Board of Management

Finance & Physical Resources Committee

Date of Meeting	Wednesday 1 June 2022
Paper No.	FPRC5-K
Agenda Item	4.8
Subject of Paper	Strategic Risk Review
FOISA Status	Disclosable
Primary Contact	Sheila Lodge, Depute Principal & Chief Operating Officer
Date of production	26 May 2022
Action	For Discussion

1. Recommendations

1. To consider 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 25 May 2022.

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. Consultations

3.1 All Risk owners were consulted during this latest review.

4. Context

4.1 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".

4.2 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"

4.3 The strategic Risks included in this report are:

- Risks 15, 16, 20, 22, 23 under the Finance Strategic Theme. The current financial outlook and pressures on both income and expenditure have resulted in a budgeted deficit. The Risk score for risk 15 remains at 20 (RED) and for Risk 16 remains at 20 (RED).

- Risk 22 relating to Brexit impacts: Score 9 - AMBER.
- 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 12 AMBER.

- Risk 30 – Failure to Secure Sufficient Capital Investment. This is a new risk map, addressing the risk that the College may be unable to secure sufficient capital investment to allow for the replacement of all equipment as it comes to the end of its useful life.

  The main financial constraints and considerations for the College's current and future capital planning are:

  The anticipated asset replacement requirement is c£3m-£4m per annum.

  The College's annual SFC Maintenance and Capital Grant (c£1.3m) has previously been fully utilised as income to partially fund the College's Unitary Charge element of the NPD contract and so no funding remains for asset replacement. This has been realigned to capex (rather than revex) for the 2022/23 Budget, however in doing so creates additional pressure on bottom-line deficit.

  The Indicative SFC Funding Announcement for 2022/23 has not changed the methodology for the allocation capital funds across colleges, which prioritises capital backlog maintenance and disadvantages City of Glasgow College. And so there remains no funding for asset replacement at this stage in the budgeting process for 2022/23. There is a recurring and growing challenge to fund the current and future capital demands.

  Proposed Risk Score: 4 x 3 = 12 (AMBER).

The Risk MAPs for these risks are attached, with risk scores as reviewed by the Audit Committee (May 2022) and subject to further consideration by FPRC.

4.4 As FPRC was notified in March 2022, two new Risk MAPs for Risk 28 (linked to the new College Company development (CGI) Risk Register), and Risk 29 (related to emerging duties under Environmental Social and Governance duties) have been added. These Risk MAPs are being produced and will be taken to the Board for its approval in June.

4.5 A review of strategic risks to May 2022 has been undertaken, involving senior Risk "owners", and Risk MAPs have been updated accordingly where required.

4.6 A revised Risk Register is included in the appendices.

5. Impact and implications

5.1 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.

5.2 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 scored high (RED) to reflect the immediate financial risks to the College in the light of the present Covid-19 crisis, pressures on income and expenditure, and funding settlements.

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

5.4 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**

CITY OF GLASGOW COLLEGE

Risk Register: 25 May 2022

RISK DETAIL					CURRENT EVALUATION			AIM and PROGRESS			RISK TREATMENT	
Strategic Theme	**Risk Name**	**Risk ID**	**Level**	**Risk Owner**	**Likelihood**	**Impact**	**Net Risk Score**	**Gross Risk Score**	**Target Risk Score**	**Risk Movement/ Comments**	**Link to Risk Mgt Action Plan (MAP)**	**Date of last review**
Students	Failure to support successful student outcomes	1	1	VPSE	2	5	10	25	5		Risk 1 MAP.docx	Jan'22
Students	Failure to establish optimal pedagogical model	2	1	VPSE	1	5	5	20	5		Risk 2 MAP.docx	Jan'22
Students	Failure to achieve good student outcome/progression levels	3	1	VPSE	2	5	10	15	5		Risk 3 MAP.docx	Feb'22
Students	Failure of the College's Duty of Care to Students	21	1	VPSE	2	5	10	20	4		Risk 21 MAP.docx	Jan'22
Growth and Development	Failure to realise planned benefits of Regionalisation	4	1	Pr/DPr	3	3	9	20	3		Risk 4 MAP.docx	Feb'22
Growth and Development	Negative impact upon College reputation	6	1	VPCDI	3	4	12	25	5		Risk 6 MAP.docx	May'22
Growth and Development	Failure to achieve improved business development performance with stakeholders	7	1	VPCDI	4	5	20	25	5		Risk 7 MAP.docx	May'22
Growth and Development	Failure to manage strategic risks associated with City of Glasgow International Ltd	28	1	VPCDI			tbc			New Risk added AAC 3/22		Mar'22
Growth and Development	Failure to achieve improved performance	8	1	VPSE/ DirE	2	5	10	20			Risk 8 MAP.docx	Feb'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'22
Growth and Development	Failure to achieve taught degree awarding powers	26	1	DPr	3	4	12	20	3		Risk 26 MAP.docx	May'22
Processes and Performance	Negative impact of statutory compliance failure	10	1	CSP	2	5	10	20	5		Risk 10 MAP.docx	Feb'22
Processes and Performance	Failure of Compliance with Environmental Social and Governance (ESG) Duties	29	1	tbc			tbc			New Risk added AAC 3/22		Mar'22
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'22
Processes and Performance	Failure of Corporate Governance	11	1	Pr/CSP	1	5	5	20	5		Risk 11 MAP.docx	Feb'22
Processes and Performance	Failure of Business Continuity	12	1	VPCS/ CSP	3	4	12	25	4		Risk 12 MAP.docx	May'22
Processes and Performance	Failure to manage performance	13	1	VPSE/ DirE	3	4	12	20	4	Score incr. 4 to 12 PNC 8/21	Risk 13 MAP.docx	Dec'21
Processes and Performance	Negative impact of Industrial Action	14	1	EDHR	3	4	12	25	4		Risk 14 MAP.docx	May'22
Processes and Performance	Failure of IT system security	25	1	VPCS	2	5	10	25	5		Risk 25 MAP.docx	May'22
Finance	Failure to achieve operating surplus via control of costs and achievement of income targets.	15	1	VPCS	5	4	20	25	4	Score incr. 12 to 20 AAC 02/22	Risk 15 MAP.docx	May'22
Finance	Failure to maximise income via diversification	16	1	VPCS/ VPCDI	4	5	20	25	5	Score decr. 25 to 20 DC 5/21	Risk 16 MAP.docx	May'22
Finance	Failure to obtain funds from College Foundation	20	1	VPCS	1	4	4	20	4		Risk 20 MAP.docx	May'22
Finance	Negative impact of Brexit	22	1	VPCS/ DCS	3	3	9	15	5	Score decr. from 12 to 9 AAC 3/22	Risk 22 MAP.docx	May'22
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'22
Finance	Failure to secure sufficient capital investment	30	1	VPCS	4	3	12	20	3		Risk 30 MAP.docx	May'22
ALL	Failure to manage acute threats relating to coronavirus outbreak	27	1	Pr/DPr	3	4	12	25	4	Score incr.. 8 to 12: PNC 1/22		May'22

