

Board of Management: Audit Committee

Date of Meeting	Wednesday 8 March 2017
Paper No.	AC3-C
Agenda Item	6
Subject of Paper	Strategic Risk Review
FOISA Status	Disclosable
Primary Contact	Paul Clark, College Secretary/Planning
Date of production	1 March 2017
Action	To Approve

1. Recommendations

1. To consider the review of all College Strategic Risks.
2. To approve associated updated Risk Management Action Plans (MAPs) and College Risk Register.

2. Purpose of report

2.1 The purpose of this report is to provide the Board, through the Audit Committee, with an update on the Senior Management review of all strategic organisational risks, via the Risk Management Actions Plans (MAPs). Also included is the updated 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, Audit Committee, and the Board of Management. This responsibility is highlighted in the College Strategic Plan (2017-25) at Aim 6.2: "Encourage innovative and enterprising ways of working, to achieve high levels of effectiveness, efficiency and governance".

3.2 All Risk MAPs have been revised in line with the new Risk Management Policy which introduced the risk tolerance measure and score, to sit alongside an assessment of risk appetite for each risk.

3.3 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.

3.4 A full review of strategic risks was undertaken in September/October 2016, involving senior Risk "owners. This report is therefore a progress report.

3.5 The undernoted risks have been identified by SMT as the highest scoring risks, i.e. high likelihood, high impact. The highest scoring risk (below) is currently the only risk RAG-rated as RED:

- Risk 18 – "Failure to agree a sustainable level of grant-funded activity within the Region" (RED)

3.6 There is one relatively new Risk with associated Risk MAP – Risk 22: "Negative Impact of Brexit" as agreed at the Audit Committee meeting of September 2016.

3.7 A revised Risk Register is included in the appendices.

3.8 Revised Risk Score Matrix

Due to the revised risk matrix (5x5 from 3x3) some risk ratings have changed. E.g. Risk 11, formerly scored $1 \times 3 = 3$, rated green, is now scored $2 \times 5 = 10$ (amber). It should be noted that a relatively low risk score of 6 will still produce an amber RAG rating.

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 – Priority 7: "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: All College Risk MAPs

Risk Register: March 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	1	5	5	25	5		Risk 2 MAP.docx	Feb '17
Students	Failure to establish optimal pedagogical model	2	1	VPSE	2	5	10	20	5		Risk 2 MAP.docx	Feb '17
Students	Failure to achieve good student outcome/progression levels	3	1	VPSE	1	5	5	15	5		Risk 3 MAP.docx	Feb '17
Students	Failure of the College's Duty of Care to Students	21	1	VPSE	3	4	12	20	4		Risk 21 MAP.docx	Jan '17
Growth and Development	Failure to realise planned benefits of Regionalisation	4	1	Pr/DPr	3	3	9	20	3		Risk 4 MAP.docx	Jan '17
Growth and Development	Failure to achieve New Campus objectives	5	1	DPr	1	5	5	25	5		Risk 5 MAP.docx	Jan '17
Growth and Development	Negative impact upon College reputation	6	1	EDCD	2	5	10	25	5		Risk 6 MAP.docx	Jan '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	Jan '17
Growth and Development	Failure to achieve improved performance	8	1	VPSE/DirP	1	5	5	20	5		Risk 8 MAP.docx	Jan '17
Growth and Development	Failure to attract, engage, and retain suitable staff	9	1	VPFHR	2	2	4	20	3		Risk 9 MAP.docx	Feb '17
Processes and Performance	Negative impact of statutory compliance failure	10	1	SMT/CSP	1	5	5	20	5		Risk 10 MAP.docx	Feb '17
Processes and Performance	Failure of Corporate Governance	11	1	Pr/CSP	2	5	10	20	5		Risk 11 MAP.docx	Mar '17
Processes and Performance	Failure of Business Continuity	12	1	VPI/CSP	3	4	12	25	4		Risk 12 MAP.docx	Mar '17
Processes and Performance	Failure to manage performance	13	1	VPSE/DirP	2	4	8	20	4		Risk 13 MAP.docx	Mar '17
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	Feb '17
Finance	Failure to achieve operating surplus via control of costs and achievement of income targets.	15	1	VPFHR	3	2	6	25	2		Risk 15 MAP.docx	Mar '17
Finance	Failure to maximise income via diversification	16	1	VPFHR/EDCD	3	4	12	20	4		Risk 16 MAP.docx	Jan '17
Finance	Negative impact of funding methodology within Glasgow Region	17	1	VPFHR	2	3	6	25	2		Risk 17 MAP.docx	Mar '17
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	Feb '17
Finance	Impact of ONS reclassification of the status of colleges	19	1	VPFHR	2	3	6	16	3		Risk 19 MAP.docx	Mar '17
Finance	Failure to obtain funds from College Foundation	20	1	VPFHR	1	4	4	20	3		Risk 20 MAP.docx	Mar '17
Finance	Negative impact of Brexit	22	1	VPFHR	2	5	10	tbc		New Risk (Audit 9/16)	Risk 22 MAP.docx	Mar '17

Recent movement or change

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

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

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 support student success

Risk ID: 1

Owned by: VPSE

Review Date: February 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.

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: 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 establish optimal pedagogical model

Risk ID: 2

Owned by: VPSE

Review Date: February 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.

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). A business case is currently being taken forward for resourcing of the proposed centre

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.

