

Board of Management

Finance & Physical Resources Committee

Date of Meeting	Wednesday 2 June 2021
Paper No.	FPRC4-J
Agenda Item	4.7
Subject of Paper	Strategic Risk Review
FOISA Status	Disclosable
Primary Contact	Paul Clark, College Secretary/Planning Stuart Thompson; VP Corporate Services
Date of production	27 May 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.

2. Purpose

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. Key Insights

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 At the point of Covid lockdown in March 2020, a further 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. One significant proposal is for the reduction of risk Score for Risk 15 “Failure to achieve an operating surplus...” from 20 **RED** to 9 **AMBER**

3.5 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 12 to 6 AMBER (Audit & Assur. Committee 26/5/21).

The Risk MAPs for these risks are attached, with risk scores as reviewed by the Audit Committee (26 May 2021) and subject to further consideration by FPRC.

3.6 A review of strategic risks to May 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: 27 May 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	3	5	15	25	5	Score decr. 20 to 15 RED L&TC 5/20	Risk 1 MAP.docx	May'21
Students	Failure to establish optimal pedagogical model	2	1	VPSE	1	5	5	20	5		Risk 2 MAP.docx	Apr'21
Students	Failure to achieve good student outcome/progression levels	3	1	VPSE	2	5	10	15	5		Risk 3 MAP.docx	Apr'21
Students	Failure of the College's Duty of Care to Students	21	1	VPSE	2	5	10	20	4	Score incr. to 10 AMBER SSEC 10/20	Risk 21 MAP.docx	May'21
Growth and Development	Failure to realise planned benefits of Regionalisation	4	1	Pr/DPr	3	3	9	20	3		Risk 4 MAP.docx	May'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	May'21
Growth and Development	Failure to achieve improved business development performance with stakeholders	7	1	VPCDI	4	5	20	25	5	Score decr. 25 to 20: AAC 11/20	Risk 7 MAP.docx	May'21
Growth and Development	Failure to achieve improved performance	8	1	VPSE/DirE	2	5	10	20	5		Risk 8 MAP.docx	May'21
Growth and Development	Failure to attract, engage, and retain suitable staff	9	1	EDHR	2	2	4	20	3		Risk 9 MAP.docx	May'21
Growth and Development	Failure to achieve taught degree awarding powers	26	1	DPr	3	4	12	20	3	Score decr. 16 to 12 AAC 9/20	Risk 9 MAP.docx	May'21
Processes and Performance	Negative impact of statutory compliance failure	10	1	CSP	2	5	10	20	5		Risk 10 MAP.docx	May'21
Processes and Performance	Failure of Compliance with the General Data Protection Regulations (GDPR)	24	1	DPr	2	4	8	25	5	Score decr.. 12 to 8 AAC 05/21	Risk 24 MAP.docx	May'21
Processes and Performance	Failure of Corporate Governance	11	1	Pr/CSP	1	5	5	20	5		Risk 11 MAP.docx	May'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	May'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	May'21
Processes and Performance	Failure of IT system security	25	1	VPCS	2	5	10	25	5		Risk 25 MAP.docx	May'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 FPRC 09/20	Risk 15 MAP.docx	May'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	May '21
Finance	Failure to obtain funds from College Foundation	20	1	VPCS	1	4	4	20	4		Risk 20 MAP.docx	May'21
Finance	Negative impact of Brexit	22	1	VPCS/DCS	3	4	12	15	5		Risk 22 MAP.docx	May'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	May'21
ALL	Failure to manage acute threats relating to coronavirus outbreak	27	1	Pr/DPr	2	4	12	25	4	Score decr.. 12 to 8 AAC 05/21		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

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

May 2021

Lockdown measures eased in stages in the light of successful vaccination rollout and reduction in positive cases, hospitalisations and deaths due to Covid. A commensurate staged return of staff and students to campus operation is undertaken in line with Scottish Government guidelines. The Principal has met with staff teams across the College to explain the extent of campus return expected of students and staff within these limits, with safety as a priority along with the safe delivery of essential campus learning and teaching. Operations protocols for the College Campus sites have been updated to minimise risk to staff students and visitors. 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.

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: May 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 1).

