J

REGIONAL BOARD REPORT

Subject: Strategic Risk Register	**Purpose:** **For Approval** ☐ **For Discussion** ☒ **For Information** ☐
Prepared by: Hazel Robertson, Vice Principal – Finance and Corporate Services	**Date:** 14 November 2019

Purpose: To discuss the College's Strategic Risk Register.

Linked to Strategic Goal 5: Build Sustainability.

Executive Summary:

The College's Strategic Risk Register (attached) has been updated since the last Board and a new summary page has been introduced. The summary page gives an overview of the risk exposure by strategic goals.

The following strategic risks identified on the Risk Register are above target. Summarised below are the reasons why and mitigation.

1a	The risk level is slightly above target due to Outcome Agreement funding not matching the level of credit delivery in 2018/19 – the in year distribution was not made good in this year. We will continue to work towards delivery of more credits and securing in year funding.
1k, 4d	The impact of BREXIT remains unclear. We continue to be proactive in engaging locally, nationally and through our sector networks to understand what the impacts may be and how we can mitigate any negative impact. A full BREXIT impact assessment has been reported to Board and the Scottish Funding Council, who have recognised the assessment as good practice. It has been updated following discussion with SFC. Attendance at a recent Colleges Scotland BREXIT forum is going to be followed up with guidance on a potential No Deal BREXIT.
2h	Achievement of desired student outcomes continues to be a strong focus. We have invested in more achievement coaches for 2019/20.
4f	Considerable joint working is underway at Board level, Executive leads and project teams in order to work effectively with Dumfries and Galloway College to deliver the joint SOSEP project work and shared curriculum delivery. Joint formal launch is planning.
5a	There is still a concern about insufficient funding available for ICT in the long term. We understand that a case is being made to increase this as part of the spending review. Locally we have developed our three year Digital Delivery and Development Programme and will report on progress through the Finance and General Purposes Committee. Funding the plan has been challenging particularly for year 2 when we plan on replacing the Apple computers. A review of the need for Apple Macs is being undertaken.
5h	The College has made good progress in fulfilling its requirements with regard to GDPR in accordance with the Information Commissioner's

	Office (ICO) guidance. Protection Policy has been approved by the Board and we have provided operational guidance to staff. The recent IT systems audit report highlighted a high risk around potential data leakage. The risk score has decreased this reporting period and will remain above target until implementation of the Identity Management Systems in February 2020 (delayed due to additional upgrade work required) allows full roll out of Office 365 and related functionality, thus fully addressing the concern about data leakage.
5i	We achieved Cyber Security Plus accreditation in August 2019. The recent IT systems audit report highlighted a high risk around web filtering. The risk score has decreased this reporting period and will remain above target until configuration of a technical solution which was installed in October 2019.
5k	The review of the bursary lap top scheme has been completed and we have developed a four year rolling plan going forward. Additional laptops have been purchased. The risk remains above target until we obtain further feedback from a national discussion in relation to the use of bursary funding.

The following risks will be closed – none identified in this reporting period.

Risk description		Change

Recommendation: Members discuss the Strategic Risk Register, seek any further clarification of risks which remain above target level.

Previous Committee Approvals: n/a

For publication ☒	**For publication with redactions** ☐	**Not for publication** ☐

Respond to the needs of our region - OPEN appetite **Total risk rating** **40**

Likelihood	1	2	3	4	5
5		EU funded credit is withdrawn			
4					
3		SFC do not fund growth in new provision		BREXIT significant impact on the region	
2			Engagement with partners SDS funding is reduced		
1					

Impact

Acceptable level of risk - risk appetite **OVERALL STRATEGIC RISK APPETITE - MODERATE**

Risk appetite	Definition
OPEN	The College is willing to consider all delivery options and select those with the highest level of productive outcomes, even
MODERATE	The College will only accept exposure to modest levels of risk in selecting delivery options, recognising that this may restrict potential rewards.
CAUTIOUS	The College remains guarded, with a preference for safe delivery options that have no more than a low degree of risk, recognising that these may have restricted potential for reward.

