

Development Committee

Date of Meeting	1 November 2017
Paper No.	DC1-D
Agenda Item	6
Subject of Paper	Strategic Risk Review
FOISA Status	Disclosable
Primary Contact	Paul Clark, College Secretary/Planning
Date of production	26 October 2017
Action	For Discussion and Decision

1. Recommendations

1. To note the review of strategic risks as relevant to the Committee's remit
2. To review the Risk Scores and Risk Management Action Plans associated with these risks, and recommend for approval by the Board of Management.

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 Growth and Development, and one related Finance risk, via the Risk Management Actions Plans (MAPs) for these risks. Also included is the revised 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, 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 The strategic risks which most closely relate to the committee's remit (with current risk scores and RAG rating) are:

- Risk 4 - Failure to realise planned benefits of Regionalisation (6/Amber)
- Risk 5 - Failure to achieve New Campus objectives (3/Green)
- Risk 6 - Negative impact upon College reputation (3/Green)
- Risk 7 - Failure to achieve improved business development performance with stakeholders (6/Amber)
- Risk 8 - Failure to achieve improved performance (3/Green)
- Risk 9 - Failure to recruit, retain, and develop suitable staff (4/Green)
- Risk 16 - Failure to maximise income via diversification (9/AMBER - proposed change to 6/Amber)

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

3.5 A full review of strategic risks was undertaken in September/October involving senior Risk "owners", and all updated Risk MAPs will be reported to the full Board of Management within the current meeting cycle.

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

Risk Management Action Plan

Risk Description: Failure to realise planned benefits of Regionalisation

Risk ID: 4

Owned by: Pr/DPr

Review Date: October 2017

Update

Full Description:

1. Failure to secure a positive position for COGC in the context of the Regionalisation Agenda
2. Failure to manage changes to governance arrangements arising from Regionalisation in the best interests of the College and its stakeholders

Treatment:

Maintain effective dialogue with Regional Board, Glasgow Colleges, SFC, and Scottish Government. College senior staff involvement in regional strategic groups.

Commentary (Update):

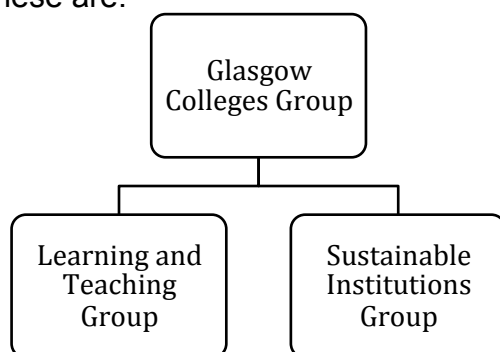
Dialogue is being maintained with GCRB and with the Glasgow Colleges.

The Glasgow Colleges' Strategic Partnership (GCSP) produced a curriculum and estates strategy – A Vision for College Learning in Glasgow 2015-2020. An estates strategy has now been implemented.

The College is currently hosting the GCRB team at the new City Campus.

Overview of Glasgow College Operational Groups

Three college-led groups provide a forum for regional oversight of operational planning and monitoring. These are:



The groups generally meet at 6-week intervals. However, due to the volume of regional collaboration required to effectively plan and monitor activity, the two sub-groups are currently meeting every three weeks.

Chairs for the groups rotate annually, with the chairs for 2017/18 being:

- Glasgow Colleges Group – Alan Sherry, Principal and Chief Executive Glasgow Kelvin College
- Learning and Teaching Group – Joanna McGillivray, Vice Principal Student Experience City of Glasgow College
- Sustainable Institutions Group - Janet Thomson, Vice Principal Resources, Glasgow Clyde College

The Chairs of the Learning and Teaching Group and the Sustainable Institutions Group attend meetings of GCRB's Performance and Resources Committee.

In addition to the above groups, seven regional 'curriculum hubs' exist, formed of senior faculty managers from across the three assigned colleges. The hub areas are based on broad economic sectors and are:

- Administration, Financial and Business Services
- Creative and Cultural Industries
- Energy, Engineering, Construction and Manufacturing Land-Based Industries
- Food, Drink, Tourism, Hospitality and Leisure
- Health, Care and Education, Life and Chemical Sciences
- ESOL, Community and Supported Programmes

These curriculum hubs are intended to support sharing of information within curricular areas and the development of a coherent regional curriculum, alongside providing a central point of contact for employers and other stakeholders related to areas of economic activity. Curriculum Hub activity is overseen by the regional Curriculum and Quality Lead (Chair of the Learning and Teaching Group)

Regional College Group Membership & Responsibilities

Glasgow Colleges Group

Membership:

- College Principals
- Chairs of regional Learning and Teaching and Sustainable Institutions sub-groups
- GCRB Executive Director

Areas of functional responsibility:

- discussion of local, regional and national issues related to the strategic and operational leadership of college delivery;
- coordinating the work of operational regional groups, including the development, delivery and monitoring of Regional Outcome Agreements;
- reporting of relevant information related to the regional and national delivery and policy context to the Glasgow Regional Board, its committees and college stakeholders; and
- liaison with local, regional and national stakeholders.

