

Board of Management

Performance and Nominations Committee

Date of Meeting	Wednesday 5 August 2020
Paper No.	PNC1-B
Agenda Item	4.1
Subject of Paper	Strategic Risk Review
FOISA Status	Disclosable
Primary Contact	Paul Clark, College Secretary/Planning
Date of production	30 July 2020
Action	For Discussion

1. Recommendations

1. To review the College Risk Register, high-scoring (RED) and specific Covid19-related risks.
2. To note the ongoing review of strategic risks, and the recent 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, through the PNC, with an update on the high-scoring and Covid19 - related risks via Risk Management Action Plans (MAPs).







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 undertaken regularly by senior Risk "owners", senior managers as appropriate, and Board Committees. All Risk MAPs are updated accordingly and reported to the appropriate Board Committees.

3.3 The Risk Register is attached, with latest Risk Scores as revised within the current cycle of Board Committee meetings.

3.4 Risk MAPs for the highest scoring risks are attached, RAG-rated RED. SMT/ELT is continuing to analyse the known and potential impacts of coronavirus Covid19. 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 (at 30 July 2020)

Appendix 2: Selected Risk MAPs

Risk Register: 29 July 2020

RISK DETAIL					CURRENT EVALUATION			AIM and PROGRESS			RISK TREATMENT	
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	July '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	July '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	July '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	July '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	July '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		July '20

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

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

Note comment

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	tbc	

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	

Risk Management Action Plan

Risk Description: Negative impact upon College reputation

Risk ID: 6

Owned by: VPCDI

Review Date: 29 July 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 highlighted)

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. Our Public Affairs company (Dram Communications) has been extremely effective to date and have been assisting the team with public affairs and strategic positioning 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. Since lockdown the College has seen its Social Media footprint increase across the student body with 5000 new followers on Twitter alone.

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 2018-19, highlighting various College, student, and staff successes, published in February 2020.

At 8 May 2019:

An internal review 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 were 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 has developed 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.

March 2020: College campuses closed.

July 2020: College communications have remained consistent and relevant throughout the lockdown period with regular updates to the Staff/Student FAQ's on the website. Also launched is the new Staff Resource Hub which has greatly assisted in reaching staff and helping obtain robust feedback to inform decision making and next steps for re-integration into the College.

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):
<u>Low</u> Medium High	Category: Reputation <u>Low</u> 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: 29 July 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 activity during lockdown has been consistent with some areas being unexpectedly busy. The team have submitted numerous quotes and tenders across the Maritime area, particularly overseas but also submitted some domestic tenders. The FWDF team have particularly proactive during lockdown with over 40 courses being developed to be delivered online. In the month of August the following activity is scheduled to be undertaken remotely:

84 courses in total worth approx. 94k
 66 courses confirmed approx 64k
 14 courses postponed 23k
 4 courses still working on approx. 7k

Year3 deadline has been moved back from 31st December 2020 to 31st July 2021 and we are expecting confirmation that the funding allocation be increased from £10M to £20M. It is therefore anticipated that City's allocation will be £1.8M.

FWDF activity is now available on the College Dashboard.

As previously reported a review of the death rates in countries where the college has partnerships indicate that the outbreak has had a significantly lesser impact in terms of recorded deaths. The Corporate Development team have now had regular contact with partners in Malaysia, India and Vietnam with new MOU's being signed during July.

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: 30 July 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):

Strategic Review of Business Continuity Management

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.”

January 2019

Business Continuity specialist Ashton Resilience was 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.

April – July 2019

Business Impact Analysis meetings were undertaken throughout the College, between managers from all faculties and service areas with Ashton Resilience.

September/October 2019

This risk was scored RED due to lack of Business Recovery Plans across the College. Ashton Resilience had undertaken Business Impact Analyses for each faculty and service area, with managers from all faculties and service areas, followed by development of Business Recovery Plans (BRPs) for each. This work was completed in September 2019, and was the subject of an Internal Audit of Business Continuity which found a GOOD level of assurance. A new BCP Policy was drafted, and approved by FPRC 2 October 2019.

November 2019

In the context of progress made and the IA Report, the Audit Committee re-assessed the score for this risk as $2 \times 5 = 10$ AMBER.

February-March 2020

The Covid-19 Advisory Group met daily, chaired by the Depute Principal, and considered a wide range of precautionary and business continuity issues. BRP owners were 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, and actions to manage such scenarios agreed.

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 and renewed 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.