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 1 highlights the 2020-21 projected underlying operating surplus of £576k. 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 improved financial performance in 2020-21 is due to

- Additional SFC funding (NTTF/YPG, COVID & Student accommodation)
- CJRS (furlough) funding

- Cost savings

There still remains 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 causing most of the 2020-21 to be carried forward.

Appendix 2 highlights the 2021-22 projected underlying operating deficit of £840k. The Senior Management Team and staff will continue to maximise income, control costs and delivery efficiency savings. The College non SFC income have suffered the greatest reduction from the Covid restrictions and are likely to recover over an extended period.

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.

Due to improved financial performance a change to the risk score is recommended:

Likelihood 3/5

Impact 3/5

Risk Score 9/25

RAG Rating (Overall): AMBER

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

	5	10	15	20	25
Impact	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	2020/21	2019/20
	12-month Variance	12-month F'Cast Apr	12-month Budget	12-month Actual
	£000s	£000s	£000s	£000s
Income				
SFC Teaching Grants	1,663	41,885	40,222	39,686
SFC ESF	0	2,347	2,347	2,378
SFC FWDF	0	890	890	730
SFC Other	209	23,965	23,756	24,508
Total SFC income	1,872	69,087	67,215	67,302
Fundable Tuition Fees	(357)	10,130	10,487	10,422
International & Commercial tuition fees	855	6,385	5,530	7,468
Other income	1,103	1,794	691	1,772
Catering & Accommodation	(969)	1,264	2,233	2,993
EU & International	(180)	689	869	795
Grant from Foundation	(342)	658	1,000	24
Investment income	(10)	5	15	5
Total NON SFC income	100	20,925	20,825	23,479
Total income	1,972	90,012	88,040	90,781
Expenditure				
Staff Costs	(7)	54,308	54,315	56,292
Other operating expenses	(1,250)	10,327	11,577	12,191
Property costs	20	17,370	17,350	17,055
Exam fees	50	1,268	1,218	1,318
Depreciation	350	5,236	4,886	8,645
Total expenditure	(837)	88,509	89,346	95,501
Operating Surplus (Deficit)	2,809	1,503	(1,306)	(4,720)
(Loss) on sale of fixed asset	0	0	0	0
Operating Surplus/(Deficit) after loss on sale of fixed asset	2,809	1,503	(1,306)	(4,720)
SURPLUSES AND DEFICITS				
Operating Surplus/(Deficit)	2,809	1,503	(1,306)	(4,720)
Diff between historical cost deprn & actual charge for the period	0	677	677	578
Historical cost Surplus/(Deficit) for the period	2,809	2,180	(629)	(4,142)
Pension Adjustments	0	0	0	2,681
Foundation Adjustments	685	(315)	(1,000)	0
NPD Balance Sheet debt	0	(5,011)	(5,011)	(4,700)
Revaluation reserve	0	(677)	(677)	(578)
Depreciation - Net of deferred Grant	150	4,399	4,249	6,379
Underlying Operating (Deficit)	3,644	576	(3,068)	(360)
F'Cast Cash balance as at 31 July 2021	4,737	7,703	2,966	18,992

