City of Glasgow College

Board of Management

Date of Meeting	**Wednesday 3 June 2020**
Paper No.	**BoM6-C**
Agenda Item	**3.3**
Subject of Paper	**Strategic Risk Review**
FOISA Status	**Disclosable**
Primary Contact	**Paul Clark, College Secretary/Planning**
Date of production	**27 May 2020**
Action	**For Approval**

1. Recommendations

1. To review and approve the College Risk Register, and Risk MAPs for high scoring risks.
2. To note the ongoing review of strategic risks and the increase in risk scores reflecting the current COVID-19 crisis and associated impacts upon the College operations.

2. Purpose of report

2.1 The purpose of this report is to enable a review of the College Risk Register, and provide the Board with an update on significant changes, and an opportunity to discuss and evaluate present risks.

3. Context

3.1 Risk Management is a key component of the College's internal control and governance arrangements, and as such is an important responsibility of the Senior Management Team, Board Committees, and the Board of Management. The risks listed on the Risk Register have been identified by SMT and Board Committees, as the current strategic risks faced by the College. The risks are aligned within the same framework of four strategic themes as the College Strategic Plan, and those included in the Risk Register and Matrix have potential impacts on one or more of the College's strategic priorities.

3.2 A full review of strategic risks is ongoing, involving senior Risk "owners", senior managers as appropriate, and Board Committees. All Risk MAPs are being updated accordingly and reported to the respective Board Committees.

3.4 The Risk Register is attached, together with the Risk MAPs for the highest scoring risks, RAG-rated RED. SMT/ELT is continuing to analyse the known and potential impacts of coronavirus Covid-19. There is significant potential risk to business continuity, and the Board is invited to consider this risk in that context. There is one new Risk relating to the acute and immediate threats from the current crisis.

- Risk 6 - ■ Negative impact upon College reputation.
- Risk 7 - ■ Failure to achieve improved business development performance with stakeholders
- Risk 12 - ■ Failure of Business Continuity.
- Risk 15 - ■ Failure to achieve operating surplus via control of costs and achievement of income targets.
- Risk 16 - ■ Failure to achieve operating surplus via control of costs and achievement of income targets.
- Risk 27 - ■ Failure to manage acute threats relating to coronavirus outbreak

4. Impact and implications

4.1 The effective management and control of risks is essential to the on-going stability and future growth of the College, with clear implications in terms of potential impact upon College students and staff, as well as the College's wider reputation. All

strategic risks have potential strategic impact upon the College. The College Risk Register includes matters relating to legal compliance.

4.2 Several strategic risks are financial in nature, and potentially constitute a threat to the College's stated strategic priority to "Maintain our long-term financial stability".

4.3 Performance management and improving performance are identified as areas of strategic risk, due to the potential impact on reputation, the student experience, and funding.

4.4 Regional and sectoral considerations are included in the process of risk management, and are reflected in the risk documentation.

Appendices:

Appendix 1: Risk Register and selected Risk Management Action Plans

City of Glasgow College

Risk Register: 27 May 2020

Strategic Theme	Risk Name	Risk ID	Level	Risk Owner	Likelihood	Impact	Net Risk Score	Gross Risk Score	Target Risk Score	Risk Movement/ Comments	Link to Risk Mgt Action Plan (MAP)	Date of last review
Students	Failure to support successful student outcomes	1	1	VPSE	2	5	10	25	5		Risk 1 MAP.docx	Apr'20
Students	Failure to establish optimal pedagogical model	2	1	VPSE	1	5	5	20	5		Risk 2 MAP.docx	Apr'20
Students	Failure to achieve good student outcome/progression levels	3	1	VPSE	2	5	10	15	5		Risk 3 MAP.docx	Apr'20
Students	Failure of the College's Duty of Care to Students	21	1	VPSE	1	5	5	20	4		Risk 21 MAP.docx	Apr '20
Growth and Development	Failure to realise planned benefits of Regionalisation	4	1	Pr/DPr	3	3	9	20	3		Risk 4 MAP.docx	Apr '20
Growth and Development	Negative impact upon College reputation	6	1	VPCDI	3	5	15	25	5	Amber to RED AC 05/19	Risk 6 MAP.docx	Apr '20
Growth and Development	Failure to achieve improved business development performance with stakeholders	7	1	VPCDI	5	5	25	25	5	Amber to RED DC 4/20	Risk 7 MAP.docx	Apr '20
Growth and Development	Failure to achieve improved performance	8	1	VPSE/ DirP	2	5	10	20	5		Risk 8 MAP.docx	Mar'20
Growth and Development	Failure to attract, engage, and retain suitable staff	9	1	VPCS	2	2	4	20	3		Risk 9 MAP.docx	May'20
Growth and Development	Failure to achieve taught degree awarding powers	26	1	VPCS	3	4	12	20	3	New Risk (AC 02/20) score tbc	Risk 9 MAP.docx	Apr'20
Processes and Performance	Negative impact of statutory compliance failure	10	1	CSP	2	5	10	20	5	Monitor IA actions AC 5/19	Risk 10 MAP.docx	May'20
Processes and Performance	Failure of Compliance with the General Data Protection Regulations (GDPR)	24	1	DPr	3	4	12	25	5		Risk 24 MAP.docx	Apr'20
Processes and Performance	Failure of Corporate Governance	11	1	Pr/CSP	1	5	5	20	5	Monitor IA actions AC 11/19	Risk 11 MAP.docx	May'20
Processes and Performance	Failure of Business Continuity	12	1	VPCS/ CSP	3	4	12	25	4	Score decr. 20 to 12: AAC 05/20	Risk 12 MAP.docx	May'20
Processes and Performance	Failure to manage performance	13	1	VPSE/ DirP	1	4	4	20	4		Risk 13 MAP.docx	Mar'20
Processes and Performance	Negative impact of Industrial Action	14	1	VPCS	3	4	12	25	4		Risk 14 MAP.docx	May '20
Processes and Performance	Failure of IT system security	25	1	VPCS	2	5	10	25	5	Score decr.. 15 to 10: FPRC 10/19	Risk 25 MAP.docx	May'20
Finance	Failure to achieve operating surplus via control of costs and achievement of income targets.	15	1	VPCS	5	5	25	25	4	Score incr. 9 to 25 AC 05/20	Risk 15 MAP.docx	May'20
Finance	Failure to maximise income via diversification	16	1	VPCS/ VPCDI	5	5	25	25	5	Amber to RED DC 4/20	Risk 16 MAP.docx	May''20
Finance	Failure to obtain funds from College Foundation	20	1	VPCS	1	4	4	20	4		Risk 20 MAP.docx	May'20
Finance	Negative impact of Brexit	22	1	VPCS/ DCS	5	2	10	tbc	5		Risk 22 MAP.docx	May'20
Finance	Failure to agree a sustainable model and level of grant funding within Glasgow Region	23	1	VPCS	3	4	12	25	5		Risk 23 MAP.docx	Feb'20
ALL	Failure to manage acute threats relating to coronavirus outbreak	27	1	Pr/DPr	3	4	12	25	4	New Risk		May '20