July/August 2020

Operations protocols for the College Campus sites have been developed to minimise risk to staff students and visitors, as part of planning a limited return to building occupation. Estates teams (with FES) have planned and implemented measures to minimise risks associated with the movement of people, cleaning and hygiene,

ventilation, airflow/filtration etc. Cleaning staff returned to work in July on a phased return basis.

Recent Score Changes:

Audit and Assurance Committee May 2020: The Risk score was reduced from 20 (RED) to 12 (AMBER) via likelihood score reduction from 5 to 3 following consideration of preparations undertaken to review and renew Business Continuity and Recovery Planning in 2019/20, and subsequent management of business continuity following the outbreak of Covid19 and subsequent building closure. Impact score previously reduced from 5 to 4 BoM (11/3/20)

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 Target Score: 5	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: Business Continuity <u>Low</u> 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: July 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.

In the 2019-20 the College approved financial plan budgeted for a small underlying operating surplus (£17k). The Covid-19 pandemic has caused a massive financial impact on the College since the buildings closing on the 17th March 2020. Appendix 1 highlights the 2019-20 projected underlying operating deficit of £0.7m, a substantially reduced loss due to maximising SFC funding, CJRS (furlough) funding, improved volume of online teaching and cost controls. Appendix 2 highlights the 2020-21 projected underlying operating deficit of £3.1m. The College has the highest proportion of non SFC income and unfortunately these income sources have suffered the greatest reduction from the closure and cancellation of courses. The College made no transfer to the College Foundation in March 2020.

There remain significant uncertainties surrounding the projection, especially relating to the demand for commercial and international training. The College believes there will be a substantial new demand for upskilling and reskilling in response to the economic recession and financial crisis. There is also the high probability of a significant increase in the SFC Flexible Workforce Development Fund (FWDF). The Senior Management

Team and staff will continue to maximise income, control costs and delivery efficiency savings.

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.

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					APPENDIX A
INCOME AND EXPENDITURE ACCOUNT					
	2019/20	2019/20	2019/20	2019/20	2019/20
	F'Cast	F'Cast	F'Cast	F'Cast	Budget
	July 20	Jun 20	May 20	Feb 20	
	£000s	£000s	£000s	£000s	£000s
Income					
SFC Teaching Grants	39,686	39,535	39,365	39,365	38,778
SFC ESF	2,386	2,386	2,116	2,338	2,386
SFC FWDF	760	553	553	890	890
SFC Other	24,610	24,889	24,862	24,862	24,913
Fundable tuition fees	10,527	10,406	10,406	10,743	11,036
International & commercial tuition fees	6,699	6,447	6,447	7,726	7,992
Other income	1,621	1,592	1,552	820	776
Catering & Student Accommodation	3,055	3,032	3,032	4,433	4,433
EU & International projects	953	1,031	1,031	1,743	1,002
Grant from Foundation	0	0	315	315	1,000
Investment income	10	15	10	15	25
Total income	90,307	89,886	89,689	93,250	93,231
Expenditure	0	0			
Staff Costs	53,961	53,783	53,525	53,664	52,898
Other operating expenses	11,845	12,020	12,020	13,301	13,073
Property Costs	16,906	16,906	16,906	17,652	17,772
Exam Fees	1,269	1,269	1,269	1,321	1,321
Other operating expenses - Sale of Buildings	0	0	0	0	0
Depreciation	8,766	8,766	8,766	8,766	8,377
Total expenditure	92,747	92,744	92,486	94,704	93,441
Operating Surplus (Deficit)	(2,440)	(2,858)	(2,797)	(1,454)	(210)
(Loss) on sale of fixed asset	0	0	0	0	0
Operating Surplus/(Deficit) after loss sale of asset	(2,440)	(2,858)	(2,797)	(1,454)	(210)
Difference between historical cost deprn & the actual charge for the period	677	677	677	677	188
Historical cost Surplus / (Deficit) for the period	(1,763)	(2,181)	(2,120)	(777)	(22)
Pension Adjustments	0	0	0	0	0
Foundation Adjustments	0	0	(315)	(315)	(1,000)
NPD Balance Sheet debt	(4,700)	(4,700)	(4,700)	(4,700)	(4,700)
Revaluation reserve	(677)	(677)	(677)	(677)	(188)
Depreciation - Net of deferred Grant	6,432	6,432	6,371	6,371	5,927
Underlying Operating Surplus / (Deficit)	(708)	(1,126)	(1,441)	(98)	17

