

Board of Management

Finance & Physical Resources Committee

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| | |
| Date of Meeting | Wednesday 3 March 2021 |
| Paper No. | FPRC3-C |
| Agenda Item | 3.3 |
| Subject of Paper | Strategic Risk Review |
| FOISA Status | Disclosable |
| Primary Contact | Paul Clark, College Secretary/Planning Stuart Thompson; VP Corporate Services |
| Date of production | 23 February 2021 |
| Action | For Approval |

1. Recommendations

1. To consider and approve the review of Finance and Physical Resources Risks as detailed in the attached Risk Management Action Plans.
2. To note the revised Risk Register dated 23 February 2021.

2. Purpose of report

2.1 The purpose of this report is to provide the Committee with an update on the Senior Management review of strategic organisational risks, in particular those risks related to the Committee's areas of responsibility via the related Risk Management Actions Plans (MAPs) and Risk Register.

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, Audit Committee, and the Board of Management. This responsibility is highlighted in the College Strategic Plan at Strategic Priority 6:

"6. To be efficient, effective, innovating, and vigilant".

3.2 The risks listed on the Risk Register have been identified by SMT and the Audit Committee, as the current strategic risks faced by the College. The risks are aligned within the same framework of strategic themes as the College Strategic Plan, and those included in the Risk Register have potential impacts on all of the College's Strategic Priorities, in particular Priorities 7 and 8:

"7. To maintain our long-term financial stability"

"8. To secure diversity of income and sustainable development"

3.3 One new risk was added as a Level 1 Risk in the College's Risk Register in response to the immediate threats relating to the pandemic: Risk 27: "Failure to manage acute threats relating to coronavirus outbreak" which includes a number of immediate and short-term risks. The latest Risk MAP for this Risk is attached.

3.4 The strategic Risks included in this report are:

- Risks 15, 16, 20, 22, 23 under the Finance Strategic Theme. Since the Covid-19 outbreak, Risks 15 and 16 have been upgraded to a high risk score of 20/25 = **RED**.
- Risk 12 relating to Business Continuity Planning; Score 12 - **AMBER**
- Risk 25 relating to IT security; Score 10 - **AMBER**
- Risk 27 relating to acute threats relating to coronavirus emergency; Score reduced from 16 RED to 12 AMBER (Audit & Assur. Committee 24/11/20).

The Risk MAPs for these risks are attached, with risk scores as reviewed by the Audit Committee (24 February 2021) and subject to further consideration by FPRC.

3.5 A review of strategic risks to February 2021 has been undertaken, involving senior Risk “owners”, and Risk MAPs have been updated accordingly where required.

3.7 A revised Risk Register is included in the appendices.

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 and specific duties.

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” and to expand and develop sustainably via diversity of income. Several risks related to College finances have been re-scored upwards (RED) to reflect the immediate financial risks to the College in the light of the present Covid-19 crisis.

