

Board Meeting

Date of Meeting	Monday 27 February 2017
Paper Title	Risk Register
Agenda Item	16
Paper Number	BM4-L
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** and **consider** the attached GCRB risk matrix, risk register and individual risk management action plans;
- **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; and
- **note** that as part of the GCRB Internal Audit plan for 2016-17, Henderson Loggie will assist the GCRB to develop and populate a new risk management model for GCRB.

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. Members should note that the attached version of the GCRB risk register has been updated in terms of commentaries within the Risk Management Action plans, but risk scores have not been altered.
- 3.3. At its meeting of October 31 2016, the GCRB Board agreed that the risk register be reviewed and a process for adding and consolidating risks to be drawn up for consideration at a future board meeting.
- 3.4. In response to this, as part of the finalised GCRB Internal Audit plan for 2016-17, over April to May Henderson Loggie will assist the GCRB to develop a risk management model, incorporating good practice and ensuring that robust internal control systems are in place to identify, assess, manage and report risks. Henderson Loggie's work will also consider how the GCRB systems interact with those of the assigned colleges.

- 3.5. Following this development work and Board approval, it is planned that Henderson Loggie will facilitate a Risk Management session in May/June to help GCRB to populate its new risk management model.

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	Likeli- hood	Impact	Net Risk Score	Risk tolerance	Risk Move- ment
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	2	2	4	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: 27 February, 2017

Date of next review: 22 March, 2017

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 progressed well since the changes enforced by the Post-16 Act.
- There are not a substantial number of vacancies on the four boards.
- However, there was a lack of applicants with suitable background in finance/estates and consideration is now being given to a specific recruitment exercise to address this.
- However, both Clyde College and GCRB have recently recruited qualified accountants.

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: 27 February, 2017

Date of next review: 22 March, 2017

Update

Treatment:

- 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.

Commentary (Update):

- SFC Funding announcement for 2017-18 includes uplifts to teaching grant (core and ESF), student support and capital.
- However, gap between actual funding and simplified funding method growing and now over £1 million.
- In addition, further resources will be required going forwards to fully meet commitments made as part of national bargaining.
- Commitment to review regional shared services options made within 2016/17 ROA.

Gross risk score:

(assuming no treatment):

Likelihood – 2

Impact – 3

Gross score - 6

Risk tolerance score: Financial - 3

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 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: 27 February, 2017

Date of next review: 22 March, 2017

Update

Treatment:

- 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.

Commentary (Update):

- SFC wrote to GCRB on 21 September 2016 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 by April 1, 2017.
- 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.

Gross risk score:

(assuming no treatment):

Likelihood – 2

Impact – 3

Gross score - 6

Risk tolerance score: Reputation /

Compliance - 1

Target risk score: 1

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

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: 27 February, 2017

Date of next review: 22 March, 2017

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):

- Monitoring data for 2016-17 suggests the region is on track to meet its key Regional Outcome Agreement targets and that this will be achieved within agreed budgets.
- Colleges, Education Scotland and GCRB are working to implement new national quality arrangements which include college level quality evaluative reviews and enhancement plans.
- Whilst indicative funding for 2017-18 suggests an increase in resource, further resources will be required going forwards to fully meet commitments made as part of national bargaining.
- 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: 27 February, 2017
	Date of next review: 22 March, 2017

Update	
<p>Treatment:</p> <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 	
<p>Commentary (Update):</p> <ul style="list-style-type: none"> The delivery of the 2016-17 and the development of the 2017-18 Regional Outcome Agreement has involved a range of regional stakeholders being consulted. Similarly, work to develop a regional strategic plan for college education is involving substantial stakeholder engagement. GCRB and assigned colleges participating fully in Glasgow City Council Commission on College and Lifelong Learning. 	
<p>Gross risk score: (assuming no treatment):</p> <p>Likelihood – 2 Impact – 2 Gross score - 4</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 – 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 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: 27 February, 2017

Date of next review: 22 March, 2017

Update

Treatment:

- 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).

Commentary (Update):

- Regular engagement by the Chair and Executive Director with senior officers in the assigned colleges in regards to the ROA and regional finance and funding.
- Cross GCRB/College working group established to support the development a regional strategy for college education.
- Commitment to develop a strategic memorandum to set out shared regional values and working protocols.
- Enhanced arrangements for board evaluation and member appraisal agreed by the GCRB Board are on track to be fully implemented by end March 2017.

Gross risk score:

(assuming no treatment):

Likelihood – 2

Impact – 3

Gross score - 6

Risk tolerance score: Reputation - 1

Target risk score: 1

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

Likelihood – 2

Impact – 3

Net score – 6

Current net Risk Score (after treatment):

Likelihood – 2

Impact – 3

Net score – 6

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: 27 February, 2017
	Date of next review: 22 March, 2017

Update	
<p>Treatment:</p> <ul style="list-style-type: none"> • Development of forum with staff trade unions. • 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. • Development of a communication approach with staff across the region. 	
<p>Commentary (Update):</p> <ul style="list-style-type: none"> • GCRB's development process for the 2017-18 Regional Outcome Agreement has included consultation meetings with representative from all college unions. • Work has not yet commenced on development of a communication approach with staff across the region. • Schedule for ROA planning and associated funding determination developed and shared with college senior managers. • Regular updated in GCRB progress towards fully-operational status provided to college managers. 	
<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: 27 February, 2017
	Date of next review: 22 March, 2017

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"> 2016/17 capital grant funding was initially reduced by 14.7% and money allocated to colleges on a formula based approach. £2, 182,345 of the additional capital funding provided to Glasgow on 30 September for the most pressing capital maintenance needs and a range of estate improvement projects are ongoing. Further work underway as part of activity to continue to develop regional funding approaches to more clearly identify regional estates development priorities and capital allocation methodology. 	
<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 – 2</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: 27 February, 2017
	Date of next review: 22 March, 2017

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 reduced by 1.5% over 2015/16 levels. However, additional funding was set aside by SFC for in-year allocation according to demand and Glasgow colleges have now received all funding requested. • Initial allocation for 2017-18 suggests an increase of 1.6% in the start of year regional allocation. 	
<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: 27 February, 2017
	Date of next review: 22 March, 2017

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. ROA and regional strategy development are providing 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. There was recent press reporting of issues related to GCRB work to put in place appropriate arrangements for fully-operational status. Regional communication strategy and cross-region approach to reputation management not yet developed. 	
<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: 27 February, 2017

Date of next review: 22 March, 2017

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. Range of key external stakeholders 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