Appendix 2

CITY OF GLASGOW COLLEGE

TABLE B

	2022/23	2021/22	2021/22	2021/22	2020/21
	12-month F'Cast	12-month F'Cast Realistic	12-month F'Cast Optimistic	12-month F'Cast Pessimistic	12-month F'Cast Apr
	£000s	£000s	£000s	£000s	£000s
Income					
SFC Teaching Grants	42,792	43,685	43,685	43,685	41,885
SFC ESF	2,347	2,347	2,347	2,347	2,347
SFC FWDF	890	890	1,068	712	890
SFC Other	24,313	24,252	24,252	24,252	23,965
Total SFC income	70,342	71,174	71,352	70,996	69,087
Fundable Tuition Fees	10,828	10,993	11,437	10,549	10,130
International & Commercial tuition fees	7,174	5,918	6,494	5,343	6,385
Other income	845	578	645	512	1,794
Catering & Accomodation	3,651	2,381	2,804	1,959	1,264
EU & International	1,133	719	814	624	689
Grant from Foundation	1,000	1,000	1,000	1,000	658
Investment income	5	5	5	5	5
Total NON SFC income	24,636	21,594	23,199	19,992	20,925
Total income	94,978	92,768	94,551	90,988	90,012
Expenditure					
Staff Costs	58,116	56,341	56,144	56,538	54,308
Other operating expenses	12,007	11,652	11,567	11,738	10,327
Property costs	17,192	17,267	17,227	17,306	17,370
Exam fees	1,303	1,263	1,303	1,223	1,268
Depreciation	5,238	5,238	5,238	5,238	5,236
Total expenditure	93,856	91,761	91,479	92,043	88,509
Operating Surplus (Deficit)	1,122	1,007	3,072	(1,055)	1,503
(Loss) on sale of fixed asset	0	0	0	0	0
Operating Surplus/(Deficit) after loss on sale of fixed asset	1,122	1,007	3,072	(1,055)	1,503
SURPLUSES AND DEFICITS					
Operating Surplus/(Deficit)	1,122	1,007	3,072	(1,055)	1,503
Diff between historical cost deprn & actual charge for the period	677	677	677	677	677
Historical cost Surplus/(Deficit) for the period	1,799	1,684	3,749	(378)	2,180
Foundation Adjustments	(1,000)	(1,000)	(1,000)	(1,000)	(315)
NPD Balance Sheet debt	(5,470)	(5,248)	(5,248)	(5,248)	(5,011)
Revalutaion reserve	(677)	(677)	(677)	(677)	(677)
Depreciation - Net of deferred Grant	4,401	4,401	4,401	4,401	4,399
Underlying Operating (Deficit)	(947)	(840)	1,225	(2,902)	576
F'Cast Cash balance as at 31 July	4,580	5,547	7,612	3,485	7,703

Risk Management Action Plan

Risk Description: Failure to maximise income via diversification

Risk ID: 16

Owned by: VPCS/ VPCDI

Review Date: 5 May 2021

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.

May 2021

In the light of reports to the Development Committee in May 2021, including projected international and commercial income figures and reported progress in activity in each area, the Committee agreed a reduction of Risk score within the parameters of the RED rating to 4x5=20.

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 4/5	Likelihood 5/5
Impact 5/5	Impact 4/5
Risk Score 20/25	Risk Score 20/25
Reduced from 25 by Devt Committee, May 2021.	
RAG Rating: RED	
Target Score: 9	

Risk Appetite (Willing to accept):	Risk Tolerance (Able to accept):
<u>Low</u> Medium High	Category: Change and Development/ Financial 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 & 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 obtain funds from College Foundations

Risk ID: 20

Owned by: VPCS

Review Date: May 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.

Three funding applications were recently made and approved.

- £300k - substantial growth and expansion of online courses / teaching materials
- £43k - ADOBE software licenses for students.
- £600k – procure and implement a new student Virtual Learning Environment (VLE)

We estimate that the Foundation currently holds a balance of approx. £3.6m.

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 <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				

Risk Management Action Plan

Risk Description: Negative Impact of Brexit

Risk ID: 22

Owned by: VPCS/DCS

Review Date: May 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 with the transition ending 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.

In the SFC 2021-22 indicative funding announcement the intension to transition from ESF funding was formalised with the aim to embed the activity and funding in the sectors core funding from 2022-23.

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 3/5 Impact 4/5 Risk Score 10/25 Risk score changed by AAC Feb '21 from 5x2=10 to 3x4=12 (AMBER) 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):
<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				

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: May 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 includes ring fenced funding specific costs / activities and increased student support funding. Disappointingly capital funding was reduced by £2m to £33.7m.

SFC announced the 2021-22 initial regional funding allocation on the 24th March 2021.

The core grant allocation has base increase of 2.3% and also includes new ring fenced funding

£512,027,707 Core teaching funding

£8,691,992 Foundation apprenticeship funding

£10,000,000 Deferred students funding

£5,000,000 Digital capacity funding

£4,400,000 Mental health funding

£540,119,699 Total teaching funding

£108,090,383 Glasgow Regional teaching funding (20%)

GCRB announced the regional funding allocation on the 29th March 2021. SFC allocated an increased total regional Credits target which includes Credits for foundation apprenticeship and deferred students, City's 2021-22 SFC Credit target is 183,896. .