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: Current Risk Register

Appendix 2: Highlighted Risk MAPs

Risk Register: 23 February 2021

| 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 | 4 | 5 | 20 | 25 | 5 | Score incr. 15 to 20 RED BoM 2/21 | Risk 1 MAP.docx | Feb'21 |
| Students | Failure to establish optimal pedagogical model | 2 | 1 | VPSE | 1 | 5 | 5 | 20 | 5 | | Risk 2 MAP.docx | Jan'21 |
| Students | Failure to achieve good student outcome/progression levels | 3 | 1 | VPSE | 2 | 5 | 10 | 15 | 5 | | Risk 3 MAP.docx | Jan'21 |
| Students | Failure of the College's Duty of Care to Students | 21 | 1 | VPSE | 2 | 5 | 10 | 20 | 4 | Score incr. 5 to 10 AMBER | Risk 21 MAP.docx | Jan'20 |
| Growth and Development | Failure to realise planned benefits of Regionalisation | 4 | 1 | Pr/DPr | 3 | 3 | 9 | 20 | 3 | | Risk 4 MAP.docx | Jan'21 |
| Growth and Development | Negative impact upon College reputation | 6 | 1 | VPCDI | 3 | 4 | 12 | 25 | 5 | RED to Amber PNC 08/20 | Risk 6 MAP.docx | Jan'21 |
| Growth and Development | Failure to achieve improved business development performance with stakeholders | 7 | 1 | VPCDI | 4 | 5 | 20 | 25 | 5 | Score dec. 25 to 20: AAC 11/20 | Risk 7 MAP.docx | Jan'21 |
| Growth and Development | Failure to achieve improved performance | 8 | 1 | VPSE/DirE | 2 | 5 | 10 | 20 | 5 | | Risk 8 MAP.docx | Jan'21 |
| Growth and Development | Failure to attract, engage, and retain suitable staff | 9 | 1 | EDHR | 2 | 2 | 4 | 20 | 3 | | Risk 9 MAP.docx | Oct'20 |
| Growth and Development | Failure to achieve taught degree awarding powers | 26 | 1 | VPCS | 3 | 4 | 12 | 20 | 3 | Score decr. 16 to 12 AAC 9/20 | Risk 9 MAP.docx | Sept'20 |
| Processes and Performance | Negative impact of statutory compliance failure | 10 | 1 | CSP | 2 | 5 | 10 | 20 | 5 | | Risk 10 MAP.docx | Jan'21 |
| Processes and Performance | Failure of Compliance with the General Data Protection Regulations (GDPR) | 24 | 1 | DPr | 4 | 4 | 16 | 25 | 5 | Score incr. 12 to 16 AC 02/20 | Risk 24 MAP.docx | Jan'21 |
| Processes and Performance | Failure of Corporate Governance | 11 | 1 | Pr/CSP | 1 | 5 | 5 | 20 | 5 | | Risk 11 MAP.docx | Jan'21 |
| 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 | Feb'21 |
| Processes and Performance | Failure to manage performance | 13 | 1 | VPSE/DirE | 1 | 4 | 4 | 20 | 4 | | Risk 13 MAP.docx | Jan'21 |
| Processes and Performance | Negative impact of Industrial Action | 14 | 1 | EDHR | 3 | 4 | 12 | 25 | 4 | | Risk 14 MAP.docx | Oct'20 |
| Processes and Performance | Failure of IT system security | 25 | 1 | VPCS | 2 | 5 | 10 | 25 | 5 | | Risk 25 MAP.docx | Jan'21 |
| Finance | Failure to achieve operating surplus via control of costs and achievement of income targets. | 15 | 1 | VPCS | 5 | 4 | 20 | 25 | 4 | Score decr. 25 to 20 FPCR 09/20 | Risk 15 MAP.docx | Feb'21 |
| 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 | Nov'20 |
| Finance | Failure to obtain funds from College Foundation | 20 | 1 | VPCS | 1 | 4 | 4 | 20 | 4 | | Risk 20 MAP.docx | Feb'21 |
| Finance | Negative impact of Brexit | 22 | 1 | VPCS/DCS | 5 | 2 | 10 | tbc | 5 | | Risk 22 MAP.docx | Feb'21 |
| 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'21 |
| ALL | Failure to manage acute threats relating to coronavirus outbreak | 27 | 1 | Pr/DPr | 3 | 4 | 12 | 25 | 4 | Score dec. 16 to 12: AAC 11/20 | | Feb'21 |

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
 EDHR - Executive Director of Human Resources
 DirE - Director of Excellence
 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 | 11.2 | 11.3 |

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: Failure of Business Continuity

Risk ID: 12

Owned by: VPCS/CSP

Review Date: January 2021

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)

January 2021

Business Continuity Plan revised to reflect Covid-19 protocols. Business Recovery Plans under ongoing review by BRP owners (SMT). Contingency planning reviewed and refined by SMT through November. Further contingencies in place to reflect Scottish Government Tier status for Glasgow and added lockdown measures at January 2021.

| | |
|--|--|
| Current Risk Score: | Gross Risk Score (assuming no treatment) |
| Likelihood 3/5 Impact 4/5 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: February 2021

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 2).

Operating Surplus/Deficit

The College achieved an operating surplus in the Resource Return at 31st March 2020 however the impact of Covid-19 from March 2020 caused an underlying operating deficit in the 2019-20 annual accounts. The College made no transfer to the College Foundation in March 2020.

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 underlying operating deficit of £360k, a substantially reduced loss from the initial estimate 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 £1.9m. 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.

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. The College received a significant increase in the SFC

