

Board Meeting

Date of Meeting	Monday 31 October 2016
Paper Title	Risk Register
Agenda Item	12
Paper Number	BM2-I
Responsible Officer	Robin Ashton, GCRB 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 risk register set out below in the context of the GCRB operating environment and risk management updates;
- **consider** and **agree** the proposed new method for the treatment of risk tolerance recommended by the GCRB Audit Committee following internal audit of GCRB risk management arrangements; 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. Attached are GCRB's risk matrix, risk register and individual risk management action plans. Whilst the commentaries within the risk management actions plans have been updated, the risks assessments remain as presented to the Board at its meeting on August 29, 2016.
- 3.3. Following review of the GCRB risk register by the internal auditor and discussion by the GCRB board at its meeting on August 29, the GCRB Audit Committee considered the method used by GCRB for risk tolerance. Based on this review, the Audit Committee agreed to recommend to the Board that when measuring risk tolerance, GCRB should

use using bandings of low, medium and high to avoid confusion between the two separate scoring systems of net risk score and tolerance level. The table below shows the proposed bands in relation to areas of risk.

Tolerance level	Low	Medium	High
Risk score	1-2	3-5	6-9
Reputation			
Compliance			
Financial			
Education and student experience			
Major change activities			
Environment and social responsibility			
People and culture			

3.4. The attached GCRB risk register shows further exemplification of this approach.

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	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	Chair	1	1	1	Low (1-2)	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	ED	2	2	4	Medium (3-5)	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	ED	1	3	3	Low (1-2)	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	ED	2	2	4	Medium (3-5)	0
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	ED	1	2	2	Low (1-2)	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	Chair	2	3	6	Low (1-2)	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	ED	2	3	6	Medium (3-5)	0

RISK DETAIL					CURRENT EVALUATION OF RISK (after treatment)				AIM and PROGR
Outcome	Risk Description	Tolerance types	Risk ID	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	ED	2	2	4	Low (1-2)	0
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	ED	1	2	2	Low (1-2)	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	ED	2	3	6	Low (1-2)	0
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	ED	1	3	3	Medium (3-5)	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

Target risk score: 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: 29 th August 2016
	Date of next review: 31 st October 2016

Update	
<p>Treatment:</p> <ul style="list-style-type: none"> • 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. 	
<p>Commentary (Update):</p> <ul style="list-style-type: none"> • 2016/17 funding includes a 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. 	
<p>Gross risk score: (assuming no treatment):</p> <p>Likelihood – 2 Impact – 3 Gross score - 6</p> <p>Risk tolerance score: Financial - 3</p> <p>Target risk score: 3</p>	<p>Previous net Risk Score (as previously reported to Board):</p> <p>Likelihood – 2 Impact – 2 Net score – 4</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 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. • Undertake transition planning activity 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. • SFC wrote to GCRB on 21st September confirming its view GCRB that it has made significant and effective progress in operating effectively as a Regional Strategic Body, and fulfilling its statutory role to secure coherent provision of high quality further and higher education • GCRB and the SFC are now working on a detailed transition plan which sets out tasks and timeframes related to funding, monitoring and financial arrangements which will allow fully-operational fundable body status to be implemented. • 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>Target risk score: 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: 29th August 2016

Date of next review: 31st October 2016

Update

Treatment:

- 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.

Commentary (Update):

- 2015/16 student activity data provides evidence that the region has delivered on key Regional Outcome Agreement targets in relation to Outcome 1: Right Learning in the Right Place, Outcome 3: High Quality and Efficient Learning, and Outcome 4: Developing the Workforce. However, planned activity targets for the two key performance indicators related to Outcome 2: Widening Access have not been met.
- The Performance and Resources Committee has requested that the Executive Director bring forwards for GCRB consideration a report which sets out the range of actions available to the region which would support an increase in SIMD10 volumes.
- The Performance & Resources Committee has asked to consider information on scenario planning in relation to variances in regional and college activity funding.

Gross risk score:

(assuming no treatment):

Likelihood – 1

Impact – 3

Gross score - 3

Risk tolerance score: Education & student experience - 4

Target risk score: 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 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 cross-college structures at management level are operating well and are providing the necessary support for development of the 2016-17 Regional Outcome Agreement with a range of regional stakeholders being consulted on draft ROA plans. GCRB Chair and Executive Director continuing to regularly meet key stakeholders Glasgow-wide strategic development conference arranged for November 8th. GCRB and assigned colleges participating fully in Glasgow City Council Commission on College and Lifelong Learning. 	
Gross risk score: (assuming no treatment): Likelihood – 2 Impact – 2 Gross score - 4 Risk tolerance score: Reputation - 1 Target risk score: 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: 29 th August 2016
Date of next review: 31 st October 2016	

Update	
<p>Treatment:</p> <ul style="list-style-type: none"> • 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). 	
<p>Commentary (Update):</p> <ul style="list-style-type: none"> • 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. • Clarification on potential conflict of interest issues relating to college member participation in regional funding decisions provided by the Standards Commission. • Enhanced arrangements for board evaluation and member appraisal were agreed by the GCRB Board at its meeting of 29/08/16. • GCRB Committee and member self-evaluation process completed in September/October. 	
<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>Target risk score: 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: 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"> • 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. • Consultation with staff trade unions on development of a forum for discussion. • 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 and work to develop the new 2017/18 to 2019/20 Regional Outcome Agreement is underway. • 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. • GCRB has agreed with one of the assigned colleges that it will support it to develop 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>Target risk score: 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. As part of further work to develop regional funding approaches, GCRB and colleges to review regional estates needs and appropriate capital funding allocation methods. 	
<p>Commentary (Update):</p> <ul style="list-style-type: none"> City of Glasgow College's new City Campus building complete. 2016/17 capital grant funding was initially reduced by 14.7% and money allocated to the assigned colleges on a formula based approach. £2, 182,345 of the additional capital funding was provided to Glasgow on 30 September for the most pressing capital maintenance needs and both Glasgow Kelvin College and Glasgow Clyde College have identified range of capital maintenance needs in relation to use of these funds. Work is underway to continue to develop regional funding approaches, and this will include further consideration of regional estates development priorities and capital allocation methods. 	
<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>Target risk score: 2</p>	<p>Previous net Risk Score (as previously reported to Board):</p> <p>Likelihood – 2 Impact – 2 Net score – 4</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"> Initial allocations of student support funding for 2016/17 were 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>Target risk score: 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. Regional strategy event will provide opportunities for stakeholders to participate in the development of a regional college education strategy and for communication of the quality and relevance of the regional college offer to external stakeholders. 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>Target risk score: 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):

- Process to review and refresh long-term regional curriculum and estates plan underway as part of activity to develop the 2016/17 ROA and a range of key external stakeholders is involved in this process.
- 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

Target risk score: 3

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

Likelihood – 1

Impact – 3

Net score – 3

Current net Risk Score (after treatment):

Likelihood – 1

Impact – 3

Net score – 3