Recent (12mnth) change

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

Risk Score Matrix

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

Trend

Date	Jun-18	Dec-18	Jun-19	Dec-19	Jun-20	Dec-20	Jun-21	Dec-21
Average Risk Score	9	9	9.43	8.95	11.2	11.3	10.7	10.4
Number of RED Risks	2	2	3	1	4	5	4	2

N.B. Closure of low-scoring risks will have an upward 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
	1	2	3	4	5	6
Risk Management Level of Tolerance (Able to Accept)	Low		Medium		High	

Risk Management Action Plan	
Risk Description: Failure of Business Continuity	
Risk ID: 12	
Owned by: VPCS/CSP	**Review Date: May 2022**

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."

The Board and SMT had 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.

Operations protocols for the College Campus sites were developed and updated 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.

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.
The new Hybrid Working Toolkit has been approved by the Board of Management ,and is in place to guide and support the safe return to campus operations on a hybrid basis.

Business Continuity Team met on 17 February 2022 to evaluate risk of business interruption due to Met Office Amber weather warning for 18 February, due to snow. Decision to revert to remote learning and teaching for 18 February taken and communicated. College buildings opened from 10am - 4pm after due consideration of all implications and consequences for students, staff, and stakeholders, with particular focus upon safety and well-being.

Business Recovery Plans (16no) were recently updated by BRP owners (SMT) to include lessons learned from implementation and COVID.

Business Continuity has recently been subject to an Internal Audit by Henderson Loggie, report is still in draft.

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 2022**

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 2020-21 the College approved financial plan budgeted for a substantial underlying operating deficit (£3.1m) due to the massive financial impact on the College of the Covid-19 pandemic. Appendix 1 highlights the 2020-21 projected underlying operating surplus of £72k. 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
- Insurance claim
- Cost savings

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 to 2021-22. The College has the funding to potentially deliver 2.3m FWDF training in 2021-22.

Appendix 1 also highlights the increased 2021-22 projected underlying operating deficit of £1m from the budget deficit of £740k. The Senior Management Team and staff will continue to maximise income, control costs anddelivery 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. There still remains uncertainties surrounding the projection, especially relating to the demand for commercial and international training.

	Summary of net movements (£k)	Fav.	Adv.	**Net**
	Budgeted Position			**(740)**
	Headline Movements as at P9:			
Income:	Relalign SFC Capital grant for additional Capex		-700	
	Total Fee income (net of cost)	+200		
	Increased Residences Income (net of cost)	+260		
Cost:	Additional Pay factors (pay award & NIC)		-740	
	Increased staff cost of delivery (Teaching)		-400	
	Staff cost savings - high vacancies (Support)	+790		
	Payroll deductions for strike days	+350		
	Rates Rebate	+230		
	CoCG COP 26 events		-170	
	Increase in NPD/Unitary charge (net)		-40	
	Various other off-setting		-40	**-260**
	Current Forecast Out-turn (P9)			**(1,000)**

The College is facing an even greater financial challenge in 2022-23 with a SFC funding reduction, staff pay award expectations, high inflation, rapidly increasing utility costs and income still recovering from the impact of COVID. The draft budget for 2022-23 is c £2m deficit after incorporating significant mitigation in maximizing income and reducing costs.

The senior management team will continue to proactively monitor, review and challenge staff to deliver a lower deficit. They will also ensure the delivery of a robust plan to return to at least a break even financial performance in 2023-24.