Flexible Workforce Development Fund (FWDF) of £445,000 for 2020-21 however the continuing Covid-19 restrictions have delayed and reduced the short term demand for training. 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 4/5 Risk Score 20/25 RAG Rating (Overall): RED 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 | | | | | |
|--|------------------------------------|-----------------------------|-----------------------------|-----------------|--------------------|
| | 2020/21 | 2020/21 | 2019/20 | 2019/20 | 2018/19 |
| | 12-month F'Cast Dec £000s | 12-month Budget £000s | 12-month Actual £000s | Budget £000s | 12-month Actual |
| Income | | | | | |
| SFC Teaching Grants | 40,222 | 40,222 | 39,686 | 38,778 | 37,196 |
| SFC ESF | 2,347 | 2,347 | 2,378 | 2,386 | 2,367 |
| SFC FWDF | 1,370 | 890 | 730 | 890 | 682 |
| SFC Other | 23,956 | 23,756 | 24,508 | 24,913 | 26,321 |
| Total SFC income | 67,895 | 67,215 | 67,302 | 66,967 | 66,566 |
| Fundable Tuition Fees | 10,494 | 10,487 | 10,422 | 11,036 | 10,772 |
| International & Commercial tuition fe | 6,726 | 5,530 | 7,468 | 7,992 | 7,733 |
| Other income | 962 | 691 | 1,772 | 776 | 1,033 |
| Catering & Accomodation | 2,033 | 2,233 | 2,993 | 4,433 | 4,200 |
| EU & International | 939 | 869 | 795 | 1,002 | 792 |
| Grant from Foundation | 315 | 1,000 | 24 | 1,000 | 563 |
| Investment income | 5 | 15 | 5 | 25 | 31 |
| Total NON SFC income | 21,474 | 20,825 | 23,479 | 26,264 | 25,124 |
| Total income | 89,369 | 88,040 | 90,781 | 93,231 | 91,690 |
| Expenditure | | | | | |
| Staff Costs | 55,102 | 54,315 | 56,292 | 52,898 | 50,916 |
| Other operating expenses | 11,112 | 11,577 | 12,191 | 13,073 | 12,986 |
| Property costs | 17,650 | 17,350 | 17,055 | 17,772 | 18,844 |
| Exam fees | 1,268 | 1,218 | 1,318 | 1,321 | 1,239 |
| Depreciation | 5,236 | 4,886 | 8,645 | 8,377 | 10,083 |
| Total expenditure | 90,368 | 89,346 | 95,501 | 93,441 | 94,706 |
| Operating Surplus (Deficit) | (999) | (1,306) | (4,720) | (210) | (3,016) |
| (Loss) on sale of fixed asset | 0 | 0 | 0 | 0 | 5,790 |
| Operating Surplus/(Deficit) after loss on sale of fixed asset | (999) | (1,306) | (4,720) | (210) | 2,774 |
| SURPLUSES AND DEFICITS | | | | | |
| Operating Surplus/(Deficit) | (999) | (1,306) | (4,720) | (210) | 2,774 |
| Diff between historical cost deprn & actual charge for the period | 677 | 677 | 578 | 188 | 2,087 |
| Historical cost Surplus/(Deficit) for the period | (322) | (629) | (4,142) | (22) | 4,861 |
| Pension Adjustments | 0 | 0 | 2,681 | 0 | 2,922 |
| Foundation Adjustments | (315) | (1,000) | 0 | (1,000) | (263) |
| NPD Balance Sheet debt | (5,011) | (5,011) | (4,700) | (4,700) | (4,366) |
| Revalutaion reserve | (677) | (677) | (578) | (188) | (2,087) |
| Depreciation - Net of deferred Grant | 4,399 | 4,249 | 6,379 | 5,927 | 5,924 |
| Underlying Operating (Deficit) | (1,926) | (3,068) | (360) | 17 | 10,551 |
| F'Cast Cash balance as at 31 July 2021 | 4,201 | 2,966 | 8,992 | 7,308 | 8,227 |

