

Performance & Nominations Committee

Date of Meeting	24 April 2023
Paper No.	PNC4-F
Agenda Item	4.5
Subject of Paper	Strategic Risk Review
FOISA Status	Disclosable
Primary Contact	Drew McGowan College Secretary
Date of production	17 April 2023
Action	For Discussion and Decision

1. Recommendations

1.1 To consider the Strategic Risk Register as at 17 April 2023 and approve recommended changes to risks 8, 11 and 13.

1.2 To note and approve the updated risk MAPs: 4, 8 and 11.

2. Purpose

2.1 To provide the Committee with an update on the most recent review of the College's strategic risks. The Strategic Risk Register and the Management Action Plans (MAPs) for high-scoring or revised risks are enclosed.

3. Consultations

3.1 All strategic risk owners were consulted during this latest review.

4. Key Insights

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 Board of Management and the Senior Management Team. This responsibility is highlighted in the College's strategic plan at priority 6, 'to be efficient, effective, innovating, and vigilant'.

4.2 The SMT and the Board of Management have identified the primary strategic risks the College faces, and these are recorded in the Strategic Risk Register. The risks are aligned with the same framework of themes as the College's strategic plan.

4.3 The College's strategic risks are reviewed in detail by the Board's committees, with each committee focusing on those risks most closely aligned with their Terms of Reference. This involves senior risk 'owners' updating the MAP for each risk.

4.4 The Strategic Risk Register is enclosed and the Committee is asked to the current edition and approve recommended changes. Members are asked to note the highest current risk scores for risks that are reported to the Committee:

- **Risk 7 (20/25 ●):** Failure to achieve improved business development performance with stakeholders.
- **Risk 15 (25/25 ●):** Failure to achieve operating surplus via control of costs and achievement of income targets.
- **Risk 16 (20/25 ●):** Failure to maximise income via diversification.

4.5 One risk score change is proposed in this quarterly review. Members are asked to increase the score of risk 11 from green to amber in light of the recent Financial Memorandum breach. The commentary in the risk MAP has been updated to reflect recent developments.

- **Risk 11 from 5/25 ● to 10/25 ●):** Failure of Corporate Governance

4.6 Due to their similar nature, and in an effort to avoid duplication in reporting of risk, the Committee are asked to approve the merger of risk 8 (Failure to achieve improved performance) and risk 13 (Failure to manage performance) into one risk, as outlined below.

- **Risk 8 (10/25 ●):** Failure to manage performance and achieve improved performance.

4.7 The MAP for risk 4 (Failure to realise planned benefits of Regionalisation) has been updated to reflect that decision and guidance are still awaited from the SFC.

5. Impact and implications

5.1 The effective management, control and mitigation of risks is essential to the on-going stability and future growth of the College. The identified risks have clear implications in terms of potential impact upon College students and staff, as well as the College's wider reputation and financial sustainability.

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'. The College risk register includes matters relating to legal compliance and specific duties.

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

5.5 Regional and sectoral considerations are included in the process of risk management, and are reflected in the risk documentation.

Appendices:

Appendix 1: Risk Register: 17 April 2023

Appendix 2: Risk MAPs: 4, 8 and 11.

Risk Register: 17 April 2023

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 change
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/DPr	3	3	9	20	3		Risk 4 MAP	Feb'22
Growth and Development	Negative impact upon College reputation	DC, PNC	6	1	VPCDI	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	VPCDI	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	VPCDI	2	5	10	25	5	Score set to 10: DC 10/22	Risk 28 MAP	Oct'22
Growth and Development	Failure to achieve improved performance	PNC	8	1	VPSE/ DiE	2	5	10	20	5		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	DPr	4	4	16	20	3	Score incr. 12 to 16 Board 12/22	Risk 26 MAP	Dec'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	AAC, PNC	29	1	DPr/CS	1	5	5	5	5	Score set to 5 PNC 01/23	Risk 29 Map	Jan'23
Processes and Performance	Failure of Compliance with the General Data Protection Regulations (GDPR)	AAC	24	1	DPr	2	4	8	25	5		Risk 24 MAP	Jan'23
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/ DiE	3	4	12	20	4		Risk 13 MAP	Dec'22
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	5	25	25	4	Score incr. 20 to 25 AAC 09/22	Risk 15 MAP	Nov'22
Finance	Failure to maximise income via diversification	AAC, DC, FPRC, PNC	16	1	VPCS/ VPCDI	4	5	20	25	5		Risk 16 MAP	Nov'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/DPr	2	4	8	25	4	Score decr. 12 to 8: PNC 8/22	Risk 27 MAP	Aug'22

