Board Meeting

Date of Meeting	Monday 18 December 2017
Paper Title	GCRB Risk Register
Agenda Item	8
Paper Number	BM3-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:

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

- **discuss** the three 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 30 October 2017 and the Committee reviewed the following risks.

Risk ID	Risk Description
0003	The reputation of Further Education in Glasgow is damaged as a result of adverse publicity.
0006	The quality of learning and teaching falls and fewer learners achieving positive outcomes.
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.

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 by the Executive in November and December. 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 3 to 2	Unchanged (2)	from 6 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 3 to 2	Unchanged (2)	from 6 to 4

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

- The successful launch of the Glasgow Region Strategic Plan for College Education and the positive feedback received from Scottish Government, SFC and other stakeholders thereafter (Impact on Risk 0003).

- Recruitment to the post of Director of Finance and Resources is taking place following agreement on the salary for the post. Interviews for the post are scheduled to take place on 18 December 2017 (Impact on Risk 0010).

4.3. The Board is invited to consider the suggested changes to the evaluation of these 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. Three risks have been selected for consideration at this meeting of the Board as follows:

Risk ID	Risk Description
0007	Financial sustainability is jeopardised by a reduction in funding and/or an increase in costs.
0008	Failure to achieve the targets set out in the Regional Outcome Agreement lessens our ability to meet regional needs.
0012	There is a breach of legislation/guidance/code of practice and this results in a failure of governance.

5.2. The following comments are offered by way of additional information to assist with a discussion regarding the risks identified:

- At its meeting on 5 December 2017, the Audit Committee considered a report on the key risks identified by the three colleges. One of the key trends is the growing prominence of financial risks within the risk registers of the colleges. This is not surprising given the certainty regarding the nationally negotiated salaries for lecturers and the uncertainty regarding the future income of the sector (Impact on Risk 0007).

- The Financial Forecast Returns (considered by the Performance and Resources Committee in October 2017) also point to a declining financial position over the medium term (Impact on Risk 0007).

- The Performance and Resources has also been alerted to risks pertaining to ESOL funding and the Flexible Workforce Development Fund for 2018/19 and beyond (Impact on Risk 0007).

- The Board will consider (at its meeting on 18 December 2017) the draft targets within the Regional Outcome Agreement. These targets reflect the Scottish Government's aim of 'intensification' and the setting of more ambitious targets for the colleges and the region (Impact on Risk 0008).

- A significant amount of work has taken place in respect of the Governance arrangements of GCRB (examples are listed on the Risk Register for this particular risk). This is a core task for GCRB executive in terms of compliance with the standards for all public bodies (Impact on Risk 0012).

- Emerging issues include General Data Protection Regulation (GDPR) which will have a significant impact on the colleges and GCRB. Arrangements to manage this are taking place, for example, a shared service arrangement for a Data Protection Officer (Impact on Risk 0012).

5.3. The Board is invited to discuss the three risks identified and to consider the mitigating actions.

6. Risk Analysis

6.1. 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.

7. Legal Implications

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

8. Resource Implications

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

9. Strategic Plan Implications

9.1. 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	Likeli-hood	Impact	Net Risk Score	Risk Appetite	Recent Trend	Mitigating Actions	November to December 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	On-going review of Colleges Scotland Sector Briefings and stakeholder announcements. Reviewed ministerial letter and new ROA guiance and attended Ministerial speech on intensification.
	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: SFC, Glasgow Life, SFC/Michael Cross, SDS. DYW groups Colleges re quality arrangements and Flexible Workforce Development Fund.
	0003	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 adress issue of board information being leaked to the detriment of GCRB.	Improving situation, post strategy launch. Excellent feedback from SG/SFC and other stakeholders. October e-briefing distributed.
	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. Project support from UCSS in place from November 2017. 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 completed December 2017.
	0006	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.	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. Education Scotland ER and EP reports submitted for external verification.
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 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).	Correspondence/meetings held with SFC regarding future regional funding. Paper submitted SFC/Colleges Scotland re arrangements for Flexible Workforce Development Fund. Scottish Budget announcement to be assessed following publication in mid-December.
	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 regularly evaluate outcome performance. Address areas for improvement through Enhancement Plans within new national quality arrangements.	Regional Data Lead undertaking work to enhance confidence in data reporting for 2017-18. Report re MIS system considered by Performance and Resources Committee in December 2017. ROA target setting execise actioned. Benchmark data provided from SFC.
	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. Board member briefing issued in November/December.
	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 (reviewed 30 Oct 2017).	2	2	4	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.	Recruitment for the post of Director of Finance and Resources underway - interviews scheduled for 18/19 December.
	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.	Appointment of Chair to be announced in December 2017. Board members retiring May 2018 and July 2018 with a loss of expertise and experience. Board member recruitment schedlued for early 2018.
	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 December including: Review of Committee Terms of Reference, Annual Reports of Committees, Review of Committee effectiveness, Annual Report and Accounts 2016-17, Annual Reports of the Internal and External Auditors. Emerging issues such as GDPR and arrangements in place for a shared service arrangement via UCSS.
	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. Response to Scottish Government publication 'A Cyber Resilience Strategy for Scotland - Public Sector Action Plan 2017-18'. Joint Audit Committee meeting discussed regional responses to Cyber-Security risks.