

Board of Management Learning and Teaching Committee

Date of Meeting	Tuesday 19 September 2017
Paper No.	LTC1-E
Agenda Item	7
Subject of Paper	Strategic Risk Review
FOISA Status	Disclosable
Primary Contact	Paul Clark, College Secretary/Planning
Date of production	12 September 2017
Action	For Approval

1. Recommendations

1. To note the review of strategic risks as relevant to the Committee's remit
2. To review and approve the Risk Scores and Risk Management Action Plans associated with these risks

2. Purpose of report

2.1 The purpose of this report is to provide the Committee with an update on the Senior Management review of strategic organisational risks relating to the Committee's remit, via the Risk Management Actions Plans (MAPs) for these risks. Also included is the current Risk Register (subject to Audit Committee approval of proposed changes).

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, and the Board of Management. The current strategic risks have been identified by SMT and the Audit Committee, as the primary strategic risks currently faced by the College. The risks are aligned within the same framework of strategic themes as the College Strategic Plan. The risks included in the Risk Register have potential impacts on one or more of the College's strategic priorities.

3.2 In line with recommended good practice as identified by the Internal Audit of Risk Management in 2013/14, each Board Committee has since undertaken a regular review of the strategic risks within its remit.

3.3 A review of strategic risks was undertaken in August/September 2017, involving senior Risk "owners", with Risk MAPs updated accordingly.

3.4 The strategic risks which most closely relate to the committee's specific remit (with current risk scores and RAG rating) are:

Risk 1 - Failure to support student success (Score 10, **Amber**; changed from **Green** – Audit Committee, 5/17)

Risk 2 - Failure to establish optimal pedagogical model (Score 5, **Green** changed from **Amber**; Audit Committee, 5/17)

Risk 3 - Failure to achieve good student outcome/progression levels (Score 10, **Amber**; changed from **Green** – Audit Committee, 5/17)

Risk 23 - Failure to agree a sustainable model and level of grant funding within Glasgow Region (Score 15 **RED**) Note that this is a new risk, combining the previous Risk 17 (GCRB funding methodology) with Risk 18 (level of grant funding from GCRB).

3.5 The Risk Management Action Plans (MAPs) for the above risks are attached at Appendix 1, and provide more detailed descriptions of the risks, treatments, and commentaries.

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 and legal compliance status.

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

Appendices:

Appendix 1: Risk Management Action Plans

Appendix 2: Risk Register

Risk Management Action Plan

Risk Description: Failure to support student success

Risk ID: 1

Owned by: VPSE

Review Date: September 2017

Update

Full Description:

Risk that -

Students leave the College without completing course. Students fail to achieve qualification. Students have a poor experience at the College. College suffers negative financial impact, reputational damage, and potential negative impact upon student recruitment.

Treatment:

Performance Reviews; Self-evaluation/Quality cycle; Curriculum Planning (incl. focus upon PIs); Student Experience Strategy.

Commentary (Update):

Education Scotland Review completed January 2016. Overall a highly positive response reflects the upward trend in student attainment.

Student Experience Strategy has been developed and a number of initiatives will be taken forward as part of it implementation. City Learning is one of these initiatives and will be embedded in all Operational Plans at Curriculum Head and Faculty level.

Curriculum planning processes will be further refined to include criteria for course discontinuation to ensure courses meet student/industry demand, reflect College and regional curriculum strategic priorities, and financial viability.

Confirmed student success results for 15-16 show that we have maintained our PIs from 14-15. The PI in PT FE has increased due to the TUPE of a number of Trade Union Courses from Glasgow Kelvin College and also the College's actions to improve low performing courses. The PI in PTHE has fallen and measures are in place to address this, however this PI still sits above the National Average. The table below identifies the College's 4 year trend: -

Level	Mode	Completed Successfully				Change	Change
		12-13	13-14	14-15	15-16	14-15 to 15-16	12-13 to 15-16
FT	FE	60%	70%	72%	72%	0%	+12%
FT	HE	70%	74%	76%	76%	0%	+6%
PT	FE	68%	75%	77%	87%	+ 10%	+19%
PT	HE	76%	84%	83%	81%	- 2%	+5%

Ref: Audited SFC PIs as presented to L&TC 8th Nov 2016

Each College Faculty has developed an action plan in 2016/17 to address low PI courses and the plans are being monitored against performance targets. Faculty action

plans are under review at the Student Experience Leadership Group to monitor Faculty improvement plans. The EIS dispute included several days of strike action before the summer break. College SMT arranged to support students in completing their qualifications.

