

Board Meeting

Date of Meeting	Monday 25 April 2016
Paper Title	Risk register
Agenda Item	9
Paper Number	BM6-G
Responsible Officer	Martin Fairbairn, Interim Chief Officer
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 suggest additions and amendments to the current risk register, specifically:

- Have all the key risks to effective operation of GCRB and delivery of the Regional Outcome Agreement been identified?
- Which of the individual risk assessments do Board members think are in most need of revision?
- What are the most significant improvements Board members would suggest in relation to the individual risk 'treatments'?

3. Background

- 3.1. At its October 2015 meeting, the Board approved GCRB's risk management policy and guidance, as recommended by the Audit Committee.
- 3.2. At its meeting on 25 January 2016 the Board made the following points when reviewing the previous version of the risk register:
- Impact of pay negotiation developments;
 - enhanced communication with staff across the region in relation to reputation management;
 - availability of board members in relation to governance risks;
 - opportunities arising from further work on collaboration; and
 - a more pro-active approach to seeking increased funding.

3.3. All of these points have been reflected in the current version of the risk register, although development of a communication approach with staff across the region has not yet commenced.

4. Risk Register

4.1. The full risk register comprises:

- A 'Risk Matrix', which plots identified risks visually (Annex A).
- The 'Risk Register', which summarises all the identified risks (Annex B).
- The individual risk 'management action plans', which provide the detailed assessment of each risk (Annex C).

4.2. Compared to the previous version of the risk register (and taking into account the discussion at the previous Board meeting):

- the net risk score for five risks has reduced (0001 – recruitment of new board members; 0004 – consensus across the region on key issues; 0005 – performance; 0006 – college governance and management; and 0011 – student support funds);
- there have been no increases to net risk scores.

4.3. The most significant movement is the reduction in the student support funds net risk score from 9 to 2. This is because a combination of Glasgow securing additional resources from SFC and revised projections means that the student support budgets are now in balance. Further, since most of these revisions will roll forward to 2016-17, it is hoped that there will not be serious issues with next year's student support budgets.

4.4. The highest risks now are therefore those with a net score of 6:

- 0008: 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.
- 0009: If staff across the region lack confidence in regional co-ordination of key change activities, collaboration will be ineffective.
- 0012: If GCRB is unable to improve its reputation, its ability to make a positive difference on the student experience in Glasgow might be constrained

4.5. Work is 'in hand' on the treatments for all three, and it is therefore hoped there will be improvement by the time of the next version of the risk register.

4.6. Three risks now have a sufficiently low level such that they can be removed from the risk register: 0001 – recruitment of new board members; 0004 – consensus across the region on key issues; and 0005 – performance.

5. Legal Implications

- 5.1.** 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.

6. Financial Implications

- 6.1.** Relevant financial risks are referred to in the risk register.

7. Regional Outcome Agreement Implications

- 7.1.** 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.

Strategic Risk Assessment Matrix: 25 April 2016

(Shows net risk scores, i.e. after 'treatment')

	Low Impact 1	Medium Impact 2	High Impact 3
Low Likelihood 1	0001 Recruitment of new board members 0004 Consensus across region on key issues 0006 College governance and management 1	0005 Performance 0007 Stakeholder relations 0010 New estates developments 0011 Student support funds 2	0003 Fully operational fundable body status 3
Medium Likelihood 2	2	0002 SG and SFC financial decisions 4	0008 Quality of GCRB governance 0009 Staff confidence in key change activities 0012 Overall reputation 6
High Likelihood 3	3	6	9

Risk Register: 25 April 2016

RISK DETAIL										CURRENT EVALUATION OF RISK (after treatment)				AIM and PROGRESS	
Outcome	Risk Description	Tolerance types	Risk ID	Level	Risk Owner	Likelihood	Impact	Net Risk Score	Risk tolerance	Target Risk Score	Risk Movement				
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	1	Chair	1	1	1	1	1	-3				
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	1	ICO	2	2	4	3	3	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	1	ICO	1	3	3	1	1	0				
All	If there is a lack of consensus between GCRB and the assigned college boards on a shared strategy for the Glasgow region, GCRB's ability to make a positive impact on learning opportunities for students will be reduced	Reputation, financial	0004	1	ICO	1	1	1	1	1	-1				
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	0005	1	ICO	1	2	2	4	3	-1				
All	If the quality of governors or senior personnel at one of the assigned colleges falls below the required level, the strategic and operational effectiveness of the college will be reduced.	Reputation, Compliance	0006	1	ICO	1	1	1	1	1	-2				
All	If key stakeholders lose confidence in GCRB, leverage of current and future partnership resources for delivery of the ROA will be impaired.	Reputation	0007	1	ICO	1	2	2	1	1	0				

