

Development Committee

Date of Meeting	05 February 2026
Paper No.	DC2-G
Agenda Item	4.5
Subject of Paper	Strategic Risk Review (Quarter 3)
FOISA Status	Disclosable
Primary Contact	Marcus Walker Associate Director Governance & Risk
Date of production	29 January 2026
Action	For Discussion

1. Recommendations

- 1.1.** To discuss the Strategic Risk Register for risks reported to the Committee, agreeing to recommend any changes to the Board of Management for final approval.
- 1.2.** To note the Risk Management Action Plans for risks reported to the Committee.

2. Consultation

2.1. All strategic risk owners were consulted during the latest quarterly review.

3. Key Insights

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 Board of Management, the Executive Leadership Team (ELT) and the Senior Management Team (SMT). Final approval of the Strategic Risk register is reserved to the Board and the Audit & Assurance Committee has oversight over the College's risk management approach.

3.2. ELT and SMT members are invited to review the risks they own on a quarterly basis. This is to ensure that the College, our Board and its committees, remain aware of any changes in the risk environment and that our risk management plans remain up-to-date and effective. Committees review the risks that are within their remit and recommend any changes to the Board for final approval.

3.3. The Strategic Risk Register and the MAPs are enclosed for the Committee's consideration and approval of members. Five strategic risks are reported to the Committee. One change to risk score is proposed in this review for Q3:

No.	Risk Title	Previous Score	Proposed Score
SR20	Failure to maximise income via diversification	● 12 (4 x 3)	● 16 (4 x 4)

3.4. The projected 2025/26 commercial and international income is £6.1m against a target of £7.2m, a shortfall of 15%, primarily within Nautical and STEM due to speculative programmes not progressing to delivery. While six months remain in the financial year, there is ongoing risk that the shortfall will not be fully recovered. Mitigating actions focus on strengthened pipeline management, improved target-setting and monitoring with faculties, diversification of the commercial portfolio, and reducing reliance on single high-risk income streams.

4. Impact and Implications

4.1. The effective management, control and mitigation of risks are essential to the College's institutional and financial sustainability, compliance, reputation and future growth.

Appendix 1: Strategic Risk Register

Appendix 2: Risk Management Action Plans

Strategic Risk Register

The Risk			Assessment			Changes		Board
ID	Risk Title	Owner	Impact	Prob.	Net Score	Trend	Updated	Committee
SR1	Failure to support successful student outcomes and progression	VPSE	5	2	10	↔	Jan '26	Learning
SR2	Failure to establish an optimal pedagogical model	VPSE	5	1	5	↔	Jan '26	Learning
SR4	Failure of the College's duty of care to students	VPSE	5	2	10	↔	Jan '26	Learning
SR5	Failure to realise planned benefits of Regionalisation	Pr DPr	3	2	6	↔	Jan '26	Conveners'
SR6	Negative impact upon the College's reputation	VPCDI	3	3	9	↔	Jan '26	Development
SR7	Failure to achieve improved business development with stakeholders	VPCDI	3	3	9	↔	Jan '26	Development
SR8	Failure to manage strategic risks associated with CGI Ltd	VPCDI	5	2	10	↔	Jan '26	Development
SR9	Failure to manage performance and achieve improved performance	DE	5	2	10	↔	Jan '26	Audit
SR10	Failure to attract, engage, and retain suitable staff	VPPCS	4	4	16	↔	Jan '26	People
SR12	Negative impact of statutory compliance failure	DPr ADGR	5	2	10	↔	Jan '26	Audit
SR13	Failure of compliance with Environmental Social and Governance (ESG) duties	DPr ADGR	5	2	10	↔	Jan '26	Audit
SR14	Failure of compliance with the General Data Protection Regulations (GDPR)	DPr	4	2	8	↔	Jan '26	Audit
SR15	Failure of corporate governance	Pr ADGR	5	1	5	↔	Jan '26	Audit
SR16	Failure of business continuity	ADGR	4	2	8	↔	Jan '26	Audit
SR17	Negative impact of industrial action	VPPCS	5	1	5	↔	Jan '26	People
SR18	Failure of IT system security	DIT	5	2	10	↔	Jan '26	People
SR19	Failure to achieve operating surplus	CFO	4	4	16	↔	Jan '26	Finance
SR20	Failure to maximise income via diversification	CFO VPCDI	4	4	16	↗	Jan '26	Development
SR21	Failure to obtain funds from the Foundation for the College's priorities	CFO	4	3	12	↔	Jan '26	Finance
SR23	Failure to secure a sustainable model/level of funding	CFO	4	5	20	↔	Jan '26	Finance
SR24	Failure to secure sufficient capital investment	CFO	4	5	20	↔	Jan '26	Finance
SR27	Failure to prepare for the impact and harness the capabilities of AI	VPSE	3	3	9	↔	Jan '26	Learning
SR28	Failure to manage strategic, physical and digital assets and infrastructure effectively	DPr CFO	4	3	12	↔	Jan '26	Development