Note comment

Key:
- Pr - Principal
- DPr - Depute Principal
- VPSE - Vice Principal Student Experience
- VPCS - Vice Principal Corporate Services
- VPCDI -Vice Principal Corporate Development/Innovation
- CSP - College Secretary/Planning
- DHR - Director of Human Resources
- DirP- Director of Performance
- DCS - Director of Corporate Support
- AAC - Audit& Assurance Committee

Risk Score Matrix

x	Likelihood				
Impact	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	1	2	3	4	5

Trend

Date	Jun-17	Dec-17	Jun-18	Dec-18	Jun-19	Dec-19	Jun-20	Dec-20
Average Risk Score	10	9.56	9	9	9.43	8.95		

N.B. Closure of low-scoring risks will upwardly impact upon average risk score.

Tolerance vs Risk Score	Acceptable Risk Score		Acceptable Risk Score		Acceptable Risk Score	
	1-3	4-5	6-9	10-12	15-16	20-25
Risk Management Level of Tolerance (Able to Accept)	1	2	3	4	5	6
	Low		Medium		High	

1

Risk Management Action Plan

Risk Description: **Negative impact upon College reputation**

Risk ID: 6

Owned by: **VPCDI**   **Review Date: April 2020**

Update

Full Description:

1. Failure to protect and maintain the brand.
2. Complaint to Scottish Public Services Ombudsman upheld
3. Significant breach of College policies & procedures.
4. Gross misconduct of a member / members of staff.

Treatment: (new text in red)
1. The Associate Director for Brand & Communications is continually reviewing the operational elements and structure and roles of the team to ensure that there is a maintained and relevant voice and promotion across our social media platforms.
2. A new Public Affairs company (Dram Communications) has been procured and have recently been assisting the team with public affairs communications that the college requires at this time.
3. College Complaints Procedure to be available and communicated to all employees; train staff, including managers in operation of college policies & procedures, including legal requirements.
4. Management monitoring and control supported by the work of the College internal and external auditors.
5. Embedding College values and behaviours supported by robust College policies & procedures.

Commentary (Update):
The College currently enjoys an excellent external reputation based on performance, facilities and the work of the Corporate Development and extended college staff.
1. New Complaints procedure agreed and implemented in line with developments in SPSO framework for FE.
2. The College Complaints Report is now published via the College Website, in line with SPSO requirements.
3. Further staff training now in place to support implementation of SPSO model complaints handling procedure.
4. Through various media monitoring platforms the College continues to monitor its coverage, reputation and positioning within the marketplace on a daily basis using Vuelio, who were awarded the contract in 2019.
5. Ongoing press/media activity relating to the College's response to Covid-19 is taking priority at this time.

6. Positive press coverage relating to a range of staff and student led activity is continuing each week.
7. The latest College Annual Report 2017-18, highlighting various College, student, and staff successes, published in February 2019.

At 8 May 2019:
An internal review has revealed some suspected fraudulent activity, reported to the Audit Committee (29/4/19), which is the subject of ongoing further detailed investigation and audit. All relevant parties have been informed, including the Police who are now treating this as a suspected criminal act. It is envisaged that there may be negative reputational impact near the completion of this investigation. The College is working on a PR/Crisis plan to mitigate reputational risk which will include working with the media to ensure that the key facts of this case are presented at the correct time.

