

Board Meeting

Date of Meeting	Monday 29 August 2016
Paper Title	Risk Register
Agenda Item	11
Paper Number	BM1-H
Responsible Officer	Robin Ashton, Executive Director
Status	Disclosable
Action	For Discussion

1. Report Purpose

- 1.1. This paper presents the current version of GCRB's risk register.

2. Recommendations

- 2.1. The Board is invited to

- **note** the attached GCRB risk matrix, risk register and individual risk management action plans;
- **consider** the proposed changes to the risk register set out below, and any other changes considered appropriate to the GCRB operating environment and risk management updates; and
- **request** the GCRB Executive Director to update the GCRB risk register in line with these considerations and present this to the next meeting of the GCRB Board.

3. Background

- 3.1. Whilst the GCRB Audit Committee has responsibility for reviewing the strategic processes used to evaluate risk, the GCRB Board is responsible for assessing risks and determining the content of its risk register.
- 3.2. At its July 1st Board meeting, the Board agreed, following review of the GCRB risk register by the internal auditor and GCRB Board discussion of suggested new risks made by the auditor, to add the following risk to the register:
- The Regional Outcome Agreement is not appropriately aligned with local needs/ market intelligence and curriculum planning does not respond appropriately to regional needs.
- 3.3. Compared to the previous version of the risk register (and taking into account the discussion at the previous Board meeting):
- The net risk score for *Risk 4: if there is breakdown in performance in the assigned*

colleges (including academic quality management arrangements and financial sustainability), the Regional Outcome Agreement targets may not be achieved) has been increased due to an assessment of increased likelihood (from 1 to 2.) This is because, unlike in previous years, for 2015/16 all of the Glasgow colleges is predicting to deliver Credit totals very close to their agreed activity targets. This indicative outturn activity data would therefore suggest an increased risk to regional target achievement as if any one college was not able to meet its activity target, there is less likelihood that this could be displaced by over-delivery from another college.

- All other risks assessments remain as presented to the Board at its meeting on April 25th, 2016.

4. Legal Implications

- 4.1.** Paragraph 17 of the Financial Memorandum between the Scottish Funding Council and GCRB requires GCRB to have an effective policy of risk management and risk management arrangements.

5. Financial Implications

- 5.1.** Relevant financial risks are referred to in the risk register.

6. Regional Outcome Agreement Implications

- 6.1.** Through the conditions of grant associated with the Regional Outcome Agreement, GCRB is required to conduct its affairs in accordance with the expected standards of good governance, which include operating appropriate risk management arrangements.

Risk Register: 29th August 2016

RISK DETAIL										CURRENT EVALUATION OF RISK (after treatment)				AIM and PROGR
Outcome	Risk Description	Tolerance types	Risk ID	Level	Risk Owner	Likeli- hood	Impact	Net Risk Score	Risk tolerance					Risk Move- ment
All	If potential applicants do not perceive there to be a value in applying to be board members, the quality of GCRB and college governance could be reduced	Reputation, Compliance	0001	1	Chair	1	1	1	1					0
All	If Scottish Government and SFC are unable to allocate adequate resources for the college sector and Glasgow respectively, it might not be possible to sign the Regional Outcome Agreement and its delivery will be put in jeopardy	Financial	0002	1	ED	2	2	4	3					0
All	If SFC is not satisfied with how GCRB has responded to its requirements for fully-operational fundable body status, GCRB's ability to make a positive difference on the student experience in Glasgow might be constrained	Reputation, Compliance	0003	1	ED	1	3	3	1					0
High quality and efficient learning	If there is breakdown in performance in the assigned colleges (including academic quality management arrangements and financial sustainability), the Regional Outcome Agreement targets may not be achieved.	Education & student experience	0004	1	ED	2	2	4	4					2
All	If key stakeholders lose confidence in GCRB, leverage of current and future partnership resources for delivery of the ROA will be impaired.	Reputation	0005	1	ED	1	2	2	1					0
All	If the assigned colleges lack confidence in the quality of GCRB's governance, effective collaboration across the region will be impaired and GCRB's ability to	Reputation	0006	1	Chair	2	3	6	1					0
All	If staff across the region lack confidence in regional co-ordination of key change activities, collaboration will be ineffective.	People and culture	0007	1	ED	2	3	6	2					0

