

Board of Management

Finance & Physical Resources Committee

Date of Meeting	Wednesday 14 September 2022
Paper No.	FPRC1-J
Agenda Item	4.6
Subject of Paper	Strategic Risk Review
FOISA Status	Disclosable
Primary Contact	Dr Sheila Lodge, Depute Principal & Chief Operating Officer
Date of production	6 September 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 10 August 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 A review of strategic risks to May 2022 has been undertaken, involving senior Risk "owners", and Risk MAPs have been updated accordingly where required.

4.4 The strategic Risks included in this report are:

4.4.1 *Risks 12 and 25 under the Processes & Performance theme.*

No changes are proposed to risk 12 (Failure of Business Continuity), Score 12 AMBER or Risk 25 (Failure of IT Security), Score 12 AMBER.

4.4.2 Risks 15, 16, 20, 22, 23 and 30 under the Finance Strategic Theme.

The current financial outlook and pressures on both income and expenditure have resulted in a budgeted deficit.

- Risk 15: Failure to achieve operating surplus via control of costs and achievement of income targets

The College is facing a financial challenge in 2022-23 that is even greater than forecast, with an 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.

At the August 2022 Board meeting there was an extensive discussion of the substantial increase to the financial challenge being faced during 2022-23.

Consequently, it will be proposed to Audit & Assurance Committee at its meeting on 6 September 2022 that the risk score be revised to 5 (impact) x 5 (likelihood) = 25 (RED).

No changes are proposed to the other risks in this area:

- Risk 16 relating to failure to maximise income: Score 20 - RED.
- Risk 20 relating to obtaining funding from the College Foundation: Score 4 – GREEN
- Risk 22 relating to Brexit impacts: Score 9 – AMBER.
- Risk 23 relating to Glasgow Region: Score 12 – AMBER.
- Risk 30 relating to failure to secure Sufficient Capital Investment: Score 12 – AMBER.

4.4.3 Risk 27 under All themes.

Risk 27 relating to acute threats relating to coronavirus emergency: Score was reduced at the last meeting of PNC to 10 – AMBER.

4.5 The Risk MAPs for Risks 15, 16 and 27 are attached.

4.6 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.

4.7 The revised Risk Register is included in the appendices.

5 Impact and implications

- 5.7 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.
- 5.8 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.
- 5.9 Performance management and improving performance are identified as areas of strategic risk, due to the potential impact on reputation, the student experience, and funding.
- 5.10 Regional and sectoral considerations are included in the process of riskmanagement, and are reflected in the risk documentation.

Appendices:

Appendix 1: Current Risk Register as at 10 August 2022

Appendix 2: Risk MAPs for risks 15, 16 (RED**) and 27**

Risk Register: 10 August 2022

RISK DETAIL						CURRENT EVALUATION			AIM and PROGRESS			RISK TREATMENT	
Strategic Theme	Risk Name	Board Committee	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	AAC, LTC, PNC, SSEC	1	1	VPSE	1	5	5	25	5	Score decr. 10 to 5: PNC 8/22	Risk 1 MAP	Aug'22
Students	Failure to establish optimal pedagogical model	LTC	2	1	VPSE	1	5	5	20	5		Risk 2 MAP	Jan'22
Students	Failure to achieve good student outcome/progression levels	LTC	3	1	VPSE	2	5	10	15	5		Risk 3 MAP	Feb'22
Students	Failure of the College's Duty of Care to Students	LTC, SSEC	21	1	VPSE	2	5	10	20	4		Risk 21 MAP	Jan'22
Growth and Development	Failure to realise planned benefits of Regionalisation	PNC	4	1	Pr/DP	3	3	9	20	3		Risk 4 MAP	Feb'22
Growth and Development	Negative impact upon College reputation	DC, PNC	6	1	VPDI	3	4	12	25	5		Risk 6 MAP	May'22
Growth and Development	Failure to achieve improved business development performance with stakeholders	AAC, DC, PNC	7	1	VPDI	4	5	20	25	5		Risk 7 MAP	May'22
Growth and Development	Failure to manage strategic risks associated with City of Glasgow International Ltd	DC	28	1	VPDI			tbc			New Risk added AAC 3/22		Mar'22
Growth and Development	Failure to achieve improved performance	PNC	8	1	VPSE/DirE	2	5	10	20			Risk 8 MAP	Feb'21
Growth and Development	Failure to attract, engage, and retain suitable staff	SSEC	9	1	EDHR	2	2	4	20	3		Risk 9 MAP	Aug'22
Growth and Development	Failure to achieve taught degree awarding powers	LTC	26	1	DP	3	4	12	20	3		Risk 26 MAP	May'22
Processes and Performance	Negative impact of statutory compliance failure	AAC, PNC	10	1	CS	2	5	10	20	5		Risk 10 MAP	Feb'22
Processes and Performance	Failure of Compliance with Environmental Social and Governance (ESG) Duties	PNC	29	1	DP/CS			tbc			New Risk added AAC 3/22		Jun'22
Processes and Performance	Failure of Compliance with the General Data Protection Regulations (GDPR)	AAC	24	1	DP	2	4	8	25	5		Risk 24 MAP	May'22
Processes and Performance	Failure of Corporate Governance	AAC, PNC	11	1	Pr/CS	1	5	5	20	5		Risk 11 MAP	Jun'22
Processes and Performance	Failure of Business Continuity	AAC, FPRC, PNC	12	1	VPCS/CS	3	4	12	25	4		Risk 12 MAP	May'22
Processes and Performance	Failure to manage performance	PNC	13	1	VPSE/DirE	3	4	12	20	4		Risk 13 MAP	Dec'21
Processes and Performance	Negative impact of Industrial Action	SSEC	14	1	EDHR	3	4	12	25	4		Risk 14 MAP	Aug'22
Processes and Performance	Failure of IT system security	FPRC, PNC	25	1	VPCS	2	5	10	25	5		Risk 25 MAP	Aug'22
Finance	Failure to achieve operating surplus via control of costs and achievement of income targets.	AAC, FPRC, PNC	15	1	VPCS	5	4	20	25	4	Score incr. 12 to 20 AAC 02/22	Risk 15 MAP	Jun'22
Finance	Failure to maximise income via diversification	AAC, DC, FPRC, PNC	16	1	VPCS/VPDI	4	5	20	25	5		Risk 16 MAP	May'22
Finance	Failure to obtain funds from College Foundation	FPRC	20	1	VPCS	1	4	4	20	4		Risk 20 MAP	Aug'22
Finance	Negative impact of Brexit	FPRC	22	1	VPCS/DCS	3	3	9	15	5	Score decr. from 12 to 9 AAC 3/22	Risk 22 MAP	Aug'22
Finance	Failure to agree a sustainable model and level of grant funding within Glasgow Region	FPRC	23	1	VPCS	3	4	12	25	5		Risk 23 MAP	Aug'22
Finance	Failure to secure sufficient capital investment	FPRC	30	1	VPCS	4	3	12	20	3		Risk 30 MAP	Aug'22
ALL	Failure to manage acute threats relating to coronavirus outbreak	AAC, FPRC, PNC	27	1	Pr/DP	2	4	8	25	4	Score decr. 12 to 8: PNC 8/22	Risk 27 MAP	Aug'22

- Key:**
- Pr - Principal
 - DP - Depute Principal
 - VPSE - Vice Principal Student Experience
 - VPCS - Vice Principal Corporate Services
 - VPDI - Vice Principal Corporate Development/Innovation
 - CS - College Secretary
 - EDHR - Executive Director of Human Resources
 - DirE - Director of Excellence
 - DCS - Director of Corporate Support
 - AAC - Audit & Assurance Committee
 - FPRC - Finance & Physical Resources Committee
 - LTC - Learning & Teaching Committee
 - SSEC - Students, Staff & Equalities Committee
 - PNC - Performance & Nominations Committee
 - DC - Development 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

Recent (12mth) change

Trend

Date	Jun-18	Dec-18	Jun-19	Dec-19	Jun-20	Dec-20	Jun-21	Dec-21	Jun-22	Aug-22
Average Risk Score	9	9	9.43	8.95	11.2	11.3	10.7	10.4	10.8	10.4
Number of RED Risks	2	2	3	1	4	5	4	2	3	3

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
Risk Management Level of Tolerance (Able to Accept)	Low		Medium		High	

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: Aug 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 impact of Covid-19 from March 2020 caused an underlying operating deficit in the 2019-20 annual accounts. 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 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 had the funding to potentially deliver £2.3m FWDF training in 2021-22, projected deliver is £1.4m. £0.9m of funding will be carried forward to 2022-23.

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 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. There still remains uncertainties

surrounding the projection, especially relating to the demand for commercial and international training.

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.