Audit Committee (24 May 2017) agreed change of Risk Likelihood from 1 to 2, with increased risk score (AMBER)

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 2/5 Impact 5/5 Risk Score 10/25 RAG Rating: AMBER Target Score: 5	Likelihood 5/5 Impact 5/5 Risk Score 25/25
Risk Appetite (Willing to accept):	Risk Tolerance (Able to accept):
<u>Low</u> Medium High	Category: Student Experience Low <u>Medium</u> High 1 2 3 4 5 6

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
x	Likelihood				

Risk Management Action Plan

Risk Description: Failure to establish optimal pedagogical model

Risk ID: 2

Owned by: VPSE

Review Date: August 2017

Update

Full Description:

Risk that learning and teaching approaches fail to meet the needs of learners and other stakeholders (inc. employers) in the context of the new campus.

Treatment:

Curriculum Review and Development processes. Student Experience Strategy (incl. City Learning/ Industry Academies). Faculty Operational Planning.

Commentary (Update):

The Regional Curriculum and Estates Review process has been completed and now operational, supporting key government priorities. Annual Curriculum Plans being developed in partnership with Glasgow colleges in alignment with the Regional Outcome Agreement.

Regional Curriculum Development now geared towards Government economic sector priorities, which City Learning supports. City Learning has been embedded within Faculty Operational Plans and a refreshed model is under development for implementation in 2017/18.

The Industry Academy model has been shared at regional level, and joint IA initiatives are currently in operation, in particular with regard to STEM delivery via an IA model. 24 Industry Academies were operational in 2015/16, exceeding the target of 18, now under review within the Performance Review process and reporting on their output is now available. Further developments are being implemented to provide industry academy reportage via the College dashboard. Furthermore, an Industry Academy expansion plan is being considered as part of the Corporate Development Strategy.

A report to the Learning and Teaching Committee in May 2016 included the proposal to develop a pedagogical strategy within the context of a new Learning and Teaching Academy for the College (now re named the Centre for Technical and Professional Education). The Centre for Technical and Professional Education has now been approved by SMT, phase 1 of its development is currently underway.

A Student Experience Strategy has now been developed, led by the Vice Principal (Student Experience), and staff and students have been consulted as part of the development. Three key initiatives have been identified; Widening Access, Student Partnership Agreement and City Learning 4.0.

A technical working group has been developing City Learning 4.0 which launched at the One City Event in June.

The Audit Committee (May 24 2017) agreed to reduce the Likelihood score from 2 to 1. This produces a change in overall risk score from 10 **AMBER** to 5 **GREEN**.

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 1/5 Impact 5/5 Risk Score 5/25 RAG Rating: GREEN Target Score: 5	Likelihood 4/5 Impact 5/5 Risk Score 20/25
Risk Appetite (Willing to accept):	Risk Tolerance (Able to accept):
<u>Low</u> Medium High	Category: Student Experience Low <u>Medium</u> High 1 2 3 4 5 6

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 achieve good student outcome/progression

Risk ID: 3

Owned by: VPSE

Review Date: September 2017

Update

Full Description:

Failure of curriculum to be industry relevant. Ineffective links with industry. Ineffective HEI articulation arrangements.

Treatment:

CADMs well established. All Schools are developing links with industry to ensure industry relevant curriculum. Ongoing collaboration with HEIs to maintain and develop articulation links.

Student Experience Strategy emphasises need for employability, industry relevant curriculum, and industry links (Industry Academies)

Commentary (Update):

The College has participated in the pilot to develop an ongoing College Learner Destination Survey led by SFC.

Data is collected from students to determine satisfaction with suitability of course with regard to preparation for work (First Impressions Questionnaire), and Exit student questionnaire.

A revised Curriculum Review and Planning process is now in place to monitor student outcomes and progression with adjustments made to portfolio as an output of this review.

A student partnership agreement has been established for August 2017 supported by a feedback initiative called "My Voice" and monitored through a Student Partnership Forum.

The New Quality Arrangements 'How Good is our College' were rolled out across the sector in December 2016. The College Associate Assessors and Performance and Improvement Director have been working with our assigned Education Scotland during 2016/17 to incorporate best practice. As part of this work an implementation plan for the quality arrangements was devised and put in place.

During the 2016/17 session staff development for teaching and support has taken place on the model, performance indicators and on evaluative writing. A model for Shared Teaching Practice has been developed which will be implemented in pilot form in the College in 2017/18. A regional quality group was formed which has sought to share practice and develop a common approach to the implementation of arrangements. An

evaluative report of 2016/17 and an enhancement plan for 2017/18 is currently being produced which will be presented to the Board of Management in October.