RISK DETAIL										CURRENT EVALUATION OF RISK (after treatment)					AIM and PROGRESS	
Outcome	Risk Description	Tolerance types	Risk ID	Level	Risk Owner	Likelihood	Impact	Net Risk Score	Risk tolerance	Target Risk Score	Risk Movement					
AI	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	Reputation	0008	1	Chair	2	3	6	1	1	0					
AI	If staff across the region lack confidence in regional co-ordination of key change activities, collaboration will be ineffective.	People and culture	0009	1	ICO	2	3	6	2	2	0					
AI	If there is a material shortfall in the quality of facilities, student success will be reduced	Major change activities	0010	1	ICO	1	2	2	2	2	0					
AI	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	0011	1	ICO	1	2	2	1	1	-7					
AI	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	0012	1	ICO	2	3	6	1	1	0					
								0			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, 0006, 0007, 0008, 0012

Owned by: Chair

Date of this review: 25 April 2016

Date of next review: 29 August 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. Consequently, it is proposed that this risk can now be removed from the risk register.
- However, there was a lack of applicants with suitable financial background and consideration is now being given to a specific exercise later this year. Also, Glasgow Clyde College is still two below the maximum number of members, although further interviews are being held at the beginning of May.

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 – 2
Impact – 2
Net score – 4

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: 0005, 0008, 0010, 0011
Owned by: Interim Chief Officer	Date of this review: 25 April 2016
	Date of next review: 29 August 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 2015-16 ROA which may be at risk due to financial constraints • Preparation of 2016-17 ROA integrated with financial planning • Exploration of opportunities for cross-region approaches to attracting new funding sources 	
<p>Commentary (Update):</p> <ul style="list-style-type: none"> • Preparation of the 2016-17 Regional Outcome Agreement is on track • However, the announcement by SFC of funding has been delayed • Discussions are starting between GCRB and the colleges about opportunities for cross-region approaches to attracting new funding sources • Regular meetings have been held with the Scottish Funding Council at which detailed information has been provided in relation to Glasgow's funding expectations. Both the Chair and Interim Chief Officer have underlined the criticality of securing sufficient resources to implement the agreed strategies. 	
<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, 0004, 0008

Owned by: Interim Chief Officer

Date of this review: 25 April 2016

Date of next review: 29 August 2016

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

Commentary (Update):

- The Scottish Government has appointed GCRB's permanent Chair
- A recruitment process for GCRB's Executive Director has been undertaken
- The SFC has stated that it expects GCRB to achieve fully-operational fundable body status by 1 August 2016
- 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 a lack of consensus between GCRB and the assigned college boards on a shared strategy for the Glasgow region, GCRB's ability to make a positive impact on learning opportunities for students will be reduced

Risk ID: 0004

Cross references to related risks: 0003, 0008, 0009

Owned by: Interim Chief Officer

Date of this review: 25 April 2016

Date of next review: 29 August 2016

Update

Treatment:

- Regular engagement by the Interim Chair and Interim Chief Officer with senior officers in the assigned colleges
- Plan for development of ROA maximises involvement of assigned colleges
- Plan for development of ROA ensures integration with financial planning
- Ongoing work to strengthen collaborative structures

Commentary (Update):

- Preparation of the 2016-17 Regional Outcome Agreement is on track
- The cross-college structures at management level are operating well and are providing the necessary support for development of the 2016-17 ROA
- The induction of new board members across the region provides an opportunity to develop relationships at board level
- It is planned to run a Glasgow-wide strategy conference in the autumn
- It is suggested that as a result of these actions the net risk score had reduced and that the risk can be removed from the risk register

Gross risk score:

(assuming no treatment):

Likelihood – 1

Impact – 3

Gross score - 3

Risk tolerance score: Reputation / Financial
- 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 – 1

Net score - 1

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: 0005

Cross references to related risks: 0002, 0006, 0010, 0011

Owned by: Interim Chief Officer

Date of this review: 25 April 2016

Date of next review: 29 August 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):

- The reports to date indicate good progress with implementation of the 2015-16 Regional Outcome Agreement
- The financial sustainability report for the next meeting of the Performance & Resources Committee will include a briefing on future developments in relation to employment costs
- Both the previous assessment and the current assessment score this risk at or below the target risk score. It is therefore proposed to remove this risk from the risk register.

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 – 1

Impact – 3

Net score – 3

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 quality/availability of governors or senior personnel at one of the assigned colleges falls below the required level, the strategic and operational effectiveness of the college will be impaired.

