

## Board Meeting

Date of Meeting	Monday 18 June 2018
Paper Title	GCRB Risk Register
Agenda Item	8
Paper Number	BM5-D
Responsible Officer	Robin Ashton, GCRB Executive Director
Status	Disclosable
Action	For Discussion

### 1. Report Purpose

- 1.1. This paper provides an update of the process for managing risk and asks the Board to review a number of key risks.

### 2. Recommendations

- 2.1. The Board is invited to:

- **consider** the evaluation of risks and **amend** as appropriate;
- **discuss** the four key risks identified and **consider** any mitigating actions.

### 3. Background

- 3.1. The risk register was considered by the Board at its last meeting on 26 March 2018 and the Committee reviewed the following risks.

Risk ID	Risk Description
001	Poor environment scanning, and scenario planning, results in a failure to respond proactively to macro-level changes.
005	A failure to effectively plan/monitor our educational delivery results in the curriculum not meeting regional economic and social needs.
011	The capacity and capability of the Board is inadequate and standards of governance fall below the level required.

### 4. Revisions to Risk Register

- 4.1. The Risk Register has again been revised to reflect developments since the last Board Meeting. These comments are reflected in the update column on the right hand side of the risk register. The Risk Register was reviewed every two weeks by the GCRB Executive between March and June.

4.2. The risk scores have been evaluated by the Executive and two changes are proposed in the table below. These changes are in addition to the change proposed in section 5 below.

Risk ID	Risk Description	Likelihood	Impact	Risk Score
007	Financial sustainability is jeopardised by a reduction in funding and/or an increase in costs.	2 (unchanged)	Reduced from 3 to 2	Reduced from 6 to 4
010	The approach to people issues (e.g. equality/diversity, skills mix, resourcing of GCRB etc.) is unsatisfactory and we're unable deliver our objectives.	Reduced from 2 to 1	2 (unchanged)	Reduced from 4 to 2

4.3. The rationale for these changes is as follows:

- The financial settlement for 2018-19, is generally positive. In particular, the provision of funds to meet the cost of national bargaining, and the funds available for capital investment in the estate, are welcomed. The positive view of the financial settlement is reflected in the individual risk registers of the Glasgow Colleges (as reviewed by the Audit Committee at its meeting in May 2018). Given the positive financial settlement for 2018-19, it is suggested that the impact of this risk (ID 007) has reduced.
- In 2018, the Board Chair commenced in role, GCRB appointed its full complement of staff and GCRB has recently completed the recruitment of new board members. As a result of these processes, it is considered that the risks posed to people issues (ID 010) have reduced and it is proposed that the likelihood should also reduce.

4.4. The Board is invited to consider the evaluation of risks and amend as appropriate.

## 5. Discussion of Risks

5.1. The Board has agreed that it will review a number of risks at each meeting, in order that all risks will be reviewed at least once per annum. The four risks have been selected for consideration at this meeting of the Board as follows:

Risk ID	Risk Description	Likelihood	Impact	Risk Score
002	Effective working relationships are not developed/maintained with key partners due to a focus on short-term internal priorities.	1 (unchanged)	2 (unchanged)	2 (unchanged)
004	Opportunities are missed/not resourced appropriately and the potential to add value via the strategic plan is overlooked.	Increased from 2 to 3	1 (unchanged)	Increased from 2 to 3
009	Working relationships within the Glasgow College Region (e.g. students, staff, board members) are ineffective and reduces our collective impact.	2 (unchanged)	2 (unchanged)	4 (unchanged)
013	Controls, and preventative measures, are inadequate, which results in a breach of security/safety (e.g. Cyber Attack).	2 (unchanged)	2 (unchanged)	4 (unchanged)