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 Increased from 12 to 20 (AAC 3/22) 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				

Appendix 1

Income	2020/21 Actual £k	2021/22 8 Months Budget £k	Forecast £k	Var. £k	**2021/22 Budget £k**	**P9 F'cst £k**	**Var. £k**
Recurrent grant (inc. fee waiver grant)	40,222	25,960	25,960	-	43,012	43,012	-
Flexible Workforce Development Fund	1,047	793	957	164	1,190	1,436	+246
NTTF & YPG	1351	650	1,293	643	975	2,877	+1,902
ESF	2,021	1,035	1,035	-	2,069	2,069	-
Childcare Funds	711	756	364	(392)	1,050	515	(535)
New Campus Glasgow	20,225	13,515	13,520	5	20,273	20,335	+62
Covid Support	1,255	-	-	-	-	-	-
Other	904	1,379	1,228	(151)	2,068	1,306	(762)
Buildings	363	-	-	-	146	146	-
Equipment	753	-	-	-	691	691	-
Total SFC Income	**68,852**	**44,088**	**44,357**	**269**	**71,474**	**72,387**	**+913**
HE - Home & EU	9,372	6,628	6,011	(617)	9,942	8,799	(1,143)
FE - Home & EU	667	729	717	(12)	1,093	1,093	-
Non-EU	1,574	795	1,483	688	1,193	1,776	+583
Commercial activities	3,040	1,742	1,849	107	2,613	2,982	+369
Educational Contracts	1,985	1,380	1,559	179	2,070	2,387	+317
Total Fees & Education contracts	**16,638**	**11,274**	**11,619**	**345**	**16,911**	**17,037**	**+126**
Residences	1,223	1,182	1,217	35	1,470	2,044	+574
Catering	136	638	324	(314)	911	911	-
Learning Technology Projects	246	123	82	(41)	111	63	(48)
EU Projects	174	355	336	(19)	407	629	+222
Other Income	857	529	756	227	784	1,103	+319
Job Retention Scheme	824	-	-	-	-	-	-
Staff Secondments	309	-	-	-	-	-	-
College Foundation	-	-	498	498	-	490	+490
Total Other Income	**3,769**	**2,827**	**3,213**	**386**	**3,683**	**5,240**	**+1,557**
Total Income	**89,259**	**58,189**	**59,189**	**1,000**	**92,068**	**94,664**	**+2,596**

Expenditure	2020/21 Actual £k	2021/22 8 Months Budget £k	Forecast £k	Var. £k	2021/22 Budget £k	P9 F'cst £k	Var. £k
Faculties	38,333	24,678	25,733	1,055	37,915	40,277	+2,362
Support Directorates	15,838	11,477	11,028	(449)	18,349	18,085	(264)
3rd-party staff costs / contractor	251	338	225	(113)	517	517	-
Apprenticeship Levy	188	110	110	-	190	200	+10
Other adjustments & provisions	394	-	-	-	(430)	(430)	-
Total Staff Costs	**55,004**	36,603	37,096	493	56,541	**58,649**	**+2,108**
Property costs - NPD	22,297	14,892	14,894	2	22,374	22,474	+100
Property costs - non-NPD	2,587	2,061	1,760	(301)	2,960	2,731	(229)
Other operating expenses	8,183	6,857	6,530	(327)	10,096	10,976	+880
Depreciation (inc Impairment)	1,116	558	558	-	837	837	-
Other exceptional items (VS etc)	-			-	-	-	-
Total Other Expenditure	**34,183**	**24,368**	**23,742**	(626)	**36,267**	**37,018**	**+751**
Total Expenditure	**89,187**	**60,971**	**60,838**	**(133)**	**92,808**	**95,667**	**+2,859**
Total Surplus/(Deficit)	**72**	**(2,782)**	**(1,649)**	**1,133**	**(740)**	**(1,003)**	**(263)**

Risk Management Action Plan	
Risk Description: Failure to maximise income via diversification	
Risk ID: 16	
Owned by: VPCS/ VPCDI	**Review Date: May 2022**

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. 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.

Appendix 1 shows the College Income & Expenditure performance, the 2020-21 projected underlying operating surplus of £72k is a massive improvement due to additional SFC funding, CJRS (furlough) funding, improved volume of online teaching and cost controls. 2020-21 Commercial and international course income had a reduction of £0.9m. The other main non SFC income sources adversely affected by the pandemic are student accommodation and catering income. In addition to the dramatic drop in income the majority of the costs to the 31st July 2020 continued with the College also fully paying all contracted staff.

The 2021-22 projected underlying operating deficit has increased to £1m from the budget deficit of £740k due to the continuing negative financial impact of the COVID-19 restrictions. International, commercial, student accommodation and catering are all anticipated to experience a slow recovery to pre pandemic levels.

During 2020-21, SFC allocated an additional £445k of FWDF to the College to further support businesses during the pandemic. The training delivery was negatively impacted with our building closure and a high proportion of businesses closed or prioritising tackling Covid-19 business impacts. The COVID impact and additional funding meant a substantial backlog of training to be delivered, £1.1m carried forward at 31st July 2021. In 2021-22 the team have managed to deliver a significant volume of online training limiting and commitments from employers securing the full grant allocation however there remains a substantial backlog of training to be delivered, c£1m carried forward to 2022-23.

In 2020-21 the College received £1.7m of SFC funding to support and delivery the National Transition Training Fund (NTTF) and Young Person Guarantee (YPG) initiatives. The College successfully secured additional SFC funding for 2021-22, our allocation is £2.9m (10,000 Credits).