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

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: February 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 single tier Performance Review process is now in place to monitor student outcomes and progression. Review reflects CADM reportage and "Finger on the Pulse" feedback.

City of Glasgow College staff and students are part of a number of working groups developing national policy on Student Support and Widening Access (articulation)

The New Quality Arrangements are to be rolled out across the sector in 2016/17. Associate Assessors and the Head of Performance will be working with Managers to devise a model for QA using the new methodology and taking consideration of best practice highlighted by Action Learning Pilot Colleges. A regional quality group has been formed to develop common approaches to the new quality arrangements. This includes a staff development programme and a model of Shared Teaching practice.

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 realise planned benefits of Regionalisation

Risk ID: 4

Owned by: Pr/DPr

Review Date: January 31 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):

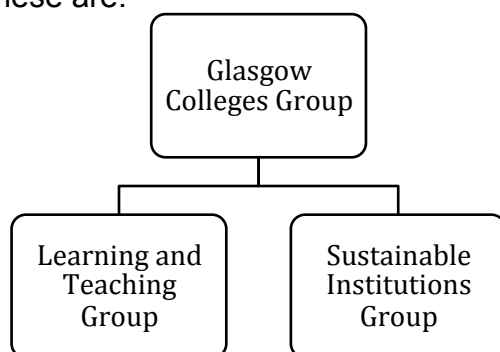
Dialogue is being maintained with GCRB and with the Glasgow Colleges.

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 2016/17 being:

- Glasgow Colleges Group - Paul Little, Principal and Chief Executive City of Glasgow College
- Learning and Teaching Group - Alan Inglis, Vice Principal Curriculum and Quality Glasgow Kelvin 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
- Access and Inclusion

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 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: GREEN 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 achieve New Campus Objectives

Risk ID: 5

Owned by: DPr

Review Date: January 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 have been proposed for transfer to the main College Risk Register. In-turn these will be reviewed, redrafted as required and assigned to appropriate risk owners.

The transferred risks are as follows:

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

There are only 2 residual risks remaining 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: DCD

Review Date: January 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. The College has featured in a number of press articles recently where titles have taken a negative approach. The college has embraced dialogue with journalists and is using this recent experience to strengthen areas across the team.
2. New Complaints procedure agreed and implemented in line with developments in SPSO framework for FE.
3. The College Complaints Report is now published via the College Website, in line with SPSO requirements.
4. Further staff training now in place to support implementation of SPSO model complaints handling procedure.
5. Through the Meltwater News platform the College continues to monitor its coverage, reputation and positioning within the marketplace on a weekly basis
6. 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 etc.

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: 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 achieve improved business development performance with stakeholders

Risk ID: 7

Owned by: DCD

Review Date: January 31 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.

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: January 31 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.

Support Area reviews will commence in May 2016. 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 Performance Team.

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.

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 25/25
Risk Appetite (Willing to accept):	Risk Tolerance (Able to accept):
Low Medium High	Category: Student Experience/ 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 attract, engage, and retain suitable staff

Risk ID: 9

Owned by: VPF&HR

Review Date: February 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.

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 Medium 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 statutory compliance failure

Risk ID: 10

Owned by: SMT/CSP

Review Date: February 2017

Update

Full Description:

Detailed risks:

1. Breach of Equalities legislation upheld by Tribunal (e.g. successful discrimination claim)
2. Equal pay challenge
3. Unfair dismissal claims
4. FOISA - appeal to Scottish Information Commissioner upheld
5. Serious breach of the Data Protection Act 1998
6. Employment Tribunal appeal upheld
7. Safeguarding /PVG challenge
8. Contravention of Bribery Act
9. Conviction of corporate homicide
10. Conviction for Breach of H & S legislation
11. Charge /breach of procurement litigation upheld
12. Failure of compliance with Equality Act 2010: Specific Duties
13. Whistleblowing conviction
14. Loss of UKVI Highly Trusted Status
15. Failure of compliance with Counter Terrorist and Security Act 2005 and "Prevent" legislative requirements
16. Failure of Compliance with Children and Young People (Scotland) Act 2014 (Corporate Parenting)

Treatment:

1. Train staff, including managers in operation of college policies & procedures, including legal requirements; Incorporate in all Balanced Scorecards re: responsibility for D&E
2. The harmonisation of teaching pay scales has not yet been fully addressed . In terms of support staff the implementation of a job evaluation scheme has been concluded. See Risk MAP 14.
3. Seek advice from College Secretary, Executive Director (People & Culture) or external legal specialist, where appropriate, on key policy/procedural matters, and where risk profile is assessed as high or increasing due to possible or likely non-compliance;
4. As above
5. Robust policies in place; Training of staff – e-learning module rolled out Feb 2013
6. Train managers in operation of college policies & procedures; Recruitment of suitably skilled HR staff to advise and guide managers in legal matters
7. Have appropriate policies in place for both students and staff; train managers in operation of college employee policies & procedures. Mandatory staff training; module on My City.
8. Robust policies; Training for staff
9. Train staff, including managers in operation of College Health & Safety policies & procedures, including legal requirements; ensure all facilities/equipment well maintained

- and regularly tested; Ensure robust regular internal audit.
10. Train managers in operation of college employee policies & procedures, including legal requirements;
 11. Seek procurement advice from Executive Director (Finance & Procurement) and further external legal advice via Executive Director (People & Culture) , where appropriate, on key policy/procedural legal matters and where risk profile is assessed as high or increasing due to possible or likely non-compliance
 12. All College Policies and Procedures require an Equality Impact Assessment (EQIA); Policy and Procedure EQIAs currently being collated by D&E team (ongoing, May 2015)
 13. Whistleblowing policy currently under development (May 2016) together with training for managers (ED: P&C)
 14. Close working relationship with UKVI maintained to reduce risk of loss of Highly Trusted Status.
 15. Rollout of "Prevent" compliance training
 16. Board of Management corporate parenting training undertaken February 2017

Commentary (Update):

Re 1. Following the merger there was a risk of an equal pay challenge if males and females were doing work of equal value and being paid differently. This matter was addressed with the implementation of job evaluation.