There continues to be discussions regarding the regional allocation of the foundation apprenticeship funding with Kelvin College allocated 62% of the total funding. Kelvin College are also requesting additional funding to support the current administration team employed by the College.

GCRB funding allocation means that City has the lowest grant per Credit in the sector at £251 per Credit compared to the Glasgow Regional average of £273 and the sector average of £301.

The 2021-22 SFC Capital Maintenance grant increased to £33.7m. The Glasgow was allocation is £5.15m, however GCRB have only allocated City £1.26m 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 £806k for running costs and GCRB lead projects. This retained funding will have a direct impact on delivery and supporting students across the Glasgow Colleges.

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: 27 May 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.

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.

20 April 2021 Update

Progress towards maintaining Cyber Essentials Plus continues with the current COVID pandemic having resulted in the re-certification period date being extended to June 2021. Servers and devices continue to be patched weekly in accordance with the 14 day update window.

Multi-Factor Authentication (MFA) is being rolled out to the Senior Management Team (SMT) initially as they all have college mobile phones and will be offered to staff if they wish to use their personal mobiles to authenticate that it is indeed themselves attempting to log onto College systems (email, MS Teams etc).

SMT now have access to email encryption which will be used when sending personal identifiable information adding an increased and fully encrypted, additional level of email security to what was previously available.

A formal IT Disaster Recovery (DR) Plan is under development with IT working in partnership with a Technology Partner, which will result in an industry good practice, documented, tested IT DR plan that can be referenced in case of an emergency such as a Cyber Attack.

Options for a Cyber Insurance policy are currently being evaluated, with due diligence underway from both the College and Insurance broker perspective to ensure the correct level of cover is obtained.

27 May 2021

On 25/26 May a significant risk associated with the College’s cyber security was identified. Emergency measures were immediately instigated, involving short notice to staff and students for the resetting of College account passwords, followed by account locking by 5.30pm on 26th May.

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: May 2021

Update

Full Description:

1. The College fails to manage the acute, immediate and short-term threats resulting from the coronavirus/COVID-19 crisis.
2. The College fails to manage the ongoing threats resulting from COVID in the medium and longer terms.

Treatment:

1. A Covid-19 Action Group was established to manage implications of the coronavirus outbreak prior to campus closure in March 2020.
2. SMT and ELT meet regularly* 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

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.

Update at May 2021

No cases of coronavirus having been transmitted on campus have been identified.

The College has been monitoring the number of confirmed cases of COVID-19 among its staff and students since September 2020. The statistics show that the prevalence of cases in the College community closely mirror trends in the community:

	Staff	Students	Late notifications	Total
September (18-30)	2	9	0	11
October	11	38	2	51
November	13	46	0	59
December (1-18)	3	8	1	12
January	10	28	3	41
February	5	17	1	23
March	3	15	0	18
April (14-30)	4	4	0	8
Total	51	165	7	223

In addition to maintaining our protocols and the mitigations against the virus, the College is now distributing free Lateral Flow test kits to all students and staff who come onto campus. The kits are provided by the Scottish Government and the UK Department of Health and Social Care, and are for use on a voluntary basis. They may be collected from Reception at Riverside or City, and each box contains 7 tests once a consent form has been signed.

Tests should be done, at home, twice a week, regardless of how often the person concerned is coming into College buildings. Results should be uploaded onto the NHS website for reporting. (The College does not have access to the results.) If a positive LFD test is received, the person concerned should not come into College but should stay at home and arrange to take a PCR test at a local centre. PCR tests are more accurate than Lateral Flow tests, and will either confirm the presence of the virus or overrule a false positive result.

Screening with LFD tests offers a further degree of reassurance to those who are on site that those who may have the virus are less likely to come in.

27.1 Students in Halls of Residence

SMT and Halls staff have managed the care and support of hundreds of students since initial lockdown in March 2020. The restrictions and further lockdowns in November 2020 and January 2021 had a significant impact on numbers living in the Halls, with 77 students withdrawing from Halls and / or terminating residency agreements since the beginning of semester 2 (144 since the start of the academic year).

Currently, there are 102 students in total in residence (39 at Riverside and 63 at St Luke's). Occupancy at Riverside is at 20%, and at St Luke's 30%.