At 15 May 2019
The Audit Committee received the Principal's report on the above matter, and agreed the recommendation to increase the risk score to 3x5= RED.

At Sept 2019
The Principal continues to keep the Committee and Board of Management up to date with ongoing investigations, and report due dates, as far as is known and appropriate for dissemination.

January 2020
Risk Treatment (1-2) and Commentary (3-6) updated above.

March 2020: College campuses closed.
Further commentary to follow.

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 3/5	Likelihood 5/5
Impact 5/5	Impact 5/5
Risk Score 15/25	Risk Score 25/25
RAG Rating: RED	
Target Score: 5	
Risk Appetite (Willing to accept):	**Risk Tolerance (Able to accept):**
Low Medium High	Category: Reputation **Low** Medium High **1** 2 3 4 5 6

Impact					
5	10	15	20	25
4	8	12	16	20
3	6	9	12	15
2	4	6	8	10
1	2	3	4	5
x	Likelihood				

Risk Management Action Plan

Risk Description:
Failure to achieve improved business development performance with stakeholders

Risk ID: 7

Owned by: VPCDI   **Review Date: April 2020**

Update

Full Description:

Loss of/Failure to build effective partnerships/Reputational Risks/Staff Health and Well Being (see Level 2 Risks below).

Treatment:

Employer relationships and Business engagement are managed as detailed in the Corporate Development Plan and in line with the agreed Business Development Process Map to ensure relevant and timely communications. The Plan has been reviewed with reference to the College Strategic Plan 2017-25 and the 8 strategic priorities. In line with Strategic Priority 8 the additional strategic planning documents are now required for:

- International/Global reach
- Commercial & Business Development
- Sponsorship and Influence
- Corporate Communications

N.B. Associated Level 1 Risks:

- Growth and Development/College Reputation (Risk 6)
- Statutory Compliance Failure (Risk 10)
- Finance/Income Targets (Risk 15)
- Income diversification (Risk 16)

Commentary (Update):

The documents indicated above will come to the Board as part of the refreshed Corporate Development Strategy, relating to delivery of the new College Strategic Plan 2020-2030. This strategy is being continually developed to feature the additional and associated initiatives as well as the new challenges the college faces within the current economic climate.

The Corporate Development team continue to work with the Faculties in procuring new business as well as sourcing sustainable and reputable opportunities for additional non-government income.

March 2020: College campuses closed.

Business Development forecasts for 2019-20 are now unable to achieve target. The Development Committee now receives a fuller context for commercial and international development initiatives as (noted at April 2019) and are detailed in each of the associated papers.

At April 28 2020, a review of the death rates in countries with which the College has development partnerships and interests indicate that the outbreak has had a significantly lesser impact in terms of recorded deaths i.e.:

Indonesia 765
Vietnam 0
Sri Lanka 7
Malaysia 99
Bangladesh 152
Pakistan 292
Philippines 511
UAE 76
Singapore 12
India 886

(Ref. Johns Hopkins Univ. Coronavirus Resource Centre).

The implications are that partners in these countries may be looking to progress partnership activity sooner than is currently anticipated.

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 5/5 Impact 5/5 Risk Score 25/25 RAG Rating: Increased to 25 RED score (Devt Committee April 2020) **Target Score: 5**	Likelihood 5/5 Impact 5/5 Risk Score 25/25
Risk Appetite (Willing to accept):	**Risk Tolerance (Able to accept):**
Low Medium High	Category: Change and Development Activities Low **Medium** High 1 2 3 **4** 5 6

Impact	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	1	2	3	4	5
x	Likelihood				

Risk Management Action Plan

Risk Description: Failure of Business Continuity

Risk ID: 12

Owned by: VPCS/CSP   **Review Date: 17 May 2020**

Update

Full Description:

1. Severe Fire/Flood
2. Terrorist attack
3. IT Systems Failure (incl Cybercrime) - See Risk MAP 25.
4. Other emergency circumstances resulting in main service failure, and threatening the operation of the College as described in Incident Management Plan (Business Continuity) v4.3.
5. Impact of Coronavirus Covid-19 outbreak (2020)

Treatment:
1. Maintain current operational controls.
2. Create and regularly review Incident Management Plan (Business Continuity).
3. Communicate plan to all senior staff.
4. Ensure that local Business Recovery Plans are developed and reviewed.
5. Test and Review at local and College level.

Commentary (Updates):

1. Current operational controls are in place with responsibility transferred to GLQ via the NPD contract. Responsibility for communication remains with the College.

2. The Business Continuity Plan (BCP) emergency incident procedure is currently under review to include recent government guidelines outlined by the CONTEST statutory duty. The BCP has been reviewed with a revised disaster recovery plan for all technology systems, and the College has also revised all fire evacuation procedures and identification of incident control rooms at City and Riverside (hard copy BCP located at these locations and at Reception Desks). The BCP has been revised (as at January 2018) in consultation with VP Infrastructure and Head of Facilities Management, with updated contact details of contractors, senior staff etc. and located on Connected (BCP v3.9). The BCP has recently been successfully invoked (7[th and] 21st November 2017) and found to be effective (see incident report below). SMT has subsequently reviewed and approved the latest version (v3.9) of the BCP.

