Board Meeting

Date of Meeting	Monday 30 October 2017
Paper Title	GCRB Risk Register
Agenda Item	7
Paper Number	BM2-C
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:

- **note** the further enhancements to GCRB's approach to risk management introduced in September 2017;

- **discuss** the four key risks identified;

- **consider** the suggested changes to the evaluation of these risks and **amend** as appropriate; and

- **agree** any mitigating actions.

3.   Background

3.1.   The risk register was considered by the Board at its last meeting on 4 September 2017.

3.2.   The following update was provided to the meeting of the Audit Committee on 3 October 2017:

- "The risk register will be presented to each meeting of the Board. The risk register will be given prominence on the agenda in order that adequate time is available to discuss this important topic. The register will include an update of developments since the last meeting, mitigating actions and revisions to the likelihood and impact. In addition, a number of risks will be examined in detail at each Board meeting. This enables a more in-depth discussion to take place, with the intention that all risks are subject to a detailed discussion at least once a year.

- The risk register is now being reviewed at each meeting of the GCRB Executive. These meetings take place on a fortnightly basis and provide a mechanism to evaluate the risks and identify emerging risks. The executive meeting also provides a clear link to the operational plan.

- The risk registers, of the assigned colleges, are being provided to the Interim Finance and Resources Director. These registers are reviewed and relevant issues identified within the risks considered by the Executive and Board. A report regarding the Review of College Risk Registers is subject to a separate report on the *(Audit Committee)* agenda."

4. Report

4.1. The Risk Register has 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.

4.2. At the previous meeting in September, the Board agreed that it would review a number of key risks at each meeting. In terms of the risks to be reviewed at this meeting, it is suggested that the Board may wish to discuss those that the Executive considers have changed in the last two months.

4.3. The Risk Register was reviewed by the Executive in October. As a result, the risk scores have been evaluated by the Executive and the following amendments suggested:

Risk ID	Risk Description	Likelihood	Impact	Risk Score
0003	The reputation of Further Education in Glasgow is damaged as a result of adverse publicity.	from 1 to 2	from 2 to 3	from 2 to 6
0006	The quality of learning and teaching falls and fewer learners achieving positive outcomes.	from 1 to 2	Unchanged (2)	from 2 to 4
0010	The approach to people issues (e.g. equality/diversity, skills mix, resourcing of GCRB etc.) is unsatisfactory and we're unable deliver our objectives.	from 2 to 3	Unchanged (2)	from 4 to 6

4.4. In summary, the suggested changes to the risk evaluation result from these events:

- **The adverse publicity surrounding the publication of salary of the Executive Director in both the press and also at the Public Audit and Post-Legislative Scrutiny Committee (Impact on Risk 0003).** Members will be aware of various news articles in The Glasgow Herald and other news outlets. This press coverage was based on disclosure of a confidential GCRB Board paper and intensified following discussion by MSPs at the Public Audit and Post-Legislative Scrutiny Committee on 14 September 2017.

- **The consequences of the adverse publicity on people, and the staffing structure, of GCRB (Impact on Risk 0010).** Following the adverse publicity, the Board revised its decisions in respect of the GCRB salary structure. One consequence has been the delay in recruitment to the post of Finance Director and a continuation of the interim arrangements. A further consequence, of the bullet points outlined above, is a potentially detrimental impact on the morale of staff and GCRB board members.

- **The indicative performance information for 2016-17, which shows a fall in full-time levels of attainment (Impact on Risk 0006).** The performance data was contained in the review of the Regional Outcome Agreement that was considered by the Performance and Resources Committee on 9 October. The report showed that the region has not met its targets for full-time attainment rates with the following text reproduced from the report:

  "Following several years of consecutive increase (with for example the targets for 2015-16 being exceeded), the full-time figures for 2016-17 represent a dip in regional performance. College level evaluation suggests that a significant contributory factor to this was the impact of industrial action taken in 2016/17 (where learners lost up to six days of tuition in the final teaching block) and in particular on full-time Further Education programmes where a significant proportion of learners reside in the 10% lowest SIMD areas, and which therefore includes a higher proportion of vulnerable learners with more significant support needs. However, members should note that further, more detailed evaluation of these attainment levels, including analysis of retention, will be provided within individual college evaluative reports. Across part time provision, success rates were either above either above or broadly in line with the targets set in the ROA.

  Overall, notwithstanding the disappointing drop in full-time attainment, across all provision, attainment fell by around 1% compared to the previous year with just under three quarters of learners successfully completing their course of study which in a national context still represents very good performance (the comparator figure for Scotland in 2015-16 was 72% successful attainment across all learners)."

4.5. The Board is invited to:

- Discuss the three risks identified.

- Consider the suggested changes to the evaluation of these risks and amend as appropriate.

- Consider the mitigating actions and amend as appropriate.

5. Risk Analysis

5.1. 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.

6. Legal Implications

6.1. There are no legal implications arising from this report.

7.   Resource Implications

7.1.   There are no direct financial implications as a result of this report.

8.   Strategic Plan Implications

8.1.   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.