At the August 2022 Board meeting there was an extensive discussion of the substantial increase to the financial challenge being faced during 2022-23. Three significant external issues are the main causes of increase deficit,

- staff pay award expectations,
- high goods and services inflation,
- rapidly increasing utility costs

	2022/23	2023/24	2024/25
Total improvements required to achieve original budget	2.1	5.6	7.3
Improvements as % of controllable cost base*	3%	8%	10%
New and additional impacts (£m)			
Pay Award impact (@5%)	+1.8	+3.7	+4.4
Utilities impact	+0.5	+1.3	+1.7
Other Goods & Services inflation	+0.3	+0.7	+1.3
Other emerging impacts	+0.7	+3.0	+3.6
Total additional impacts	3.3	8.7	11.0
Total improvements now required to budget	5.4	14.3	18.3
Improvements as % of controllable cost base*	8%	19%	24%

The Board approved a higher deficit of £3.4m that incorporated £4m of savings and income growth. The College will ensure the delivery of a robust plan to return to at least a break even financial performance in 2024-25.

	2022/23	2023/24	2024/25
Revised target surplus/(deficit)	(3.4)	(2.0)	-
Revised projected year-end cash	4.2	2.2	2.2
Required actions to achieve revised budgeted trajectory			
Prior year recurring savings initiatives	-	+4.0	+12.3
New: in-year savings initiatives	+4.0	+8.3	+6.0
Revised Total budget improvements target	4.0	12.3	18.3

To facilitate staff cost reductions the College has applied to SFC & the Foundation to fund a Voluntary Severance scheme. The senior management team will continue to proactively monitor, review and challenge staff to deliver a lower deficit.

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 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.
- Rapidly increasing energy costs.

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 5/5 Impact 5/5 Risk Score 25 Recommended increased based on increased deficit and longer recovery period. 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):
Low Medium High	Category: Finance Low Medium 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			

Appendix 1

Income	2020/21	2021/22 8 Months			2021/22		
	Actual £k	Budget £k	Forecast £k	Var. £k	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	1,351	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	2021/22 8 Months			2021/22		
	Actual	Budget	Forecast	Var.	Budget	P9 F'cst	Var.
	£k	£k	£k	£k	£k	£k	£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: July 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 secured the full grant allocation and managed to deliver £1.4m of training to employers however there still remains a backlog of training to be delivered, c£0.9m 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 also successfully secured additional SFC funding for 2021-22, our allocation was £2.9m (10,000 Credits). The projected Credits highlight that the College will not fully deliver the substantially increased 194,000 Credit target.

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).

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 income growth and diversification to return to at least a break even financial performance in 2023-24.

