

Board of Management Students, Staff & Equalities Committee

Date of Meeting	17 May 2023
Paper No.	SSEC3-H
Agenda Item	5.4
Subject of Paper	Strategic Risk Review
FOISA Status	Disclosable
Primary Contact	Drew McGowan College Secretary
Date of production	10 May 2023
Action	For Discussion and Decision

1. Recommendations

1.1 To consider the Strategic Risk Register as at 25 April 2023 for risks reported to the Committee, and approve the recommended score changes to risks 9 and 14.

1.2 To note the updated risk Management Action Plans (MAPs).

2. Purpose

2.1 To provide the Committee with an update on the most recent review of the College's strategic risks.

3. Consultations

3.1 All strategic risk owners were consulted during this latest review.





4. Key Insights

4.1 Risk management is a key component of the College's internal control and governance arrangements, and as such is an important responsibility of the Board of Management and the Senior Management Team. This responsibility is highlighted in the College's strategic plan at priority 6, 'to be efficient, effective, innovating, and vigilant'.

4.2 The SMT and the Board of Management have identified the primary strategic risks the College faces, and these are recorded in the Strategic Risk Register. The risks are aligned with the same framework of themes as the College's strategic plan.

4.3 The College's strategic risks are reviewed in detail by the Board's committees, with each committee focusing on those risks most closely aligned with their Terms of Reference. This involves senior risk 'owners' updating the MAP for each risk when required.

4.4 The Strategic Risk Register is enclosed and the Committee is asked to approve the current edition. Four strategic risks are reported to the Committee. Two score changes to risk scores are proposed in this review by the Vice Principal People and Corporate Support. The recommended score changes are confirmed below and the updated risk MAPs are enclosed.

- **Risk 9 from 4/25  to 16/25 **: Failure to attract, engage, and retain suitable staff
- **Risk 14 from 12/25  to 16/25 **: Negative impact of industrial action.

4.5 As outlined in the risk MAPs, the Vice Principal is recommending the increase in both scores in light of the unprecedented organisational change the College is facing and also the anticipated action short of strike action and industrial action.

5. Impact and implications

5.1 The effective management, control and mitigation of risks is essential to the ongoing stability and future growth of the College. The identified risks have clear implications in terms of potential impact upon College students and staff, as well as the College's wider reputation and financial sustainability.

5.2 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'. The College risk register includes matters relating to legal compliance and specific duties.

5.4 Performance management and improvement are identified as areas of strategic risk, due

to the potential impact on reputation, the student experience, and funding.

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

Appendices:

Appendix 1: Risk Register: 25 April 2023.

Appendix 2: Risk MAPs: 9 and 14.