CITY OF GLASGOW COLLEGE		TABLE B		
	2020/21	2020/21	2020/21	2020/21
	12-month F'Cast July £000s	12-month F'Cast June £000s	12-month F'Cast Optimistic £000s	12-month F'Cast Pessimistic £000s
Income				
SFC Teaching Grants	40,222	40,381	40,222	40,222
SFC ESF	2,347	2,373	2,347	1,878
SFC FWDF	890	890	890	623
SFC Other	23,756	23,813	23,756	23,756
Fundable Tuition Fees	10,499	10,805	10,775	10,223
International & Commercial tuition fees	5,518	5,472	5,858	4,289
Other income	691	691	911	445
Catering & Accommodation	2,233	1,982	2,590	1,399
EU & International	869	757	1,043	695
Grant from Foundation	1,000	1,000	1,000	1,000
Investment income	15	15	15	15
Total income	88,040	88,179	89,407	84,545
Expenditure				
Staff Costs	54,315	54,238	53,539	55,103
Other operating expenses	11,577	11,622	11,720	11,386
Property costs	17,350	17,341	17,252	17,448
Exam fees	1,218	1,218	1,186	1,250
Depreciation	4,886	4,761	4,886	4,886
Total expenditure	89,346	89,180	88,583	90,073
Operating Surplus (Deficit)	(1,306)	(1,001)	824	(5,528)
(Loss) on sale of fixed asset	0	0	0	0
Operating Surplus/(Deficit) after loss on sale of fixed asset	(1,306)	(1,001)	824	(5,528)
SURPLUSES AND DEFICITS				
Operating Surplus/(Deficit)	(1,306)	(1,001)	824	(5,528)
Difference between historical cost depreciation and the actual charge for the period calculated on the revalued amount	677	677	677	677
Historical cost Surplus/(Deficit) for the period	(629)	(324)	1,501	(4,851)
Foundation Adjustments	(1,000)	(1,000)	(1,000)	(1,000)
NPD Balance Sheet debt	(5,011)	(5,000)	(5,000)	(5,000)
Revaluation reserve	(677)	(677)	(677)	(677)
Depreciation - Net of deferred Grant	4,249	3,911	4,249	4,249
Underlying Operating (Deficit)	(3,068)	(3,090)	(927)	(7,279)
F'Cast Cash balance as at 31 July 2021	2,966	2,944	5,107	(1,245)

Risk Management Action Plan

Risk Description: Failure to maximise income via diversification

Risk ID: 16

Owned by: VPCS/ VPCDI

Review Date: 29 July 2020

Update

Full Description:

Failure to optimise income opportunities via existing and potential markets and partners.

Treatment:

Develop of Corporate Development Plan to deliver the College Corporate Development Strategy. Manage and monitor the delivery of the plan.

Commentary:

The Corporate Development Strategy was approved by the Board of Management Development Committee and contains plans, initiatives and targets to meet the overall College strategic priorities. Commercial and International Teams, as well as Academic Faculties, have reviewed all aspects of income diversification.

Regular reportage on growth and development in relation to targets is now a standing item on the Development Committee agenda. The Corporate Development Team and Faculties undertake ongoing reviews of Commercial and International targets, and progress.

Update:

The College strategic plan is to grow the proportion of income from Non SFC funding. The Covid-19 pandemic has caused a massive financial impact on the College since the buildings closing on the 17th March 2020. Appendix 1 highlights the 2019-20 projected underlying operating deficit of £0.7m, a substantially reduced loss due to maximising SFC funding, CJRS (furlough) funding, improved volume of online teaching and cost controls. Appendix 2 highlights the 2020-21 projected underlying operating deficit of £3.1m. The College has the highest proportion of non SFC income and unfortunately these income sources has suffered the greatest reduction from the closure and cancellation of courses. 2019-20 Commercial and international course income has an estimated reduction of £1.3m. In addition to the dramatic drop in income the majority of

the costs to the 31st July 2020 are still being incurred and we are continuing to fully pay all contracted staff. The College is projected a significant loss at the 31st July 2020 with Non SFC income falling by £2.9m.

The Corporate Development Team and Faculties were on target to fully deliver the full £894k FWDF SFC Grant allocation. This income has also been negatively impacted with our building closure and a high proportion of businesses closed or prioritising tackling Covid-19. The team have managed to deliver a significant volume of online training limiting the funding reduction to £230k up to 31st July 2020.