RISK DETAIL							CURRENT EVALUATION OF RISK (after treatment)				AIM and PROGR
Outcome	Risk Description	Tolerance types	Risk ID	Level	Risk Owner		Likelihood	Impact	Net Risk Score	Risk tolerance	Risk Movement
All	If there is a material shortfall in the quality of facilities, student success will be reduced	Major change activities	0008	1	ED		2	2	4	2	2
All	If there are insufficient non-advanced student support funds, students will be unable to take up places offered and activity targets will not be met.	Reputation, Education & student experience	0009	1	ED		1	2	2	1	0
All	If GCRB is unable to improve its reputation, its ability to ability to make a positive difference on the student experience in Glasgow might be constrained	Reputation	0010	1	ED		2	3	6	1	
All	The Regional Outcome Agreement is not appropriately aligned with local needs/ market intelligence and curriculum planning does not respond appropriately to regional needs.	Education & student experience	0011	1	ED		1	3	3	4	0

Key:

Chair = Chair of GCRB

ED = Executive Director

Proposed movement or change

Glasgow Colleges' Regional Board

Risk Management Action Plan

Risk that: If potential applicants do not perceive there to be a value in applying to be board members, the quality of GCRB and college governance could be reduced

Risk ID: 0001

Cross references to related risks: 0003, 0005, 0006, 0010

Owned by: Chair

Date of this review: 29th August 2016

Date of next review: 31st October 2016

Update

Treatment:

- Wide promotion of vacancies
- Close liaison with Scottish Government over timing of promotion
- Targeted direct promotion of relevant organisations and individuals

Commentary (Update):

- Overall, the recruitment of board members to GCRB and the assigned colleges has been much more successful than expected.
- However, there was a lack of applicants with suitable financial background and consideration is now being given to a specific exercise later this year.
- A process to recruit a qualified accountant as a GCRB member is underway.

Gross risk score:

(assuming no treatment):

Likelihood – 1

Impact – 1

Gross score - 1

Risk tolerance score: Reputation / Compliance - 1

Previous net Risk Score (as previously reported to Board):

Likelihood – 1

Impact – 1

Net score – 1

Current net Risk Score (after treatment):

Likelihood – 1

Impact – 1

Net score - 1

Glasgow Colleges' Regional Board

Risk Management Action Plan

Risk that: If Scottish Government and SFC are unable to allocate adequate resources for the college sector and Glasgow respectively, it might not be possible to sign the Regional Outcome Agreement and its delivery will be put in jeopardy

Risk ID: 0002

Cross references to related risks: 0004, 0006, 0008, 0009, 0011

Owned by: Executive Director

Date of this review: 29th August 2016

Date of next review: 31st October 2016

Update

Treatment:

- Reporting to Perf. & Res. Committee of financial position of assigned colleges.
- Reporting to SFC any aspects of 2016-17 ROA which may be at risk due to financial constraints.
- Preparation of 2017-18 ROA integrated with financial planning.
- Exploration of opportunities for cross-region approaches to attracting new funding sources, or for making efficiency savings through shared services.

Commentary (Update):

- SFC Funding announcement includes 1.9% uplift for cost pressures and additional funding for transition to simplified funding method. However, further resources are required to fully meet commitments made as part of national bargaining.
- Discussions are starting between GCRB and the colleges about opportunities for cross-region approaches to attracting new funding sources.
- Commitment to review regional shared services options made within 2016/17 ROA.

Gross risk score:

(assuming no treatment):

Likelihood – 2

Impact – 3

Gross score - 6

Risk tolerance score: Financial - 3

Previous net Risk Score (as previously reported to Board):

Likelihood – 2

Impact – 2

Net score – 4

Current net Risk Score (after treatment):

Likelihood – 2

Impact – 2

Net score – 4

Glasgow Colleges' Regional Board

Risk Management Action Plan	
Risk that: If SFC is not satisfied with how GCRB has responded to its requirements for fully-operational fundable body status, GCRB's ability to make a positive difference on the student experience in Glasgow might be constrained	
Risk ID: 0003	Cross references to related risks: 0001, 0006
Owned by: Executive Director	Date of this review: 29 th August 2016
	Date of next review: 31 st October 2016