Risk Register: 25 April 2023

RISK DETAIL						CURRENT EVALUATION			AIM and PROGRESS			RISK TREATMENT	
Strategic Theme	Risk Name	Board Committee	Risk ID	Level	Risk Owner	Likelihood	Impact	Net Risk Score	Gross Risk Score	Target Risk Score	Risk Movement/ Comments	Link to Risk Mgt Action Plan (MAP)	Date of last change
Students	Failure to support successful student outcomes	AAC, LTC, PNC, SSEC	1	1	VPSE	1	5	5	25	5	Score decr. 10 to 5: PNC 8/22	Risk 1 MAP	Aug'22
Students	Failure to establish optimal pedagogical model	LTC	2	1	VPSE	1	5	5	20	5		Risk 2 MAP	Jan'22
Students	Failure to achieve good student outcome/progression levels	LTC	3	1	VPSE	2	5	10	15	5		Risk 3 MAP	Feb'22
Students	Failure of the College's Duty of Care to Students	LTC, SSEC	21	1	VPSE	2	5	10	20	4		Risk 21 MAP	Jan'22
Growth and Development	Failure to realise planned benefits of Regionalisation	PNC	4	1	Pr/DPPr	3	3	9	20	3		Risk 4 MAP	Feb'22
Growth and Development	Negative impact upon College reputation	DC, PNC	6	1	VPCDI	3	4	12	25	5		Risk 6 MAP	May'22
Growth and Development	Failure to achieve improved business development performance with stakeholders	AAC, DC, PNC	7	1	VPCDI	4	5	20	25	5		Risk 7 MAP	May'22
Growth and Development	Failure to manage strategic risks associated with City of Glasgow International Ltd	DC	28	1	VPCDI	2	5	10	25	5	Score set to 10: DC 10/22	Risk 28 MAP	Oct'22
Growth and Development	Failure to manage performance and achieve improved performance	PNC	8	1	DirE	2	5	10	20	5	Merged risk approved by PNC 04/23	Risk 8 MAP	Apr'23
Growth and Development	Failure to attract, engage, and retain suitable staff	SSEC	9	1	EDHR	2	2	4	20	3		Risk 9 MAP	Aug'22
Growth and Development	Failure to achieve taught degree awarding powers	LTC	26	1	DPPr	4	4	16	20	3	Score incr. 12 to 16 Board 12/22	Risk 26 MAP	Dec'22
Processes and Performance	Negative impact of statutory compliance failure	AAC, PNC	10	1	CS	2	5	10	20	5		Risk 10 MAP	Feb'22
Processes and Performance	Failure of Compliance with Environmental Social and Governance (ESG) Duties	AAC, PNC	29	1	DPPr/CS	1	5	5	5	5	Score set to 5 PNC 01/23	Risk 29 Map	Jan'23
Processes and Performance	Failure of Compliance with the General Data Protection Regulations (GDPR)	AAC	24	1	DPPr	2	4	8	25	5		Risk 24 MAP	Jan'23
Processes and Performance	Failure of Corporate Governance	AAC, PNC	11	1	Pr/CS	2	5	10	20	5	Score incr. 5 to 10 by PNC 04/23	Risk 11 MAP	Apr'23
Processes and Performance	Failure of Business Continuity	AAC, FPRC, PNC	12	1	VPCS/CS	3	4	12	25	4		Risk 12 MAP	May'22
Processes and Performance	Negative impact of Industrial Action	SSEC	14	1	EDHR	3	4	12	25	4		Risk 14 MAP	Aug'22
Processes and Performance	Failure of IT system security	FPRC, PNC	25	1	VPCS	2	5	10	25	5		Risk 25 MAP	Aug'22
Finance	Failure to achieve operating surplus via control of costs and achievement of income targets.	AAC, FPRC, PNC	15	1	VPCS	5	5	25	25	4	Score incr. 20 to 25 AAC 09/22	Risk 15 MAP	Nov'22
Finance	Failure to maximise income via diversification	AAC, DC, FPRC, PNC	16	1	VPCS/VPCDI	4	5	20	25	5		Risk 16 MAP	Nov'22
Finance	Failure to obtain funds from College Foundation	FPRC	20	1	VPCS	1	4	4	20	4		Risk 20 MAP	Aug'22
Finance	Negative impact of Brexit	FPRC	22	1	VPCS/DCS	3	3	9	15	5		Risk 22 MAP	Aug'22
Finance	Failure to agree a sustainable model and level of grant funding within Glasgow Region	FPRC	23	1	VPCS	3	4	12	25	5		Risk 23 MAP	Aug'22
Finance	Failure to secure sufficient capital investment	FPRC	30	1	VPCS	4	3	12	20	3		Risk 30 MAP	Aug'22
ALL	Failure to manage acute threats relating to coronavirus outbreak	AAC, FPRC, PNC	27	1	Pr/DPPr	2	4	8	25	4	Score decr. 12 to 8: PNC 8/22	Risk 27 MAP	Aug'22

Key:

Pr - Principal
 DPPr - Depute Principal
 VPSE - Vice Principal Student Experience
 VPCS - Vice Principal Corporate Services
 VPCDI - Vice Principal Corporate Development/Innovation
 CS - College Secretary
 EDHR - Executive Director of Human Resources
 DirE - Director of Excellence
 DCS - Director of Corporate Support
 AAC - Audit & Assurance Committee
 FPRC - Finance & Physical Resources Committee
 LTC - Learning & Teaching Committee
 SSEC - Students, Staff & Equalities Committee
 PNC - Performance & Nominations Committee
 DC - Development Committee