3. GLQ has an extensive business continuity plan to which the College BCP refers, given that the knowledge of all business critical systems lies with GLQ. These systems are subject to a 25 year maintenance agreement/project agreement. As our operational relationship with the onside contractors continues to develop, we will further refine our BC planning to reflect detailed responsibilities. All heating, cooling, power, air conditioning etc is part of the NPD contract with all risk transferred to GLQ, with commensurate business continuity responsibility. GLQ would therefore be

responsible for repurposing space disrupted by systems failure. The College remains responsible for re scheduling of activity affected by disruption.

4. IT Disaster Recovery Plan (See Risk MAP 25 for updates from October 2017).

Cybercrime: The network infrastructure designed as part of the new build meets the latest filtering and access control technical requirements. In order to test the College's infrastructure, this will be included in the Internal Audit of infrastructure (brought forward to 2016-17 in the light of this priority) This included IT security and was completed as "Satisfactory". It should be noted that this threat is largely related to business disruption, as the college business can be maintained in alternative modes.

In May 2017, following the cyber attacks affecting the Scottish NHS, the Infrastructure section was involved in an IT Network Arrangements/Security audit, and timeous on-going work on our Business Continuity strategy and Disaster Recovery Plans. This was presented to the full Board in June 2017, and included the following detail of the mitigations taken:

- Patching around 9% of our end-user devices which were considered potentially vulnerable. Consideration that a percentage of these are in Staff and Students own hands and not physically present in College.
- Patching many of our critical servers whilst still providing continuous service.
- Proactive monitoring of network services and network traffic.

The general malware attack knows as WCry/WarCry, is not the only malware/security threat that the College is attending to at this time. Furthermore, Industry researchers are anticipating the techniques discovered and hoarded by the NSA, of which Wcry was one, will be used with malicious intent in the near future. The College remains diligent to potential threats.

Incident Reports
1. On November 7th 2017 incident - loss of water supply at City Campus - involving the invocation of the Business Continuity Plan by VP Infrastructure in agreement with VP Student Experience. The incident was due to a failure of a water valve restricting water supply. The Emergency Response Team met immediately upon the incident being reported, and followed the appropriate BCP checklists and processes including Team Leader Emergency Response and Loss of Water checklists. The Emergency Response Team undertook an assessment of the incident level (Level 2, BCP P16), and management of the incident. The incident was assessed as critical to ongoing business at City Campus, and the Emergency Response Team decided to curtail the majority of College activity for the day, while maintaining a reduced staff complement.

2. On Tuesday 21 November 2017, a suspicious unattended package was identified on College premises at City Campus at 19.45hrs. The Duty Manager called the emergency services, and a special disposal unit was consequently in attendance to control the incident.   Some evening classes were in progress at that time, and staff and students were safely evacuated from the building. The item was found to be harmless, and was identified as a custom-built device left by an employee of FES during a routine window battery installation.

The incident was followed up with FES by the VP Infrastructure and the Principal to ensure that no similar incidents happen in future.

3. On Wednesday 22 November 2017, there was a temporary loss of electrical supply

at Riverside Campus, due to an external power outage. There were no injuries, and no requirement for the emergency services. As a consequence, the operation of lifts management was reviewed, and FES staff training for release of lifts was implemented.

These incidents were reviewed and recorded on the appropriate BCP Incident Report form, including lessons learned and improvement actions implemented.

Strategic Review of Business Continuity Management: 2018 Report

This review was undertaken by Ashton Resilience in March 2018, for the College insurers UMAL, by arrangement with the Infrastructure team. The review looked at the activities and operations of the College, its current recovery capability and the degree to which BCM has been implemented. A draft report was forwarded to the College on 16 April 2018, with detailed findings and recommendations.

In summary the report found that the College had a "well-developed operational response to incidents, however there was a need for all departments "to develop, implement and maintain a functional recovery process". This will involve firstly conducting a business impact analysis then documentation of business recovery plans for each area, based upon coherent recovery strategies.

The report stated that:

" The high priority recommendations in this report are that the City of Glasgow College should:
- Conduct a business impact analysis and service impact analysis for key processes right across the College.
- Identify recovery time objectives for critical business activities and IT services.
- Identify recovery resources, dependencies and strategies for operational recovery.
- Complete the creation of new departmental business continuity / recovery plans to cover all critical areas of the College, using the business impact analysis data as the base."

An implementation plan to address the report recommendations is under development for approval by ELT/SMT (August 2018);

It is proposed that this risk score remains RED until the key recommendations are enacted. (August 2018).

November 2018
The responsibility for infrastructure (and associated impact analyses/recovery resource assessment) has now passed to the VP Corporate Services.

Head of Facilities Management has undertaken sample business recovery plan, including data sheets, floorplans, and timetables for RoomC.10.005 to inform roll out across all campus locations.

The Audit Committee of November 2018 noted that ELT had agreed to provide additional resource to progress a College-wide business impact analysis to enable business recovery planning. This initiative was supported by the Committee.