| CITY OF GLASGOW COLLEGE | | | | | |
|---|----------------------|---------------------------|---------------------------|---------------------------|--------------------|
| | 2020/21 | 2020/21 | 2020/21 | 2020/21 | 2020/21 |
| | 12-month Variance | 12-month F'Cast Dec | 12-month F'Cast Nov | 12-month F'Cast Oct | 12-month Budget |
| | £000s | £000s | £000s | £000s | £000s |
| Income | | | | | |
| SFC Teaching Grants | 0 | 40,222 | 40,222 | 40,222 | 40,222 |
| SFC ESF | 0 | 2,347 | 2,347 | 2,347 | 2,347 |
| SFC FWDF | 480 | 1,370 | 1,370 | 1,370 | 890 |
| SFC Other | 200 | 23,956 | 23,956 | 23,956 | 23,756 |
| Total SFC income | 680 | 67,895 | 67,895 | 67,895 | 67,215 |
| Fundable Tuition Fees | 7 | 10,494 | 10,494 | 10,508 | 10,487 |
| International & Commercial tuition fees | 1,196 | 6,726 | 6,851 | 7,241 | 5,530 |
| Other income | 271 | 962 | 962 | 1,082 | 691 |
| Catering & Accommodation | (200) | 2,033 | 2,033 | 2,033 | 2,233 |
| EU & International | 70 | 939 | 869 | 869 | 869 |
| Grant from Foundation | (685) | 315 | 315 | 315 | 1,000 |
| Investment income | (10) | 5 | 5 | 5 | 15 |
| Total NON SFC income | 649 | 21,474 | 21,529 | 22,053 | 20,825 |
| Total income | 1,329 | 89,369 | 89,424 | 89,948 | 88,040 |
| Expenditure | | | | | |
| Staff Costs | 787 | 55,102 | 55,147 | 55,550 | 54,315 |
| Other operating expenses | (465) | 11,112 | 11,062 | 11,146 | 11,577 |
| Property costs | 300 | 17,650 | 17,650 | 17,650 | 17,350 |
| Exam fees | 50 | 1,268 | 1,268 | 1,268 | 1,218 |
| Depreciation | 350 | 5,236 | 5,236 | 5,236 | 4,886 |
| Total expenditure | 1,022 | 90,368 | 90,363 | 90,850 | 89,346 |
| Operating Surplus (Deficit) | 307 | (999) | (939) | (902) | (1,306) |
| (Loss) on sale of fixed asset | 0 | 0 | 0 | 0 | 0 |
| Operating Surplus/(Deficit) after loss on sale of fixed asset | 307 | (999) | (939) | (902) | (1,306) |
| SURPLUSES AND DEFICITS | | | | | |
| Operating Surplus/(Deficit) | 307 | (999) | (939) | (902) | (1,306) |
| Difference between historical cost deprn & the actual charge for the period | 0 | 677 | 677 | 677 | 677 |
| Historical cost Surplus/(Deficit) for the period | 307 | (322) | (262) | (225) | (629) |
| Pension Adjustments | 0 | 0 | 0 | 0 | 0 |
| Foundation Adjustments | 685 | (315) | (315) | (315) | (1,000) |
| NPD Balance Sheet debt | 0 | (5,011) | (5,011) | (5,011) | (5,011) |
| Revaluation reserve | 0 | (677) | (677) | (677) | (677) |
| Depreciation - Net of deferred Grant | 150 | 4,399 | 4,399 | 4,399 | 4,249 |
| Underlying Operating (Deficit) | 1,142 | (1,926) | (1,866) | (1,829) | (3,068) |
| F'Cast Cash balance as at 31 July 2021 | 1,235 | 4,201 | 4,261 | 4,298 | 2,966 |

Risk Management Action Plan

Risk Description: Failure to maximise income via diversification

Risk ID: 16

Owned by: VPCS/ VPCDI

Review Date: November 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.

In November 2020, the Development Committee noted progress in the development of a number of initiatives with partner organisations, in particular with international partners. However the ongoing uncertainties caused by the Covid pandemic, nationally and globally, remain a considerable threat. Risk score remains at 25 RED.

| | |
|--|---|
| 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 & 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 obtain funds from College Foundations

Risk ID: 20

Owned by: VPCS

Review Date: Feb 2021

Update

Full Description:

The risk is that applications by the College to access Foundation funds are unsuccessful, leading to under-resourcing of planned initiatives/improvements.

Treatment:

Mitigation consists of a careful framing of the terms of reference of the College Foundation, within the limits of Foundation independence, for which professional legal counsel was sourced externally.

The College should ensure that all applications follow the terms of reference and are carefully prepared and managed.

Commentary (Update):

Retention of/ access to accumulated reserves

The Scottish College Foundation

The sector Foundation has been established and has been granted charitable status. The Foundation is be known as; "The Scottish Colleges Foundation". The College donated £11.7m to the Foundation before the end of March 2014. A meeting was held with the trustees to discuss the College's application to fund the new campus project. A single full application for the overall new campus project costs and to pay the related grant by a single annual payment per financial year over the following 3 years. The College has applied and received funding of £11.7m, all the £11.7m of funding was linked to the new campus.

City of Glasgow College Foundation

The City of Glasgow College Foundation was formed as a private company limited. The Foundation has achieved charitable status and currently has the maximum of seven trustees. None of the current trustees are members of the College's Board of Management or College employees. The external auditors are satisfied that the structure and Governance of the Foundation provide independence. The College donated £10m to the Foundation in March 2014 and £3.1m in March 2015.

The College has successfully answered all the trustees' questions and the funding was agreed. A protocol has also been agreed for accessing the project contingency funding that the College transferred to the Foundation.

A further application of approximately £2.8m was submitted at the end of June 2016 and £2.7m approved. The College has applied and will receive funding of £5.2m by 2017; all this funding is linked to the new campus.

In August 2017 an application of £2.2m for specialist equipment was submitted, approved and paid. In March 2018 an application of £2.1m for funding towards the voluntary severance linked to the leadership reorganisation was submitted, approved and now fully paid.

Two funding applications were recently made. One to fund substantial growth and expansion of online courses / teaching materials (£300k) and the other was for ADOBE software licenses for students (£43k).

