

Board of Management

Date of Meeting	Wednesday 7 December 2016
Paper No.	BoM3-D
Agenda Item	6
Subject of Paper	Strategic Risk Review
FOISA Status	Disclosable
Primary Contact	Paul Clark, College Secretary/Planning
Date of production	29 November 2016
Action	For Approval

1. Recommendations

1. To review high scoring risks
2. To note the amendments proposed by Board Committees.
3. To note and approve the revised Risk Register dated 29 November 2016

2. Purpose of report

2.1 The purpose of this report is to enable a review of the College Risk Register, and provide the Board with an update on the Senior Management and subsequent Board Committee review of strategic organisational risks, from September to November 2016. In particular, attention is drawn to highest scoring risks (High Likelihood, High Impact) and any significant changes to the Risk Register.

3. Context

3.1 Risk Management is a key component of the College's internal control and governance arrangements, and as such is an important responsibility of the Senior Management Team, Board Committees, and the Board of Management. The risks listed on the Risk Register have been identified by SMT and Board Committees, as the current strategic risks faced by the College. The risks are aligned within the same framework of four strategic themes as the College Strategic Plan, and those included in the Risk Register and Matrix have potential impacts on one or more of the College's strategic priorities.

3.2 A full review of strategic risks was conducted in September/October 2016, involving senior Risk "owners", Board Committees, and all Risk MAPs were updated accordingly and reported to the respective Board Committees.

3.3 The Risk Register and Risk MAPs for the one highest scoring risks (Risks 14, 18), is attached.

- Risk 18 - ■ Failure to agree a sustainable level of grant-funded activity within the Region (formerly Failure to agree with SFC a transition plan to deliver 210,000 WSUMs)

3.4 The revised Risk Register is included in the appendices. This includes the following changes:

- Rewording of **Risk 9** from "Failure to recruit, retain, and develop suitable staff" to "Failure to attract, engage, and retain suitable staff" (proposed by Development Committee, and agreed by Student Staff and Equalities Committee - November 2016).
- New Risk - **Risk 22** – "Negative Impact of Brexit" (added by Audit Committee 28 November 2016)

3.6 It should be noted that the Development Committee (on 3 Oct 2016) proposed that Risk 9 (Failure to recruit, retain and develop suitable staff) be rescored upwards in the light of recent developments associated with loss of key senior staff members. This was considered and agreed by the Student, Staff and Equalities Committee (2/11/16).

3.7 Risk Scoring Matrix:

x	Likelihood				
Impact	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	1	2	3	4	5

4. Impact and implications

4.1 The effective management and control of risks is essential to the on-going stability and future growth of the College, with clear implications in terms of potential impact upon College students and staff, as well as the College's wider reputation. All strategic risks have potential strategic impact upon the College. The College Risk Register includes matters relating to legal compliance.

4.2 Several strategic risks are financial in nature, and potentially constitute a threat to the College's stated strategic priority to "Maintain our long-term financial stability".

4.3 Performance management and improving performance are identified as areas of strategic risk, due to the potential impact on reputation, the student experience, and funding.

4.4 Regional and sectoral considerations are included in the process of risk management, and are reflected in the risk documentation.

Appendices:

Appendix 1: Risk Register

Appendix 2: Risk 18 Management Action Plan (MAP)

Risk Register: 29 November 2016

RISK DETAIL					CURRENT EVALUATION OF RISK*			AIM and PROGRESS			RISK TREATMENT ACTIONS AND UPDATE	
Strategic Theme	Risk Name	Risk ID	Level	Risk Owner	Likelihood	Impact	Risk Score	Gross Risk Score	Target Risk Score	Risk Movement	Hyperlink to Risk Management Action Plan (MAP)	Date of last review
Students	Failure to support student success	1	1	VPSE	1	5	5	25	5		Risk 1 MAP.docx	Oct '16
Students	Failure to establish optimal pedagogical model	2	1	VPSE	2	5	10	20	5		Risk 2 MAP.docx	Sept '16
Students	Failure to achieve good student outcome/progression levels	3	1	VPSE	1	5	5	15	5		Risk 3 MAP.docx	Sept '16
Students	Failure of the College's Duty of Care to Students	21	1	VPSE	3	4	12	20	4		Risk 21 MAP.docx	Oct '16
Growth and Development	Failure to realise planned benefits of Regionalisation	4	1	Pr/DPr	3	3	9	20	3		Risk 4 MAP.docx	Sept '16
Growth and Development	Failure to achieve New Campus objectives	5	1	DPr	1	5	5	25	5		Risk 5 MAP.docx	Sept '16
Growth and Development	Negative impact upon College reputation	6	1	DCD	2	5	10	25	5		Risk 6 MAP.docx	Sept '16
Growth and Development	Failure to achieve improved business development performance with stakeholders	7	1	DCD	2	5	10	25	5		Risk 7 MAP.docx	Sept '16
Growth and Development	Failure to achieve improved performance	8	1	VPSE/DirP	1	5	5	20	5		Risk 8 MAP.docx	Sept '16
Growth and Development	Failure to attract, engage, and retain suitable staff	9	1	DHR	2	3	6	20	3	5x5 Green to Amber	Risk 9 MAP.docx	Sept '16
Processes and Performance	Negative impact of statutory compliance failure	10	1	SMT/CSP	1	5	5	20	5		Risk 10 MAP.docx	Nov '16
Processes and Performance	Failure of Corporate Governance	11	1	Pr/CSP	2	5	10	20	5		Risk 11 MAP.docx	Sept '16
Processes and Performance	Failure of Business Continuity	12	1	VPI/CSP	3	4	12	25	4		Risk 12 MAP.docx	Sept '16
Processes and Performance	Failure to manage performance	13	1	VPSE/DirP	2	4	8	20	4	5x5 Green to Amber	Risk 13 MAP.docx	Sept '16
Processes and Performance	Negative impact of Industrial Action	14	1	DHR	3	4	12	25	4	16 Red to 12 Amber (Audit 9/16)	Risk 14 MAP.docx	Sept '16
Finance	Failure to achieve operating surplus via control of costs and achievement of income targets.	15	1	VPFHR	3	2	6	tbc	2		Risk 15 MAP.docx	Sept '16
Finance	Failure to maximise income via diversification	16	1	VPFHR/DCP	3	4	12	tbc	4		Risk 16 MAP.docx	Sept '16
Finance	Negative impact of funding methodology within Glasgow Region	17	1	VPFHR	2	3	6	tbc	2		Risk 17 MAP.docx	Sept '16
Finance	Failure to agree a sustainable level of grant-funded activity within the Region	18	1	VPFHR/VPSE	3	5	15	25	3		Risk 18 MAP.docx	Nov '16
Finance	Impact of ONS reclassification of the status of colleges	19	1	VPFHR	2	3	6	tbc	3		Risk 19 MAP.docx	Sept '16
Finance	Failure to obtain funds from College Foundation	20	1	VPFHR	1	4	4	tbc	3		Risk 20 MAP.docx	Sept '16
Finance	Negative impact of Brexit (added by Audit Committee 28 Nov 2016)	22	1	VPFHR	tbc	tbc	#VALUE!	tbc		New Risk (Audit 9/16)		