Update	
<p>Treatment:</p> <ul style="list-style-type: none"> • Reporting to Performance & Resources Committee of progress against plan. • Minimum of monthly meetings with SFC to review progress. • Maximise the extent to which GCRB operates as if it does have full-operational fundable body status. • Establish transition planning group with SFC, GCRB and college representatives. 	
<p>Commentary (Update):</p> <ul style="list-style-type: none"> • The Scottish Government has appointed GCRB's permanent Chair and an Executive Director has been recruited. • GCRB wrote to SFC on 8 June 2016 requesting further information on outstanding assurances required and planning is in place to provide these. • As part of providing these assurances, the SFC observed the July 1st GCRB Board meeting and is in the process of interviewing college Principals and the GCRB Executive Director for feedback on the effectiveness on working relationships. • In practical terms (including committee and board business), GCRB is continuing to operate, as far as possible, on the assumption it does have full status. 	
<p>Gross risk score: (assuming no treatment):</p> <p>Likelihood – 2 Impact – 3 Gross score - 6</p> <p>Risk tolerance score: Reputation / Compliance - 1</p>	<p>Previous net Risk Score (as previously reported to Board):</p> <p>Likelihood – 1 Impact – 3 Net score – 3</p> <p>Current net Risk Score (after treatment):</p> <p>Likelihood – 1 Impact – 3 Net score - 3</p>

Glasgow Colleges' Regional Board

Risk Management Action Plan	
Risk that: If there is breakdown in performance in the assigned colleges (including academic quality management arrangements and financial sustainability), the Regional Outcome Agreement targets may not be achieved.	
Risk ID: 0004	Cross references to related risks: 0002, 0008, 0009, 0011
Owned by: Executive Director	Date of this review: 29 th August 2016
	Date of next review: 31 st October 2016

Update	
<p>Treatment:</p> <ul style="list-style-type: none"> • Reporting to each meeting of the Perf. & Res. Comm. of progress against the ROA and on financial sustainability (including employment costs). • Reporting to the Perf. & Res. Comm. of progress in implementation of actions agreed between a college and SFC in relation to academic quality reviews. • Provision of annual assurance by each assigned college board of adequacy of academic quality arrangements. • Provision of annual assurance information by each assigned college on financial and governance arrangements. 	
<p>Commentary (Update):</p> <ul style="list-style-type: none"> • The reports to date indicate good progress with implementation of the 2015-16 Regional Outcome Agreement. However, none of the Glasgow colleges is predicting significant over-delivery beyond their core and ESF Credit targets and this would suggest an increased risk to regional target achievement as if any one college was not able to meet its activity target, there is less likelihood that this could be displaced by over-delivery from another college. Due to this increased risk, the likelihood has been increased to 2 and the overall risk score to 4. • The Performance & Resources Committee has asked to consider information on scenario planning in relation to variances in regional and college activity funding. 	
<p>Gross risk score: (assuming no treatment):</p> <p>Likelihood – 1 Impact – 3 Gross score - 3</p> <p>Risk tolerance score: Education & student experience - 4</p>	<p>Previous net Risk Score (as previously reported to Board):</p> <p>Likelihood – 1 Impact – 2 Net score – 2</p> <p>Current net Risk Score (after treatment): Likelihood – 2</p>

Glasgow Colleges' Regional Board

Risk Management Action Plan	
Risk that: If key stakeholders lose confidence in GCRB, leverage of current and future partnership resources for delivery of the ROA will be impaired.	
Risk ID: 0005	Cross references to related risks: 0001, 0006, 0010, 0011
Owned by: Executive Director	Date of this review: 29 th August 2016
	Date of next review: 31 st October 2016

Update	
Treatment: <ul style="list-style-type: none"> Regular engagement with key stakeholder organisations on a cross-region basis. Regular engagement by the Chair and Executive Director with senior officers in the assigned colleges 	
Commentary (Update): <ul style="list-style-type: none"> The new Chair has undertaken a programme introductory meetings with key stakeholders The cross-college structures at management level are operating well and are providing the necessary support for development of the 2016-17 Regional Outcome Agreement It is planned to run a Glasgow-wide strategic development conference in the autumn. 	
Gross risk score: (assuming no treatment): Likelihood – 2 Impact – 2 Gross score - 4 Risk tolerance score: Reputation - 1	Previous net Risk Score (as previously reported to Board): Likelihood – 1 Impact – 2 Net score – 2 Current net Risk Score (after treatment): Likelihood – 1 Impact – 2 Net score - 2

Glasgow Colleges' Regional Board

Risk Management Action Plan

Risk that: If the assigned colleges lack confidence in the quality of GCRB's governance, effective collaboration across the region will be impaired and GCRB's ability to make a positive difference on the student experience in Glasgow might be constrained