We estimate that the Foundation currently holds a balance of approx. £4.6m.

| | |
|---|---|
| Current Risk Score: | Gross Risk Score (assuming no treatment) |
| Likelihood 1/5 Impact 4/5 Risk Score 4/25 RAG Rating: GREEN Target Score: 3 | Likelihood 4/5 Impact 5/5 Risk Score 20/25 |
| Risk Appetite (Willing to accept): | Risk Tolerance (Able to accept): |
| <u>Low</u> Medium High | Category: Finance 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: Negative Impact of Brexit

Risk ID: 22

Owned by: VPCS/DCS

Review Date: Feb 2021

Update

Full Description:

The key sub risks of Brexit for the College are identified as follows:

1. Loss of European grant funding. The College will receive ESF grant funding of £2.3m in 20-21.
2. Loss of European Programme funding (Erasmus+, Leonardo, Marco Polo) Skills Development Scotland manage funds, which are partly supported by European Union money, and which Colleges access, for example, Modern Apprenticeships. Any reduction in funding such as this will impact on Region activity.
3. Loss of European contracts where our partner is EU funded (previous Malta contract)
4. Impact on shipping industry
5. CoGC EU Students – numbers in 20-21 is currently 1,381 from 30,137 (4.6%)
6. CoGC EU Staff – small number of EU staff (45 total headcount, 3.1%)

Treatment:

1. The Scottish Funding Council has responsibility for managing the European Social Fund (ESF) and the Youth Employment Initiative (YEI). SFC has said that they will work with the Scottish Government, colleges and universities to reduce uncertainty for students and institutions in both the short term and the longer term.
2. UK's participation in most of these is assured to the current Programmes' end dates in 2022. The longer term replacement of the Erasmus Programme is a risk for the College.
3. Securing new partnerships or contracts on EU funded projects will become more challenging.
4. As a leading provider of Maritime Education in the UK, we are actively engaged in discussion with the UK Chamber of Shipping to ensure that we can contribute, where appropriate, and take advantage, where new opportunities are emerging

5. We will monitor this minor risk in light of wider national developments
6. Given the current staff profile any change linked to Brexit will have a minor impact.

Commentary (Update):

The College stands to lose a significant amount of EU funding. At the current time it is unclear how or whether this gap will be filled however the Government have announced a replacement fund, Scottish Shared Prosperity Fund (SSPF). The details of the SSPF is currently being by the UK & Scottish Government and should be available to support project and initiatives from 2022.

We will continue to monitor the implications of BREXIT for the College and, as more detail emerges, ensure that we carry out analyses of the implications for students and the potential impact on income streams and overall strategic direction for the College, Region and for the sector.

The Brexit Risk Register for Colleges from SFC and is regularly reviewed.

Potential impacts

- Brexit will impact on the ability to retain and attract staff, who provide a wealth of experience and knowledge to the college sector.
- Implication for non-UK EU students who could be adversely affected by the outcome of the UK withdrawing from the EU. Recruitment of non-UK students may be an issue with greater immediate ramifications for the university sector, which could have knock-on consequences for the college sector.
- Risks around limiting engagement in positive cultural exchange visits. These programmes have wide ranging positive benefits beyond the educational impact.
- Colleges are taking forward readiness preparations guided by the Brexit checklist
- Re-state the college sector's readiness and willingness to be flexible and seek to support the Scottish Government, whatever the outcome and level of economic impact as a result of Brexit.
- Offer to contribute to the message that Scotland is 'open for business'.
- Need for colleges to consider how indirect investments that reach the college sector from local authorities or SDS may be impacted.

The UK officially left the EU on the 31st January 2020 and we are now in the transition ended on the 31st December 2020. There has been no short term negative impact on the College. Some areas of the UK and industries have experienced a negative impact with delays in the supply chain and increased bureaucracy.

There still remains great uncertainties on final outcomes, new trade agreements and longer term impact of Brexit.

The current COVID-19 crisis has reduced the focus on the discussion and future impact of the UK leaving the EU.

| | |
|---|--|
| Current Risk Score: | Gross Risk Score (assuming no treatment) |
| Likelihood 5/5 Impact 2/5 Risk Score 10/25 Recommend change of the risk score from 5x2 to 3x3 RAG Rating: AMBER Target Score: 5 | Likelihood 5/5 Impact 3/5 Risk Score 15/25 |
| Risk Appetite (Willing to accept): | Risk Tolerance (Able to accept): |
| Low Medium High | Category: Finance? 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 agree a sustainable model and level of grant funding within Glasgow Region

Risk ID: 23

Owned by: VPCS

Review Date: February 2021

Update

Full Description:

Context:

While approving the new campus development and funding, the Scottish Funding Council (SFC) also confirmed their commitment to 210,000 WSUMs (subsequently referred to as 180,000+ Credits) of funded activity once the campus was complete.