Recent movement or change

Key:
 Pr - Principal
 DPr - Depute Principal
 VPSE - Vice Principal Student Experience
 VPFHR - Vice Principal Finance & HR
 VPI - Vice Principal Infrastructure
 FD - Faculty Director
 DCP - Director Corporate Development
 CSP - College Secretary/Planning
 DHR - Director of Human Resources
 DirP - Director of Performance

x	Likelihood				
Impact	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	1	2	3	4	5

Risk Management Action Plan

Risk Description:

Failure to agree a sustainable level of grant-funded activity within the Region

Risk ID: 18

Owned by: Pr/DPr

Review Date: September 2016

Update

Full Description and Treatment:

Context:

In 2012, SFC had confirmed their commitment to 210,000 wSUMs in a DP3a approval letter from the Chief Executive M.Batho (15th November 2012).

Constructive discussions took place with increased urgency in to February 2015 with the Scottish Government, SFC, GCRB, and the three College Boards to agree a Curriculum and Estates Strategy for Glasgow, and in doing so, ensure that the City of Glasgow College receives the equivalent of 210,000 wSUMs within an agreed timeframe. (Now referred to as 180,000+ Credits).

Commentary (Update):

The Funding Council has consistently maintained its commitment to the question of ensuring that CoGC will deliver 180,000+ Credits. Growth of CoGC delivery and transfer of SUMs from both Glasgow Kelvin and Glasgow Clyde colleges, and efficiency savings by CoGC, has been agreed (Feb 2015). This involves the closure of Glasgow Kelvin City Campus, efficiency gains by CoGC, and interim financial support from SFC to address the funding shortfall for CoGC to 2018/19.

Within the Regional Outcome Agreement and agreed Curriculum and Estates Plan for the Glasgow Region, a transitional move of WSUMs from Kelvin and Clyde Colleges was agreed, as well as additional growth at CoGC, to ensure that the 180,000+ Credits target for CoGC is achieved.

Following the transfer of Trade Union Studies in 2015-16 to GoGC, discussion around further staff transfers is ongoing. Although the annual total volume of funded activity has been agreed, the value of the funding is still subject to annual negotiation.

Consideration was given to reducing the risk score to 6 (AMBER) in the light of the above progress at the Audit Committee meeting in March 2015. However it was decided to retain the current score at 9 (RED). Subsequent consideration of this risk score has resulted in a continuing risk score of 9, until this issue is completely resolved. Note the change to risk matrix and subsequently the Risk Score, which is now rated AMBER.

At September 2016, GCRB is requesting that a new Strategic Plan for Glasgow be developed. This raises the possibility of a further review of curriculum & estates planning for Glasgow. The transfer of credits agreed in the current Regional Plan will have been

reached by end 16-17. It should be noted therefore that there is a dependency on an agreement of redistribution of credits.

This risk may be mitigated by robust curriculum planning at CoGC, feeding into regional discussions. Note also the dependency on SG funding of the sector and the region generally.

In summary, the agreed activity level of 180,000+ Credits will be achieved, however there remain uncertainties associated with this risk. It is suggested that the risk be re-phrased. (Risk re-phrased September 2016).

<p>Current Risk Score:</p> <p>Likelihood 3/5 Impact 5/5 Risk Score 15/25</p> <p>Risk Score changed from 3x3=9</p> <p>RAG Rating: RED</p> <p>Target Score: 5</p>	<p>Gross Risk Score (assuming no intervention)</p> <p>Likelihood 5/5 Impact 5/5 Risk Score 25/25</p>	<p>Risk Appetite (Willing to accept):</p> <p>Low Medium High</p>
---	--	---

x	Likelihood				
Impact	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	1	2	3	4	5