The College budget for 2020-21 and the underlying assumptions still show a substantial reduction in commercial & international course income and other NON SFC income, reduction of £8.1m. Appendix 2 highlights the 2020-21 projected underlying operating deficit of £3.1m.

As a result of the changed context and massive reduction in NON SFC income the risk score was **increased to 25** in April 2020. Reviewed by FPRC 27 May 2020.

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 5/5 Impact 5/5 Risk Score 25/25 RAG Rating: RED Target Score: 9	Likelihood 5/5 Impact 4/5 Risk Score 20/25
Risk Appetite (Willing to accept):	Risk Tolerance (Able to accept):
Low Medium High	Category: Change and Development/ Financial 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				

CITY OF GLASGOW COLLEGE					APPENDIX A
INCOME AND EXPENDITURE ACCOUNT					
	2019/20	2019/20	2019/20	2019/20	2019/20
	F'Cast	F'Cast	F'Cast	F'Cast	Budget
	July 20	Jun 20	May 20	Feb 20	
	£000s	£000s	£000s	£000s	£000s
Income					
SFC Teaching Grants	39,686	39,535	39,365	39,365	38,778
SFC ESF	2,386	2,386	2,116	2,338	2,386
SFC FWDF	760	553	553	890	890
SFC Other	24,610	24,889	24,862	24,862	24,913
Fundable tuition fees	10,527	10,406	10,406	10,743	11,036
International & commercial tuition fees	6,699	6,447	6,447	7,726	7,992
Other income	1,621	1,592	1,552	820	776
Catering & Student Accommodation	3,055	3,032	3,032	4,433	4,433
EU & International projects	953	1,031	1,031	1,743	1,002
Grant from Foundation	0	0	315	315	1,000
Investment income	10	15	10	15	25
Total income	90,307	89,886	89,689	93,250	93,231
Expenditure	0	0			
Staff Costs	53,961	53,783	53,525	53,664	52,898
Other operating expenses	11,845	12,020	12,020	13,301	13,073
Property Costs	16,906	16,906	16,906	17,652	17,772
Exam Fees	1,269	1,269	1,269	1,321	1,321
Other operating expenses - Sale of Buildings	0	0	0	0	0
Depreciation	8,766	8,766	8,766	8,766	8,377
Total expenditure	92,747	92,744	92,486	94,704	93,441
Operating Surplus (Deficit)	(2,440)	(2,858)	(2,797)	(1,454)	(210)
(Loss) on sale of fixed asset	0	0	0	0	0
Operating Surplus/(Deficit) after loss sale of asset	(2,440)	(2,858)	(2,797)	(1,454)	(210)
Difference between historical cost deprn & the actual charge for the period	677	677	677	677	188
Historical cost Surplus / (Deficit) for the period	(1,763)	(2,181)	(2,120)	(777)	(22)
Pension Adjustments	0	0	0	0	0
Foundation Adjustments	0	0	(315)	(315)	(1,000)
NPD Balance Sheet debt	(4,700)	(4,700)	(4,700)	(4,700)	(4,700)
Revaluation reserve	(677)	(677)	(677)	(677)	(188)
Depreciation - Net of deferred Grant	6,432	6,432	6,371	6,371	5,927
Underlying Operating Surplus / (Deficit)	(708)	(1,126)	(1,441)	(98)	17