In February 2015 the Scottish Government, SFC, Glasgow Colleges Regional Board (GCRB), and the three College Boards agreed a Curriculum and Estates Strategy for Glasgow, and in doing so, ensured that the City of Glasgow College receives the equivalent of 210,000 WSUMs within an agreed timeframe. Within the agreed 2015-2020 Curriculum and Estates Plan for the Glasgow Region to ensure that the grant-funded activity level target for City is achieved. Although the annual total volume of funded activity has been agreed, the value of the funding is still subject to annual discussion and agreement. The transfer of Credits within the region agreed in the Curriculum and Estates Plan for the Glasgow Region was completed in 2016-17.

SFC announces annually the initial regional funding allocations following which GCRB allocate funding to the three Glasgow Colleges.

Commentary (Update):

The draft 2021-22 Scottish Budget was announced on the 28th January and contained positive news of an increase in the revenue budget of £35.7m, which equates to a 5.6% increase. The total funding increase to Colleges of £35.7m may include ring fenced funding specific costs / activities and increased student support funding. Disappointingly capital funding was reduced by £2m to £33.7m. SFC are planning to announce the 2021-22 initial regional funding allocation in late March.

SFC announced the 2020-21 initial regional funding allocation on the 7th April 2020. The Regional funding allocation slightly reduced the total regional Credits, City's SFC Credit target is 179,900. The SFC allocation is a 1.84% increase to the core teaching grant plus the agreed additional national bargaining funding and fully funding the additional employer teacher pension scheme contributions. Capital and student support funding were also increased.

GCRB funding allocation means that City has the lowest grant per Credit in the sector at £236 per Credit compared to the Glasgow Regional average of £260 and the sector average of £289.

The 2020-21 SFC Capital Maintenance grant increased to £31.2m. The Glasgow was allocation is £5.3m, however GCRB have only allocated City £1.34m for all our capital and maintenance requirements. The approved new campus business case included £1.4m of the annual SFC Capital Maintenance grant being allocated to the NPD costs. The allocation within the Region is disappointing for City with £2.44m allocated to Clyde & Kelvin for backlog maintenance.

GCRB have also retained £830k for running costs and GCRB lead projects. This retained funding will have a direct impact on delivery and supporting students across the Glasgow Colleges.

During 2020-21 additional funded Credits and student support funding have been allocated.

The level of uncertainty regarding the value of future funding is still high with significant risk linked to SFC and GCRB funding methodology. Significant issues for future GCRB College funding allocations are;

- Capital funding
- ESF funding
- National bargaining funding
- IT infrastructure funding
- GCRB running costs & projects

Within the region we have been impacted by the Covid-19 restriction more severely and therefore have a more challenging financial recover period. The 2021-22 funding

allocation is even more important as the proportion of SFC funding is increasing as Non SFC income remains depressed with the ongoing impacted of Covid-19 restrictions.

This risk is being mitigated by robust curriculum planning at City and close involvement with GCRB and the other Glasgow Colleges.

| | |
|--|--|
| Current Risk Score: | Gross Risk Score (assuming no treatment) |
| Likelihood 3/5 Impact 4/5 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: Financial <u>Low</u> Medium High 1 2 3 4 5 6 |

| | | | | | |
|---|------------|----|----|----|----|
| | 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: Breach of IT System Security

Risk ID: 25

Owned by: VPCS

Review Date: January 2021

Update

Full Description:

1. Cybercrime
2. Other emergency circumstances resulting in main service failure, and threatening the operation of the college as described in Business Continuity Plan.

Treatment:

1. Maintain current operational controls.
2. Review Business Continuity Plan (BCP).
3. Ensure that IT Disaster Recovery plans are developed and reviewed.
4. Test and Review at local and College level.
5. Compliance with GDPR.
6. Adoption and compliance with UK Government Cyber Essentials Plus recommendations.
7. Continually monitor, review and upgrade security cyber defence and response capability within the college.

Commentary (Update):

Cybercrime:

The college network infrastructure remains effective in utilising defensive and detection measures to mitigate the risk of cyber attacks. However, the persistent and constantly evolving threat of criminal and malicious activity, along with emerging vulnerabilities, new technologies and the rise of nation state actors in this arena, require an ongoing programme to maintain a diligent defence to potential threats.

- Antivirus software to counter malware / ransom ware
- Centralised management and configuration of devices
- Active network monitoring tools
- Web and email filters to quarantine suspicious material
- Intruder prevention / detection measures to counter active hackers
- Port filtering and automated defence measures against network attacks (e.g. Distributed Denial of Service)
- Protection against data & web vectors (e.g. SQL injection)
- Awareness raising programmes, policy and guides to counter social engineering / Phishing
- Role based permissions and segregation of access to minimise risk of

accidental damage and internal attacks

- Encryption to defend against data loss / theft.