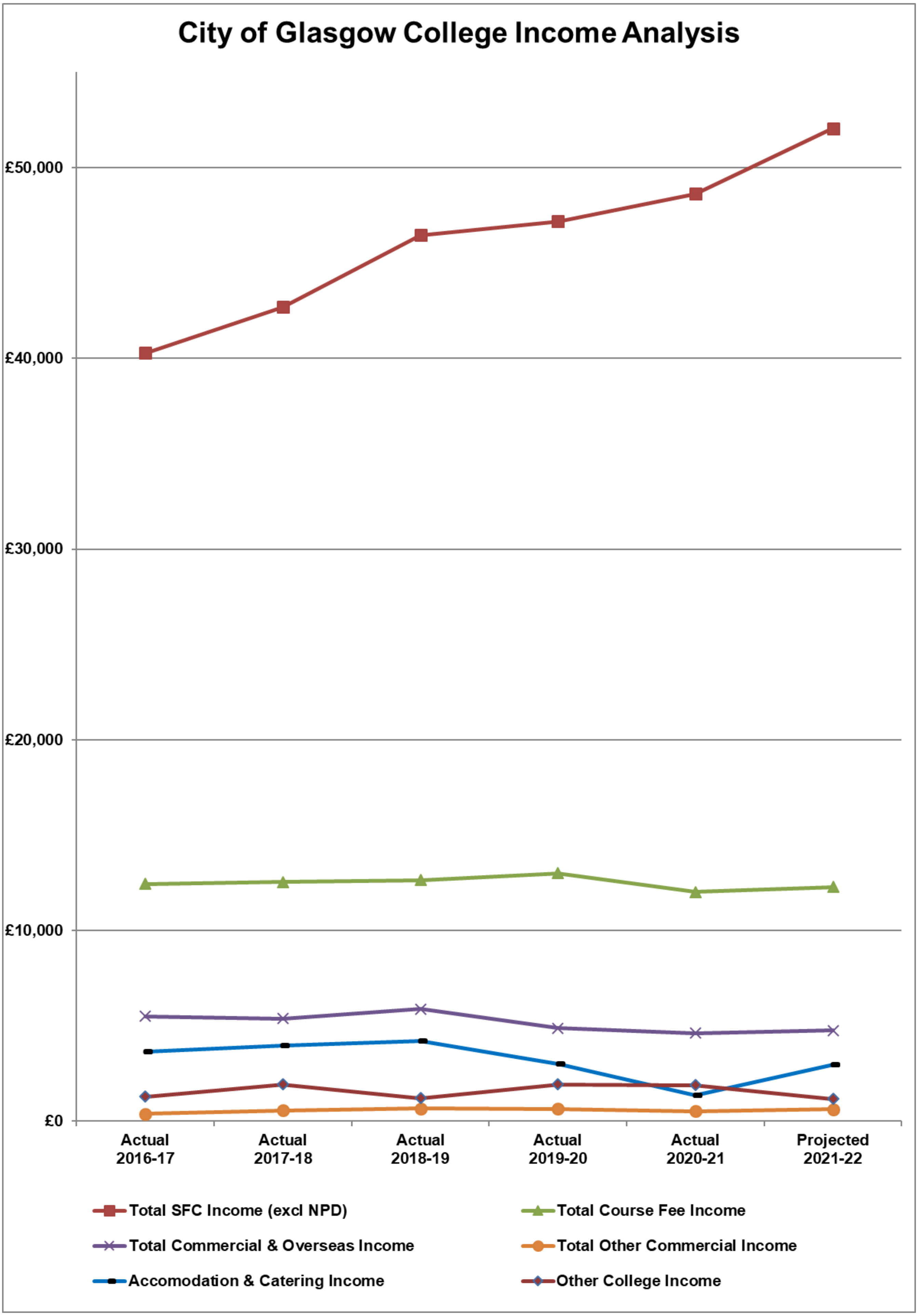
The College budget for 2021-22 incorporates an improvement in commercial & international course income and other Non SFC income however this is substantially lower compared to the pre pandemic cash level. Appendix 2 is a graph of income sources over the years since 2016-17 and highlights the substantial and continued growth of SFC funding received by the College, now 70% of the total College income (excl. NPD funding).

Current Risk Score:	**Gross Risk Score (assuming no treatment)**
Likelihood 4/5 Impact 5/5 Risk Score 20/25 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):**
<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				