Risk ID: 0006

Cross references to related risks: 0001, 0002, 0003, 0005, 0007, 0010

Owned by: Chair

Date of this review: 29th August 2016

Date of next review: 31st October 2016

Update

Treatment:

- Involvement of senior officers in board and committee meetings of GCRB.
- Institution of continuous development programme for board members of GCRB.
- Programme of engagement between key stakeholders, the Chair and Executive Director.
- Regular engagement by the Chair and Executive Director with senior officers in the assigned colleges.
- Work of GCRB internal audit.
- Conduct of annual board effectiveness reviews (including compliance with relevant governance standards and requirements).

Commentary (Update):

- The cross-college structures at management level are operating well and are providing the necessary support for development of the 2016-17 Regional Outcome Agreement.
- Three internal audit assignments have been completed.
- The first board effectiveness review was considered at the 25/4/2016 Board meeting and proposals outlining enhanced arrangements for board evaluation and member appraisal were considered by the Nomination and Remuneration Committee at its meeting on 15/08/16.
- Clarification on potential conflict of interest issues relating to college member participation in regional funding decisions has been formally sought from the SFC, the Scottish Government and the Standards Commission.

Gross risk score:

(assuming no treatment):

Likelihood – 2

Impact – 3

Gross score - 6

Risk tolerance score: Reputation - 1

Previous net Risk Score (as previously reported to Board):

Likelihood – 2

Impact – 3

Net score – 6

Current net Risk Score (after treatment):

Likelihood – 2

Impact – 3

Net score – 6

Glasgow Colleges' Regional Board

Risk Management Action Plan	
Risk that: If staff across the region lack confidence in regional co-ordination of key change activities, collaboration will be ineffective.	
Risk ID: 0007	Cross references to related risks: 0006
Owned by: Executive Director	Date of this review: 29 th August 2016
	Date of next review: 31 st October 2016

Update	
<p>Treatment:</p> <ul style="list-style-type: none"> • Development of forum with staff trade unions. • Plan for development of ROA maximises involvement of assigned colleges. • Plan for development of ROA ensures integration with financial planning. • Programme of engagement between key stakeholders, the Chair and Executive Director. • Regular engagement by the Chair and Executive Director with senior officers in the assigned colleges. • Development of a communication approach with staff across the region. 	
<p>Commentary (Update):</p> <ul style="list-style-type: none"> • GCRB's preparation of the 2016-17 Regional Outcome Agreement is complete. • Although discussions have continued about the arrangements for a partnership forum, the individual trade unions are still considering their preferences. In the meantime, individual update meetings have been held with all the relevant trade unions. • Work has not yet commenced on development of a communication approach with staff across the region. 	
<p>Gross risk score: (assuming no treatment):</p> <p>Likelihood – 2 Impact – 3 Gross score - 6</p> <p>Risk tolerance score: People and culture - 2</p>	<p>Previous net Risk Score (as previously reported to Board):</p> <p>Likelihood – 2 Impact – 3 Net score - 6</p> <p>Current net Risk Score (after treatment):</p> <p>Likelihood – 2 Impact – 3 Net score - 6</p>

Glasgow Colleges' Regional Board

Risk Management Action Plan	
Risk that: If there is a material shortfall in the quality of facilities, student success will be reduced	
Risk ID: 0008	Cross references to related risks: 0002, 0004
Owned by: Executive Director	Date of this review: 29 th August 2016
	Date of next review: 31 st October 2016

Update	
<p>Treatment:</p> <ul style="list-style-type: none"> Regular liaison with senior college staff on estates issues. Regular liaison with senior staff City of Glasgow College officers to receive updates on progress and contingency planning. 	
<p>Commentary (Update):</p> <ul style="list-style-type: none"> Progress with City of Glasgow College's new City Campus building is on track. Glasgow Kelvin College has identified specific issues with its Springburn campus, and is seeking to manage these. The Cardonald campus of Glasgow Clyde College needs development. 2016/17 capital grant funding reduced by 14.7%. The SFC regional allocation method altered to a set rate per credit (£9.33). Further work is required to more clearly identify region estates development priorities and a review of capital spend will form part of the work to continue to develop regional funding approaches. 	
<p>Gross risk score: (assuming no treatment):</p> <p>Likelihood – 2 Impact – 3 Gross score - 6</p> <p>Risk tolerance score: Major change activities - 2</p>	<p>Previous net Risk Score (as previously reported to Board):</p> <p>Likelihood – 1 Impact – 2 Net score – 2</p> <p>Current net Risk Score (after treatment):</p> <p>Likelihood – 2 Impact – 2 Net score - 4</p>