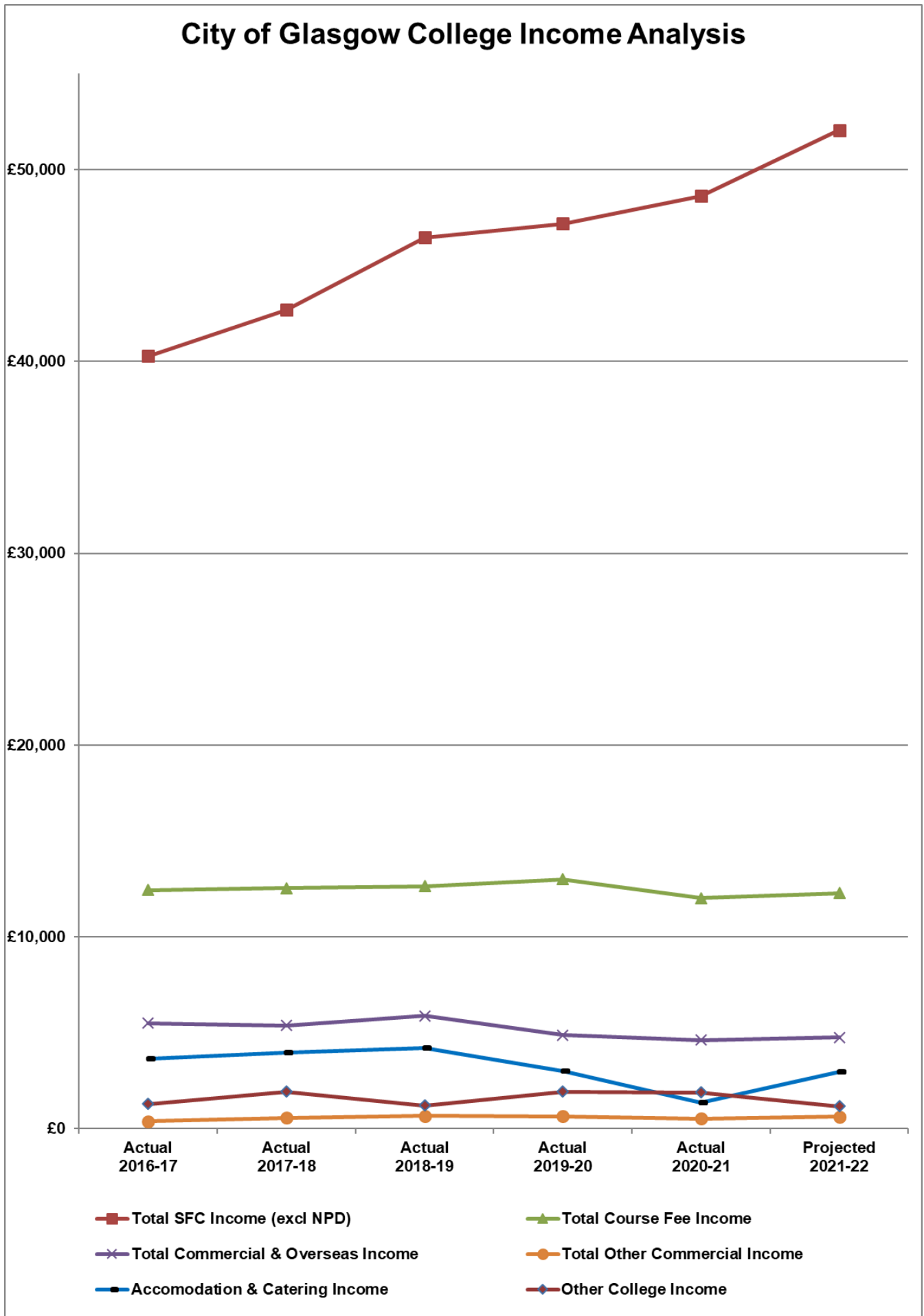
Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 4/5 Impact 5/5 Risk Score 20/25 RAG Rating: RED Target Score: 9	Likelihood 5/5 Impact 4/5 Risk Score 20/25
Risk Appetite (Willing to accept):	Risk Tolerance (Able to accept):
<u>Low</u> Medium High	Category: Change and Development/ Financial Low <u>Medium</u> High 1 2 3 4 5 6

	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

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Expenditure	2020/21	2021/22 8 Months			2021/22		
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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 manage acute threats relating to the coronavirus outbreak

Risk ID: 27

Owned by: Depute Principal

Review Date: August 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.

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 longer 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.

Update July 2022

The number of cases rose marginally to 81 in May, but began to fall off in June (68) as classes came to an end. We have noted throughout the pandemic that students cease to report when not expected to be in class, so this figure may reflect a change in reporting habits rather than the prevalence of COVID in the community.

	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
May	49	31	1	0	50	31	81
June	58	9	1	0	59	9	68
Total	533	937	8	15	541	952	1.493

Similarly, staff also cease reporting when on annual leave, and at the time of writing (22 July 2022), 21 cases have been reported by members of staff.

With the cessation of restrictions on those with the illness, and – particularly -- the removal of the requirement to test, continued reporting of cases is difficult, since we can no longer be sure that those who suspect they may have COVID actually have the illness. Student reporting will therefore close on 31 July, so that the new intake in August does not have to follow outdated protocols. It is likely that staff reporting will also cease with the end of the 2021-22 academic year on the same date.

Although the pandemic is not over, and there is still a possibility that more dangerous and virulent variants will appear, the experience of the last 30 months means that the College is now well-prepared to manage acute threats arising from the pandemic.

At its meeting on 8 August 2022, PNC accepted the proposal that the likelihood score be reduced from 3 to 2, so that the risk score is reduced to $2 \times 4 = 8$, maintaining the current AMBER RAG rating.

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 2/5 Impact 4/5 Risk Score 12/25 RAG Rating: AMBER	Likelihood 5/5 Impact 5/5 Risk Score 25/25
Target Score: 4	

Risk Appetite (Willing to accept):	Risk Tolerance (Able to accept):
<u>Low</u> Medium High	Category: Business Continuity <u>Low</u> Medium High 1 2 3 4 5 6

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