To reduce the likelihood of a failure the college has taken the following additional measures:

- The College currently utilises the leading Sophos antivirus solution is trialling 2 new solutions (one being a newer version of Sophos with additional functionality) as a replacement to further enhance this capability.
- The College physical IT estate (classroom and staff PCs) are automatically patched to the latest version of Sophos to enable quicker alerting to incidents.
- The College servers scan central file storage to ensure that any zero day exploit risk is minimised.
- The College continues to monitor and apply security patches to desktop machines, network devices and server infrastructure within 14 days of release to meet the UK Government Cyber Essentials Plus obligations.
- The IT have reviewed and updated the IT Disaster Recovery plan in line with the new College template and preventative measures are in place.
- The College is reviewing and updating our Information Security policy to reflect changing requirements.
- The College has achieved and will maintain UK Government Cyber Essentials Plus accreditation to demonstrate high standards of security governance.
- A new state-of-the-art network Firewall has been installed and configured
- A number of vulnerable older applications and devices have been removed from the College's IT estate to ensure compliance with Cyber Essentials Plus.
- The role of Network & Security Manager has been created to ensure constant focus on cyber security.

The following measures are also proposed to enhance the depth and scope of our cyber resilience capability:

- The College will seek to identify IT security competencies within existing staff and consolidate to share best practice. We will also seek to formally identify specialist IT security responsibilities to be assigned to specific posts as part of the current Leadership restructure.
- The College will develop and align our Cyber Essentials programme towards the adoption of ISO 27001 IT Security standards (existing strategic target to evaluate options by 2020).
- Improvements to incident response / reporting through the IT Service Desk to reduce the impact of potential breaches.
- Alignment of the college capital investment programme with security infrastructure lifecycles to maintain a viable cyber resilience environment.
- The College will evaluate measures for the effective management and remote support of external assets such as mobile devices and laptops to improve standardisation of security measures and reduce risk from theft or loss.

February 2020 Update

Through the IT Team, the College successfully achieved Cyber Essentials Plus accreditation in September 2019. We do continue to regularly update the College IT Systems and Applications in line with the Cyber Essentials Plus obligations and proactively monitor the College Firewalls and network to ensure the College technology estate remains as secure as it can be.

The new state-of-the-art network Firewall installed and configured in September 2019 was a key line in defence to prevent the malware attack which targeted another Scottish College which detected and blocked suspicious activity that may have caused the aforementioned cyber breach.

In partnership with Organisational Development, the IT Team has rolled out the email “phishing” simulation programme which will run over the next 12 months to both test and educate our end users. Analytics will be reviewed to identify areas or individuals within the College who were “lured” into interacting with the “phishing”/fake emails (supplied by our Technology partner) to try and further mitigate the probability of this.

As part of the recent IT Team restructure, the Network Team has been increased with an additional Network Engineer post added and is now managed by a dedicated Network & Security Manager. The Network & Security Manager has responsibility for the College Network Security function (working in partnership with the wider IT Team to provide the College’s Cyber Network capability) and is supported by 3 Network Engineers (an increase of 2 posts – one outstanding vacancy which has now been filled and the aforementioned new post, which is being advertised externally).

August 2020 Update

The Network & Security Manager post was filled internally in February to ensure a constant and consistent approach to cyber security is maintained. Interviews for the 3rd Network Engineer role were put on hold due to COVID-19 however interviews are currently being scheduled for the candidates who were shortlisted and remain interested in joining the College.

Cyber Essentials Plus re-accreditation is due in September 2020 with the Network & Security Manager co-ordinating the security related upgrades on the College systems from applications, servers and network.

The College has made a significant investment in Cisco Umbrella which provides improved security to all devices within the College network providing multiple security functions in a single cloud security service. A project is underway to expand this capability to cover College-owned devices (and mobile phones) that are now being used outside of the network for remote learning and working.

The College Cisco Identity Services Engine (ISE) which provides added security for managing access to/from end user devices to the College network is approaching “end

of life” with a number of options being developed to improve this capability. This is a key cyber security project with the College now providing internal server access to students remotely as a consequence of COVID-19 and the transition to remote learning and IT overnight on March 17th 2020.

The email “phishing” simulation project running since the beginning of the year has been successful in raising the cyber security awareness of end users educating on the dangers of opening emails (and attachments) from unknown sources. This education approach is supported by the UK Government National Cyber Security Centre who state organisational cyber security should be “supported by a systematic delivery of awareness programs”.

25 November 2020 Update

The College anti-virus platform has been upgraded to provide greater end-user protection.

Cyber Essentials Plus re-certification is underway with Stage 1 verified “self-assessment” successfully completed. Patching and server security upgrades continue to be applied to the College technology estate with full re-certification scheduled to be completed in January once a suitable audit slot is scheduled with the external auditors.