- 5.2. The following comments are offered by way of additional information to assist with a discussion regarding the risks identified:
- The last six months has seen a significant level of engagement with a range of key partners. This level of engagement is intended to develop long-term relationships with key partners and address the risks faced by GCRB (**ID 002**). Examples of partner engagement include:
    - I. Meetings with the Chief Executive, Senior Officers, and the Chair, of SFC.
    - II. Attendance of Colleges Scotland Board by the Chair of GCRB and meeting with the Chief Executive of Colleges Scotland.
    - III. Meeting with the Minister for Further Education, Higher Education and Science by the Chair of GCRB.
    - IV. Meeting with the (Scottish Government's) Director of Advanced Learning and Science by the Chair of GCRB.
    - V. Chair and Executive Director met with the Chief Executive of Skills Development Scotland.
    - VI. Regular meetings between the Chair of GCRB and the Chair of each assigned college.
    - VII. Regular meetings between the Executive Director of GCRB and the Principal of the each assigned college.
    - VIII. GCRB Executive Director participates in a range of regional meetings including Glasgow City Council Inclusive Cities and Glasgow Partnership for Economic Growth Groups.
  - Funding for 2018-19 has recently been confirmed by the SFC. For 2018-19, a significant amount of funding has been allocated to address national priorities, for example, distribution of capital funding. The basis of this funding reduces opportunities to allocate funding to meeting regional priorities for Glasgow. As a result, the opportunity to add value via the strategic plan is more limited. In addition, progress to implement a collaborative approach to student data has been slow. Therefore opportunities to develop, and enhance, the learner journey across the Glasgow College Region have yet to be fully realised. Due to these factors, it is perceived that the likelihood of this risk (**ID 004**) occurring has increased.
  - The Executive Director holds regular meetings with principals, unions and student associations. In addition, the Chair meets with college principals and GCRB board members. In May, there was a meeting of the Joint Audit Committee Chairs and are further Board events planned to promote diversity and consider board development. These proactive measures are designed to promote effective working relationships and enhance the collective impact (i.e. to reduce risk **ID 009**). Despite the positive progress it is proposed that the likelihood and impact are unchanged.
  - A report on the matter of cyber security was considered by the Audit Committee at its meeting in May 2018. The risk of a cyber-attack remains but the report outlined the positive steps taken to mitigate the risks. Due to the factors outlined in the report, it is considered that the likelihood of this risk (**ID 013**) occurring and the potential impact remain unchanged.
- 5.3. The Board is invited to discuss the four risks identified and consider the mitigating actions.

## **6. Further Development**

- 6.1.** As identified at the previous meeting, the GCRB Executive also undertakes an assessment of risk at an organisational level. The framework is used by the Scottish Government, and Scottish Funding Council to examine a number of criteria including an assessment of Finance/Governance, Learning/Teaching and Estates across the Glasgow College Region. The GCRB Executive provides this assessment to the Scottish Funding Council every two months.

## **7. Risk Analysis**

- 7.1.** The Board's approach to Risk Management has been developed and enhanced this year. The aim of this report is to support, and enable, the Board's management of risk.

## **8. Legal Implications**

- 8.1.** There are no legal implications arising from this report.

## **9. Resource Implications**

- 9.1.** There are no direct financial implications as a result of this report.

## **10. Strategic Plan Implications**

- 10.1.** 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 establishing appropriate arrangements in relation to risk.