Learning and Teaching Group

Membership:

- College Senior Managers with responsibility for curriculum delivery

- GCRB Executive Director

Areas of functional responsibility:

- joint planning of portfolio across the region, supporting the development of a strategic, regional approach to portfolio review based on local, regional and national needs;
- developing, delivering and monitoring Regional Outcome Agreements and reporting progress to the Glasgow Colleges Group and the Glasgow Colleges' Regional Board;
- enhancing engagement with employers and employment support agencies;
- promoting and enhancing effective and innovative learning, teaching and assessment;
- monitoring and evaluating the quality of college delivery across the region and developing approaches to quality enhancement;
- liaising with a range of, regional and national stakeholders, including education partners, universities and local authority education services to further develop strategic approaches to partnership working; and
- facilitating effective learner pathways and progression into work and further study.

Sustainable Institutions Group

Membership:

- College Senior Managers with responsibility for finance and human resources
- GCRB Executive Director

Areas of functional responsibility:

- monitoring a range of financial performance indicators and supporting the development of a strategic, regional approach to ensuring the financial sustainability of the region's colleges, and reporting this to the Glasgow Colleges Group and the Glasgow Colleges' Regional Board;
- ensuring funds are used as economically, efficiently and effectively as possible;
- building regional capacity to assess and develop funding opportunities related to non-SFC income;
- reviewing college and regional risk management;
- supporting the delivery of an improved and fit for purpose regional estate;
- monitoring energy consumption and carbon emission measures, and coordinating actions to improve the environmental sustainability of Glasgow's colleges; and
- providing a forum for sharing human resource information and supporting the development of regional approaches to workforce development.

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 3/5 Impact 3/5 Risk Score 9/25 RAG Rating: AMBER Target Score: 3	Likelihood 5/5 Impact 4/5 Risk Score 20/25
Risk Appetite (Willing to accept):	Risk Tolerance (Able to accept):
<u>Low</u> Medium High	Category: Change and Development (4) 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 complete project programme to schedule
(rewording approved: FPRC April 2017)

Risk ID: 5

Owned by: DPr

Review Date: September 2017

Update

Full Description

The New Campus Risk Register has undergone a complete review following the Practical Completion of City Campus; as a result 11 risks were transferred to the main College Risk Register. At the April 2017 Finance and PR Committee it was agreed to transfer the undernoted risks to the Finance and Infrastructure Operational Plans.

The transferred risks are as follows:

Ref	Description	Operational Plan
7	Capacity and availability of CGC project resource	Infrastructure
31	Maintenance and lifecycle management of legacy FF&E	Infrastructure
48	Changes in VAT	Finance
72	Mechanisms used to manage accounting reclassification compromise the effective management of contractual obligations or the delivery of transition projects	Finance
38	Utility and telecom connections	Infrastructure
68	Surplus Property Disposal	Infrastructure
56	Breach of SG Conditions for financial support	Finance
16	Change in Policy / Law	Finance
33	Confidential - Title Insurance procured	Infrastructure
26	Migration risks associated with leased equipment	Infrastructure
78	Group 3 risk - equipment not procured and ready on time for migration	Infrastructure

Two residual risks remain to be managed that are directly attributable to the New Campus Project, these are:

Ref	Description	Assessment Score
1	<p>The risk that the College requires changes to the brief or scope of the project which could delay the programme. Such changes would require to be funded by capital using the limited contingency fund and also lead to an increased UC (via FM and Lifecycle costs). Additional costs could be in the form of</p> <ul style="list-style-type: none"> :Abortive Works :Remedial Works :Accelerated Works :Resequencing of Works <p>to accommodate late changes</p>	2
74	<p>GLQ claim Relief or Compensation under NPD Project Agreement leads to delay to occupation or financial exposure (As of Sept 15 this risk is limited to City accommodation phase and City and Riverside external works)</p>	4

Risk ID 1: is under close management to ensure that change control procedures are in place and tightly adhered to.

The remaining ID 74 is now limited to the external works at City Campus. College initiated changes will be tightly controlled in this context and limited to essential needs only.