January 2019
Business Continuity specialist Ashton Resilience has been engaged to conduct a full cross-college Business Impact Analysis, to inform the development of detailed Business Recovery Planning across all college teaching and support functions. Initial meeting scheduled for 7th February 2019.

February 2019
Ashton Resilience to undertake Business Impact Analyses for each faculty and service area, followed by development of Business Recovery Plans (BRPs) for each. Once BRPs are in place, a scenario-based exercise will be conducted, to include medium and long-term planning and recovery. To be completed by end June 2019.

April 2019
Business Impact Analysis meetings currently underway throughout the College, between managers from all faculties and service areas with Ashton Resilience.

September/October 2019
This risk has been scored RED due to lack of Business Recovery Plans across the College. Ashton Resilience has been engaged to undertake Business Impact Analyses for each faculty and service area, followed by development of Business Recovery Plans (BRPs) for each. This work is now complete, and has been the subject of an Internal Audit of Business Continuity (report due to Committee in November 2019). A new BCP Policy has been drafted, and endorsed by SMT for approval by the Finance and PR Committee. Update: BCP Policy approved by FPRC 2 October 2019.

November 2019
The Internal Audit Report of Nov 2019, indicates a level of assurance of Good, with one level 3 recommendation. In the context of this report, the Audit Committee re-assessed the score for this risk as 2x5 = 10 AMBER.

February 2020
The above internal Audit identified one Low Level Priority 3 recommendation to ensure that a planned scenario testing exercise is undertaken to compare all BRPs. This will further ensure that each individual plan is achievable based on documented interdependencies. This action to be completed by April 2020. A proposal to undertake this exercise with an external specialist consultant will be considered by the Finance and Physical Resources Committee (February 2020).

February/March 2020
SMT is monitoring closely government and NHS advice with regard to the Coronavirus Covit-19 outbreak, including a stop to international travel and only essential travel to other UK locations. An all staff email has been circulated (26 Feb.) including guidance on infection prevention and control, and key infection prevention and control messages. Specifically staff have been advised of the symptoms of Covid-19, and reminded of the NHS advice to self-isolate and contact NHS24 for medical advice where such symptoms are shown.

Wed. 11 March 2020
The Covid-19 Advisory Group is currently meeting daily, chaired by the Depute Principal, and has so far considered a wide range of precautionary and business continuity issues. Plans are being made for a reasonable worst-case scenario. BRP owners have been asked to review their plans with reference to the possibility of closure of College buildings, and the continuance of key functions, including student support and delivery of L&T utilising alternative methods and technology. Various scenarios are

being considered, including, for example, the "lockdown" of student residences with several hundred students required to stay in the Halls for a number of weeks. Actions to manage such scenarios have been agreed.

Advisory notes are sent out to all staff. A FAQ page is being prepared (separately for staff and students) to include guidance on self-isolation etc. Guides for the use of online learning tools and facilities are being tested by the Depute Principal, with VPSE/Deans/J Wilson (Head of Digital Skills).

Consideration is being given to the College's responsibility to the greater community, to ensure that decisions are made to help contain and delay the extent/peak of the outbreak. The Principal has emphasised the duty of care of the senior team for the College community, and the need to provide practical and supportive leadership to sustain confidence and morale.

The full Board discussed this Risk MAP on 11/3/20, and assessed both likelihood and impact scores. The Board took account of the status of the outbreak via latest reports and guidance, and the steps taken by SMT/Covid-19 Advisory Group in terms of scenario planning and actions. As a result, the Board agreed a revised Risk Score of 5 (likelihood) and 4 (Impact) = 20 (RED)

May 2020
The Board and SMT have overseen a migration to remote working, learning and teaching, and all College operations, following closure of the College buildings on 17th March. Recently reviewed business recovery planning, in place at the time of building closure, was beneficial in this migration process. Continued business continuity issues relate to the sector-wide (and global) financial impact of the crisis.

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 3/5 (change from 5, as below) Impact 4/5 (change from 5, as below) Risk Score 12/25 RAG Rating: AMBER Decreased from 20 (RED) to 12 (AMBER) via likelihood down from 5 to 3 following consideration of preparations undertaken to review and renew Business Continuity and Recovery Planning in 2019/20. Impact score previously reduced from 5 to 4 BoM (11/3/20) Target Score: 5	Likelihood 5/5 Impact 5/5 Risk Score 25/25
Risk Appetite (Willing to accept):	Risk Tolerance (Able to accept):
Low Medium High	Category: Business Continuity **Low** Medium High **1** 2 3 4 5 6

Impact	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	1	2	3	4	5
x	Likelihood				

Risk Management Action Plan

Risk Description: Failure to achieve operating surplus via control of costs and achievement of income targets

Risk ID: 15

Owned by: VPCS   **Review Date: 27 May 2020**

Update

Full Description:

Failure of the College's Strategic Priority 7, and associated Strategic Aims: To maintain our long-term financial stability.

The College's aim is to produce at least a balanced budget annually at 31st March and an underlying operating surplus annually at 31st July.

Commentary (Update):

The current Income & Expenditure current projections are shown in (Appendix 1).