Re. 7 (Safeguarding/PVG challenge) above: Criminal convictions declaration required at application and enrolment. For staff a risk assessment is conducted if a member of staff has an unspent conviction.

Re. 12. All policies in place as appropriate, with training provided as necessary. SMT and the Audit Committee had noted in 2013-14 that many Policies and Procedures required an Equalities Impact Assessment (EQIA). As the first deadline for completion (Feb 2014) was not met, the risk score for this risk had been elevated to 6 Amber. SMT confirmed that by June 2014, all Policies and Procedures had recorded completed EQIAs. As at October 2015, all Policies and Procedures have recorded completed EQIAs.

Re. 14: Ongoing high priority given to maintaining compliance with UKVI regulations, following cessation of collaboration with Bangladeshi partner (WMA), following UKVI advice. See highlight below.

Re 15: Prevent training delivered to SMT - September 2016

Re.16: The Board of Management undertook training on corporate parenting responsibilities under the Children and Young People Act in February 2017. This was provided by Who Cares? Scotland and included input from a care experienced young person.

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):
Low Medium High	Category: Compliance/ 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 of Corporate Governance

Risk ID: 11

Owned by: Pr/College Secretary

Review Date: March 2017

Update

Full Description:

Breach of Code of Conduct; breach of Code of Good Governance; failure of formal procedures; lack of robust/ failure of monitoring/management processes etc; breakdown of effective Board/ELT relationships.

Impact of failure would be high, but likelihood without mitigation is medium and reduces to low with mitigation. Because of the seriousness of failure, and the low tolerance of failure relating to compliance and reputation, the risk appetite is low.

Treatment:

- Maintenance and monitoring of sound governance procedures and processes
- Regular meetings of Board Audit Committee
- Regular Internal and External Audit review and reportage to Board of Management Board development activities and self-evaluation process.
- External Board Effectiveness Review
- College Secretary Training and Development

Commentary (Update):

1. Internal Audit review of governance and risk (March-May 2014) found "Substantial" levels of assurance in both the design and operational effectiveness of Governance and Risk Management. Internal Audit recommendations for improvement accepted and implementation timetable agreed.
2. Review of governance processes in respect of communication and Board papers undertaken by College Secretary, and reported to full Board in June 2014. New Code of Conduct approved (June 2014) and reported to Scottish Government. New Sector Code of Governance adopted by the Board of Management in December 2014 (revised Code adopted in 2016).
3. New Recruitment and Appointments procedure for the Board of Management with accompanying documents developed in February 2015, with emphasis upon Good Governance. Revised procedures adopted for 2016 recruitment, in consultation with GCRB. Process shared with other Glasgow Colleges/GCRB.
4. Board Committees self-evaluation developed in August 2014 and rolled out October/November, with all 6 Board Committees receiving reports in Feb-March 2015. Summary review of Board Committees presented to Board in February 2015, and reported in Annual Report 2014-15.

5. Board of Management Self-evaluation process based on the International Framework for Good Governance, developed and rolled out (March-May 2015). Board development planned from June 2015 in the light of evaluation findings.
6. Board evaluation questionnaire revised to align more closely with the Code of Good Governance (March 2016) and implemented with Board Evaluation Report to Board of Management in June 2016.
7. College Secretary has completed CIPFA Certificate in Corporate Governance (2016). College Secretary sits on the CDN Secretary to the Board Steering Group as Vice Chair
8. The Board of Management is currently (Feb/Mar 2017) undertaking an external Review of Governance in line with the Code of Good Governance and ministerial direction. Initial feedback to the Board at the Planning event in February 2017 indicated no significant areas of concern, and a number of areas of governance strength.

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: Reputation/ Compliance <u>Low</u> Medium 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 of Business Continuity

Risk ID: 12

Owned by: VPI/CSP

Review Date: March 2016

Update

Full Description:

1. Severe Fire/Flood
2. Terrorist attack
3. Cybercrime (added by Audit Committee; Nov 28, 2016)
4. Other emergency circumstances resulting in main service failure, and threatening the operation of the College as described in Business Continuity Plan v3.4.

Treatment:

1. Maintain current operational controls.
2. Create and review Business Continuity Plan (BCP).
3. Communicate plan to all senior staff.
4. Ensure that local recovery plans are developed and reviewed.
5. Test and Review at local and College level.

Commentary (Update):

In discussion with the Internal Auditor, BCP will be a focus of IA review in 2017-18.