Successful outcomes for our learners - OPEN appetite **Total risk rating** **24**

Likelihood	1	2	3	4	5
5					
4					
3					
2		Learner needs not properly articulated Staff not motivated or engaged Employers not engaged Students not enrolled on most appropriate programme	Outcomes don't show positive trend		
1		Student funding is reduced			

Impact

High quality College experience - MODERATE appetite **Total risk rating** **12**

Likelihood	1	2	3	4	5
5					
4					
3					
2		Learners travel to other locations to study Student association not proactive in engaging Students are not engaged in driving learner experience			
1					

Impact

Grow our business- CAUTIOUS appetite **Total risk rating** **20**

Likelihood	1	2	3	4	5
5					
4					
3					
2		Failure to capitalise on commercial income Failure to recruit qualified staff	SFC do not fund growth in new provision Not working effectively in partnership with D&G re Hub and Spoke		
1					

Impact

Build sustainability - MODERATE appetite **Total risk rating** **56**

Likelihood	1	2	3	4	5
5					
4					
3		Insufficient SFC funding for ICT infrastrure		National bargaining costs ahead of funding	
2		Insufficient alternative funds for new delivery Childcare targets are not met	Reduction in regional demand impact on credits Unable to meet requirements of GDPR Inadequate protection from cyber risk	Student support funding not available for laptops	
1					

Impact

BORDERS COLLEGE STRATEGIC RISK REGISTER
Strategic Risk Appetite - MODERATE

Date: 14/11/2019

	Objectives and Risks	Current: Controls in place	Current: Likelihood (1 - 5)	Current: Impact (1 - 5)	Current: Rating (max =25)	Target: Further Actions	Target: Likelihood (1 - 5)	Target: Impact (1 - 5)	Target: Rating (max =25)	Above / On Target	SLT lead	Exec owner
1	**Respond to the needs of our region - Risk Appetite - OPEN**	**Respond to the needs of our region - Risk Appetite - OPEN**				**Respond to the needs of our region - Risk Appetite - OPEN**				**Respond to the needs of our region - Risk Appetite -**		
1a	IF the SFC does not fund growth in the Scottish Borders, THEN the College will not be able to create new provision to meet demand.	Outcome agreement, engagement with SFC, development of business cases to support growth. Growth was funded and achieved in 18/19 but not carried forward into the 19/20 agreement. This will continue to be a risk for 2019/20 onwards	3	2	6	TREAT - A substantial review of the FFR, Scenario plans and Financial plan has been completed which indicates a management position for 2019/20. The financial plan has been discussed in detail by the board and actions agreed for this year and the next two. This will continue to be a risk area for future years. Level of risk cannot be reduced until we have completed the review of curriculum and identified savings actions for future years.	2	2	4	Above Target	APs + BDU	Principal
1b	IF there is not successful engagement with partners, THEN the College will not be able to identify and meet their needs.	Engagement with Industry groups and other employers, local authority and schools, community planning partners, universities. .Build on good reputation of the college to foster genuine partnerships and solutions to regional challenges. Continue to push positive PR re our successes. Develop bespoke and flexible solutions for schools. CLMs will meet monthly with DYW and schools.	2	3	6	TOLERATE. Although this is at target this is an area of significant activity with multiple projects being progressed - maintain focs	3	2	6	On Target	APs + BDU	Principal
1d	IF SDS funding is reduced, THEN the College will not be able to meet the demands of our stakeholders.	Engagement with SFC, Outcome Agreement Process, curriculum and business planning. Continue to explore alternative funding streams to respond to demand. Board Chair and SMT continue to raise the profile of the college with regional stakeholders who have influence with decision makers. Continue to seek efficency savings in order to invest in new provision.	2	3	6	TOLERATE. No further actions at present - at target, although this is anticipated to be a future risk therefore retain on register	3	2	6	On Target	Dir of BDU	Principal
