

Board Meeting

Date of Meeting	Monday 26 October 2020
Paper Title	Risk Register
Agenda Item	10
Paper Number	BM2-D
Responsible Officer	Martin Boyle, Executive Director
Recommended Status	Disclosable
Action	For Decision

1. Report Purpose

- 1.1. The purpose of this report is to update the board on the current status of the Risk Register.

2. Recommendations

- 2.1. That the Board:

- **notes** the current position of the GCRB Risk Register, and
- **considers** the recommended changes.

3. Report

- 3.1. The risk register is reviewed by the Executive Team on a weekly basis, by the full board, and its management and process is overseen by the Audit Committee. As per previous agreement, the board reviews a small number of risks in detail at each meeting, with the aim that each risk is reviewed within each academic year.
- 3.2. It is proposed that this process continues in order to ensure that risk remains a key item on the board and committee agenda, and that detailed consideration of specific risks continues to be a pertinent role of board. The risk register has been updated and is presented to this meeting of the board for consideration.

4. Current Risk Register

- 4.1. The Risk Register has been regularly reviewed by GCRB management since the last meeting of the GCRB Board. An update column, in the attached risk register, details activity thought relevant to each of the identified risks.
- 4.2. The Board agreed to review in detail a small number of key risks at each meeting. It is our aim that all risks will be discussed within the academic year and the three risks are identified for the Board to consider in more depth.

- 4.3. The risks selected this month are chosen because they relate directly to some of the increasing risks faced.

Fewer learners achieving positive outcomes (Risk 007)

The closure of college campuses in mid-March 2020 had a significant impact on the learner experience. Learners were unable to physically attend college for the remainder of the academic year and, where possible, learning was delivered on-line.

Performance indicators will be published later in 2020 and will show achievement in terms of the revised Regional Outcome Agreement. Whilst these indicators will show some outcomes they are unlikely to reflect the full impact on the learner experience.

Colleges have begun the new academic year with a blended learning model. The College Principals provided an update of progress to the Performance and Resources Committee on 30 September 2020. This enabled the committee to be apprised of current developments and the difficulties faced, and the Executive Director receives regular updates both via college principals and the Glasgow Colleges' Learning and Teaching Group via vice principals.

The risk of fewer learners achieving positive outcomes was mitigated in 2019-20 as Covid-19 impacted the latter part of the academic year. The risk in respect of 2020-21 is increased as a result of learners beginning the year with a blended learning model and the potential risk that college campuses may be forced to close if there is an increase in the infection rate.

The likelihood of this risk occurring was already at the highest level. It is recommended that the impact is now also raised (from 2 to 3) as a result of the period of time that Covid-19 is expected to impact the learner experience.

Financial sustainability is jeopardised by a reduction in funding and/or an increase in cost (Risk 008)

The college sector faced a challenging financial position prior to the Covid-19 pandemic. However, the risk to financial sustainability has increased significantly as a result of the pandemic.

Colleges have incurred additional costs to ensure that campuses are Covid secure, for example modifications to facilities, the procurement of protective equipment, increased cleaning and the investment in IT equipment to enable home working and learning. Additional capital funding has been provided to the colleges at the start of academic year 2020-21. Some of these additional costs may be recurrent but others will be a one-off investment.

Colleges will also face the impact of falling revenues and the impact of this is likely to be felt over a longer period. Examples of areas of falling income include commercial training courses, income from room hire/catering/nursery provision and international student fees. There is also a risk to funding from public sources, such as ESF income that is dependent upon achieving output targets and Flexible Workforce Development funding which is contingent upon delivering training courses for businesses.

The colleges are responding to the challenge and developing their individual plans to achieve financial sustainability. It is important to note that the colleges (both within the region and nationally) face many similar challenges but the impact will be different for each. The position of each college is largely a combination of their starting point pre-Covid 19 and the impact of the pandemic on their college, its curriculum and their student cohort.

The likelihood of the risk occurring and the impact were already at the highest level. It is recommended that this high state of alert is maintained.