1. Current operational controls are in place with responsibility transferred to GLQ via the NPD contract.
2. The BCP emergency incident procedure is currently under review to include recent government guidelines outlined by the CONTEST statutory duty.
3. Responsibility for communication remains with the College, which will be included in the new BCP.
4. GLQ has an extensive business continuity plan to which the College BCP will need to refer, given that the knowledge of all business critical systems lies with GLQ. These systems are subject to a 25 year maintenance agreement/project agreement. All heating, cooling, power, air conditioning etc is part of the NPD contract with all risk transferred to GLG, with commensurate business continuity responsibility. GLQ would therefore be responsible for repurposing or relocating any College activity disrupted by systems failure.

IT Disaster Recovery Plan: Cybercrime – the network infrastructure designed as part of the new build meets the latest filtering and access control technical requirements. In order to test the College's infrastructure, this will be included in the Internal Audit of infrastructure (brought forward to 2016-17 in the light of this priority). It should be noted

that this threat is largely related to business disruption, as the college business can be maintained in alternative modes.

5. The BCP will be reviewed by end session 2016-17 with planned test and review.

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 3/5 Impact 4/5 Risk Score 12/25 RAG Rating: AMBER Target Score: 3	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: Business Continuity <u>Low</u> Medium 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 manage performance

Risk ID: 13

Owned by: VPSE/DirP

Review Date: March 2017

Update

Full Description:

1. Failure to ensure that performance is monitored and managed, and that high performance levels are sustained at all levels.

Treatment:

1. Implement revised Performance Review process.
2. Develop and agree Operational Plans, in line with Balanced Scorecards and the planning framework, for quality improvement with each Curriculum Head.

Commentary (Update):

Action Plan in response to the Education Scotland Review is now well established. The Director of Performance is working with Faculty Directors to set SMART targets following Performance Review meetings, to enable ongoing performance monitoring.

Indicators for 2016/17 PIs demonstrate a slight increase in early withdrawal from 2015/16. However to mitigate this Faculties have put in place measure to ensure that complete success of students is maximised.

Support Area reviews will commence in April 2017. Operational Plan guidance and templates will be developed and revised for 2017-18. All faculties have completed detailed performance improvement plans with adjustments to portfolio in light of performance trends. Further resources have been requested to support specific actions to address partial success performance.

The Performance Review process has been further developed into a single stage process to heighten accountability and deliver targeted support. Curriculum Heads and Faculty Directors have developed Faculty and Section Operational Plans with City Learning and Industry Academy development embedded within these.

A new Education Scotland quality framework will be implemented in 16/17 with final reportage in October 17. The new framework requires input from academic and support teams therefore a series of development sessions have been devised to support full implementation. A Shared Teaching Practice pilot will also be implemented with a view to mainstreaming in Academic year 2017/18. This will evaluate learning and teaching practice and form an appraisal of the overall teaching process

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 2/5 Impact 4/5 Risk Score 8/25 RAG Rating: 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: Reputation/ Student Experience 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: VPF&HR

Review Date: February 2017

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 established, LNC and SSNC, with established frequency as per the relevant Recognition & Procedure Agreement.

A new National Bargaining Committee was established in August 2014, where all pay negotiations must now take place.

Commentary (Update):

National Bargaining Committee has reached a settlement for the 2015/16 pay claim with the support staff trade unions, and a 2 year settlement 2015/16 & 2016/17 for the teaching staff union EIS.

The support staff trade unions expect the same settlement as achieved by the teaching staff trade unions for 2016/17 and as this is not been achieved, industrial action and action short of industrial action has taken place, with more indicated in the future. However, the support staff pay claim for 2016/17 was only received in February 2016 and negotiations are still on-going at a national level.

The National Bargaining Committee have also been tasked with agreeing new EIS pay grades and rates by the end of October 2016. If agreement is not reached, further industrial action is likely.

The Executive Director for People & Culture left the College at the end of August 2016. A replacement Human Resources Director with strong employee relations / union experience commenced in January 2017.

Extensive negotiations are still ongoing regarding National Bargaining, with a ballot for industrial action pending (ballot closes 3 March 2017).

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 3/5 Impact 4/5 Risk Score 12/25 RAG Rating: AMBER (Changed from RED - Audit Committee 14/9/16) 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				

Risk Management Action Plan

Risk Description: Failure to achieve operating surplus via control of costs and achievement of income targets

Risk ID: 15

Owned by: VPFHR

Review Date: March 2017

Update

Full Description:

Failure of the College's Strategic Priority 7, and associated Strategic Aims: To maintain our long-term financial stability

Commentary (Update):

Operating Surplus/Deficit **Amber**

The College's would have achieved an operating surplus for the 12 months 2014-15 prior to the March 2015 transfer of £3.1m to the College Foundation to "shelter" the College funds. The College produced a deficit of £2.9m for the 16 months 2014-15 financial period due to the funds transferred to the College Foundation.

The College is projecting an underlying surplus of £162k (0.3%) for the 12 months 2015-16 financial year with no transfer to the College Foundation in March 2016 (Appendix 1).

In the following financial years the College will budget for a small surplus which means a relatively small adverse change to expenditure or income budgets will push the College into an operating deficit.

Risk Owners: Vice Principal Finance & HR

The following sections provide a more detailed commentary on this strategic theme risk.

Income: SFC Grant **Green**

The key risk is a failure to achieve the Credit target of 165,461. The Scottish Funding Council (SFC) have stated that there is no "leeway" or slippage allowed for the 2015-16 target. Thus a 10% slippage in Credits could result in a claw back of SFC grant amounting to £3m. The risk has been mitigated by careful planning of 2015-16 course provision via the College's Student Recruitment Plan.