1h	If EU-funded Credit activity is withdrawn, THEN the College may not be able to sustain activity levels	Outcome agreement, engagement with SFC, curriculum and business planning. Continue to explore alternative funding streams to respond to demand. Board Chair and SMT continue to raise the profile of the college with regional stakeholders who have influence with decision makers. Continue to seek efficency savings in order to invest in new provision. This risk is at target level and is built into our 5 year financial forecast return.	5	2	10	TOLERATE - no additional actions at this time - await further advice from SFC	5	2	10	On Target	APs	VP C&SS
1k	If BREXIT has a significant negative impact on the Borders economy, THEN this may mean the College cannot meet the needs of the Region.	Monitoring of external factors, engagement with stakeholders, discussion with SFC. Brexit impact assessment compilied. Update being prepared to reflect probable no deal. Risk rating increased	3	4	12	TREAT - Continue to discuss with SFC. Attend BREXIT forums. Await further advice from SFC.	3	3	9	Above Target	Execs	VP F&CS
2	**Deliver successful outcomes for all our learners - Risk Appetite - OPEN**	**Deliver successful outcomes for all our learners - Risk Appetite - OPEN**				**Deliver successful outcomes for all our learners - Risk Appetite - OPEN**				**Deliver successful outcomes for all our learners -**		
2a	IF learners' needs are not properly articulated when considering resource planning, THEN learners may not achieve their desired outcomes.	Student feedback and engagement on College committees. Improved student engagement in resourcing decisions through user groups and committees. Ensure curriculum planning and resource planning are fully integrated. Work with Student Association to support students with issues such as mental health, cyber bullying. Further investment in achievement coaches and differentiation of support for students.	2	2	4	TOLERATE - no additional actions	2	2	4	On Target	APs + D BDU	VP C&SS
2b	IF staff are not fully motivated and engaged in delivering the best learner experience, THEN students may not achive desired outcomes.	CPD and staff development, staff consultation, College meetings and briefings. Continue to influence external policy on National Bargaining and Workforce for the future. Communicate reguarly with internal staff and students not participating in but are affected by strike action and work together to mitigate impact. Work to ensure any effect from cultural shift is minimised. Maintain positive communicatons in relation to national bargaining.	2	2	4	TOLERATE - no additional actions - below target	2	3	6	On Target	APs	VP C&SS
2c	IF employers do not engage successfully with the College, THEN the College will not be able to provide an appropriate curriculum to meet demand.	Employer engagement programme, industry groups	2	2	4	TOLERATE - This continues to be a focus of our activity. BDU managers are working with curriculum areas to progress. Use of SOSEP funding to generate new opportunities. We are performing well in terms of MA.	2	2	4	On Target	DM	VP C&SS & VP F&CS
2e	IF students are not enrolled on the most appropriate programme, THEN they may be less likely to succeed.	Admissions procedures and interviews, programme review, learner success mentor, course tutors. Continue to have clear entry requirements understood by those interviewing and suggest alternative provision when applicant doesn't match the course	2	2	4	TOLERATE - no additional actions	2	2	4	On Target		VP C&SS
2f	IF student support funding is reduced, THEN learners may not be able to enrol on their preferred course of study or achieve their qualification.	Outcome agreement, engagement with SFC, management, full utilisation and monitoring of SS Funds. Additional funding allocation received from in year re-distribution.	1	2	2	TOLERATE - Additional funding allocation received from in year re-distribution - funding advice is to assume that needs will be met	1	2	2	On Target		VP F&CS
2h	IF our outcomes don't show a positive trend THEN it will impact on our Education Scotland grade and potentially our SFC funding.	KPI performance at mid July shows slight improvement in FEFT and sector average performance on HEFT.	2	3	6	TREAT - Established tracking and monitirong arrangements and investment in additional achievement coaches for next year	2	2	4	Above Target	HA	VP C&SS
3	**Provide a high quality College experience - Risk Appetite - MODERATE**	**Provide a high quality College experience - Risk Appetite - MODERATE**				**Provide a high quality College experience - Risk Appetite - MODERATE**				**Provide a high quality College experience - Risk**		