Failure to achieve the targets set out in the Regional Outcome Agreement lessens our ability to meet regional needs (Risk 009)

The Regional Outcome Agreement has been in place for a number of years and is due for review by the Scottish Funding Council. However, this process has been overtaken by the pandemic. Information received from the Scottish Funding Council advises that the level of scrutiny and evaluation (of the Regional Outcome Agreement 2019-20) will be reduced to an extent.

We also expect the Regional Outcome Agreement 2020-21 to be reduced and guidance is awaited. It is expected that the outcomes for 2020-21 will be reduced and focussed on the core priorities and outcomes.

It might be observed that the Regional Outcome Agreement has become a lower national priority. If that is the case then it might be that the impact of this has reduced. An alternative would be to revise the focus of the risk so that failing to 'meet regional needs' is the dominant focus.

Given that the demands of the ROA may decrease, but the material on ability to meet regional need remains, it is recommended that the current risk level is maintained (at 2).

Coronavirus has a long-lasting impact upon strategic, operational and financial planning for the region (Risk 015)

During the summer period the outlook was positive with arrangements being put in place to enable colleges to re-open. It would be fair to say that the increase prevalence of the virus (from September 2020 onwards) has resulted in a less positive outlook. The likelihood of a 'second wave' with increased restrictions has increased significantly. As a consequence the return of a 'normal state' looks more distant. As a consequence, the impact of Covid-19 is more likely to be long-lasting (and this academic year looks increasingly difficult). It should be noted that some UK universities have already confirmed fully-online delivery for 2020-2021, while the Scottish Government has continued to maintain its stance of protecting education delivery as a vital service, meaning that colleges, as well as schools and universities, remain open for now. It is also noted that Coronavirus has already had an impact on the 2020-2021 National Curriculum delivery with National 5 examinations replaced with course work.

The likelihood of the risk occurring and the impact were already at the highest level. It is recommended that this high state of alert is maintained.