- key:**
 Pr - Principal
 DPr - Depute Principal
 VPSE - Vice Principal Student Experience
 VPCS - Vice Principal Corporate Services
 VPCDI - Vice Principal Corporate Development/Innovation
 CS - College Secretary
 EDHR - Executive Director of Human Resources
 DiE - 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

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 (12mths) change

Date	Jun-19	Dec-19	Jun-20	Dec-20	Jun-21	Dec-21	Aug-22	Nov-22
Average Risk Score	9.43	8.95	11.2	11.3	10.7	10.4	10.4	10.6
Number of RED Risks	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 realise planned benefits of Regionalisation

Risk ID: 4

Owned by: Pr/DPr

Review Date: April 2023

Update

Full Description:

1. Failure to secure a positive position for COGC in the context of the Regionalisation Agenda
2. Failure to manage changes to governance arrangements arising from Regionalisation in the best interests of the College and its stakeholders

Treatment:

Maintain effective dialogue with Regional Board, Glasgow Colleges, SFC, and Scottish Government. College senior staff involvement in regional strategic groups.

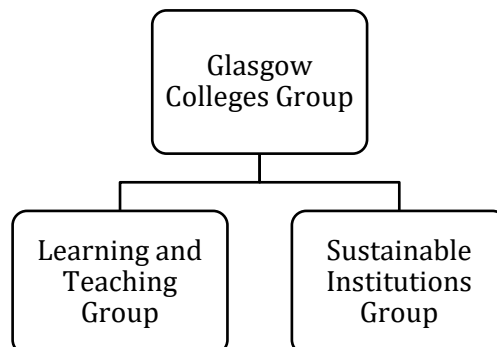
Commentary (Update):

Dialogue is being maintained with GCRB and with the Glasgow Colleges.

The College continues to host the GCRB team at our City Campus.

Overview of Glasgow College Operational Groups

Three college-led groups provide a forum for regional oversight of operational planning and monitoring. These are:



The groups generally meet at 6-week intervals.

Chairs for the groups rotate annually, with the chairs for 2021-22 being:

- Glasgow Colleges Group – John Vincent, Principal and Chief Executive Clyde College.
- Learning and Teaching Group – Robin Ashton, VP Curriculum, Kelvin College
- Sustainable Institutions Group – Stuart Thompson, VPCS City of Glasgow College.

The Chairs of the Learning and Teaching Group and the Sustainable Institutions Group attend meetings of GCRB's Performance and Resources Committee.

In addition to the above groups, seven regional 'curriculum hubs' exist, formed of senior faculty managers from across the three assigned colleges. The hub areas are based on broad economic sectors and are:

- Administration, Financial and Business Services
- Creative and Cultural Industries
- Energy, Engineering, Construction and Manufacturing Land-Based Industries
- Food, Drink, Tourism, Hospitality and Leisure
- Health, Care and Education, Life and Chemical Sciences
- ESOL, Community and Supported Programmes

These curriculum hubs are intended to support sharing of information within curricular areas and the development of a coherent regional curriculum, alongside providing a central point of contact for employers and other stakeholders related to areas of economic activity. Curriculum Hub activity is overseen by the regional Curriculum and Quality Lead (Chair of the Learning and Teaching Group)

Regional College Group Membership & Responsibilities

Glasgow Colleges Group

Membership:

- College Principals
- Chairs of regional Learning and Teaching and Sustainable Institutions sub-groups
- GCRB Executive Director

Areas of functional responsibility:

- discussion of local, regional and national issues related to the strategic and operational leadership of college delivery;
- coordinating the work of operational regional groups, including the development, delivery and monitoring of Regional Outcome Agreements;
- reporting of relevant information related to the regional and national delivery and policy context to the Glasgow Regional Board, its committees and college stakeholders; and
- liaison with local, regional and national stakeholders.