Impact and Probability Criteria

Score	Impact	Probability
1	Insignificant: the risk has minimal to no effect on the College's operations, objectives, reputation, stakeholders or financial sustainability.	Highly Unlikely: the likelihood of the risk occurring is minimal. It would be estimated that the risk has a 1-5% chance of happening.
2	Minor: the risk may cause slight disruption or impact on the College's operations, objectives, reputation, stakeholders or financial sustainability.	Unlikely: the likelihood of the risk occurring is unlikely but still possible. It would be estimated that the risk has a 6-25% chance of happening.
3	Moderate: the risk has a noticeable impact or disruption, affecting the College's operations, objectives, reputation, stakeholders or financial sustainability.	Possible: the likelihood of the risk occurring is reasonable. It would be estimated that the risk has a 26-50% chance of happening.
4	Major: the risk has a substantial impact on the College's operations, objectives, reputation, stakeholders or financial sustainability.	Likely: the likelihood of the risk occurring is probable. It would be estimated that the risk has a 51-75% chance of happening.
5	Critical: the risk is a severe threat to the College's operations, objectives, reputation, stakeholders or financial sustainability.	Almost Certain: the likelihood of the risk occurring is highly likely. It would be estimated that the risk has more than a 75% chance of happening.

Key

Pr	Principal & CEO
DPr	Depute Principal & COO
CFO	Chief Financial Officer
VPSE	Vice Principal Student Experience
VPCDI	Vice Principal Corporate Development
VPPCS	Vice Principal People & Corporate Services
ADGR	Associate Director of Governance & Risk
DE	Director of Excellence
DCS	Director of Corporate Support
DSE	Director of Student Experience
DIT	Director of IT

- ↗ New risk or existing risk score has increased since the previous review.
- ↘ Risk score has decreased since the previous review.
- ↔ Risk score has not changed since the previous review.

Risk Matrix

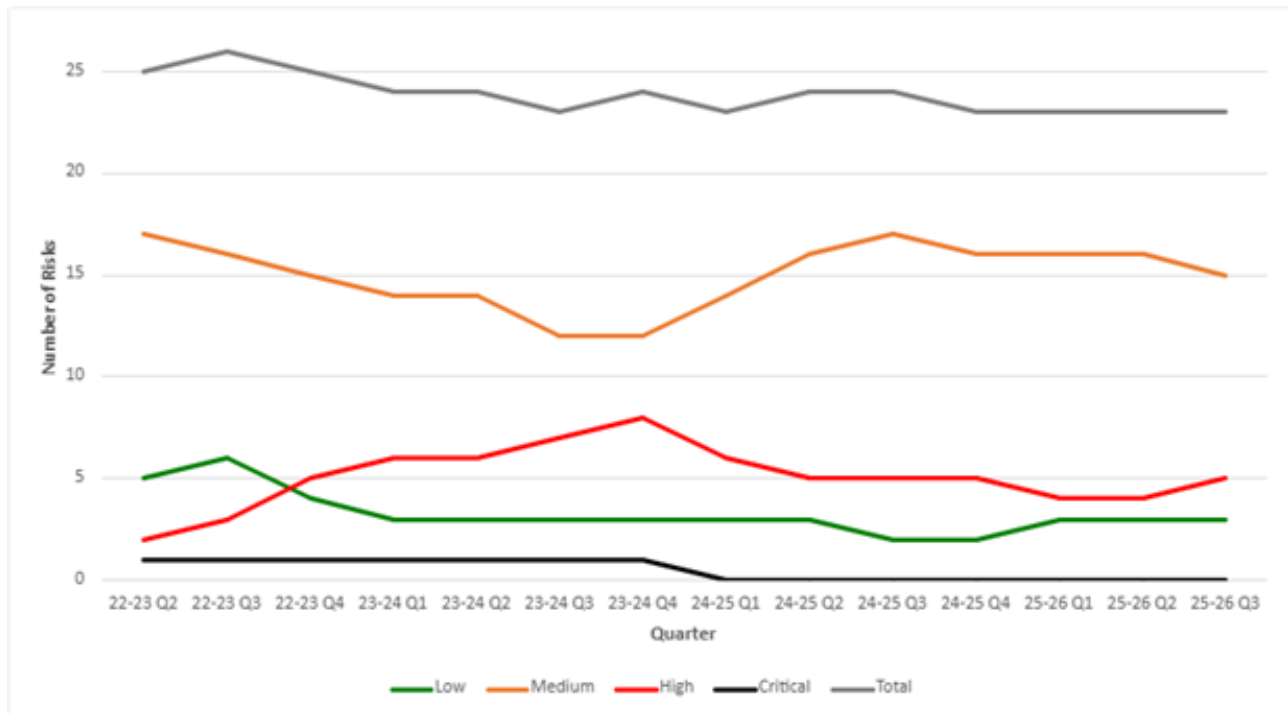
	5	5	10	15	20	25
LIKELIHOOD	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5
		IMPACT				