Operating Surplus/Deficit

The College achieved an operating surplus in the Resource Return at 31st March 2019 and delivered an underlying operating surplus in the 2018-19 annual accounts. The College made no transfer to the College Foundation in March 2019.

In the 2018-19 the College approved financial plan budgeted for a small underlying operating surplus (£111k). This represents a small margin with significant uncertainty on major expenditure or income budgets which potentially could push the College into an underlying operating deficit. The final Income & Expenditure (Appendix 1) shows an improved underlying operating surplus of £1,201k. The leaner management structure is delivering financial savings increasing the underlying operating surplus in 2018-19 & 2019-20.

Due to the impact of COVID-19, the building closure and cancelled or delayed courses unfortunately the current updated financial projection for 2019-20 now shows an underlying operating deficit of £4m* (n.b. see update dated 27 May below) The projected deficit excludes the potential funding from the Government Coronavirus Job Retention Scheme which may be up to £1m to the end of June 2020. The most significant impact were substantial reductions in SFC ESF & FWDF funding, commercial & international course income and catering & student accommodation income. There is an anticipated challenge in 2020/21 to return these income sources to their previous

levels or replaced by other income sources.

The key risks are;

Income: SFC Funding

- Failure to achieve future Credit target.
- Delays in delivering FWDF activity
- GCRB teaching grant allocation to the College not sufficient to meet increased costs.
- Future reduction in SFC ESF funding.
- Future SFC regional funding not sufficient to meet increased costs.
- GCRB capital maintenance grant allocation to the College not sufficient to meet investment requirements.

Income: Course Fees

The key risks are;

- Failure to achieve the fee income target.
- Failure to deliver future years income growth.
- Future changes to the population demographics.

Income: Non SFC Fundable Course Fees

The key risks are;

- Failure to achieve the income target.
- Failure to deliver future years income growth.
- Failure to meet industry demands and expectations.

Income: Other Income:

The key risks are;

- Failure to achieve the income target.
- Failure to deliver future years income growth.
- Wider UK & international economic pressure and performance.
- Failure to meet industry demands and expectations.
- Student accommodation performance and potential increased competition.

Expenditure: Staff Costs:

The key risks are;

- Failure to effectively control the staff cost budget.
- Managing staff absence levels and temporary staff contracts.
- Increasing costs from national bargaining agreements.
- Delivering a staff structure that improves service and performance while

minimising the staff cost budget.

- Future impact of inflation and union demand for higher annual cost of living pay awards.
- Impact of ongoing staff industrial relations issues.

Expenditure: Operating Expenses

The key risks are;

- Failure to effectively control the operating expenses budget.
- Managing the NPD contract costs and performance.
- Future impact of potentially higher inflation.

<u>27 May 2020</u>

As reported to the FPRC on 27th May:

The Financial Plan 2019-20 now forecasts a smaller deficit than anticipated in April 2020, of £1,441k for the 12 moths to 31 July 2020, reflecting increased on;line teaching, furlough of staff, and a higher proportion of ESF funding to be claimable via SFC.

Current Risk Score:	**Gross Risk Score** **(assuming no treatment)**
Likelihood 5/5 Impact 5/5 Risk Score 9/25 RAG Rating (Overall): RED Risk score approved by Audit Committee May 2020 **Target Score: 4**	Likelihood 5/5 Impact 5/5 Risk Score 25/25
Risk Appetite **(Willing to accept):**	**Risk Tolerance** **(Able to accept):**
<u>Low</u> Medium High	Category: Finance Low **<u>Medium</u>** High 1 2 **3** 4 5 6

Impact	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	1	2	3	4	5
X	Likelihood				

CITY OF GLASGOW COLLEGE
INCOME AND EXPENDITURE ACCOUNT

	2019/20 Change £000s	2019/20 F'Cast Live £000s	2019/20 F'Cast Feb'20 £000s	2019/20 Budget £000s
Income				
SFC Teaching Grants	0	39,365	39,365	38,778
SFC ESF	(818)	1,520	2,338	2,386
SFC FWDF	(297)	593	890	890
SFC Other	0	24,862	24,862	24,913
Fundable tuition fees	(709)	10,034	10,743	11,036
International & commercial tution fees	(2,371)	5,355	7,726	7,992
Other income	(218)	602	820	776
Catering & Student Accommodation	(1,401)	3,032	4,433	4,433
EU & International projects	(712)	1,031	1,743	1,002
Grant from Foundation	0	315	315	1,000
Investment income	(5)	10	15	25
Total income	**(6,531)**	**86,719**	**93,250**	**93,231**
Expenditure				
Staff Costs	(539)	53,125	53,664	52,898
Other operating expenses	(1,281)	12,020	13,301	13,073
Property Costs	(746)	16,906	17,652	17,772
Exam Fees	(52)	1,269	1,321	1,321
Depreciation	0	8,766	8,766	8,377
Total expenditure	**(2,618)**	**92,086**	**94,704**	**93,441**
Operating Surplus (Deficit)	**(3,913)**	**(5,367)**	**(1,454)**	**(210)**
(Loss) on sale of fixed asset	0	0	0	0
Operating Surplus/(Deficit) after loss sale of asset	**(3,913)**	**(5,367)**	**(1,454)**	**(210)**
Difference between historical cost deprn & the actual charge for the period	0	677	677	188
Historical cost Surplus / (Deficit) for the period	**(3,913)**	**(4,690)**	**(777)**	**(22)**
Pension Adjustments	0	0	0	0
Foundation Adjustments	0	(315)	(315)	(1,000)
NPD Balance Sheet debt	0	(4,700)	(4,700)	(4,700)
Revalutaion reserve	0	(677)	(677)	(188)
Depreciation - Net of deferred Grant	0	6,371	6,371	5,927
Underlying Operating Surplus / (Deficit)	**(3,913)**	**(4,011)**	**(98)**	**17**