Learning and Teaching Group

Membership:

- College Senior Managers with responsibility for curriculum delivery
- GCRB Executive Director

Areas of functional responsibility:

- joint planning of portfolio across the region, supporting the development of a strategic, regional approach to portfolio review based on local, regional and national needs;
- developing, delivering and monitoring Regional Outcome Agreements and reporting progress to the Glasgow Colleges Group and the Glasgow Colleges' Regional Board;
- enhancing engagement with employers and employment support agencies;
- promoting and enhancing effective and innovative learning, teaching and assessment;
- monitoring and evaluating the quality of college delivery across the region and developing approaches to quality enhancement;
- liaising with a range of, regional and national stakeholders, including education partners, universities and local authority education services to further develop strategic approaches to partnership working; and
- facilitating effective learner pathways and progression into work and further study.

Sustainable Institutions Group

Membership:

- College Senior Managers with responsibility for finance and human resources
- GCRB Executive Director

Areas of functional responsibility:

- monitoring a range of financial performance indicators and supporting the development of a strategic, regional approach to ensuring the financial sustainability of the region's colleges, and reporting this to the Glasgow Colleges Group and the Glasgow Colleges' Regional Board;
- ensuring funds are used as economically, efficiently and effectively as possible;
- building regional capacity to assess and develop funding opportunities related to non-SFC income;
- reviewing college and regional risk management;
- supporting the delivery of an improved and fit for purpose regional estate;
- monitoring energy consumption and carbon emission measures, and coordinating actions to improve the environmental sustainability of Glasgow's colleges; and
- providing a forum for sharing human resource information and supporting the development of regional approaches to workforce development.

GCRB have produced the Glasgow Regional Strategic Plan identifying the joint aims and benefits of the region.

The College continues to participate fully in developing and setting the targets within the annual Regional Outcome Agreement (ROA) which is published alongside the College's Strategic Plan on the College website.

The Board notes that funding for the region and GCRB continues to be a challenge for the Colleges.

Update as at 10 September 2021

Following the Scottish Funding Council's publication of the Phase One Report on *Coherence and Sustainability: A review of Scotland's Colleges and Universities* (October 2020), GCRB embarked on its own *Review of Coherent Provision and Sustainability of Glasgow College Region*. A call for evidence was issued, to which the College responded in the first week of January 2021. A phase 2 Progress Update was published in March 2021. The Phase 3 Report was published in June 2021, and a response to this from the College's Board of Management was sent to the Minister on 2 September 2021.

Update as at 18 February 2022

Decisions on the way forward are expected in this calendar year.

Update as at 12 April 2023

We are still awaiting a decision and guidance on the way forward from the SFC.

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

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

Risk Management Action Plan

Risk Description: Failure to manage performance and achieve improved performance.

Risk ID: 8

Owned by: DirEx

Review Date: April 2023

Update

Full Description and Treatment:

1. Ensure identification, dissemination, monitoring and review of quality improvement KPIs for all areas of service delivery.
2. Work with VPs, Directors and Heads to target areas of underperformance.
3. Failure to ensure that performance is monitored and managed, and that high performance levels are sustained at all levels.

Treatment:

1. Implement a revised performance and enhancement process, including Curriculum Planning.
2. Develop and agree Operational Plans, aligned with Balanced Scorecards as part of an annual planning framework.
3. Support faculty improvement plans to increase focus on under performance and actions to address this
4. Ensure robust quality arrangements are in place for credit rated activity
5. Ensure robust quality arrangements are in place for overseas centres

Commentary (Updates):

April 2023

Whilst mindful of external factors, which continue to have a bearing on performance, the following activity has been completed this quarter to control and mitigate the likelihood of risk being realised.