Income	2020/21 Actual £k	2021/22 8 Months Budget £k	Forecast £k	Var. £k	**2021/22 Budget £k**	**P9 F'cst £k**	**Var. £k**
Recurrent grant (inc. fee waiver grant)	40,222	25,960	25,960	-	43,012	43,012	-
Flexible Workforce Development Fund	1,047	793	957	164	1,190	1,436	+246
NTTF & YPG	1351	650	1,293	643	975	2,877	+1,902
ESF	2,021	1,035	1,035	-	2,069	2,069	-
Childcare Funds	711	756	364	(392)	1,050	515	(535)
New Campus Glasgow	20,225	13,515	13,520	5	20,273	20,335	+62
Covid Support	1,255	-	-	-	-	-	-
Other	904	1,379	1,228	(151)	2,068	1,306	(762)
Buildings	363	-	-	-	146	146	-
Equipment	753	-	-	-	691	691	-
Total SFC Income	**68,852**	**44,088**	**44,357**	**269**	**71,474**	**72,387**	**+913**
HE - Home & EU	9,372	6,628	6,011	(617)	9,942	8,799	(1,143)
FE - Home & EU	667	729	717	(12)	1,093	1,093	-
Non-EU	1,574	795	1,483	688	1,193	1,776	+583
Commercial activities	3,040	1,742	1,849	107	2,613	2,982	+369
Educational Contracts	1,985	1,380	1,559	179	2,070	2,387	+317
Total Fees & Education contracts	**16,638**	**11,274**	**11,619**	**345**	**16,911**	**17,037**	**+126**
Residences	1,223	1,182	1,217	35	1,470	2,044	+574
Catering	136	638	324	(314)	911	911	-
Learning Technology Projects	246	123	82	(41)	111	63	(48)
EU Projects	174	355	336	(19)	407	629	+222
Other Income	857	529	756	227	784	1,103	+319
Job Retention Scheme	824	-	-	-	-	-	-
Staff Secondments	309	-	-	-	-	-	-
College Foundation	-	-	498	498	-	490	+490
Total Other Income	**3,769**	**2,827**	**3,213**	**386**	**3,683**	**5,240**	**+1,557**
Total Income	**89,259**	**58,189**	**59,189**	**1,000**	**92,068**	**94,664**	**+2,596**

Expenditure	2020/21 Actual £k	2021/22 8 Months Budget £k	Forecast £k	Var. £k	2021/22 Budget £k	P9 F'cst £k	Var. £k
Faculties	38,333	24,678	25,733	1,055	37,915	40,277	+2,362
Support Directorates	15,838	11,477	11,028	(449)	18,349	18,085	(264)
3rd-party staff costs / contractor	251	338	225	(113)	517	517	-
Apprenticeship Levy	188	110	110	-	190	200	+10
Other adjustments & provisions	394	-	-	-	(430)	(430)	-
Total Staff Costs	**55,004**	36,603	37,096	493	56,541	**58,649**	**+2,108**
Property costs - NPD	22,297	14,892	14,894	2	22,374	22,474	+100
Property costs - non-NPD	2,587	2,061	1,760	(301)	2,960	2,731	(229)
Other operating expenses	8,183	6,857	6,530	(327)	10,096	10,976	+880
Depreciation (inc Impairment)	1,116	558	558	-	837	837	-
Other exceptional items (VS etc)	-			-	-	-	-
Total Other Expenditure	**34,183**	**24,368**	**23,742**	(626)	**36,267**	**37,018**	**+751**
Total Expenditure	**89,187**	**60,971**	**60,838**	**(133)**	**92,808**	**95,667**	**+2,859**
Total Surplus/(Deficit)	**72**	**(2,782)**	**(1,649)**	**1,133**	**(740)**	**(1,003)**	**(263)**


City of Glasgow College Income Analysis
£50,000
£40,000
£30,000
£20,000
£10,000
£0
Actual 2016-17
Actual 2017-18
Actual 2018-19
Actual 2019-20
Actual 2020-21
Projected 2021-22
Total SFC Income (excl NPD)
Total Course Fee Income
Total Commercial & Overseas Income
Total Other Commercial Income
Accomodation & Catering Income
Other College Income

Risk Management Action Plan	
Risk Description:	**Failure to obtain funds from College Foundations**
Risk ID: 20	
Owned by: VPCS	**Review Date: May 2022**

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 limited company. The Foundation has 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 all previous funding application have been approved and paid.

Previous applications,

£2.6m, July 2014, new campus resources

£2.8m, June 2016, new campus resources

£1.1m, August 2017, specialist equipment and IT resources

£0.022m, August 2017, creative industries symposium

£0.033m, August 2017, art foundation awards

£2.1m March 2018, voluntary severance linked to the leadership reorganisation

£0.3m, Jan 2021, expansion of online courses / teaching materials

£0.043m, Jan 2021, ADOBE software licenses for students

£0.6m, Jan 2021, Procure and implement a new Virtual Learning Environment (VLE)

£1.1m, Feb 2022, replacement of IT equipment

Total approved £10.7m

We estimate that the Foundation currently holds a balance of approx. £2.4m before any further applications being submitted.

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 2022**

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 £2.1m in 21-22. 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 21-22 is currently 1,157 from 30,374 (3.8%) 6. CoGC EU Staff – small number of EU staff (41 total headcount, 2.9%) **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 UK officially left the EU on the 31st January 2020 and the transition period ended on the 31st December 2020. Some sectors and industries have experienced a negative impact with delays in the supply chain and increased bureaucracy. The College has experienced these short term impacts and also a reduction of staff and students from the EU.

Current impacts

- Reduced the ability to retain and attract staff, who provide a wealth of experience and knowledge to the college sector.
- Reduced number of non-UK EU students. The College has continued to meet our Credit targets by recruiting increased Scottish students.
- Risks around limiting engagement in positive cultural exchange visits ending when the Erasmus+ programmes ends. These programmes have wide ranging positive benefits beyond the educational impact.
- Indirect investments that reach the college sector from local authorities or SDS currently accessing EU funding.
- Experience supply chain delays and increased costs.

The current COVID-19 crisis has reduced the focus on the discussion and future impact of the UK leaving the EU. The crisis occurring at the same time as the Brexit changes make it difficult to separate the main cause of the current negative impact on staff shortages, supply chain delays and significant price increases.