March update:

The original target income was £34.9m and the projected income is £40.0m. The Government share of the new campus unitary charge is now added to the College income and expenditure.

During the year the College accepted 2,500 Credits of funded activity however the College agreed that the grant would be transferred to Kelvin to assist with their pay award costs. The Student Recruitment Plan is currently projecting 165,921 Credits, exceeding the SFC Credits target for 2015-16.

The Glasgow region original 2015-16 student support grant allocation was £1m lower than the previous year. The region has received additional SFC funding eliminating the under funding of the College student support expenditure.

Risk Owners: Faculty Directors, Vice Principal Finance & HR

Income: Course Fees Red

Around £8.2m of the £10.1m course fee income target relates to full-time HE enrolments. A 10% slippage in full-time HE enrolments would reduce income by £820k. Courses that generate full-time HE course fees start and end throughout the academic year beginning 1st August 2015. However, around 95% of the College's projected £8.2m of full-time HE fees is linked to courses that started during September 2015.

March update:

The original target income was £10.1m and the projected income will be lower due to not achieving the full time enrolment by approximately 150 students, £195k reduction in fee income.

Risk Owners: Faculty Directors, Vice Principal Finance & HR

Income: Commercial Course Fees Red

A 10% slippage in commercial activities would reduce income by around £390k. The key Faculties involved in the delivery of commercial fee income are; the Faculty of Building, Engineering & Energy and the Faculty of Nautical.

The risk has been mitigated by careful planning of 2015-16 course provision via the College's Student Recruitment Plan. The commercial plans for each Faculty have also been reviewed by the Business & International team.

March update:

The original target income was £3.5m and the projected income is £3.0m.

Risk Owners: Executive Director Corporate Development and Faculty Directors

Income: Education Contracts Red

A 10% slippage in education contracts would reduce income by around £220k. The HE articulation funding has increased and now covers both first and second year HN students. A 10% slippage in this funding source would reduce income by around £97k. The College has mitigated this risk by agreeing articulation projects (256 FT HE students) linked to the new SFC articulation funding source with Glasgow Caledonian University, UWS and the University of Strathclyde. The HE articulation initiative is being closely managed by a Faculty Director.

March update:

The original target income was £2.2m with the current projection planned to achieve deliver £2.1m. The income is based on successful agreements for HE articulation numbers linked to Glasgow Caledonian University, UWS and the University of Strathclyde. The shortfall is linked to the languages courses deliver for Glasgow Caledonian University. The other major elements of the Educational Contract income are course delivery funded by University partners and course delivery funded by SDS. These contracts are currently projected to achieve the budgeted income.

Risk Owner: Faculty Directors, Vice Principal Finance & HR

Income: Overseas Fees Green

A 10% slippage in the target for overseas tuition fees would equate to £200k. Courses that generate overseas tuitions fees start and end throughout the academic year beginning 1st August 2015. However, around 50% of the College's projected £2.0m of overseas fees is linked to full-time courses that started during August 2015.

March update:

The original target income was £2.0m and the projected income is £2.1m. The original target was lower than previous years due to the agreement with Western Maritime Academy (WMA) has now been cancelled and the impact of further UKVI restrictions.

Risk Owner: Executive Director Corporate Development

Income: Other Income: Green

In approving the 2015-16 budget, the Board's attention was drawn to two key risks linked to the target for Other Income. These risks related to the management fee for the Angola project and potential activities in Malta. The total other income is £3.8m compared to the original budget of £3.5m.

March update:

Angola Project: The budget for 2015-16 includes a £155,000 management fee linked to the Angolan project. The contract agreement ended in March 2016. The College has experienced payment delays of the management fee and cost recoveries. The majority of the invoiced costs have now been paid and discussions are continuing with Angola to recover the remaining outstanding debt.

Risk Owner: Vice Principal Finance & HR

Malta. The College was successful in several joint venture tenders to develop training materials for colleges in Malta. The delivery of the Malta project was very successful with positive feedback from the customer, the College continues to explore the possibility of further Malta projects.

Risk Owners: Executive Director Corporate Development and Faculty Directors.

Expenditure: Staff Costs: Amber

A 10% overspend on staff costs would equate to £4.0m. Controlling temporary lecturer budgets and containing pay awards will be key tasks during 2015-16.

March update:

The original expenditure target was £40.0m and the projected expenditure is £40.6m. Through national bargaining Unison has agreed a 1% for the support staff pay award effective from 1st April 2015. EIS have agreed for the lecturers £300 or 1% effective from 1st April 2015 and £550 increase per FTE from 1st April 2016. The increase staffing costs are due to the lecturer pay award and additional staffing required to successfully support the migration process.

The following staff costs must be monitored and closely controlled each financial year

- Temporary teaching staff contracts
- The impact of sickness cover
- The cost of agency staff and overtime expenditure.
- The value of the pension provision linked to previous years' early retirements.

Risk Owners: Faculty Directors, Vice Principal Finance & HR

Expenditure: Operating Expenses Green

A 10% overspend on operating expenses would equate to £1.4m. In approving the 2015-16 budget, the Board's attention was drawn to the uncertainty regarding student support funding.

March update:

The original expenditure target was £14.0m and the projected expenditure is £15.7m based upon current costs. The most significant change is incorporating the Government share of the new campus unitary charge to the College income and expenditure.

