EOT, with political approval anticipated by summer 2009.</p>
	12	<p>16. The BVIP improvement action is ongoing and further progress is still required to develop a range of medium and long term strategies and to further develop linkages between asset management, financial management and workforce planning arrangements if property asset management is to move forward and to ensure that uninformed decisions and plans are not made.</p>	<p>The BVIP noted that the Council should “<i>further develop medium-term financial planning linked with asset management plan.</i>” and that the Council should “<i>create linkages between asset management, financial management and workforce planning arrangements.</i>” The Council has made progress with their asset management strategies with the issue of further plans. However these plans also recognise the need for further progress, including identification of good practice. In addition our CAM report has recommendations which have still to be completed.</p>



Appendix I – Risks Identified

Use of Resources (continued)

Area	Page Ref.	Identified Risk	Circumstances Leading to the Risk
Procurement	13	17. Slower than anticipated progress with Tayside Consortium and Scotland Excel and also delays at Perth & Kinross Council with the roll-out and use of PECOS will impact on efficiency savings projections. Efficiency savings projected from procurement for 2008/09 and over the next three years are too ambitious.	Initial reports to the SP&R Committee indicated that the Tayside Procurement Consortium programme is working towards delivering savings of around £2 million per annum by 2011. Recent reports have indicated anticipated savings from procurement are now £1.2m projected over the next three years. Use of PECOS is part of the Council's strategy for achieving procurement efficiency savings and establishing better baseline information for purchases. Our recent Financial Control Evaluation work noted that as at February 2009 £92k of purchases were made using PECOS.
Information Management	14	18. As the Council has only recently reported their IM Strategy and ICT Strategy, these strategies and their related aims and objectives will take time to "bed in."	The Council reported the following strategies <i>Information Management (IM) Strategy 2009-12</i> and <i>Information & Communications Technology (ICT) Strategy 2009-11</i> to the SP&R Committee on 3 December 2008.



Appendix I – Risks Identified

Service Priorities and Risks

Area	Page Ref.	Identified Risk	Circumstances Leading to the Risk
Strategic service challenges	15	<p>19. As delivery of some of the Council's set targets for this improvement action are still ongoing, there is a risk that the Council will not meet its affordable housing and planning for growth outcomes.</p> <p>Due to the lack of affordable housing and social rented housing the Council will not meet some of the Scottish Government's priority targets for homelessness.</p>	<p>The BVIP included an agreed action to "ensure that effective progress is made on the key strategies that support sustainable growth and regeneration, and in particular, the specific issues around planning for growth and affordable housing." The Council has made some progress with the identified BVIP improvement action.</p>
Quality of service leadership	15	<p>20. In relation to Education and Children's Services recent external inspections and reports have indicated that leadership is a strength across the Service. These reports have also found that indicators such as quality of services provided are either very good or good. This includes the Community Learning and Development inspection published last year.</p> <p>The HMIE completed the Child Protection inspection earlier this year and formal reporting is awaited. Minuted verbal feedback has indicated that leadership is a strength. However, until this external inspection, is formally reported the Council is not able to demonstrate the BVIP improvement action complete.</p>	<p>The BVIP improvement action outlined that the Council should "continue to provide corporate support to the new service management team in education and children's services to maintain stability and sustain improvement." The Council has indicated that delivery of this will be evidenced through external inspections of INEA2 and Child Protection. Feedback on recent inspections has been good but the recent Child Protection inspection still to be published.</p>



Appendix I – Risks Identified

Service Priorities and Risks (Cont'd)

Area	Page Ref.	Identified Risk	Circumstances Leading to the Risk
Service delivery	15	<p>21. As the target dates set by the Council to measure their sustained improvement in handling planning applications have still to be reached this BVIP action is ongoing. The Council is not able to demonstrate the BVIP is complete and there is a risk that the targets for these periods are not met.</p> <p>Progress towards achieving educational attainment improvements above comparator authorities by 2011 across all measures is ongoing and the risk is that the Council does not achieve all these improvements.</p>	<p>The BVIP actions report that the Council should “<i>sustain performance improvement in handling planning applications</i>” and that the council “<i>needs to further improve ...educational attainment.</i>” The Council has set target dates to measure their sustained improvement (2008/09 and thereafter 2009/10 and 2010/11).</p>