Risk Score 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

Recent (12mth) change

Trend

Date	Jun-19	Dec-19	Jun-20	Dec-20	Jun-21	Dec-21	Aug-22	Nov-22
Average Risk Score	9.43	8.95	11.2	11.3	10.7	10.4	10.4	10.6
Number of RED Risks	3	1	4	5	4	2	3	3

N.B. Closure of low-scoring risks will have an upward impact upon average risk score.

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	

Risk Management Action Plan

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

Risk ID: 9

Owned by: EDHR

Review Date: April 2023

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:

- Implement a People & Culture Strategy as agreed by College Board



Commentary (Update):

The People and Culture Strategy 2021 – 2030 was agreed by the college Board.

The strategy provides a comprehensive and ambitious vision, underpinned by 4 Aims

1. Deliver a comprehensive workforce plan
2. Through Collaboration provide support to our people
3. Leading from the future, establishing a new world of work &
4. Enhance Employment Relations through Culture

Continued implementation, and effective monitoring of the strategy will provide effective mitigation against identified risk.

In addition, to support recovery from COVID a new Hybrid Working guide has been developed, the intention is to balance organization needs while being flexible to individual needs.

The college is going through a period of unprecedented organisational change, at the start of 2023 this was through Voluntary Severance, and vacancy management. As we move to the next phase of change this is likely to include Compulsory Redundancy.

The impact of attracting, retaining and engaging existing staff is expected to be adversely impacted.

Current Risk Score:

Likelihood 4/5

Impact 4/5

Risk Score 16/25

RAG Rating: **RED**

Target Score: 3

Gross Risk Score

(assuming no treatment)

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: Negative impact of Industrial Action

Risk ID: 14

Owned by: EDHR

Review Date: April 2023

Update

Full Description:

1. Negative impact upon service delivery due to industrial action
2. Negative impact upon reputation due to industrial action

Treatment:

Two local negotiating forums are established, LNC and SSNC, with the frequency of meetings based on the College Recognition & Procedure Agreement (RPA) and current requirements.

The College has signed the National Recognition & Procedure Agreement (NRPA) and is a member of the Employers Association within Colleges Scotland. All “in scope” pay and terms and condition negotiations now take place at the National Joint Negotiating Committee (NJNC).

Commentary (Update):

The Human Resources (HR) department is managed by the Vice Principal People & Corporate Support reporting to the Principal. Significant changes have been progressed within the HR team to improve the performance and service with further planned improvements aligned to the agreed People and Culture Strategy 2021 - 2030.

The activity from the identified risk “negative impact of industrial actions” rests internally and externally dependant on the nature of any “dispute” and Statutory Ballot. For National industrial action this is out with the direct control of the college due to National Bargaining, however the college has an equal voice amount the Employers Association to influence policy and strategic decision.

April 2023, the college, and the sector looks set for further industrial action aligned to the Lecturers pay offer. At this point in time the EIS-FELA currently have a national mandate for Action Short of Strike Action (ASOS) and strike action which is scheduled to commence at the start of Academic Year 2023/24.

At a local college level, given the scale of organisational change (including the potential for Compulsory Redundancy) the EIS have a mandate for ASOS & Strike action.

For support staff UNISON also have a mandate for strike action.

Note: Some historic commentary is retained below for the purpose of providing context.

The College sector has unfortunately experienced significant strike action over the past 8 years – this shows no signs of slowing down

The potential for strikes & ASOS will increase as the sectors financial and funding challenges remain

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 4/5 Impact 4/5 Risk Score 16/25 RAG Rating: RED Target Score: 4	Likelihood 5/5 Impact 5/5 Risk Score 25/25
Risk Appetite (Willing to accept):	Risk Tolerance (Able to accept):
Low Medium <u>High</u>	Category: Student Experience/ Reputation Low Medium High 1 2 <u>3</u> 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				