The Audit Committee (May 24 2017) agreed an increase to Likelihood score from 1 to 2, resulting in a total risk score of 10 (**AMBER**)

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 2/5 Impact 5/5 Risk Score 10/25 RAG Rating: AMBER Target Score: 5	Likelihood 4/5 Impact 5/5 Risk Score 20/25
Risk Appetite (Willing to accept):	Risk Tolerance (Able to accept):
<u>Low</u> Medium High	Category: Student Experience Low <u>Medium</u> High 1 2 3 4 5 6

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
X	Likelihood				

Risk Management Action Plan

Risk Description: Failure to agree a sustainable model and level of grant funding within Glasgow Region

Risk ID: 23

Owned by: VPFHR/ VPSE

Review Date: Sept 2017

Update

Full Description:

Context:

While approving the new campus development and funding, Scottish Funding Council (SFC) also confirmed their commitment to 210,000 WSUMs (Subsequently referred to as 180,000+ Credits).of funded activity once the campus was complete.

In February 2015 the Scottish Government, SFC, Glasgow Colleges Regional Board (GCRB), and the three College Boards agreed 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. Within the agreed 2015-2020 Curriculum and Estates Plan for the Glasgow Region, a transitional move of funded activity from Kelvin and Clyde Colleges was agreed, as well as additional growth at City, to ensure that the grant-funded activity level target for City is achieved. Although the annual total volume of funded activity has been agreed, the value of the funding is still subject to annual discussion and agreement.

SFC implemented a new funding methodology for the sector for the 2015-16 grant allocation. There was a move away from WSUMs to a new Credit based approach. SFC are still in a transition period moving to full implementation of the Credit funding model and this will continue to negatively impacting level of grant funding allocated to the Glasgow Region in future years.

SFC announced the initial regional funding allocations following which GCRB allocated funding to the three Glasgow Colleges.

This Risk is a new risk combining the previous Risks 17 (funding methodology) and Risk 18 (level of grant funding) which this risk now supercedes.

Commentary (Update):

In 2015-16 & 2016-17 26 staff were TUPE transferred from Kelvin to City; no further staff transfers are required. The transfer of Credits within the region agreed in the Curriculum and Estates Plan for the Glasgow Region was completed in 2016-17.

SFC announced the 2017-18 initial regional funding allocation on 10th Feb 2017. This again incorporated a transitional adjustment to reduce the impact from the introduction of the new funding methodology. The transitional adjustment for Glasgow is a negative £1.1m and is by far the largest adjustment of any Region.

The total funding allocated to Glasgow is £105.4m - up only 0.4% on 2016-17. However the teaching grant has increased by 2.8% (£2.2m). GCRB have reserved £381k of the regional SFC funding to support their discrete running costs, and as a consequence only £1.8m of the additional funding is being allocated to the Colleges. The Regional funding allocation for 2017-18 will ensure that City exceed the agreed activity level of 180,000+ Credits, however there remains ongoing uncertainty regarding the value of the grant funding for this volume of Credits. Within the allocation for 2017-18 City will deliver 2,920 additional efficiency Credits, 1,330 additional SFC funded Credits and 2,315 additional SFC ESF funded Credits.

City has previously expressed concern regarding the GCRB funding methodology especially the following funding

- SIMD grant allocation
- ESF grant allocation
- Capital Maintenance grant allocation

The 2017-18 GCRB funding allocation means that City has the lowest grant per Credit in the sector at £196 per Credit compared to the Glasgow Regional average of £222 and the sector average of £244.

The SFC Capital Maintenance grant allocation within the Region is extremely disappointing for City of Glasgow College. The Glasgow allocation based on the regional Credit was £4.5m and City proportionate share would have been £2m however GCRB have only allocated City £1.3m. In 2016-17 City also received a disproportionately low SFC Capital Maintenance grant and was the only College to not receive any share of the additional £10m SFC Capital Maintenance grant funding.

The increased Glasgow allocation effectively still represents a significant efficiency saving, as agreed within the Glasgow Curriculum Plan. The funding increase for City will assist in funding the additional activity and the new campus annual unitary charge of £2.5m; however efficiencies are still required to deliver the ROA targets and a balanced budget.

The level of uncertainty regarding the value of future funding is still high with significant risk linked to SFC and GCRB funding methodology.

This risk is being mitigated by robust curriculum planning at City and close involvement with GCRB and the other Glasgow Colleges.