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 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: Change and Development/Reputation Low 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 Management Action Plan

Risk Description: Negative impact upon College reputation

Risk ID: 6

Owned by: EDCD

Review Date: October 2017

Update

Full Description:

1. Failure to protect and maintain the brand.
2. Complaint to Scottish Public Services Ombudsman upheld

Treatment:

1. Now that the City Campus is operational the Communications team is reviewing the mechanisms and best practice for internal and external communication. The CDD is also reviewing the structure of the team to ensure that is more relevant and fit for purpose to maintain the brand.
2. College Complaints Procedure to be available and communicated to all employees; train staff, including managers in operation of college policies & procedures, including legal requirements

Commentary (Update):

1. New Complaints procedure agreed and implemented in line with developments in SPSO framework for FE.
2. The College Complaints Report is now published via the College Website, in line with SPSO requirements.
3. Further staff training now in place to support implementation of SPSO model complaints handling procedure.
4. Through the Meltwater News platform the College continues to monitor its coverage, reputation and positioning within the marketplace on a daily basis
5. Ongoing press enquiries relating to a wide range of areas are commonplace, including some relating to College operations at the City Campus. The College is also experiencing a high volume of FOISA requests at present, covering a wide range of areas from staff salaries and performance related payments, campus events, overseas expenditure, student support, budgets, industrial action information, communications with politicians, etc.
6. Positive press coverage relating to a number of awards, events, and the official royal opening have featured in the press and other media in recent months.

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):
Low Medium High	Category: Reputation Low 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 Management Action Plan

Risk Description:

Failure to achieve improved business development performance with stakeholders

Risk ID: 7

Owned by: EDCD

Review Date: October 2017

Update

Full Description:

Loss of/Failure to build effective partnerships/Reputational Risks/Staff Health and Well Being (see Level 2 Risks below).

Treatment:

Relationships are managed as detailed in the Corporate Development Plan and in line with the agreed Business Development Process Map to ensure good communications, and that any issues are dealt with timeously. The Plan has been reviewed with reference to Blue Ocean and the 8 strategic priorities. In line with Strategic Priority 8 the additional strategic planning documents are now required for:

- International/Global reach
- Commercial & Business Development
- Sponsorship
- Employer Engagement
- Corporate Communications

N.B. Associated Level 1 Risks:

- Growth and Development/College Reputation (Risk 6)
- Statutory Compliance Failure (Risk 10)
- Finance/Income Targets (Risk 15)
- Income diversification (Risk 16)

Commentary (Update):

The documents indicated above will come to the Board as part of the new Corporate Development Strategy, relating to delivery of the new College Strategic Plan 2017-25. This strategy is under further development to feature associated initiatives.

The Corporate Development team continue to work with the Faculties in procuring new business as well as sourcing sustainable and reputable opportunities for additional non-government income.

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: Change and Development Activities Low <u>Medium</u> High 1 2 3 <u>4</u> 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 achieve improved performance

Risk ID: 8

Owned by: VPSE/DirP

Review Date: September 2017

Update

Full Description and Treatment:

1. Ensure identification, dissemination, monitoring and review of quality improvement KPIs for all areas of service delivery.
2. Work with VPs, Directors and Heads to target areas of under performance.

Commentary (Update):

Heads of Performance working with Faculty Directors to set SMART targets following Performance Review meetings, with a view to significantly improving performance.

Service Area reviews commenced in May 2017 with which has led to a review of service targets and performance. This process is linked to operational planning and to the development of the Colleges strategies.

Faculties with identified areas of under-performance are targeted for Accelerated Quality Improvement and detailed action plans have been put in place with intervention and support from Service areas. Faculty action plans are kept under review at the Student Experience Leadership Group.

The Performance Review process has been further developed into a single stage process to heighten accountability and deliver targeted support. This process is delivering improvement action plans to areas that require them.

Impact score raised from 2 to 3 – in consideration of the implication of Regional Outcome Agreement potentially aligning funding to KPIs. Gross risk score increased from 6 to 9 (May 2015).

September 2016: Risk Score moved to 5x5 matrix. Student success performance indicators for 2015-16 to be confirmed.

January 2017: Performance has been retained at its current level. Action plans from Performance Review being put in place and a series of SLWG have been initiated to look at cross college activity impacting on faculty performance. A new curriculum review process is being developed for 17/18 as a replacement for Performance Review in order to improve curriculum planning so it is linked more coherently to performance of individual programmes. In turn it is anticipated that this will further improve performance.

The EIS dispute in session 2016-17 included several days of strike action in the weeks prior to the summer break. College SMT arranged to support students in completing their qualifications.

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 25/25
Risk Appetite (Willing to accept):	Risk Tolerance (Able to accept):
<u>Low</u> Medium High	Category: Student Experience/ Reputation <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 Management Action Plan

Risk Description: Failure to attract, engage, and retain suitable staff

Risk ID: 9

Owned by: VPF&HR

Review Date: May 2017
Currently Under Review (12 Oct 2017)

Update

Full Description:

1. Failure to recruit and retain staff
2. Failure to develop and motivate staff; failure to identify training and development needs and appropriate tailored development strategies.