Therefore excluding the new campus unitary charge the College operating expenses are well below the original budget. There have been several other significant changes to the operating expenses, approx. £150k decrease in the insurance renewal from August 2015, removing from January 2016 the delivery costs of the Angola partnership and also reducing the cost of delivering the lower volume of commercial activity.

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 3/5 Impact 2/5 Risk Score 6/25 RAG Rating (Overall): AMBER Target Score: 2	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: Finance 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 maximise income via diversification

Risk ID: 16

Owned by: VPFHR/ EDCD

Review Date: January 31 2017

Update

Full Description:

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

Treatment:

Development of Corporate Development Plan

Commentary (Update):

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 (under review by the Development Committee, 2015-16) as well as Financial and Operational Plans. Income generation from Industry Academies included in Faculty planning.

A 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.

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.

At January 31 2017, the first performance review of 2016-17 has been undertaken. The College is currently on target to generate a commercial income surplus of approximately 11%.

Risk Score remains at Amber until target achievement is confirmed for 2016-17.

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 3/5 Impact 4/5 Risk Score 12/25 RAG Rating: AMBER Target Score: 4	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/ Financial 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: Negative impact of funding methodology within Glasgow

Risk ID: 17

Owned by: VPFHR

Review Date: March 2017

Update

Full Description:

The Scottish Funding Council (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. The new methodology improves the funding of part-time provision compared to full-time provision by removing the fixed tariff for full-time provision. The greatest impact was on the fundable volume of full-time FE provision with the current minimum of 16 WSUMs per full-time student to allow a claim of 20 WSUMs per full-time student. The College's curriculum profile is heavily weighted towards full-time provision especially HE however the shift of funding towards part-time has been compensated by a positive impact from our well below average full-time FE provision. SFC are still in a transition period moving to full implementation of the Credit funding model and this may present an opportunity in terms of the level of grant funding allocated to the College in future years

SFC announced the initial regional funding allocations including Glasgow. GCRB still do not have full fundable body status therefore the three Glasgow Colleges and GCRB discuss the funding within the region. Currently any Glasgow regional recommendations are passed to SFC to review and decide the final College allocations within Glasgow.

Commentary (Update):

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 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).

Disappointingly GCRB have reserved £500k of the regional SFC funding to support their discrete running costs therefore only £1.9m of the additional funding is being allocated to the Colleges.

The increased Glasgow allocation effectively still represents a significant efficiency saving as efficiency target already agreed within the Glasgow Curriculum Plan have to be delivered. 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 a the ROA targets and a balance budget.

GCRB have now provided a draft allocation across Glasgow. Each of the three Colleges has specific issues with the compromises with this allocation.

The level of uncertainty has reduced given the majority of the curriculum changes are complete and the funding methodology for the Glasgow Region continues to be refined and agreed.

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 2/5 Impact 3/5 Risk Score 6/25 RAG Rating: AMBER Target Score: 2	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 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 level of grant-funded activity within the Region

Risk ID: 18

Owned by: VPFHR/ VPSE

Review Date: February 2017

Update

Full Description:

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).

Treatment:

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. (Subsequently referred to as 180,000+ Credits).

At Feb 2017: The above position is historic, with current considerations referring to the ongoing sustainability of the level of grant funding.

Commentary (Update):

Within the Regional Outcome Agreement and agreed 2015-2020 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 grant-funded activity level target for CoGC is achieved. Although the annual total volume of funded activity has been agreed, the value of the funding is still subject to annual negotiation.

Following the TUPE transfer of staff from Kelvin in 2015-16 & 2016-17 to CoGC, no further staff transfers are required. The transfer of Credits within the region agreed in the Curriculum and Estates Plan for the Glasgow Region have now been delivered in 2016-17.

The draft Regional funding allocation for 2017-18 will ensure that CoGC exceed the agreed activity level of 180,000+ Credits, however there remains ongoing uncertainty regarding the grand funding value for this volume of Credits. Within the draft allocation for 2017-18 CoGC will deliver 1,680 additional efficiency Credits and 1,000 additional SFC funded Credits.

GCRB are in the process of developing a new Strategic Plan for Glasgow. This raises the possibility of a further review of curriculum & estates planning for Glasgow over the next few years with associated uncertainty.

This risk is being mitigated by robust curriculum planning at CoGC, feeding into regional discussions.

The Audit Committee considered the status of this Risk in some detail (28 November 2016) and agreed to retain the risk with its present score, subject to close ongoing review.

The recommendation is to reduce the risk score to 10 (Likelihood 2 x Impact 5 - AMBER) in the light of the above progress.

Current Risk Score: Propose AMBER	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 Low Medium High 1 2 3 4 5 6

	5	10	15	20	25
Impact	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: Impact of ONS reclassification of the status of colleges

Risk ID: 19

Owned by: VPFHR

Review Date: March 2017

Update

Full Description:

The ONS reclassification could have the following negative impacts on the College's ability to:

- Generate and retain operating surplus;
- Protect and spend existing surpluses/reserves;
- Access commercial borrowing to fund capital projects; and
- Managing two financial year ends, March and July

Treatment:

The following provides a commentary on how the College is managing each of the above mentioned issues.

Commentary (Update):

Ability to generate and retain operating surplus.