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 3/5 Impact 5/5 Risk Score 15/25 RAG Rating: RED Target Score: 5	Likelihood 5/5 Impact 5/5 Risk Score 25/25
Risk Appetite (Willing to accept):	Risk Tolerance (Able to accept):
<u>Low</u> Medium High	Category: Financial <u>Low</u> Medium High 1 2 3 4 5 6

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
x	Likelihood				

Risk Register: 06 September 2017

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	Net 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	2	5	10	25	5	5 Green to 10 Amber (Audit 5/17)	Risk 1 MAP.docx	Sept '17
Students	Failure to establish optimal pedagogical model	2	1	VPSE	1	5	5	20	5	10 Amber to 5 Green (Audit 5/17)	Risk 2 MAP.docx	Aug '17
Students	Failure to achieve good student outcome/progression levels	3	1	VPSE	2	5	10	15	5	5 Green to 10 Amber (Audit 5/17)	Risk 3 MAP.docx	Sept '17
Students	Failure of the College's Duty of Care to Students	21	1	VPSE	3	4	12	20	4		Risk 21 MAP.docx	Sept '17
Growth and Development	Failure to realise planned benefits of Regionalisation	4	1	Pr/DPr	3	3	9	20	3		Risk 4 MAP.docx	May '17
Growth and Development	Failure to complete project programme to schedule	5	1	DPr	1	5	5	25	5	Risk Reworded: FPRC 4/17	Risk 5 MAP.docx	May '17
Growth and Development	Negative impact upon College reputation	6	1	EDCD	2	5	10	25	5		Risk 6 MAP.docx	May '17
Growth and Development	Failure to achieve improved business development performance with stakeholders	7	1	EDCD	2	5	10	25	5		Risk 7 MAP.docx	May '17
Growth and Development	Failure to achieve improved performance	8	1	VPSE/DirP	2	5	10	20	5	5 Green to 10 Amber (Audit 5/17)	Risk 8 MAP.docx	Sept '17
Growth and Development	Failure to attract, engage, and retain suitable staff	9	1	VPFHR	2	2	4	20	3		Risk 9 MAP.docx	May '17
Processes and Performance	Negative impact of statutory compliance failure	10	1	SMT/CSP	2	5	10	20	5	5 Green to 10 Amber (Audit 5/17)	Risk 10 MAP.docx	Sept '17
Processes and Performance	Failure of Corporate Governance	11	1	Pr/CSP	2	5	10	20	5		Risk 11 MAP.docx	Sept '17
Processes and Performance	Failure of Business Continuity	12	1	VPI/CSP	4	5	20	25	4	12 Amber to 20 Red (Audit 5/17)	Risk 12 MAP.docx	Sept '17
Processes and Performance	Failure to manage performance	13	1	VPSE/DirP	1	4	4	20	4	8 Amber to 4 Green (Audit 5/17)	Risk 13 MAP.docx	May '17
Processes and Performance	Negative impact of Industrial Action	14	1	VPFHR/DHR	3	4	12	25	4		Risk 14 MAP.docx	Sept '17
Finance	Failure to achieve operating surplus via control of costs and achievement of income targets.	15	1	VPFHR	5	3	15	25	2	6 Amber to 15 Red (Audit 5/17)	Risk 15 MAP.docx	Sept '17
Finance	Failure to maximise income via diversification	16	1	VPFHR/EDCD	3	4	12	20	4		Risk 16 MAP.docx	Sept '17
Finance	Negative impact of funding methodology within Glasgow Region (Risk Superseded by Risk 23)	17	1	VPFHR	3	4	12	25	2	6 Amber to 12 Amber (Audit 5/17)	Risk 17 MAP.docx	Deleted
Finance	Failure to agree a sustainable level of grant-funded activity within the Region (Risk Superseded by Risk 23)	18	1	VPFHR/VPSE	3	5	15	25	3	Combine with Risk 17 (Audit 5/17)	Risk 18 MAP.docx	Deleted
Finance	Impact of ONS reclassification of the status of colleges (To be reworded - Audit 8/3/17)	19	1	VPFHR	2	4	8	16	3	6 Amber to 8 Amber (Audit 5/17)	Risk 19 MAP.docx	Sept '17
Finance	Failure to obtain funds from College Foundation	20	1	VPFHR	1	4	4	20	3		Risk 20 MAP.docx	May '17
Finance	Negative impact of Brexit	22	1	VPFHR	2	5	10	tbc		Potential RED - (Audit 3/17)	Risk 22 MAP.docx	May '17
Finance	Failure to agree a sustainable model and level of grant funding within Glasgow Region	23	1	VPFHR	3	5	15	25	5	New Risk replacing 17 and 18	Risk 23 MAP.docx	Sept '17

Key:
 Pr - Principal
 DPr - Depute Principal
 VPSE - Vice Principal Student Experience
 VPFHR - Vice Principal Finance & HR
 VPI - Vice Principal Infrastructure
 EDCD - Executive Director Corporate Development
 FD - Faculty Director
 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

Recent movement or change
 Proposed changes not included until approved.

Tolerance vs Risk Score	Acceptable Risk Score		Acceptable Risk Score		Acceptable Risk Score	
	1-3	4-5	6-9	10-12	15-16	20-25
Risk Management Level of Tolerance (Able to Accept)	1	2	3	4	5	6
	Low		Medium		High	