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.

We have had no cases of COVID-19 in the Halls over the last few months.

27.2 Students at Sea

The College no longer has any students who are 'stuck' on ships. All have returned safely.

27.3 Student Recruitment and Enrolment Activity

Conversion rates for full time enrolments at August 2020 were better than anticipated and student retention at December 2020 was good. However, anecdotal evidence in the run up to Easter 2021 suggested that there might be a higher rate of drop out than usual for this time of year, with students feeling a lack of confidence as practical classes resume on campus.

A significant number of evening and part time leisure programmes which could not be delivered online remain 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 moved entirely online and 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 moved online in March 2020. While there has been a dip in utilisation in some areas (eg counselling referrals) others have maintained or increased activity (eg support with UCAS applications).

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

27.5 Delivery of Learning and Teaching

With further lifting of restrictions, the College has moved to a 29% cap on students onsite from 19 April. This equates to a maximum of 1800 students at any one time across both campuses. It is anticipated that the college would progress 80-90% of students but the impact of the EIS strike is currently being assessed. This is an active challenge for Faculties and options have been developed in consultation with staff and the Student Association to ensure that all students progress.

The list below provides a synopsis of developments over the last year:

- **Learning and Teaching Guidance:** The principles of our new Blended Learning model have been shared with all staff by way of Learning and Teaching Guidance. This is continually updated in line with changes from regulatory bodies and the changing nature of Covid restrictions. Currently, the College is awaiting extended and subject specific guidance from SQA for further changes to the assessment of some group awards, and the provision of an additional alternative approach to assessment. Internal Quality Assurance panels will be established with the aim to complete all outcomes by 2 July.
- **Digital Access and Student Connectivity:** A clear priority for the college was ensuring that all learners have access to hardware they can use to access the internet and the Virtual Learning Environment. The college invested almost £1.3m on a laptop loan scheme purchasing 2000 laptops and every student who requested a college laptop, booked a slot and turned up on the day, has received a laptop. In addition, the college has also invested in the purchase of Adobe software licences for students studying in Creative Industries and some STEM areas to allow students to continue learning whilst at home. This again was a significant investment and separate to the Adobe Licence the College holds for onsite computers.
- **Blended learning Fund;** The Blended Learning Fund (BLF) was established in response to the challenge faced during the Covid crisis to ensure we are well placed for delivery of a high quality online learning and teaching experience and to "Let Learning Flourish". The fund was subsequently supported by a successful application the Foundation. The aim was to provide additional support to learning and teaching staff in the delivery and development of the new blended delivery model. The fund application process opened end of January and received a tremendous response from across all faculties. A further essential step is to share outcomes of projects across the college via on Learning and Teaching Academy staff resource hub and through the Learning and Teaching Conference 'Let's get Phygital' on 14 September 2021.

- Support for Digital Learning: In support of digital delivery the Learning & Teaching Academy has evolved its programme of CPD activity from 'tech how to' webinars in the early days of lockdown to refocus on more pedagogical approaches to managing and developing digital 'classrooms' and working closely with course teams to enhance delivery. The L&TA also launched a sector leading Lecturer Integration programme which all new lecturers will complete when joining the College. This includes five components including digital delivery and set the standard expected from the outset. Separately, and importantly, it is planned to host a City of Glasgow College Online Learning and Teaching Conference this academic year.

27.6 Commercial/International Development

Ongoing activity has been maintained throughout lockdown and various Covid restrictions with the College's commercial and international partners. The College has now received a considerable number of Purchase Orders from the National Maritime Academy (NMA) in Saudi Arabia, which totals almost £800,000. A lot of this activity will be preparatory and undertaken remotely before the physical requirement for the College to send over key personnel to service these PO's.

The Corporate Development Team have also bid for consultancy in Indonesia through the UK Government Prosperity fund and is awaiting confirmation if the bid has been successful. The bid covers work in the Supply Chain and Marine Engineering areas. There have also been a range of remote courses that have taken place with partners in China, Singapore, Malaysia and Vietnam. Initial feedback from these partners has been extremely positive and work will continue using this approach until travel restrictions are lifted.