Treatment:

- Develop and implement relevant policies
 - Employee Benefits strategy
 - Recruitment and Selection policy
 - Organisational Development policy
 - Employee Engagement & Reward strategy and procedures
- Develop and agree an organisation development strategy and operational plan.
- Develop a framework of mandatory and optional CPD (1 hours CPD time for Academic Staff on Weds).
- Review and provide training for all reviewers and reviewees for the employee Personal Development Review (PDR) process
- Implement IIP Action Plan.
- Monitor the outcome of all staff recruitment, staff absences rate and staff turnover

Commentary (Update):

Recruitment & Selection Policy & Procedure and the Employee Engagement policy are approved and in use. A People Plan (HR Strategy) is in use and operational plans are in place for Organisational Development delivery and to support the strategic plan.

CPD opportunities are highlighted during annual PDR, requested by staff or by managers, to increase the effectiveness of the College. There is an annual One City all staff development day, on-going team events and development, enhancement of qualifications, PDA & TQFE, mandatory on-line training modules, visiting industry experts, master class sessions etc to support City Learning and personal development, delivered via a blended learning approach.

There is also a dedicated 1 hour per week for CPD. There is generally an increasing volume of CDP provision and the CPD hour, while welcome, accounts for a relatively small proportion of CPD provision.

The College has invested in Coaching and Mentoring Development in 2015/16. Two initial tranches – one consisting of managers and one consisting of teaching staff

supporting World skills participants, engaged in an initial coach/mentor development training. This has led to a large number of coaching relationships and conversations within the College, as each of the cohorts are required to coach or mentor at least three others as part of the qualification.

The College aims to create an established internal coaching agenda which will help develop talent and contribute to continuity planning and retention.

The College SMT will agree a new People & Culture Strategy around April incorporating succession planning and talent management to ensure the continued success of the College.

Staff absence rate and staff turnover both remain at a low level. There continues to be a generally high demand for posts advertised; however specialist posts in the Nautical Faculty remain difficult to recruit for within the current academic pay structure.

Risk Score therefore remains at Green.

NB at Oct 12th 2017: Succession planning for managers is at an advanced stage of development – as reported to Board of Management by the Principal on 11th October. Further commentary to follow (Oct/Nov 2017).

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 2/5 Impact 2/5 Risk Score 4/25 RAG Rating: GREEN Target Score: 3	Likelihood 4/5 Impact 5/5 Risk Score 20/25
Risk Appetite (Willing to accept):	Risk Tolerance (Able to accept):
Low <u>Medium</u> High	Category: People and Culture Low 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 Management Action Plan

Risk Description: Failure to maximise income via diversification

Risk ID: 16

Owned by: VPFHR/ EDCD

Review Date: October 2017

Update

Full Description:

Failure to optimise income opportunities via existing and potential markets and partners.

Treatment:

Develop the Corporate Development Plan to deliver the College Corporate Development Strategy. Manage and monitor the delivery of the plan via SMT and Board of Management Development Committee.

Commentary (Update):

The Corporate Development Strategy, with business cases, was presented to the Board of Management Development Committee in April 2016, and is currently under ongoing review in the context of developing strategic priorities.

Commercial and International Teams, as well as Academic Faculties, have reviewed all aspects of income diversification. This is now reflected within the new Corporate Development Strategy as well as Financial and Operational Plans. Income generation from Industry Academies included in Faculty planning.

Regular reportage on growth and development in relation to targets is now a standing item on the Development Committee agenda. The Corporate Development Team and Faculties undertake ongoing reviews of Commercial and International targets, and progress. The College's first performance reviews during 2016-17 have been undertaken and the delivery of Non SFC Fundable course fee income reviewed.

The College has provisionally achieved the 2016-17 target for Non SFC Fundable course fee income. The College is currently 1% over the 2016-17 annual target (appendix 1). The Risk Score remains at Amber as the targets for 2017-18 have been increased and it is too early to assess the achievement of these targets.

The 2017-18 budget for non SFC Fundable course fees is agreed at a higher income target of £8.1m, an increase of £317k (4.1%). There is a significant challenge for the Corporate Development Team and Faculties to achieve this income growth in 2017-18.

The future years challenge is to significantly increase the College income from non SFC funding sources and effectively reduce the proportion of SFC grant, in 2017-18. The

SFC grant is estimated as 63% of the College

Progress against targets (October 2017):

Commercial fee income target for 2017-18 - £4.0m
Forecast outcome £4.2m

International target £1.7m
Forecast outcome £1.7m

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 3/5 Impact 3/5 Risk Score 9/25 RAG Rating: AMBER NB Proposed change to risk score: 2 x 3 = 6 AMBER Target Score: 4	Likelihood 5/5 Impact 4/5 Risk Score 20/25
Risk Appetite (Willing to accept):	Risk Tolerance (Able to accept):
Low Medium High	Category: Change and Development/ Financial Low 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				