There still remains great uncertainties on the relationship with the EU, new trade agreements and longer term impact of Brexit on Scotland and the College sector.

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

Current Risk Score:	**Gross Risk Score (assuming no treatment)**
Likelihood 3/5 Impact 3/5 Risk Score 9/25 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				

BREXIT RISK MANAGEMENT APPENDIX: EXAMPLE REGISTER FROM SFC

Area of activ College wide BREXIT Impact assessment
Date
Review date **May-22**
Assessor name

Ref	No	Strategic objective	Uncertain event	Potential impact	Likelihood	Severity	Score	Existing controls	Further action (likelihood)	Further action (impact)	By whom	When
1h	1	Needs of region	If EU-funded Credit (ESF) activity is withdrawn	THEN the College may lose credits	3	2	6	Funding available until 2021. This is built into the FFR.	Likelihood score will increase with proximity of loss of income	Continue to seek efficiency savings to invest in new provision, including consultation with staff re staff reductions and use of temporary staff		
	2	College experience	IF business critical supplies are unavailable over an uncertain period of time	THEN the College may have to operate with restricted services and students may not be able to complete courses	2	3	6	BCP would be invoked.	Identify business crtital supplies and determine ways of coping with delay or cost - eg food and fuel. Undertake procurement analysis based on info supplied by APUC.	Impact assessments for specific areas of activity. Prioritise use of scarce resources - eg final year groups. Increase online and theory of application. Send more people out to employers for application		
	3	College experience	IF the UK does not adopt the same quality standards, employment and legal obligations for procurement activity	THEN the College may procure goods of an inferior quality, resulting in uncertainty about safety, and risk of harm to staff and students	2	3	6	Continue to follow Scottish Government & APUC Ltd guidance				
	4	College experience	IF ERASMUS funding for international students is withdrawn	THEN the College may not be able to support student placements in Europe.	3	2	6	Funding student placements is available until 2020. Negligible impact on net position as does not affect staffing levels.				
	4b	College experience	IF ERASMUS activity is impacted by No Deal or delay	THEN agreements may be invalid and travel arrangements may be compromised	3	3	9		Existing agreements to be updated.	Safety nets to be put in place for travel		
	5	College experience	IF rationining of fuel is introduced	THEN we may suffer staff shortages and inability of students to get to our campuses	2	3	6	BCP / travel plan would be invoked.				
	6	College experience	IF there is a shortage of supply of medications	THEN staff or students may become unwell on campus / or unable to attend the college	2	3	6	Maintain full coverage of first aiders. Extend medical protocols process to staff.		Potentially increase student support services		
	7	College experience	IF there is a change in availability of data across EU and UK	THEN there may be an impact on business continuity until revised agreements can be put in place	2	3	6	Support from DPO service to identify priority areas to address				
4d	8	Grow Business	IF BREXIT adversely affects the Regional economy	THEN employers may not have the capacity to undertake commercial training.	3	2	6	Employer/client engagement, work on new markets and products	Widen client base to spread risk and access funding	Wiiden client base to spread risk		
	9	Grow Business	IF SDS apprenticeship part funding is lost	THEN the College may not be sustain the planned growth in provision	3	2	6	European funding possible up to 2021	May be offset by redistribution of funds by SFC. Likelihood factor may increase	Deliver through temporary resources if possible, which would need to be support staff. If already employed may need to have consultation about staff reductions. Tap into credit funding		
	10	Grow Business	IF other funders lose their EU grants	THEN there may be an uncertain impact on secondary income sources eg from SBC	3	3	9	Uncertain impact	Undertake exercise to assess			
	11	Grow Business	IF College is unable to accept EU students	THEN tuiton fees may be lost	4	2	8	This has negligible impact due to low numbers of students				
	12	Grow Business	IF construction industry is significantly affected by labour or supplies shortages	THEN there may be a risk to delivery and completion of our capital/SOSEP projects	4	3	12	Legal obligation to complete contract	Seek a BREXIT impact assessment from major contractors. - Impact assessment complete and guidance from APUC is being closely monitored and shared with the Departments			
5f	13	Sustainability	If EU-funded Credit activity is withdrawn,	THEN the College may lose income with associated impact on staff levels	3	3	9	Funding available until 2021. This is built into the FFR.	Likelihood score will increase with proximity of loss of income	Continue to seek efficiency savings to invest in new provision, including consultation with staff re staff reductions and use of temporary staff		
	14	Sustainability	IF the supply of goods will incur increased transport timescales, paperwork, and / or duty	THEN the cost of business as usual may significantly increase	4	2	8	Budget control, financial planinng, FFR, close contract management and supplier engagement	Plan ahead for purchases involving procurement at the earliest stage possible	The immediate price increases have been mitigated by terms on existing contracts. The renewal of these contract will likely be at much higher prices. Continue to seek efficiency savings		
	15	Sustainability	IF there are changes in regulated procurement - ie processes for greater £50k are restricted to UK	THEN there may be restricted supply, and potential increase in cost	1	3	3	The UK Government are now take part in the GPA in its own right and will continue to be covered by the agreement.	Notification will continue to be received via Scottish Government and APUC Ltd of any concerns	BCP response required if urgent loss of supply		
	16	Sustainability	IF the UK does not adopt the same quality standards, employment and legal obligations for procurement activity	THEN the College may not meet its social responsibility and sustainability objectives	2	3	6	Continue to follow Scottish Government & APUC Ltd guidance	Be prepared for changes to contract documents and tender processes			
	17	Sustainability	IF Universities lose EU students and EU grants eg research	THEN Universities may look to extend their activities to further education	4	3	12	This would be a massive change for the HE sector but is increasingly likely. Not likely to be felt immediately	Articulation pathways not always successful.	Growing HND provision, looking at other areas of college activity to potentially grow		