Risk ID: 0006

Cross references to related risks: 0001, 0005, 0007, 0009, 0012

Owned by: Interim Chief Officer

Date of this review: 25 April 2016

Date of next review: 29 August 2016

Update

Treatment:

- Working with the assigned colleges to enhance board member recruitment arrangements
- Oversight by the Nominations & Remuneration Committee of board member recruitment
- Institution of arrangements with SFC to share monitoring information
- Regular engagement by the Interim Chair and Interim Chief Officer with senior officers in the assigned colleges
- Use opportunity of induction arrangements for new members across the whole region to share learning from recent experience

Commentary (Update):

- The recent cross-region recruitment exercise has been more successful than expected.
- Planning has commenced for induction of the new members, with a shared cross-region element.
- If the induction process is successful, it may be possible to remove this risk from the risk register.

Gross risk score:
(assuming no treatment):

Likelihood – 1
Impact – 2
Gross score - 2

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 – 1
Net score - 1

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: 0007

Cross references to related risks: 0001, 0006, 0008, 0012

Owned by: Interim Chief Officer

Date of this review: 25 April 2016

Date of next review: 29 August 2016

Update

Treatment:

- Regular engagement with key stakeholder organisations on a cross-region basis
- Regular engagement by the Interim Chair and Interim Chief Officer with senior officers in the assigned colleges

Commentary (Update):

- The new Chair has undertaken a programme introductory meetings with key stakeholders
- 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
- It is planned to run a Glasgow-wide strategy conference in the autumn

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: 0008

Cross references to related risks: 0001, 0002, 0003, 0004, 0007, 0009, 0012

Owned by: Chair

Date of this review: 25 April 2016

Date of next review: 29 August 2016

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 Interim Chair and Interim Chief Officer
- Regular engagement by the Interim Chair and Interim Chief Officer 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):

- The new Chair has attended board meetings of the assigned colleges
- 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
- The fieldwork for two internal audit assignments has taken place
- The first board effectiveness review is being considered at the 25/4/2016 Board meeting
- The external audit report on GCRB's first set of accounts noted that the issues identified in relation to 2014-15 were being addressed
- A recruitment process for GCRB's Executive Director has been undertaken
- Progress is being made with specific collaborative developments, include the curriculum hubs and the common application system

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: 0009	Cross references to related risks: 0004, 0006, 0008
Owned by: Interim Chief Officer	Date of this review: 25 April 2016
	Date of next review: 29 August 2016

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 Interim Chair and Interim Chief Officer • Regular engagement by the Interim Chair and Interim Chief Officer 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 preparation of the 2016-17 Regional Outcome Agreement is on track (although the overall timetable is delayed because the funding announcement is overdue) • 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. • Work has not yet commenced on development of 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: 0010

Cross references to related risks: 0002, 0005

Owned by: Interim Chief Officer

Date of this review: 25 April 2016

Date of next review: 29 August 2016

Update

Treatment:

- Regular liaison with senior college staff on estates issues
- Regular liaison with senior staff City of Glasgow College officers to receive updates on progress and contingency planning

Commentary (Update):

- Progress with City of Glasgow College's new City Campus building is on track
- Glasgow Kelvin College has identified specific issues with its Springburn campus, and is seeking to manage these
- The Cardonald campus of Glasgow Clyde College needs development

Gross risk score:

(assuming no treatment):

Likelihood – 2

Impact – 3

Gross score - 6

Risk tolerance score: Major change activities - 2

Target risk score: 2

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 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: 0011

Cross references to related risks: 0002, 0005

Owned by: Interim Chief Officer

Date of this review: 25 April 2016

Date of next review: 29 August 2016

Update

Treatment:

- 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

Commentary (Update):

- A combination of Glasgow securing additional resources from SFC and revised projections means that the student support budgets are now in balance
- Since most of these revisions will roll forward to 2016-17, it is hoped that there will not be serious issues with next year's student support budgets

Gross risk score:
(assuming no treatment):

Likelihood – 1
Impact – 2
Gross score - 2

Risk tolerance score: Reputation /
Education & student experience - 1

Target risk score: 1

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

Likelihood – 3
Impact – 3
Net score - 9

Current net Risk Score (after treatment):

Likelihood – 1
Impact – 2
Net score - 2

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: 0012

Cross references to related risks: 0001, 0006, 0007, 0008

Owned by: Interim Chief Officer

Date of this review: 25 April 2016

Date of next review: 29 August 2016

Update

Treatment:

- Regular engagement with key stakeholder organisations on a cross-region basis
- Exploration of a collaborative approach to region-wide reputation management

Commentary (Update):

- A programme of co-ordinated engagement with key stakeholders is continuing
- Initial consideration of a cross-region approach to reputation management has been undertaken

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