Student Recruitment Plan 2019-20

Faculty	Sum of Fundable Fees Target 19/20	Sum of Fundable Course Fees Proj 19/20	Sum of Commercial Fees Target 19/20	Sum of Sum of Commercial Fees Proj 19/20	Sum of Overseas Fees Target 19/20	Sum of Overseas Fees Proj 19/20	Other Non SFC Fundable Course Income Target 19/20	Other Non SFC Fundable Course Income Proj 19/20	Sum of TOTAL Tuition Fees Target 19/20	Sum of Total Tuition Fees Proj 19/20
C - Creative Industries	£3,545,960	£3,342,640	£71,212	£82,708	£0	£14,412	£112,334	£127,094	£3,729,506	£3,566,854
E - Education and Humanities	£3,215,258	£2,602,706	£626,053	£330,108	£7,480	£31,296	£814,911	£923,726	£4,663,703	£3,887,836
H - Hospitality and Leisure	£2,093,804	£2,070,829	£33,645	£25,452	£13,400	£13,454	£403,522	£363,541	£2,544,370	£2,473,276
N - Nautical and STEM	£2,005,899	£1,943,035	£2,873,351	£1,702,183	£2,522,494	£1,241,669	£419,638	£376,131	£7,821,381	£5,263,018
O - Organisational Development	£0	£0	£17,000	£0	£0	£0	£0	£0	£17,000	£0
T - City Ents	£0	£0	£233,109	£193,422	£0	£0	£0	£0	£233,109	£193,422
V - Centre for Professional Techni	£24,981	£3,293	£8,000	£0	£0	£0	£0	£0	£32,981	£3,293
W- World Skills	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Grand Total	**£10,885,902**	**£9,962,504**	**£3,862,369**	**£2,333,873**	**£2,543,374**	**£1,300,831**	**£1,750,405**	**£1,790,491**	**£19,042,050**	**£15,387,699**

Student Recruitment Plan 2018-19

Faculty	Total Fundable Fees Target 18/19	Sum of Fundable Course Fees Proj 18/19	Total Commercial Fees Target 18/19	Total Commercial Fees Proj 18/19	Total Overseas Fees Target 18/19	Sum of Overseas Fees Proj 18/19	Other Non SFC Fundable Course Income Target 18/19	Other Non SFC Fundable Course Income Proj 18/19	Total Tuition Fees Target 18/19	Sum of Total Tuition Fees Proj 18/19
C - Creative Industries	£3,543,508	£3,359,034	£140,661	£93,915	£0	£6,525	£294,931	£225,759	£3,979,100	£3,685,233
E - Education and Humanities	£3,179,767	£3,029,642	£696,030	£578,230	£8,970	£26,110	£704,225	£826,964	£4,588,992	£4,460,946
H - Hospitality and Leisure	£2,128,716	£2,090,968	£50,016	£45,843	£0	£13,050	£463,785	£383,922	£2,642,517	£2,533,784
N - Nautical and STEM	£2,262,830	£2,243,098	£2,528,010	£2,529,248	£1,837,131	£2,310,208	£292,249	£341,795	£6,920,220	£7,424,349
O - Organisational Development	£0	£0	£3,928	£20,928	£0	£0	£0	£0	£3,928	£20,928

Risk Management Action Plan

Risk Description: Failure to manage acute threats relating to coronavirus outbreak

Risk ID: 27

Owned by: Pr/DPr/CSP   **Review Date: 19 May 2020**

Update

Full Description:

1. The College fails to manage the acute, immediate and short-term threats resulting from the coronavirus/COVID-19 crisis.

Treatment:

1. A Covid-19 Action Group was established to manage implications of the coronavirus outbreak prior to campus closure.
2. SMT and ELT meet regularly* post-closure of buildings to manage the crisis as it affects City of Glasgow College, its students, staff and other stakeholders.
3. The Board and its Committees continue to meet* to schedule, to oversee management of essential functions, management of impacts, and preparedness for future functionality and delivery.

*Via VC

Commentary (Update):

The Senior Management Team prepared for the closure of the College campus sites, and for the continuance of College functions including learning and teaching delivery remotely. While this is an emerging position at May 2020, the indications are that this was a largely successful transition to emergency arrangements. A live dashboard enables SMT/ELT and the Board to monitor a range of indicators, including student and staff engagements, resulting, applications, etc,

27.1 Students in Halls of Residence

SMT managed the care and support of hundreds of students who were initially residing in the Halls of Residence. Immediately prior to, and at UK "lockdown" (23 March 2020) many of these students returned to their home locations. However a small number (50) including vulnerable individuals, are still in the Halls at 6 May. College staff are working in support of the student in residence at the Halls.