The restrictions places on the College following the ONS reclassification mean any annual surplus generated can not be retained by the College for future use. The previous mitigation was to donate funds to Foundations with the potential of accessing these funds through future applications. Recently SFC and the Scottish Government have been discouraging Colleges from transferring additional funds to the Foundations. This further restriction did not present a problem for the College in March 2016 due to the overall financial performance.

RAG status of this risk is **AMBER**.

Risk Owners: Vice Principal Finance & HR

Ability to protect existing reserves

The City of Glasgow College Foundation was formed as a private company limited. The Foundation has achieved charitable status and currently has the maximum of seven trustees. None of the current trustees are members of the College's Board of Management or College employees. The College donated to the Foundation £10m in March 2014 and £3.1m in March 2015. The College has applied and will receive funding of £5.2m by 2017, all this funding is linked to the new campus.

RAG status of this risk is **GREEN**.

Risk Owners: Vice Principal Finance & HR

Protection of reserves earmarked for New Campus Project

The sector Foundation has been established and has been granted charitable status. The Foundation is be known as; "The Scottish Colleges Foundation". The College donated £11.7m to the Foundation before the end of March 2014. A meeting has been held with the trustees to discuss the College's application to fund the new campus project. The outcome of the meeting was positive with initial approval of the single full application for the overall new campus project costs and to pay the related grant by a single annual payment per financial year over the following 3 years.

The College has now received all the funding of £11.7m, all this funding is linked to the new campus.

RAG status of this risk is **GREEN**.

Risk Owners: Depute Principal, Vice Principal Finance & HR

Ability to spend existing surpluses/reserves.

Following the ONS reclassification the College must produce a balanced revenue resource return annually at 31st March or face potential penalties from SFC or Scottish Government. Therefore the College has significantly less flexibility regarding annual financial performance and reinvestment surpluses generated.

RAG status of this risk is **AMBER**

Risk Owners: Vice Principal Finance & HR

Ability to access commercial borrowing to fund capital projects.

As a consequence of the ONS reclassification the College will in future be unable to

commercially borrow funds without the formal approval of the Scottish Government. This is currently not an issue for the College however places an additional restriction on the funding options available for future investment.

RAG status of this risk is **AMBER**

Risk Owners: Vice Principal Finance & HR

Managing two financial year ends, March and July

As a consequence of the ONS reclassification the College changed its financial year to a period covering 1st April to 31st March. The College amended the reporting processes, finance system, budgeting setting and monitoring processes. These changes also placed greater emphasis on departmental managers' budgetary control, with potential negative impact on operational financial control. The College has worked on again revising systems and processes to revert back to a 31st July year end with additional Government reporting at the 31st March.

Sept Update

The RAG status remains at AMBER as continuing and further issues become apparent as the sector, SFC and the Scottish Government continue to explore the full impact of the change of status and implications of financial reporting to the 31st March and 31st July each year. The main outstanding issue for the College is the use of the cash linked to the net depreciation with discussions continuing with SFC and the Scottish Government to reach a longer term solution.

RAG status of this risk is **AMBER**

Vice Principal Finance & HR

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 2/5 Impact 3/5 Risk Score 6/25 RAG Rating: AMBER Target Score: 3	Likelihood 4/5 Impact 4/5 Risk Score 16/25
Risk Appetite (Willing to accept):	Risk Tolerance (Able to accept):
<u>Low</u> Medium High	Category: Finance 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 obtain funds from College Foundations

Risk ID: 20

Owned by: VPFHR

Review Date: March 2017

Update

Full Description:

The risk is that applications by the College to access Foundation funds are unsuccessful, leading to under-resourcing of planned initiatives/improvements.

Treatment:

Mitigation consists of a careful framing of the terms of reference of the College Foundation, within the limits of Foundation independence, for which professional legal counsel was sourced externally.

The College should ensure that all applications follow the terms of reference and are carefully prepared and managed.

Commentary (Update):

Retention of/ access to accumulated reserves

The Scottish College Foundation - GREEN

The sector Foundation has been established and has been granted charitable status. The Foundation is known as; "The Scottish Colleges Foundation". The College donated £11.7m to the Foundation before the end of March 2014. A meeting has been held with the trustees to discuss the College's application to fund the new campus project. The outcome of the meeting was positive with initial approval of the single full application for the overall new campus project costs and to pay the related grant by a single annual payment per financial year over the following 3 years.

The College has applied and will receive funding of £11.7m by April 2017 with all the funds now received. All the £11.7m of funding is linked to the new campus.

City of Glasgow College Foundation - GREEN

The City of Glasgow College Foundation was formed as a private company limited. The Foundation has achieved charitable status and currently has the maximum of seven trustees. None of the current trustees are members of the College's Board of Management or College employees. The external auditors are satisfied that the structure and Governance of the Foundation provide independence. The College donated £10m to the Foundation in March 2014 and £3.1m in March 2015.

The initial feedback highlighted concern from the trustees mainly regarding the project contingency funding. They also requested further documentation and explanations justifying the student benefits and value for money. The College has successfully answered all the trustees' questions and the funding has been agreed. A protocol has also been agreed for accessing the project contingency funding that the College transferred to the Foundation.

A further application of approximately £2.8m was submitted at the end of June 2016 and £2.7m approved. The College has applied and will receive funding of £5.2m by 2017; all this funding is linked to the new campus. The Foundation therefore will still hold a balance of £7.9m subject to further applications for funding.