- Low (1-5)** Acceptable level of risk subject to periodic review
- Medium (6-12)** Moderate level of risk subject to regular monitoring and mitigating actions and plans being in place
- High (15-20)** Unacceptable level of risk requiring immediate actions and plans to prevent or mitigate
- Critical (25)** Critical level of risk requiring urgent attention and actions to prevent or mitigate

Risk Appetite

Risk Appetite ¹	Risk Categories
Avoid: The College avoids any form of risk, striving to maintain an entirely risk-free approach.	Preparedness
Averse: The College prefers to accept minimal risk, prioritising safe decision-making while recognising potential limitations on innovation and opportunities.	Compliance and Governance
Cautious: The College is willing to accept some low risks while primarily favouring safe decision-making, acknowledging the potential for restricted innovation and limited outcomes.	Financial
Moderate: The College tends to expose itself to moderate levels of risk, aiming for acceptable, though not overly ambitious, outcomes.	Reputation
Open: The College is open to innovative decisions and strategic implementations, prioritising productive outcomes even when accompanied by elevated risk levels.	Change and Development People and Culture
Hungry: The College actively seeks pioneering decisions and strategic implementations, embracing substantial risk to secure highly successful outcomes and benefits.	Education and Student Experience

Score Trend Chart



¹ Full risk appetite statements for each risk category are outlined in the Risk Management Policy.

Risk Management Action Plans

The Risk					Net Score				Gross Score			Changes			
ID	Risk Title	Owner	Risk/Treatment Description	Developments/Commentary	Appetite	Impact	Prob.	Score	Target	Impact	Prob.	Score	Trend	Updated	History
SR6	Negative impact upon the College's reputation	VPCDI	<p>There is a risk of a negative impact upon the College's reputation due to several factors, including failure to protect and maintain our brand, complaints upheld by the SPSO, significant breaches of College policies and procedures, and instances of gross misconduct by staff members.</p> <p>To treat this risk, the College maintains regular communication with staff, students and stakeholders through internal/external channels and receives monitoring and advice from a public affairs consultancy. The College ensures the availability and communication of the Complaints Procedure to employees, conducts training on policies/legal requirements. Management monitoring is supported through internal/external auditors. The College emphasises values and behaviours, supported by robust policies and procedures.</p>	<p>Jan '26: CoGC's global social media audience has grown to 96.2k, reflecting continued momentum across all platforms, with LinkedIn leading growth during the period. Audience sentiment remains exceptionally strong overall positive sentiment stands at 80.5%, demonstrating sustained confidence in the College's brand, content and engagement activity. Our social media reach continues to be international in profile, with the UK, USA, Brazil, India and Singapore now representing our largest audience markets, reinforcing the College's growing global visibility across education, maritime, and STEM audiences.</p> <p>Oct '25: Social media audience has grown to 96.2k (+3.5k), a 3.8% increase, with the positive sentiment increased to 76.6% up from 75%.</p>	Moderate	3	3	9	5	5	5	25	↔	Jan '26	<p>Oct '23: Score reduced from 12 to 9.</p> <p>Aug '23: Edited for transfer to new MAP.</p>