27.2 Students at Sea

At April 21 2020, it is reported that 247 officers, cadets, and ratings, enrolled as students at City of Glasgow College, are currently at sea, although most of these are considered to be on ships in "lay-up" in various ports worldwide. College staff continue to support

these students.

27.3 Student Support

The Student Support team continues to function remotely, with increased remote/online resources available for mental health and well-being.(e.g. "big white wall"). High volumes of emails continue to be received related to student hardship. Students are particularly concerned about how they will manage at the end of term and during the summer. Support services are dealing with a significant increase in volume of emails with very complex issues related to funding, accommodation, mental health, violence. relationships.

The College has reserved some monies to help maintain/retain students over the summer but this resource is limited.

Student applications for 2020-21 are at similar levels to last year, with 8,200 offers made for the 7,200 places for session 2020-21, and 7,000 acceptances. However, pre enrolment figures are significantly lower than at the same time last year which may indicate that students who have offers may have changed their minds. Support staff are working diligently to engage with new applicants to develop a better picture. It is anticipated that universities will dip into the traditional FE pool of students to offset the significant drop in international students.

A "lockdown" dashboard has been developed including live data on student engagement, which enables lecturers and support staff to focus contact with students.

The Students Association, City SA continues to function, and students are now accessing the Frequently Asked Questions section of the CitySA website. Direct contacts with the SA have subsided for the moment. The SA is in contact with other organisations such as NUS.

27.4 Delivery of Learning and Teaching

Reports from Faculties, post-closure, have been largely positive, including reports of student projects ongoing. There are some issues with assessments, but many of these difficulties are being overcome. For example, Television students are still producing their showreels, although these are being produced without access to College equipment, so the technical quality will not be as high as usual. Similar reports were forthcoming from other areas, as students and staff improvise in a changed environment.

Associate Deans across all Faculties are in effective communication to ensure a consistent approach to such matters as academic appeals etc. Deans reported full contact with staff from early April, and very good contact with students (though not complete in all areas). All students have access to key files principally via the student intranet, My City. It is estimated that 70-90% of students are logging on to My City. However it is not known what reasons there are for students not engaging with the College.

27.5 Commercial/International Development

Contacts are being maintained with the College's commercial and international partners. It is anticipated that targets for 2020-21 will not now be met, with a significant impact on the College's overall financial position. However, several key courses of commercial value (e.g. IOSH, NEBOSH health and safety courses) have now been developed for online delivery by the College. It is anticipated that more programmes will require to be delivered online, although some international partners are still requesting face-to-face delivery at some point in the future.

At April 28 2020, a review of the death rates in countries with which the College has development partnerships and interests indicate that the outbreak has had a significantly lesser impact in terms of recorded deaths. The implications are that partners in these countries may be looking to progress partnership activity sooner than is currently anticipated. (ref: Johns Hopkins Univ; Risk MAP 7)

27.6 College Finances

The College's financial position has radically changed from the position reported in February 2020. The financial forecast at 23 April is a negative position of £4m compared to February 2020. The continued sustainability of the College depends upon a number of factors, subject to external factors and government decisions. The College's exposure is exceptional in the sector by the College's high level of commercial and international income (i.e. non-SFC grant).

27.7 People issues & Payroll

Health, wellbeing and welfare remain primary consideration. All staff have access to line managers, resources, and the HR team for support. More activity is anticipated as we continually adjust to the current emergency situation.

The college continues to pay all employees, the payroll team (like others in the college) have adapted to the emergency working arrangements – paying people on time and accurately remains a priority.

Staff Engagement:

All staff remain engaged, this is constantly being monitored to ensure health and wellbeing. Both formal and informal engagement remains with Trade Unions in order to engage, consult, and prepare for emerging issues and a return to the college.

27.8 IT

The maintenance of an effective IT function is essential for remote functioning. The IT support teams has continued to manage and support the technical aspects of the College functions, as well as student and staff users, through the transition to emergency remote operations. A live dashboard displays up-to-the-moment data of a range of indicators, including results completed, enrolments and offers, student engagement with My City, Library etc and staff engagement.

27.8   Governance/Management

SMT and ELT continue to meet regularly, and the Board of Management and its committees continue to meet to schedule. A weekly report of SMT deliberations is sent to all Board members, Board members have access to the dashboard (see above).

27.9 Business Continuity Planning

The Board and SMT have overseen a migration to remote working, learning and teaching, and all College operations, following closure of the College buildings on 17th March. Recently reviewed and renewed business recovery planning, in place at the time of building closure, was highly beneficial in this migration process. Continued business continuity issues relate to the sector-wide (and global) financial impact of the crisis.

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 3/5	Likelihood 5/5
Impact 4/5	Impact 5/5
Risk Score 12/25	Risk Score 25/25
RAG Rating: AMBER	
Target Score: 4	
Risk Appetite (Willing to accept):	**Risk Tolerance (Able to accept):**
Low Medium High	Category: Business Continuity
	Low Medium High
	1 **2** 3 4 5 6