CITY OF GLASGOW COLLEGE		TABLE B		
	2020/21	2020/21	2020/21	2020/21
	12-month F'Cast July £000s	12-month F'Cast June £000s	12-month F'Cast Optimistic £000s	12-month F'Cast Pessimistic £000s
Income				
SFC Teaching Grants	40,222	40,381	40,222	40,222
SFC ESF	2,347	2,373	2,347	1,878
SFC FWDF	890	890	890	623
SFC Other	23,756	23,813	23,756	23,756
Fundable Tuition Fees	10,499	10,805	10,775	10,223
International & Commercial tuition fees	5,518	5,472	5,858	4,289
Other income	691	691	911	445
Catering & Accomodation	2,233	1,982	2,590	1,399
EU & International	869	757	1,043	695
Grant from Foundation	1,000	1,000	1,000	1,000
Investment income	15	15	15	15
Total income	88,040	88,179	89,407	84,545
Expenditure				
Staff Costs	54,315	54,238	53,539	55,103
Other operating expenses	11,577	11,622	11,720	11,386
Property costs	17,350	17,341	17,252	17,448
Exam fees	1,218	1,218	1,186	1,250
Depreciation	4,886	4,761	4,886	4,886
Total expenditure	89,346	89,180	88,583	90,073
Operating Surplus (Deficit)	(1,306)	(1,001)	824	(5,528)
(Loss) on sale of fixed asset	0	0	0	0
Operating Surplus/(Deficit) after loss on sale of fixed asset	(1,306)	(1,001)	824	(5,528)
SURPLUSES AND DEFICITS				
Operating Surplus/(Deficit)	(1,306)	(1,001)	824	(5,528)
Difference between historical cost depreciation and the actual charge for the period calculated on the revalued amount	677	677	677	677
Historical cost Surplus/(Deficit) for the period	(629)	(324)	1,501	(4,851)
Foundation Adjustments	(1,000)	(1,000)	(1,000)	(1,000)
NPD Balance Sheet debt	(5,011)	(5,000)	(5,000)	(5,000)
Revalutaion reserve	(677)	(677)	(677)	(677)
Depreciation - Net of deferred Grant	4,249	3,911	4,249	4,249
Underlying Operating (Deficit)	(3,068)	(3,090)	(927)	(7,279)
F'Cast Cash balance as at 31 July 2021	2,966	2,944	5,107	(1,245)

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: 29 July 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 a developing position at 30 July 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 and Halls staff managed the care and support of hundreds of students since lockdown. There are currently 29 residing in the Halls of Residence (9 at Riverside; 20 at St Luke's) and the team have been closely monitoring and following Scottish Government advice and guidance. Students are now allowed to return to the Halls to collect their belongings. However, there has been a number of bookings made by returning students from September onwards. Over 80 bookings have been received to date.

27.2 Students at Sea

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 Services team has been hard at work staying in touch with applicants and providing them with vital information prior to the start of their course. This includes a welcome postcard sent by post to all new students, a Funding ezine, Accommodation guide, Zoom drop-in sessions for Careers advice, a Self Care wellbeing ezine and an introduction to the Students' Association.

Funding ezine -

<https://view.pagetiger.com/cogc-grfc-funding-edition-e-zine/get-ready-for-college-funding-e-zine-pt>

Accommodation guide -

https://www.cityofglasgowcollege.ac.uk/sites/default/files/SS_Student_Acc_20_21_digital_June20_v3%20%281%29.pdf

Self Care ezine -

<https://view.pagetiger.com/grfc-self-care-e-zine/final>

The Student Services directorate, in conjunction with Learning Technologies, have now created a new Open Learn access VLE for applicants to access pre-induction information prior to the start of their course -

<https://openlearn.cityofglasgowcollege.ac.uk/>

Our 24/7 digital mental health support service with the “Big White Wall” continues to be an extremely helpful resource for both students and staff with 600 new registrations in the past four months.

An update on our Student Applications is as follows: 9,231 offers have been made for 7,100 places. 8,881 offers have been accepted which is 125% of places available. 5,811 have pre-enrolled which is 65% of accepted offers and a 41% increase from 2019-20 pre-enrolments at this time.

To date 89% of FE offers have activated a bursary application. We continue to support students with discretionary funding to help support them over the summer and while employment opportunities may be less than normal.

All new students have been contacted to apprise them of equipment and software requirements for their courses. Staff are monitoring which students may require support with access to equipment or WiFi connectivity and will be contacting these students to provide them with options to support them with this.

The Students' Association held their end of year Summit and awards ceremony which has been viewed **1,088** times. This was our first year for our staff awards. You can see it again here: <https://www.facebook.com/cogcsa/videos/583164625947080/>. City SA is also busy with induction and planning with the new Presidential team.

27.4 Delivery of Learning and Teaching

A number of activities and developments have taken place to conclude (where possible) learning and teaching activities for academic year 2019/2020. In addition, there has been a significant amount of preparation for Blended Delivery model of learning and teaching, where teaching is delivered on-campus and online.

Completion of AY 2019-20:

For assessment and resulting this year a whole new method of holistic assessment and professional judgement had to be developed and employed by staff across the College. The Performance team developed detailed guidance for teams and where possible all students were progressed using gathered evidence. In some instances more 'difficult cases' were referred to newly constituted Internal Quality Assurance Panels (37 in total). These panels all took place week between 8 June and 19 June. Arrangements have been made to enable Deferral Students to complete their studies and progress.