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 1/5 Impact 4/5 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):
<u>Low</u> Medium High	Category: Finance Low Medium High 1 2 3 4 5 6

	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 of the College's Duty of Care to Students

Risk ID: 21

Owned by: VPSE

Review Date: January 2017

Update

Full Description and Treatment:

The College has specific statutory duties related to the care of students. These are outlined below.

College Prevent Duty - The counter-terrorism act imposes a duty on FE colleges to 'have due regard to the need to prevent people from being drawn into terrorism'.
(College Lead Fares Samara, VP Infrastructure)

- Develop appropriate Policy and Procedures.
- Create an action plan.
- Raise staff and student awareness of the Duty.
- Provide appropriate training and regular updating of training for all staff in the College.
- Active engagement from college principals and the senior management of the institution with the range of Prevent partners including police.
- Appointment at a senior level of a single Prevent point of contact for each college.
- Engagement with the Scottish FE Prevent network at a senior level through Regional Chairs and Principals. A national strategic Prevent lead from both will represent the sector at the Prevent subgroup.
- Participate in local CONTEST or Prevent multi-agency groups. As well as any action plans agreed by each institution, these multi-agency groups will monitor delivery against the wider Prevent implementation plan.
- IT Acceptable Use Policy, appropriate filtering and reporting on internet access.
- Appropriate risk assessment related to events, speakers, clubs and societies.

College Safeguarding Duty - Every adult in Scotland has a role in ensuring all our children, young people and adults at risk live safely and can reach their potential. The College is committed to collaboratively safeguarding the safety and wellbeing of children, young people and adults at risk who undertake study or employment with the College and takes all reasonable steps to safeguard students and staff. (College Lead Gillian Plunkett; Director, Student Experience)

- Develop appropriate Policy and Procedures.
- Create an action plan.

- Ensure College membership of the Prevention of Vulnerable Groups (PVG) Scheme and that all staff have PVG disclosure.
- Raise staff and student awareness of the Duty.
- Provide appropriate training and regular updating of training for all staff in the College.
- Appoint Safeguarding Coordinators and provide appropriate training through OD.

College Corporate Parenting Duty - The Children and Young People Act 2014 has passed new legislation relating to Care Leavers in Scotland. Under the Act, Post-16 Education Bodies are considered to be 'corporate parents' from 1 April 2015. (College Lead Gillian Plunkett ; Director, Student Experience)

- Develop appropriate Policy and Procedures.
- Create an action plan.
- Impact assess services.
- Raise staff and student awareness of the Duty.
- Provide appropriate training and regular updating of training for all staff in the College.
- Report on performance
- Collaborate with other Corporate Parents.

Commentary (Update):

The College Prevent Duty and Corporate Parenting Duty are relatively new coming in to force in 2015. As a result the College is developing an overarching Corporate Caring Responsibilities Policy and has appointed an overseeing group to develop this further.

Risk Owners: VP Student Experience/Director Student Experience/Executive Director Infrastructure

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 3/5 Impact 4/5 Risk Score 12/25 RAG Rating: AMBER Target Score: 4	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: Compliance/ Student Experience <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: Negative Impact of Brexit

Risk ID: 22

Owned by: VPFHR

Review Date: March 2017

Update

Full Description: (for fuller exploration please see BoM Paper NO x)

The key sub risks of Brexit for the College are identified as follows:

1. Loss of European grant funding. The College received an ESF grant of £4,005,832. in 2017/18.
2. Loss of European Programme funding (Erasmus+, Leonardo, Marco Polo)

Skills Development Scotland manage funds, which are partly supported by European Union money, and which Colleges access, for example, Modern Apprenticeships. Any reduction in funding such as this will impact on Region activity.
3. Loss of European contracts where our partner is EU funded e.g. Malta Project
4. Impact on shipping industry
5. CoGC EU Students – numbers in 15/16 were 28
6. CoGC EU Staff – very few EU staff (3.25% of total headcount)

Treatment:

1. The Scottish Funding Council has responsibility for managing the European Social Fund (ESF) and the Youth Employment Initiative (YEI). SFC has said that they will work with the Scottish Government, colleges and universities to assess the impact of the outcome of the referendum and to manage that impact, with its priority being to reduce uncertainty for students and institutions in both the short term and the longer term.
2. UK's participation in most of these is assured for at least the next two years and the funding available in many of these programmes is about to increase significantly between now and Programmes' end dates in 2020. It is not clear at this early stage what the impact of Brexit will be on the Erasmus Programme longer term.
3. We will monitor this risk
4. As a leading provider of Maritime Education in the UK, we are actively engaged in discussion with the UK Chamber of Shipping to ensure that we can contribute,

where appropriate, and take advantage, where new opportunities are emerging

5. We will monitor this minor risk in light of wider national developments
6. Very minor impact

Commentary (Update):

We stand to lose a significant amount of EU funding. At the current time it is unclear how or whether this gap will be filled.

We will continue to monitor the implications of BREXIT for the college and, as more detail emerges, ensure that we carry out analysis of the implications for students and the potential impact on income streams and overall strategic direction for the College, Region and for the sector

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 5/5 Impact 2/5 Risk Score 10 /25 RAG Rating: AMBER Target Score: 5	Likelihood 5/5 Impact 3 /5 Risk Score 15/25
Risk Appetite (Willing to accept):	Risk Tolerance (Able to accept):
<u>Low</u> Medium High	Category: Finance? 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				