- Balanced Scorecard for the College devised and agreed with the PNC
- Measures for the five College Strategies updated and 4-year targets set with the Executive
- Hierarchy of performance measures produced cascading from the College level to individual Faculties and Directorates

- AY21-22 Performance scorecard shared with the Board
- Directorate end of year reviews completed with actions identified to inform AY23-24 plans
- Faculty portfolio reviews completed with actions identified to inform AY23-24 plans. Each faculty has identified courses to close, improve and develop.
- Planning guidance produced for AY23-24
- Simplified planning template developed and SMT planning workshop scheduled for April.
- Directorates being asked to confirm performance measures for the next four years as part of the current planning cycle
- Preparations underway, including briefing produce and schedule developed, in support of Education Scotland Annual Engagement Visit in April.
- Power BI dashboards being developed

February 2022

Led by the Principal, Directorate reviews will conclude in February. This means each Directorate will have been asked to review their AY20-21 performance relative to their operational plan. The improvement actions emerging from this review will then be addressed both within current plans and as part of the next phase of operational planning.

At a college wide level, new planning guidance will be established from March. This will cohere all improvement expectations into one single document to aid and purpose operational planning for the next session.

Mindful of the renewal of the College's core underpinning strategies, at the SMT planning workshop in March 2022, new key performance indicators and targets will be established to populate the four quadrants of the balanced scorecard. These measures will then provide the level of ambition that our operational plans will contribute toward. The new balanced scorecard will also go some way to meeting the internal audit expectation for a simpler and more precise capture of College wide impact and progress.

Following the workshop, teams will be supported to follow a logic-model approach to the development of interim measures in order to evidence how they are contributing to the College's expected ambition. This will build a College wide performance framework and create the performance dashboards which in future can then be used as the basis for subsequent performance reviews.

Archive:

December 2021.

In this reporting period we have concluded the annual review of performance across Faculties and Directorates. This has highlighted areas of progress and new and recurring challenges. The College has continued to make progress in the implementation of its five under-pinning strategies. Three of these were fundamentally updated this year, establishing new strategies for our Student Academic Experience, People and Culture, and Digital systems- the latter replacing our Systems Integration strategy. Progress is evident across each, particularly in relation to sustainability and delivering step changes in blended learning and support for staff health and well-being during the pandemic. We note the emerging

financial pressures in the year ahead, because of declining commercial, HE tuition fee and international student income.

A new approach to Faculty reporting was introduced this year, which in turn has assisted in the annual review of the quality of learning and teaching. This is in addition to the completion of portfolio reviews, where Faculties reviewed their portfolio relative to their performance and wider environmental issues. Adaptations to courses have been proposed, including developments in support of the College continued expansion of its HE portfolio. Performance issues have been identified in relation to the outcomes of learners on our Further Education programmes and recommendations made to target under performance.

Proposed actions are expected to mitigate any increases in risk, the level of which is maintained.

Curriculum Planning has been used to ensure that Faculty Directors set SMART targets as part of the Curriculum Planning process. In addition Faculties have developed plans following the Curriculum Planning process with a view to significantly improving performance.

Improvement in performance is planned via a new, aligned, planning and performance review cycle, to commence in August 2021.

Recent Update Commentaries:

August 2020

All resulting (where possible) was complete before end of Academic Year 2020, this followed an intense period of development a to put in place an holistic assessment system including internal quality assurance panels to provide scrutiny on results. A number of areas were incomplete due to the nature of courses where practical elements had to be completed in order to achieve full certification. The majority of these 'deferred' students will complete in advance of academic year 2020/21 but some will continue through Block 1 and some may need to restart again (if they were a January start). It is suggested that data for this last year be treated within the context they are set ie rapid move to online learning.

January - May 2021

The College was placed under Tier 4 Covid restrictions Friday 20 November 2020 resulting in most classes again being delivered online. For many of our teaching staff, this was a continuation of the delivery mode of recent weeks and months. However, for some, this had significant implications for delivery of on-campus classes. Only those classes that were considered 'time critical' were allowed access to campus. The College's physical campus was subsequently closed after Christmas holiday as the country moved into full lockdown. Classes continued online but concerns are rising for the completion of practical units and ultimately completion of awards.