Preparation for AY 2020-21:

Recruitment numbers appear healthy at 23 July 2020. Applications currently sit at 17,332 down 3% on last year at same time, however, offers accepted sit at 8,881 up 19% on last year. Recent marketing campaigns have focussed on low recruiting courses to generate interest and hence applications. Intense work has also been aimed at encouraging students to 'pre-enrol' onto their course (at 23 July, pre-enrolments stand at 5,811 out of a maximum 7100). The College's first virtual Open Day will be held on 10 August.

Induction and transition support will reflect realistic expectations of the year ahead, with a very different learning and teaching environment in prospect. Opportunities will be offered for students to develop digital skills which will allow them to fully participate in an accessible and engaging online learning and teaching experience. Significant cross functional planning and collaboration has taken place to develop an open source platform where all students can access information about the college and their courses. Learning and Teaching Guidance has been prepared for teaching staff including staff support for digital delivery, assessment, quality assurance, and student engagement. The resource is designed to be a 'live' document and will be added to and adapted over time.

The changed Learning and Teaching delivery model will have implications for the student experience as students will have less time on campus. This may be positive for some as timetables may be more efficient for students but may have negative consequences for creating student association and affinity with the college. With the change to curriculum delivery models there are implications for staff development.

27.5 Commercial/International Development

Contacts continue to be maintained with the College's commercial and international partners. As previously reported it is unlikely the target for Commercial/International will be met for session 2020/21, however the team have been experiencing interest from a number of partners across South East Asia who are keen to get projects moving. Also, some of the partner countries are in a better position in dealing with COVID than mainland Europe, therefore are back on campus and operating with students in class. MOU's have recently been agreed with the Government of West Java to explore

curriculum development and Institutional MOU's have been signed with Colleges in Malaysia, Vietnam and India.

Domestically the college was successful in re-tendering for the Glasgow Caledonian Languages contract worth £1.7M over 3 years. There have also been a number of quotes put forward for tenders with Local Authorities across Scotland.

27.6 College Finances

The Covid-19 pandemic has caused a massive financial impact on the College since the buildings closing on the 17th March 2020. The detailed Risk MAP 15 (July 29 2020) highlights key risks, and the current 2019-20 projected underlying operating deficit of £0.7m - a substantially reduced loss due to maximising SFC funding, CJRS (furlough) funding, improved volume of online teaching and cost controls. Appendix 2 in Risk MAP 15 highlights the 2020-21 projected underlying operating deficit of £3.1m. The College has the highest proportion of non SFC income and unfortunately these income sources have suffered the greatest reduction from the closure and cancellation of courses. The College made no transfer to the College Foundation in March 2020.

There remain significant uncertainties surrounding the projection, especially relating to the demand for commercial and international training. The College believes there will be a substantial new demand for upskilling and reskilling in response to the economic recession and financial crisis. There is also the high probability of a significant increase in the SFC Flexible Workforce Development Fund (FWDF). The Senior Management Team and staff will continue to maximise income, control costs and delivery efficiency savings.

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.

225 staff have been placed on the UK Government furlough scheme, with the College ensuring no loss of pay for the staff involved. SMT continue to monitor and manage this initiative.

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 off-premise and on-premise working models. Overnight, the IT Team transitioned to a fully off-premise support

model continuing to manage and support all technology aspects of College functions. This was achieved through the completion of a number of key projects including providing students with the ability to access their College-based coursework and files remotely. Staff remote-working projects included expediting the roll out of MS Teams to promote collaboration and provision of remote access to staff desk telephone extension to allow 2-way communication through the College telephony system.

A live dashboard displays dynamic data insights 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 concluded their schedule of meetings for 2019-20, with the Performance and Nominations Committee meeting through the summer months to receive and discuss key executive reports, and take decisions on behalf of the Board as necessary. A weekly report of SMT deliberations is sent to all Board members, and 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.

Operations protocols for the College Campus sites have been developed to minimise risk to staff students and visitors, as part of planning a limited return to building occupation. Estates teams (with FES) have planned and implemented measures to minimise risks associated with the movement of people, cleaning and hygiene, ventilation, airflow/filtration etc. Cleaning staff returned to work in July on a phased return basis.

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 3/5 Impact 4/5 Risk Score 12/25 RAG Rating: AMBER	Likelihood 5/5 Impact 5/5 Risk Score 25/25
Target Score: 4	

Risk Appetite (Willing to accept):	Risk Tolerance (Able to accept):
<u>Low</u> Medium High	Category: Business Continuity <u>Low</u> 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				