BREXIT RISK MANAGEMENT APPENDIX: EXAMPLE REGISTER FROM SFC

Area of activ College wide BREXIT Impact assessment
Date
Review date **May-22**
Assessor name

Ref	No	Strategic objective	Uncertain event	Potential impact	Likelihood	Severity	Score	Existing controls	Further action (likelihood)	Further action (impact)	By whom	When
	18	Sustainability	IF there are restrictions on residential status for EU citizens	THEN labour supply may be affected and / or student numbers reduced	3	3	9	staff who may need to apply for residency.		Establish how we can help them to do this. What about families of staff and students. Prepare briefing notes to share with all staff. Can we offer a drop in service to help with applications.		
	19	Sustainability	IF there is social unrest in the area	THEN our ability to maintain services may be adversely affected	3	3	9	BCP would be invoked.	What is our social reponsibility in myth busting.	Promote our image as as diverse student and staff population (also wider promotion)		
	20	Sustainability	IF EU residents leave	THEN the need for employment may increase in key sectors with a correspoding reduction in student numbers at both FE and HE across the country	3	3	9	Plan for reduction in activity levels		Reduce expenditure, review curriculum to ensure meeting changing needs of the region, continue to work with employers to maintain open comms		
	21	College experience	IF the supply of goods are limited when importing to the UK	THEN shortage of good will be available to the college and could impact daily teaching and operations	3	3	9	Obtaining regular supplier impact assessments and APUC Ltd updates.	Better planning and advanced ordering. Regular stock checks.	The immediate supply shortages have been mitigated by alternatives & existing contracts. This will provide the college and procurement in particular advanced notice of a shortage to supply and provide adequate time to build in a contingency.		
	22	College experience	IF the supply of goods being imported to the UK incurr increased delivery times due to bureaucracy and tighter restrictions	THEN shortage of good will be available to the college and could impact daily teaching and operations	3	3	9	Obtaining regular supplier impact assessments and APUC Ltd updates.	Better planning and advanced ordering. Regular stock checks.	This will allow longer leadtimes for delivery ensure goods are received on time, reducing the impact on teaching and daily operations.		
	23	Sustainability	IF the prices of goods increase bureaucracy and associated costs, customes duties and tariffs	THEN the college will incurr increased costs leading to budget constraints	4	2	8	Obtaining regular supplier impact assessments and APUC Ltd updates.	Close contract management and supplier engagement	The immediate price increases have been mitigated by terms on existing contracts. The renewal of these contract will likely be at much higher prices. Continue to seek efficiency savings		
				AVERAGE	3	3	9					

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¤				

Likelihood		Impact		
5	Almost certain 80%	5	Critical	Substantial effect upon the objective, thus making it extremely difficult/costly to achieve
4	Very likely 60%-80%	4	Significant	Considerable effect on the objective, making it more difficult /costly to achieve
3	Likely 40% - 60%	3	Moderate	Evident and material effect on the objective, making it fully achievable only with some moderate additional difficulty or cost
2	Unlikely 20% - 40%	2	Minor	Small but noticeable effect on the objective , making it fully achievable but with some minor difficulty/cost
1	Very unlikely - less than 20%	1	Marginal	Peripheral effect upon the objective, impacting only in minor way upon achievement

1 Needs of our region
2 Successful outcomes
3 High quality College experience
4 Grow our business
5 Build sustainability

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 2022**

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. 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 2021-22 Scottish Budget 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 announced the final 2021-22 regional funding allocation on 27th May 2021.

The Regional funding allocation increased the total regional Credits, City's SFC Credit target is 183,847. The SFC allocation is a 2.4% increase to the core teaching grant plus the agreed additional national bargaining funding, additional employer teacher pension scheme contributions, mental health, digital provision and foundation apprenticeship. Capital and student support funding were also increased.

GCRB funding allocation means that City still the lowest grant per Credit in the sector at £250 per Credit compared to the Glasgow Regional average of £273 and the sector average of £301.

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.

The 2022-23 Scottish Budget was announced on the 9th December 2021. Disappointingly capital funding remained at the same level, £33.7m. SFC indicative 2022-23 regional funding allocation was announced on 24th March 2022. The sector has a total cash funding reduction of £36.5m with our College reduction £1.9m. Currently it is anticipated that the final allocations will be announced by the end of May 2022.

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 2022-23 and future GCRB funding allocations are 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):**
Low Medium High	Category: Financial Low 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: May 2022**

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.

SMT 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 was developed 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.

Cyber insurance now in place with the College Insurers with no grace period for MFA in place, instead an increased excess and policy premium have been agreed.

MFA now rolled out to all Students for their Office 365 accounts (email\MS Teams etc.). MFA rollout has been accepted by both Trade Union's (Support & Academic), which will be fully rolled out by end of May 2022. A Data Privacy Impact assessment was also completed to support the roll out with the objective to provide confidence how any personal data will be captured, stored & processed. MFA is now a pre-requisite for the College's Cyber Essentials Plus obligation.