Domestically the college is still actively tendering and quoting for business across the public & private sectors with request for proposals (RFP), quick quotes and tenders.

Through the activity with employers for the Flexible Workforce Development Fund (FWDF) the College has continually engaged with and trained employees throughout lockdown, have now put over 5000 employees through training since March 2020. It is expected that with restrictions easing the team can deliver on site as well as maintaining remote delivery to those companies whose employees are either shielding or on furlough.

27.7 College Finances

The Covid-19 pandemic has had a massive financial impact on the College since the buildings closing on 17 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 in the sector, 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 recorded an underlying operating deficit of £360,000 in 2019-20.

The negative impact of the Covid-19 pandemic has continued throughout 2020-21 with the College experiencing massive reductions in income from:

- international training
- commercial training
- student accommodation
- catering
- part-time courses.

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 of £445,000 for 2020-21. The continuing Covid-19 restrictions have further delayed and reduced the short term demand for training and including FWDF.

The Senior Management Team and staff have continued to maximise income, control costs and deliver efficiency savings. The College and the sector have received additional funding from the CJRS (furlough) funding and SFC funding, and this, combined with cost savings and new operating models, has dramatically improved the College's financial position to now be projecting a break even position in 2020-21.

27.8 People Issues & Payroll

Health, wellbeing and welfare remain primary considerations. All staff have access to line managers and resources, and to 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) has adapted to the emergency working arrangements – paying people on time and accurately remains a priority. A number of staff were placed on the UK Government furlough scheme, with the College ensuring no loss of pay for the staff involved. SMT continues to monitor and manage this initiative. As at May 2021, most staff are off furlough with a small number on flexible furlough.

Staff Engagement: All staff remain engaged. This is constantly being monitored to ensure health and wellbeing. Both formal and informal engagement continue with Trade Unions in order to engage, consult, and prepare for emerging issues and a return to the College. A holistic wellbeing survey has been undertaken, the results of which will be available in May 2021.

27.9 IT

The IT Team continues to support and make daily improvements to the College's hybrid working for blended learning model to help our students and staff. To supplement the current IT Service Desk Team and increase capacity, 6 temporary IT Service Desk Technicians were recruited who have been instrumental in improving the College end user experience.

To date, the College has provided over 1,500 laptops and 300 Chromebooks on loan to our students to try and alleviate digital poverty and remove barriers to education.

Work is continuing to ensure that the current student and staff MS Teams tenancies are consolidated for the start of the new academic year while working closely with the Learning & Teaching Academy, the MyCity Virtual Learning Environment (VLE) will remain in place for its final academic year while it is phased out to be replaced by the new VLE.

Our new Digital Strategy has been completed and is due for publication. It identifies a number of key strategic initiatives to further enhance City of Glasgow College's "Digital Campus" aspirations. These include the new VLE, developing a Data Warehouse to improve the available data insights, the development of a new Student App and the implementation of a new IT Service Desk platform to improve the responsiveness and ability of the IT Team to support both students and staff in our new hybrid learning & blended models.

27.10 Governance/Management

The Senior Management Team, Executive Leadership Team, as well as the Board of Management and its and Committees continue to meet remotely via MS Teams. The Board has undertaken an External Evaluation of Governance Report (2021) published to schedule as required. Referencing the Code of Good Governance in Scotland's Colleges, this very positive report represents a very high level of assurance in respect of the standard of corporate governance, especially when taken together with the independent audit of governance included in the Annual Report for 2019-20 which yielded no recommendations for improvement.

27.11 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 sustainability issues relate to the sector-wide (and global)

financial impact of the crisis, however the immediate threat to business continuity from financial impacts has been lessened due to government funding and management solutions.

The Principal has met with staff teams across the College (April/May 2021) to explain the extent of campus return expected of students and staff within the limits placed by the Scottish Government, with safety as a priority along with the safe delivery of essential campus learning and teaching. Operations protocols for the College Campus sites have been updated to minimise risk to staff students and visitors. 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.

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.

Risk Score: Update November 2020

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).

Risk Score: May 2021

The Audit and Assurance Committee agreed a reduction of Risk likelihood from 3 to 2 (resulting in an overall risk score of 6 = low Amber, down from 12).

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

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