ID	Risk Title	Owner	Risk/Treatment Description	Developments/Commentary	Appetite	Impact	Prob.	Score	Target	Impact	Prob.	Score	Trend	Updated	History
SR7	Failure to achieve improved business development with stakeholders	VPCDI	<p>There is a risk of failure to achieve improved business development with stakeholders, leading to the loss of effective partnerships, reputational risks, and potential negative impacts on staff health and well-being.</p> <p>To address this risk, the College manages employer relationships and business engagement through the Corporate Development team, following the agreed Business Development Process Map. The Corporate Development Strategy focusses on brand, global ambition, innovation/research, workforce planning, industry academies, partnerships/developments and CGI Ltd.</p>	<p>Jan '26: We have embedded sector-led engagement plans and clearer account ownership for priority employers, government bodies and international partners, supported by strengthened pipeline governance and commercial review. This is improving bid selectivity, conversion rates and confidence in delivery while reducing pressure on staff capacity.</p> <p>Oct '25: The unaudited figures for October '25 for combined commercial, international student and international project income is £7.4m against a budget of £8.1m, an 8% shortfall, however we have reduced the shortfall position predicted at the start of the year by 5%. This is due to the performance of the international student fee income.</p>	Open	3	3	9	5	5	5	25	↔	Jan '26	<p>Oct '23: Score reduced from 20 to 9.</p> <p>Aug '23: Edited for transfer to new MAP.</p> <p>Nov '20: Score decreased from 25 to 20.</p>
SR8	Failure to manage strategic risks associated with CGI Ltd	VPCDI	<p>There is a risk that the College may not effectively manage the strategic risks associated with CGI Ltd, leading to a failure to maximise income opportunities in existing and potential markets and partnerships to the benefit of the College.</p> <p>To treat this risk, the College has developed a Corporate Development Plan aligned with the College Corporate Development Strategy. The plan will be diligently managed and monitored to ensure its successful implementation. The Commercial and International Teams, along with Faculties, will conduct regular reviews of income diversification efforts, progress, and targets. Moreover, growth and development, in relation to these targets, will be consistently reported to the Development Committee.</p>	<p>Jan '26: In light of the existing c£100k deficit and audit recommendation, CGI Ltd. remains in a controlled dormant / hold position to contain financial, reputational and industrial relations risks whilst preserving future strategic potential. No staffing or delivery activity will be progressed without confirmed, profitable income, with a formal review of the company's viability with the agreed two-year audit timeframe.</p> <p>Oct '25: An audit has been undertaken by Henderson Loggie with the overall assurance being 'requires improvement', with an action plan now in place.</p>	Open	5	2	10	5	5	5	25	↔	Jan '26	<p>Aug '23: Edited for transfer to new MAP.</p> <p>Oct '22: New risk added and score set to 10.</p>

ID	Risk Title	Owner	Risk/Treatment Description	Developments/Commentary	Appetite	Impact	Prob.	Score	Target	Impact	Prob.	Score	Trend	Updated	History
SR20	Failure to maximise income via diversification	CFO VPCDI	<p>There is a risk that the College may not effectively maximise income by capitalising on opportunities within current and potential markets and partnerships, hindering the diversification of revenue streams.</p> <p>To treat this risk, the College has developed a Corporate Development Plan aligned with the College Corporate Development Strategy. The plan will be diligently managed and monitored to ensure its successful implementation. The Commercial and International Teams, along with Faculties, will conduct regular reviews of income diversification efforts, progress, and targets. Moreover, growth and development, in relation to these targets, will be consistently reported to the Development Committee.</p>	<p>Jan '26: The projected 2025/26 commercial and international income is £6.1m against a target of £7.2m, a shortfall of 15%, primarily within Nautical and STEM due to speculative programmes not progressing to delivery. While six months remain in the financial year, there is ongoing risk that the shortfall will not be fully recovered.</p> <p>Mitigating actions focus on strengthened pipeline management, improved target-setting and monitoring with faculties, diversification of the commercial portfolio, and reducing reliance on single high-risk income streams.</p> <p>Oct '25: The unaudited commercial income is £5.28m against a budget of £6.43m which is an 18% shortfall. The reason for this is due to an over ambitious cadet recruitment within the faculty of Nautical and STEM.</p>	Cautious	4	4	16	9	5	5	25	↗	Jan '26	<p>Jan '26: Score increased from 12 to 16</p> <p>Oct '24: Score reduced from 20 to 12</p> <p>Aug '23: Edited for transfer to new MAP.</p> <p>May '21: Score decreased from 25 to 20.</p>
SR28	Failure to manage strategic, physical and digital assets and infrastructure effectively	DPr CFO	<p>There is a risk that the College fails to manage its high-value strategic, physical and digital assets effectively. This could potentially lead to financial costs, disrupted operations, legal liabilities, reduced competitive advantage, reputational damage and missed opportunities.</p> <p>To treat this risk, the College has implemented and will maintain a robust asset and estate management framework that includes regular audits of both physical and digital assets. A Digital Strategy and encrypted digital storage and back-up solutions are in place. An Estates Masterplan to progress the development of the Charles Oakley Building and the new Innovation Centre at the Riverside campus. As per SR24, a Capital Asset Replacement Plan is also in place to ensure renewal and maintenance of critical assets.</p>	<p>Jan 26 : Riverside Innovation Centre and Accommodation business case will be reviewed again by the Development Committee in Feb 2025.</p> <p>Oct '25: Riverside Innovation Centre & Accommodation business case was presented to the Development Committee on the 23 October '25. An update on COB was also presented at this meeting. It was agreed further discussions and work needs to be carried out before future use of the site can be considered. Updates on both will be tabled at the next Committee meeting and a consideration of the risk rating in Q3's review should be considered depending on the outcome of the developments.</p>	Open	4	3	12	8	4	5	20	↔	Jan '26	<p>Oct '24: Risk entry created and score set to 12.</p>