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
Ambitious for Glasgow	001	Board	Poor environment scanning, and scenario planning, results in a failure to respond proactively to macro-level changes (reviewed 26 Mar 2018).	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	Exec Director attended Colleges Scotland Principals Group & National Policy Group. Audit Scotland Review expected in June, constructive feedback received. GCRB participation in City Region Economic Strategy development workshop.
	002	Board	Effective working relationships are not developed/maintained with key partners due to a focus on short-term internal priorities (to review 18 June 2018).	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	GCRB Chair met with Minister in May. GCRB meeting with Colleges Scotland in Apr. Chair attended Colleges Scotland Board. Finance and Resource Director co-opted to Funding & Finance Group. GCRB strategic liaison meeting with SFC. Chair and Exec Director mtg with Chief Exec of SDS in May.
	003	Board	The reputation of the College Sector in Glasgow is damaged as a result of adverse publicity (reviewed 30 Oct 2017)	2	2	4	Low (1/2)	→	Strengthen partnership approaches to information sharing and coherence of management actions and responses (no surprises). 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	Medium term communications plan reviewed and updated. GCRB Chair interview in TES. Foundation Apprenticeship celebration event on June 11. Regional 'Spotlight' newsletter on Childcare published. Further E Briefings published e.g. capital.
	004	Board	Opportunities are missed/not resourced appropriately and the potential to add value via the strategic plan is overlooked (to review 18 June 2018).	3	1	3	Medium (3/4)	↗	Identify development opportunities within collaborative planning activity, specifying resources and choices.	Exec Director	3	Regional funding allocation for 18-19 limits GCRB discretion. College student data system proposal whilst based on single systems identifies regional development opportunities. Positive Internal Audit of Regional Lead work e.g. DYW and regional CPD.
Ambitious for Learners	005	Board	A failure to effectively plan/monitor our educational delivery results in the curriculum not meeting regional economic and social needs (reviewed 26 Mar 2018).	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	Problems re Capita continue - annual loss of £513m reported in April. Positive meeting with Chief Exec of SDS re skills. Letter of support received. Significant Childcare expansion supported by coherent regional planning.
	006	Executive Director	Fewer learners achieving positive outcomes (reviewed 30 Oct 2017)	2	2	4	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	Govt response to the review of student funding awaited. Final student funding allocations for 2018/19 published May 18. Review of student funding provided to P&R Committee in May.
Ambitious for Colleges	007	Board	Financial sustainability is jeopardised by a reduction in funding and/or an increase in costs (reviewed 18 Dec 2017)	2	2	4	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).	Director of Finance, Exec Director & Chair	3	Meeting with Asst Director of SFC to consider capital funding policy for 2018/19. Mtgs with Glasgow Kelvin and Glasgow Clyde Colleges to review capital plans for 2018/19. Final allocations received May 18 and presented to P&R Committee and then Board in June.
	008	Executive Director	Failure to achieve the targets set out in the Regional Outcome Agreement lessens our ability to meet regional needs (reviewed 18 Dec 2017)	1	2	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	Increased targets for full-time FE attainment very challenging. Proposal from colleges to establish Retention and Attainment Improvement Group.
	009	Executive Director	Working relationships within the Glasgow College Region (e.g. students, staff, board members) are ineffective and reduces our collective impact (to review 18 June 2018).	2	2	4	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	Joint Audit Committee Chairs meeting (May 18). Agreement by CoGC to progress Board approval of memorandum of understanding. Positive Internal Audit report on Regional Lead work. Regional Boards Diversity event planned and GCRB Board Development event scheduled for August 18.
	010	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 30 Oct 2017).	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 embedded 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	Positive Internal Audit report on Regional Lead work. Regional Lead for STEM established to support regional strategy development. Chairs of Glasgow Colleges groups agreed for 2018-19. Approach to GCRB communications presented to Board in June 18.
	011	Board	The capacity and capability of the Board is inadequate and standards of governance fall below the level required (reviewed 26 March 2018).	1	2	2	Low (1/2)	→	Promote values of good governance, and complete annual review of governance, evaluation of skills and development of board members.	Board Members	2	Induction of new Board Members complete. Interim Chair of Performance and Resources proposed. Elections for staff and student Board Members. GCRB Members attended CDN Board Development event
	012	Executive Director	There is a breach of legislation/guidance/code of practice and this results in a failure of governance (reviewed 18 Dec 2017)	1	2	2	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	Shared Data Protection Officer appointed and commenced in post 21 May
	013	Executive Director	Controls, and preventative measures, are inadequate, which results in a breach of security/safety (e.g. Cyber Attack) (to review 18 June 2018).	2	2	4	Low (1/2)	→	Seek regular assurance to ongoing risks and responsive college plans to emerging issues.	Executive Team	2	Report on cyber security considered by Audit Committee in May 18.