5. Risk Analysis

5.1. The aim of this report is to support, and enable, the board's management of risk.

6. Legal Implications

6.1. There are no specific legal implications.

7. Resource Implication

7.1. Access to, management of, and utilisation of resources will require to be featured in risk analysis.

8. Equalities Implications

8.1. Impact on equalities will require to feature in risk analysis at all times.

9. Strategic Implications

9.1. Strategy will require to be supported and informed by risk register and risk appetite development.

AMBITION		RISKS			EVALUATION OF RISK					MANAGEMENT OF RISK			
Glasgow Region Strategic Plan	Risk ID	Risk Owner	Risk Description	Likelihood	Impact	Net Risk Score	Risk Appetite	Recent Trend	Mitigating Actions	Responsibility for Mitigating Action	Target Risk Score	July to September Update	
Strategic	Ambitious for Glasgow	001	Board	Poor environment scanning, and scenario planning, results in a failure to respond proactively to macro-level changes (reviewed June 2020).	1	2	2	Low (1/2)	→	Ensure Board are informed of environmental developments, economic trends, policy developments etc. by proactively managing board/committee agendas, providing policy briefing notes, developing board member communications and online access to information. Constrain activity to those external factors GCRB can influence	Exec Director	2	Attended Colleges Scotland Board and Principals Group, Glasgow Partnership for Economic Growth, and Sector Learner Journey Review Implementation Group. Chair's Briefings have been issued to Board members around the COVID-19 situation and to keep Board members informed of impact on the college sector and beyond.
		002	Board	Effective working relationships are not developed/maintained with key partners due to a focus on short-term internal priorities (reviewed June 2019).	1	2	2	Medium (3/4)	→	Develop engagement strategy with key partners and maximise their participation in regional structures. Through board development, promote opportunities for board member engagement with stakeholders and fully utilise range of board members skills.	Exec Director, Chair & Board Members	3	Skills Alignment Phase 1 completed by SDS in 2019 and presented to GCRB Board in January 2020. Phase 2 work also complete in March 2020.
		003	Board	The reputation of the College Sector in Glasgow is damaged as a result of adverse publicity (reviewed January 2020)	2	2	4	Low (1/2)	→	Strengthen partnership approaches to information sharing and coherence of management actions and responses (no surprises). Continue to develop communications strategy to promote benefits of regional approach. Seek to address issue of board information being leaked to the detriment of GCRB.	Exec Director	2	Colleges have shared performance information (2019-20) with GCRB and this was reviewed by the Performance and Resources Committee. ROA drafted for 2020-21 reflecting 2018-19 KPIs published by SFC in January 2020. Informal Board networking session introduced following member survey and hosted in September. GCRB issued ebuletins highlighting the region's continued work, live mental health sessions during lockdown and latops for care-experienced students as part of the STAY project. Communications meetings with all three colleges and plans reviewed regularly. GCRB digital resources reviewed and updated -home page of GCRB website has been updated with news page and planning underway for full website update this year.Full communications update provided in Board papers.
		004	Board	Opportunities are missed/not resourced appropriately and the potential to add value via the strategic plan is overlooked (reviewed Jun 2019).	2	1	2	Medium (3/4)	→	Identify development opportunities within collaborative planning activity, specifying resources and choices.	Exec Director	3	Programme of Action 2020-21 approved by GCRB. Project specifications to be developed.
		005	Executive Director	The impact of Brexit has an adverse impact on college education in Glasgow (reviewed Oct 2019).	2	1	2	Low (1/2)	→	Remain up to date with the latest advice and guidance from Scottish Government and Scottish Funding Council. Seek information from stakeholders/partners of the potential impact on them.	Executive Team	2	Brexit guidance published by SFC and reviewed by GCRB Executive.
	Ambitious for Learners	006	Board	A failure to effectively plan/monitor our educational delivery results in the curriculum not meeting regional economic and social needs (reviewed June 2020).	1	3	3	Medium (3/4)	→	Continuously improve the quality of our evidence base and undertake systematic reviews of curriculum demand and supply and ensure effective monitoring arrangements.	Exec Director	3	Curriculum and Resources Plan 2022-27 to be developed reflecting lessons learned from Skills Alignment Pilot.
		007	Executive Director	Fewer learners achieving positive outcomes (reviewed Oct 2020).	3	3	9	Low (1/2)	↗	Work with colleges and Education Scotland to review and shape college evaluative reports and quality enhancement plans. Strengthen ROA target setting and monitor progress towards 2017-18 targets.	Exec Director	2	Latest monitoring information considered by P&R Committee in September 2020. Performance showed positive progress against 2019-20 ROA targets. This likelihood of this risk occurring in 2020-21 is heightened as a result of the Coronavirus outbreak and an alternative delivery model.
		008	Board	Financial sustainability is jeopardised by a reduction in funding and/or an increase in costs (reviewed Oct 2020).	3	3	9	Medium (3/4)	→	Develop and enhance long term financial planning. Collate information and identify funding priorities for lobbying. Strengthen key external relationships (SFC, SG, SDS, local authorities, education partners). Monitor, and assess, the risks related to the reducing funds held by Arms Length Foundations.	Finance & Resources Director, Exec Director & Chair	3	The financial sustainability of colleges has been materially impacted by the Coronavirus outbreak. There are risks to some income, e.g. ESF & FWDF, if colleges cannot deliver outcomes. Fee income from international students is at risk as is commercial income from course fees and other activities such as catering. Increased costs have also been incurred e.g. modifications to premises, additional PPE and IT equipment.
		009	Executive Director	Failure to achieve the targets set out in the Regional Outcome Agreement lessens our ability to meet regional needs (reviewed Oct 2020).	2	1	2	Low (1/2)	↘	Enhance quality and value of performance data and regularly evaluate outcome performance. Address areas for improvement through Enhancement Plans within new national quality arrangements.	Exec Director	2	Latest monitoring information considered by P&R Committee in September 2020. The college performance showed the impact of the difficulties encountered by Covid-19 particularly looking to 2020-21.