RISK REGISTER

GCRB — Glasgow Colleges' Regional Board

AMBITION	RISKS			EVALUATION OF RISK					MANAGEMENT OF RISK	
Glasgow Region Strategic Plan	Risk ID	Risk Owner	Risk Description	Likeli-hood	Impact	Net Risk Score	Risk Appetite	Recent Trend	Mitigating Actions	September to October Update
Ambitious for Glasgow	0001	Board	Poor environment scanning, and scenario planning, results in a failure to respond proactively to macro-level changes.	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	CPP plan presentation and review of Education and Skills review phase 2 report to September board. On-going review of Colleges Scotland Sector Briefings and stakeholder announcements. Audit Scotland Report: Scotland's colleges 2017 considered by Audit Committee in October.
Ambitious for Glasgow	0002	Board	Effective working relationships are not developed/maintained with key partners due to a focus on short-term internal priorities.	1	2	2	Medium (3/4)	→	Develop engagment strategy with key partners and maximise their participation in regional structures. Through board development promote opportunities for board member engagment with stakeholders and fully utilise range of board members skills.	Meetings held with: GCC and Childcare Curriculum Hub in October. Scottish Government in October. Colleges re Flexible Workforce Development Fund in September and October.
Ambitious for Glasgow	0003	Board	The reputation of Further Education in Glasgow is damaged as a result of adverse publicity.	3	2	6	Low (1/2)	↗	Stregthen 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 adress issue of board information being leaked to the detriment of GCRB.	Detrimental press reporting of Board decision regarding GCRB staff restructuring and concerns raised by MSPs. Opportunity for positive reporting of regional startegy launch.
Ambitious for Glasgow	0004	Board	Opportunities are missed/not resourced appropriately and the potential to add value via the strategic plan is overlooked.	2	1	2	Medium (3/4)	→	Identify development opportunities within collaborative planning activity, specifying resources and choices.	Proposal to develop a regional approach to the development and procurment of a new student data system presented to Glasgow Colleges Group. Offer of project support from UCSS agreed. Regional lead year one ambitions drafted.
Ambitious for Learners	0005	Board	A failure to effectively plan/monitor our educational delivery results in the curriculum not meeting regional economic and social needs.	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.	Review of employment demand and curriculum supply in relation to City Deal infrastructure roles completed by regional curriculum hub. Full scale review of curriculum delivery across all curriculum hubs initiaited for Sept/Oct.
Ambitious for Learners	0006	Executive Director	The quality of learning and teaching falls and fewer learners achieving positive outcomes.	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.	ROA evaluation completed and aligned to significant evaluation activity being undertaken by colleges in partnership with Education Scotland. Indicative Student Data for 2016/17 suggests a fall in FT levels of attainment.
Ambitious for Colleges	0007	Board	Financial sustainability is jeopardised by a reduction in funding and/or an increase in costs.	2	3	6	Medium (3/4)	→	Develop long term financial planning, strengthening key external relationships and collate information for lobbying.	Review of Financial Forecast Returns considered by Performance and Resources Committee in October. Executive Director has written to SFC re risks to ESOL funding from the 1 August 2018.
Ambitious for Colleges	0008	Executive Director	Failure to achieve the targets set out in the Regional Outcome Agreement lessens our ability to meet regional needs.	1	2	2	Low (1/2)	→	Enhance quality and value of performance data and reguarly evaluate outcome performance.	Regional Data Lead role established and work iunderway to enhance confidence in data reporting for 17-18. Report re MIS system considered by Performance and Resources Committee on 9 October 2017.
Ambitious for Colleges	0009	Executive Director	Working relationships within the Glasgow College Region (e.g. students, staff, board members) are ineffective and reduces our collective impact.	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.	Memorandum of understanding to be endorsed by all 4 boards. Establishment of Regional Lead team progressing effectively. Press leaks undermine collaborative, regional approaches.
Ambitious for Colleges	0010	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.	3	2	6	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 embeded within GCBR's employer duties. Take forward looking approach to board development and succession planning across the region.	GCRB staffing arrangements considered by Nominations and Remuneration Committee and Board in September and October. Adverse publicity, and revision of Board decision may impact negatively on the development of GCRB's staffing.
Ambitious for Colleges	0011	Board	The capacity and capability of the Board is inadequate and standards of governance fall below the level required.	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.	Position of Chair advertised in September. Panel and appointment schedule agreed by Scottish Government with the aim of appointment being made in December 2017.
Ambitious for Colleges	0012	Executive Director	There is a breach of legislation/guidance/code of practice and this results in a failure of governance.	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.	Significant amount of work complete in respect of governance responsibilities reported to Committees and Board in September and October, including: Review of Powers and Duties, Anti Fraud Policy, Whistleblowing Policy, Review Systems Internal Control Accounts Direction, Review of College Risk Registers Service Agreement with SFC, Finance Procedures, etc.
Ambitious for Colleges	0013	Executive Director	Controls, and preventative measures, are inadequate, which results a breach of security/safety (e.g. Cyber Attack).	2	2	4	Low (1/2)	→	Seek regular assurance to ongoing risks and responsive college plans to emerging issues.	Increasing global threats from terrorism/organised crime. Assurance sought from assigned colleges in wake of recent NHS cyber attack.