During May 2022 the College successfully renewed the Cyber Essentials Plus accreditation.

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):**
Low Medium High	Category: Business Continuity **Low** Medium High **1** 2 3 4 5 6

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

Risk Management Action Plan	
Risk Description: Failure to manage acute threats relating to the coronavirus outbreak	
Risk ID: 27	
Owned by: Depute Principal	**Review Date: May 2022**

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. **Risk Score: May 2021** The Audit Committee agreed an adjustment to the risk score in the light of current circumstances. Risk Likelihood score reduced from 3 to 2 (resulting in an overall risk score of 8 = low Amber). **Risk Score: January 2022** There is evidence that the omicron variant is more transmissible than earlier variants of COVID but less likely to cause serious disease, hospitalisation and death, particularly

where people have been double-vaccinated and have had a booster shot. While this is obviously welcome, the sheer number of staff and students who are off sick with COVID may pose a risk to the College's ability to continue to deliver high-quality education to all our students, even online.

Risk Score: 24 January 2022
PNC agreed that the impact of the latest variant of Covid should therefore be increased. Risk score increased to 3x4=12.

Update May 2022
As the Scottish Government relaxed restrictions on the wider population, and in its guidance for colleges, the College community experienced the highest number of cases since record keeping began in September 2020, with 290 cases (103 staff and 187 students) in March 2022. This dropped to 76 cases in April, though reporting will have been affected by the Easter holidays.

	Staff	Students	Late Notifications (Staff)	Late Notifications (Students)	Total (Staff)	Total (Students)	Overall Total
September 2020 (18-30)	2	9	0	0	2	9	11
October	11	38	0	2	11	40	51
November	13	46	0	0	13	46	59
December (1-18)	3	8	0	1	3	9	12
January 2021	10	28	0	3	10	31	41
February	5	17	1	1	6	18	24
March	3	15	0	0	3	15	18
April (14-30)	4	4	0	0	4	4	8
May	2	13	0	2	2	15	17
June	9	30	0	2	9	32	41
July	8	2	2	1	10	3	13
August	13	40	2	0	15	40	55
September	36	153	0	0	36	153	189
October	9	28	0	1	9	29	38
November	21	28	0	0	21	28	49
December (1-23)	28	45	1	0	29	45	74
January 2022	47	58	0	0	47	58	105

February	47	126	0	0	47	126	173
March	107	183	0	0	107	183	290
April	48	26	0	2	48	28	76
Total	**426**	**897**	**6**	**15**	**432**	**912**	**1.344**

The April figure is still at the higher end of the spectrum, and the College continues to urge people to wear a face covering, observe good hygiene practice, and so on. There is no linger any requirement to maintain social distancing on campus, so full classes can now be taught at the same time. Nonetheless, the number of people on campus on any given day remains around the 3,000 mark, far fewer than the 8,000 the College would normally have seen on a weekday pre-COVID.

Given the relatively high number of staff and students still being affected by COVID, and the possibility of a new variant emerging, it is not proposed that the risk score should be amended yet.

Current Risk Score:	**Gross Risk Score (assuming no treatment)**
Likelihood 3/5 Impact 4/5 Risk Score 12/25 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				

Risk Management Action Plan

Risk Description:	**Failure to secure sufficient capital investment**
Risk ID: 30	
Owned by: VPCS	**Review Date: May 2022**

Update
Full Description: The risk is that the College is unable to secure sufficient capital investment to replace all essential equipment at the end of their useful life. **Treatment:** The College has developed a capital asset replacement plan that requirement is c£3m-£4m per annum. The current annual SFC Maintenance and Capital Grant is only c£1.3m therefore the College has a significant annual capital funding gap. The capital funding gap has become a much larger risk over the past 2 years with the deteriorating College financial performance and the substantially increasing requirement to replace ageing capital assets. The College will continue to engage with SFC to secure a substantial increase to the annual capital funding allocation. Apply to the College Foundation when appropriate and continue to improve the College financial performance to release cash for asset replacement.
Update The main financial constraints and considerations for the College's current and future capital planning are: • The anticipated asset replacement requirement is c£3m-£4m per annum. • The College's annual SFC Maintenance and Capital Grant (c£1.3m) has previously been fully utilised as income to partially fund the College's Unitary Charge element of the NPD contract and so no funding remains for asset replacement. This has been realigned to capex (rather than revex) for the 2022/23 Budget, however in doing so creates additional pressure on bottom-line deficit. • The Indicative SFC Funding Announcement for 2022/23 has not changed the methodology for the allocation capital funds across colleges, which prioritises capital backlog maintenance and disadvantages City of Glasgow College. And

so there remains no funding for asset replacement at this stage in the budgeting process for 2022/23.

There is a recurring and growing challenge to fund the current and future capital demands.

The College was able to a create an initial capital budget for 2021/22 by combining £1.35m of one-off and prior-year deferred grants with a successful application to the Foundation of £1.1m. It is estimated there now remains a balance c£2.4m within the College Foundation.

Current Risk Score:	**Gross Risk Score** **(assuming no treatment)**
Likelihood 4/5 Impact 3/5 Risk Score 12/25 RAG Rating: AMBER **Target Score: 3**	Likelihood 4/5 Impact 5/5 Risk Score 20/25
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				