Supporting the UK Government National Cyber Security Centre (NCSC) ethos of user “education” as the key to first line cyber security, the College has continued to re-invest in the email “phishing” simulation platform which has raised awareness within the Staff Teams evidenced by the number of calls\emails to IT questioning the veracity of “suspicious” emails, which on occasion are part of this simulation exercise.

19 January 2021 Update

Cyber Essentials Plus re-certification continues with the Stage 2 external audit being scheduled with the auditor. Work has been ongoing to ensure ongoing compliance with the Cyber Essentials principles in lieu of the audit being completed.

Senior IT Management continue to engage with industry contacts to ensure that the College continues to be as cyber secure as possible.

| | |
|---|--|
| Current Risk Score: | Gross Risk Score (assuming no treatment) |
| Likelihood 2/5 Impact 5/5 Risk Score 10 /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 manage acute threats relating to the coronavirus outbreak

Risk ID: 27

Owned by: Pr/DPr/CSP

Review Date: 11 February 2021

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. 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, log-on connections for staff and students, resulting, applications, etc.

27.1 Students in Halls of Residence

SMT and Halls staff managed the care and support of hundreds of students since initial lockdown in March 2020. The new restrictions and further lockdowns have had a significant impact on numbers living and leaving the HoR. Currently there are 80 students living as of January 2021, and very few Covid cases on site. The staff are continuing to provide, round the clock, support and care to those still residing with us. The team are also continuing to monitor the Scottish Government advice and guidance and communicate this to residents.

27.2 Students at Sea (to be updated)

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 Recruitment and Enrolment Activity

Conversation rates for full time enrolments at August 2020 were better than anticipated and student retention at December 2020 was good.

A significant number of evening and part time leisure programmes which could not be delivered online have been suspended. The College will need to consider how to re engage and re invigorate this market with full on campus engagement resumes.

Schools Programmes have also reduced by nearly 60%. Foundation Apprenticeship activity has been prioritised and is reduced by only 12%.

Full time applications for AY 2021/22 commenced on 13 January 2021 with no significant change in numbers at the same period last year pre COVID. Interviews will commence online in February. The intake for AY 2021/22 will include school leavers and applicants whose education and progression may have been impacted by COVID restrictions in 2019/20. Many will have predicted results.

The College will ensure that its widening access policies and procedures offer opportunity and support for these applicants.

27.4 Student Support

Student support across all enrolments has moved online. While there has been a dip in utilisation in some areas (counselling referrals) others have maintained or increased activity (support with UCAS applications).

All services are being promoted through a variety of media channels.

A new student communication procedure is helping to improve communication.

Monitoring and evaluation of support services has been increased throughout the COVID period to ensure that services are meeting student's needs. Feedback and collaborative work with City SA helps to ensure that support is targeted and that communication reflects student concerns.

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.

AY 2020-21:

Student recruitment numbers, and retention (at November 2020) are healthy.

Induction and transition support reflected realistic expectations of the year ahead, with a very different learning and teaching environment in prospect. Opportunities continue to 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 the target this type of activity was reduced, however indications are positive at this stage. As well as the planned activity, there has been movement in the number of Purchase Orders received from the National Maritime Academy (NMA) in Saudi Arabia. There is also movement in discussions with the Government of West Java in Indonesia to put in place a team of experts from the College to work with their educational department and a commitment from Bandari Maritime College in Kenya. Meanwhile activity with partners across China, Malaysia, Vietnam and India continues.

Domestically the college is still actively tendering and quoting for business across the public & private sectors.

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 highlights key risks. The 2019-20 underlying operating deficit represented a substantially reduced loss due to maximising SFC funding, CJRS (furlough) funding, improved volume of online teaching and cost controls. 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.

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 a significant

increase in the SFC Flexible Workforce Development Fund (FWDF) of which the College received a significant increase, to £445,000 for 2020-21; however the continuing Covid-19 restrictions have delayed and reduced the short term demand for training. 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 has been developed and rolled out 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.

167 FTE staff were 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 remotely 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 was sent to all Board members through the summer, and Board members have access to the dashboard (see above). Board and Committees have continued to meet via MS Teams into 2019-20. The Board and its Committees continue to meet remotely through 2020-21.

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 2020, and again in December 2020. 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, with other staff returning to campus at the start of session on a partial basis according to organisational requirements. In December 2021, the college once more reverted to full remote operations.

Risk Score: Update 22 September 2020:

In the light of the Principal's Report to PNC it was agreed to uplift the Risk Score by adjusting the likelihood to 4 from 3. This results in an overall Risk Score of 4x4=16 RED.

Update 25 November

Following consideration of all influencing factors, the Audit Committee agreed a revision of the Risk Score from the above to 4x4=16 (RED) to 3x4=12 (AMBER).

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|--|--|
| 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 | | | | |