A new approach to faculty reviews will represent a departure from past approaches and a move toward evidence based enhancement. In particular, moving from a silo and risk adverse approach toward greater empowerment and co-creation informed by supporting evidence. The key principles underpinning this approach are: Using data for enhancement; Supporting reflection in order to build deeper understanding; Focussing on impact and the difference we are making (and contributing) and Building a quality culture through ownership and empowerment. Every faculty will

Identify an exemplar practice for discussion and complete an Action Plan setting out plans for improvement for the year..

Performance reporting via the College dashboard will underpin the new approach, and due to the movement of the existing member of staff responsible for the development of this facility, a new appointment has been made. Performance Co-ordinators will access performance data to contextualise progress.

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 4/5 Impact 5/5 Risk Score 25/25
Risk Appetite (Willing to accept):	Risk Tolerance (Able to accept):
<u>Low</u> Medium High	Category: Student Experience/ Reputation <u>Low</u> Medium High 1 2 3 4 5 6

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

Risk Management Action Plan

Risk Description: Failure of Corporate Governance

Risk ID: 11

Owned by: Pr/College Secretary

Review Date: April 2023

Update

Full Description:

Breach of Code of Conduct; breach of Code of Good Governance; failure of formal procedures; lack of robust/ failure of monitoring/management processes etc; breakdown of effective Board/ELT relationships.

Impact of failure would be high, but likelihood without mitigation is medium and reduces to low with mitigation. Because of the seriousness of failure, and the low tolerance of failure relating to compliance and reputation, the risk appetite is low.

Treatment:

- Maintenance and monitoring of sound governance procedures and processes
- Insurance against financial loss due to fraud etc.
- Identification of Risk at operational level via operational planning
- Regular meetings of Board Audit Committee
- Regular Internal and External Audit review, and reportage to the Board of Management Board development activities and self-evaluation process.
- External Board Effectiveness Review 2017 and 2020/21
- College Secretary Training and Development
- External Audit undertaken without recommendations for improvement
- External Effectiveness Review of Governance Report 2021 completed.

Commentary (Update):

May 2020

External Evaluation of Governance Report 2021 published to schedule. Referencing the Code of Good Governance in Scotland's Colleges, this very positive report represents a very high level of assurance in respect of the standard of corporate governance, especially when taken together with the independent audit of governance included in the Annual Report (above).

September 2021

A full round of Board member appraisals has been completed with the Board Chair, with a number of suggested improvement actions resulting. These will be included within a revised Board Development Plan for 2021-22 (currently in draft at Nov 2021)

November 2021

Accountability Report and Governance Statement under review by External Auditor as part of the College Annual Report 2020-21. Review of Assurance Framework undertaken to schedule.

February 2022

External Audit recommendations from Annual Report accepted for action in 2021-22. New Compliance Auditor post created with successful recruitment, which will enhance review of Assurance Framework and monitoring of Audit recommendations.

April 2023

The SFC informed the College that recent non-competitive procurement action breached the Financial Memorandum. Shortly after receiving the correspondence from the SFC, the Principal apprised the Finance & Physical Resources Committee and the Audit & Assurance Committee. He also brought this matter to the attention of the College’s internal auditors and they have been asked to investigate and provide a report. Henderson Loggie will liaise with the Convener of the Audit & Assurance Committee to confirm the scope of the audit and share their findings. The report is expected to be tabled at the next meeting of the Audit & Assurance Committee. It is recommended that the risk score be changed from green to amber in light of this, with it being reviewed after the internal auditors have reported back.

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 2/5 Impact 5/5 Risk Score 10/25 RAG Rating: Amber Target Score: 5	Likelihood 5/5 Impact 5/5 Risk Score 25/25
Risk Appetite (Willing to accept):	Risk Tolerance (Able to accept):
<u>Low</u> Medium High	Category: Reputation/ Compliance <u>Low</u> Medium High 1 2 3 4 5 6

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