Glasgow Colleges' Regional Board

Risk Management Action Plan	
Risk that: If there are insufficient non-advanced student support funds, students will be unable to take up places offered and activity targets will not be met.	
Risk ID: 0009	Cross references to related risks: 0002, 0004
Owned by: Executive Director	Date of this review: 29 th August 2016
	Date of next review: 31 st October 2016

Update	
<p>Treatment:</p> <ul style="list-style-type: none"> Regular reporting to SFC and Scottish Government of projected regional spend compared to available funding. Sharing of projected spend information across the region and consideration of re-allocation of available budget. Seek to maximise consistency of how student support funding policies are applied across the region. 	
<p>Commentary (Update):</p> <ul style="list-style-type: none"> A combination of Glasgow securing additional resources from SFC and revised projections means that the student support budgets are now in balance. Since most of these revisions will roll forward to 2016-17, it is hoped that there will not be serious issues with next year's student support budgets. Initial allocations of student support funding for 2016/17 reduced by 1.5% over 2015/16 levels. However, additional funding set aside by SFC for in-year allocation according to demand. 	
<p>Gross risk score: (assuming no treatment):</p> <p>Likelihood – 1 Impact – 2 Gross score - 2</p> <p>Risk tolerance score: Reputation / Education & student experience - 1</p>	<p>Previous net Risk Score (as previously reported to Board):</p> <p>Likelihood – 1 Impact – 2 Net score - 2</p> <p>Current net Risk Score (after treatment):</p> <p>Likelihood – 1 Impact – 2 Net score - 2</p>

Glasgow Colleges' Regional Board

Risk Management Action Plan	
Risk that: If GCRB is unable to improve its reputation, its ability to make a positive difference on the student experience in Glasgow might be constrained	
Risk ID: 0010	Cross references to related risks: 0001, 0005, 0006
Owned by: Executive Director	Date of this review: 29 th August 2016
	Date of next review: 31 st October 2016

Update	
<p>Treatment:</p> <ul style="list-style-type: none"> Regular engagement with key stakeholder organisations on a cross-region basis. Exploration of a collaborative approach to region-wide reputation management. 	
<p>Commentary (Update):</p> <ul style="list-style-type: none"> A programme of co-ordinated engagement with key stakeholders is continuing. Article on GCRB in July Times Educational Supplement. Competition entry made to College Development Network awards for Developing a Regional Curriculum. Initial consideration of a cross-region approach to reputation management has been undertaken. 	
<p>Gross risk score: (assuming no treatment):</p> <p>Likelihood – 2 Impact – 3 Gross score - 6</p> <p>Risk tolerance score: Reputation - 1</p>	<p>Previous net Risk Score (as previously reported to Board):</p> <p>Likelihood – 2 Impact – 3 Net score - 6</p> <p>Current net Risk Score (after treatment):</p> <p>Likelihood – 2 Impact – 3 Net score - 6</p>

Glasgow Colleges' Regional Board

Risk Management Action Plan

Risk that: The Regional Outcome Agreement is not appropriately aligned with local needs/ market intelligence and curriculum planning does not respond appropriately to regional needs.

Risk ID: 0011

Cross references to related risks: 0002, 0004, 0005

Owned by: Executive Director

Date of this review: 25 April 2016

Date of next review: 29 August 2016

Update

Treatment:

- Regular review by college curriculum planning staff of relevant socio-economic and skills demand data.
- Regular engagement with employers and key stakeholders at both individual college and cross-regional levels.
- Review of post-course destination data and levels of successful learner progression into work or further study.

Commentary (Update):

- Commitment to review and refresh long-term regional curriculum and estates plan contained within the 2016/17 ROA.
- Regional Curriculum Hub workplan includes commitment to stakeholder engagement and curriculum review.
- Post-course success data monitored by Performance and Resources Committee and most recent data suggests increased proportions of learners progressing to work or further study.

Gross risk score:
(assuming no treatment):

Likelihood – 2
Impact – 3
Gross score - 6

Risk tolerance score: Education and student experience - 4

Current net Risk Score
(after treatment):

Likelihood – 1
Impact – 3
Net score - 3