Operational	Ambitious for Colleges	010	Executive Director	Working relationships within the Glasgow College Region (e.g. students, staff, board members) are ineffective and reduces our collective impact (reviewed Jun 2020).	1	2	2	Medium (3/4)	➡	Continue to develop opportunities for regional collaboration and sharing of information, networking opportunities and relationship building. Board to consider actions to address unauthorised disclosure of information.	All Staff and Board Members	3	Positive collaboration between all partners, especially during current crisis with the aim to adopt a common response.
		011	Executive Director	The approach to people issues (e.g. equality/diversity, skills mix, resourcing of GCRB etc.) is unsatisfactory and we're unable deliver our objectives (reviewed Oct 2019).	1	2	2	Low (1/2)	➡	Ensure GCRB staffing is commensurate with Board responsibilities, and that collaborative management structure has capacity to achieve regional ambitions. Ensure Fair Work Framework values fully embed within GCRB's employer duties. Take forward looking approach to board development and succession planning across the region.	Exec Director, Board Members, Board Secretary	2	
		012	Board	The capacity and capability of the Board is inadequate and standards of governance fall below the level required (reviewed Apr 2020).	1	2	2	Low (1/2)	➡	Implement arrangements to mitigate Covid-19 impacts on governance, specifically: monitor announcements by Scottish Government/key regulators to support planning; monitor effectiveness of remote meetings; progress priority areas of Board business and plan for swift resumption of any deferred activity.	Board Members	2	Board Effects being used for circulation of papers; VC meetings software adopted; focused Board and Committee agendas in place; dialogue ongoing with Scottish Government, regulators, board secretaries, over interim arrangements for appointments, evaluation, etc.
		013	Executive Director	There is a breach of legislation/guidance/code of practice and this results in a failure of governance (reviewed Jun 2019).	2	2	4	Low (1/2)	➡	Remain up to date with changes and new developments, ensure knowledge and training are relevant, adopt conservative approach, and take external advice as appropriate.	Executive Team	2	Chair and Board Secretary engagement in Good Governance Steering Group; annual review of governance framework undertaken, to be reported to AAC; Progressing to implement agreed plan of actions in respect of Data Protection reported to Audit and Assurance Committee in October 2020..
		014	Executive Director	Controls, and preventative measures, are inadequate, which results in a breach of security/safety (e.g. Cyber Attack) (Reviewed Oct 2019).	2	2	4	Low (1/2)	➡	Seek regular assurance to ongoing risks and responsive college plans to emerging issues. Seek assurance re IT systems used by GCRB and provided by City of Glasgow College.	Executive Team	2	The move to remote working placed an increased reliance upon the IT systems and the stability/security of these. Experience to date has been positive and the systems have proved to be reliable.
Strategic	Cross-Cutting Risk	015	Executive Director	Coronavirus has a long-lasting impact upon strategic, operational and financial planning for the region (reviewed Oct 2020)	3	3	9	Low (1/2)	➡	Maintain regular contact with Glasgow colleges, SFC, Colleges Scotland and all other relevant bodies, and prepare planning activity to manage and mitigate impact.	Exec Team, Board		Chair and Executive Director participating in wide-range of information sharing and planning meetings, including conference calls with SFC, college principals, SG, SFC, Colleges Scotland etc. Finance and Resource Director in regular communication with SFC and providing quick response to information.
Operational	Cross-Cutting Risk	016	Executive Director	Issues surrounding alleged fraudulent activity have an impact on reputation and finance.	3	2	6	Low (1/2)	➡	Maintain clear lines of communication and reporting to Audit Committee for oversight. Continue to monitor evolving steps in investigative process, and provide updates where appropriate.	Exec Team, Board		The matter was recently considered by the Audit and Assurance Committee on 6 October 2020. Actions agreed by Committee previously have been implemented. Draft stage II report of the External Auditor received by City of Glasgow College in June 2020. GCRB Comms Lead has worked with the college, and GCRB Executive Director, to establish communications approach and lines.
Operational	Cross-Cutting Risk	017	Executive Director	Scenario planning and stress testing of operational activity is inadequate to appropriately mitigate against major incident which impacts upon activity.	2	3	6	Low (1/2)	➡	Initiate scenario planning activity and stress test key points of contact to ensure that core functions can be managed.	Executive Team		Planning and responsive actions were put in place to establish Executive Team, Committee and Board ways of working through the impact of Covid-19. These plans continue to be developed and tested to include Disaster Recovery and Scenario Planning activity.