BORDERS COLLEGE STRATEGIC RISK REGISTER
Strategic Risk Appetite - MODERATE

Date: 14/11/2019

	Objectives and Risks	Current: Controls in place	Current: Likelihood (1 - 5)	Current: Impact (1 - 5)	Current: Rating (max =25)	Target: Further Actions	Target: Likelihood (1 - 5)	Target: Impact (1 - 5)	Target: Rating (max =25)	Above / On Target	SLT lead	Exec owner
3b	IF significant numbers of learners decide to travel to study at other colleges and HEIs, THEN learner choice will likely be reduced.	Curriculum planning, marketing strategy, engament with schools and prospective learners, employers. Analyse areas of loss to inform refresh of the curriculum. Coordinated planning with the schools. Adjust admissions policy. Additional targeted marketing	2	2	4	TREAT - Continue to manage impact through curriculum planning.	2	2	4	On Target	HA	VP C&SS
3c	IF the Students' Association does not continue to be pro-active in engaging with the College, THEN the learner experience will likely be diminished.	Financial and SMT Support to SA, partnership agreement, clear BCSA development plan, feedback on engagement. Review reasons for lack of effectiveness. Support BCSA to make changes. Engage NUS (Scotland) and SPARQS to provide support to SA.	2	2	4	TOLERATE - no additional actions	2	2	4	On Target		VP C&SS
3d	IF students are not engaged in driving the learner experience, THEN the College may not develop an appropriate learner experience.	feedback from student experience committees has been good and students using Buzz the Boss. Having new CLMs in post provides greater capacity for staff to engage with students.	2	2	4	TOLERATE	2	2	4	On Target		VP C&SS
4	**Grow our business - Risk Appetite - CAUTIOUS**	**Grow our business - Risk Appetite - CAUTIOUS**				**Grow our business - Risk Appetite - CAUTIOUS**				**Grow our business - Risk Appetite - CAUTIOUS**		
4a	IF the SFC does not fund growth in the Scottish Borders, THEN the College will not be able to create new provision to meet demand.	Outcome agreement, engagement with SFC, development of business cases to support growth. Continue to explore alternative funding streams to respond to demand. Board Chair and SMT continue to raise the profile of the college with regional stakeholders who have influence with decision makers. Continue to seek efficency savings in order to invest in new provision. FWDF allows for some additional activity with employers.	2	3	6	TOLERATE - no additional actions. This will continue to be a risk for future years	3	2	6	On Target	APs + DM	VP C&SS
4b	IF we do not understand and capitalise on the market for commercial delivery sufficiently to meet income targets, THEN we may not have the ability to generate sufficient funds to invest in new activities.	Build on relationship with newly formed DYW Industry Group and existing Employer Relationships. Promote our successes with Employers. Continue to explore a CRM system to capture all enquiries. Introduce improved monitoring arrangements for commercial activities.	2	2	4	TREAT - Continue to explore opportunities. Planned growth of 9% in 2019/20 and £500k contribution to College. Modest assumptions built into the financial forecast	2	2	4	On Target	DM	VP F&CS & VP C&SS
4c	IF the College is not able to recruit appropriately qualified staff, THEN it will not be possible to enable growth in student numbers or commercial business.	Review recruitment strategy i.e. employment fairs, university graduates, starting salaries for non qualified teachers in skill shortage areas	2	2	4	TOLERATE - Continue to promote college as a good employer	2	2	4	On Target	DK	Principal
4f	IF the College does not work effectively in partnership with Dumfries and Galloway College to implement the Hub and Spoke model THEN our ability to access future grant funding from SOSEA may be impaired.	Effective liaison at Executive and operational level. Joint specification for digital hub and spoke. Complementary curriculum development. Monthly Project Board meetings. Regular operational meetings including oversight group and project team meetings.Fomalised project documentation. Joint outcomes based planning workshop to develop benefits realisation plan and review risks.	2	3	6	TREAT - Outocmes based planning tool used to develop a benefits realisation plan and review risks. Moving towards formal launch. This will help to focus on long term outcomes and measureable results. Articulation project between two Colleges is coming together and have appointed a joint Progression Manager.	2	2	4	**Above Target**	HR and HA	Exec Group
5	**Build sustainability - Risk Appetite - MODERATE**	**Build sustainability - Risk Appetite - MODERATE**				**Build sustainability - Risk Appetite - MODERATE**				**Build sustainability - Risk Appetite - MODERATE**		
5a	IF SFC capital funding is contained at current levels, THEN the College may be unable to invest in a sustainable ICT infrastructure to offer up-to-date learning and improve business processes.	Engagement with SFC, Outcome Agreement Process, curriculum and business planning, replacement infrastructure project 2017	3	2	6	TERMINATE - Explore creation of sinking fund for ISLT resource which will need to include provision for hub and spoke development and refresh. Also develop futue options including cloud model, integration or outsourcing. Digital delivery and development priorities agreed and funding is in place for next three years	2	2	4	**Above Target**	AJ and SM	VP F&CS
5b	IF alternative sources of income are not found, THEN the ability to develop new delivery and trial new products is restricted.	Employer/client engagement, work on new markets and products. Work with BDU and faculties to to increase commercial engagements and wider funding opportunities.	2	2	4	TOLERATE - no additional actions	2	2	4	On Target		VP F&CS
5c	IF national bargaining drives pay awards upwards ahead of any additional resources which are generated through growth, THEN the College will have less flexibility in managing its remaining resources.	Engagement with Employers' Association, resource planning. This risk is ahead of target level and is built into our 5 year financial forecast return.	3	4	12	TOLERATE - assume SFC redistribution of funds would address = below target	5	3	**15**	Below Target	All	VP F&CS
5d	IF regional demand reduces, THEN the credit target may not be achieved and funding reduced.	Engagement with CPP, schools, employers groups, data analysis, business engagement, adult provision. Create new provision in non-traditional subject areas, grow our HN provision and community and business courses	2	3	6	TOLERATE - no additional actions - below target	3	3	9	Below Target	APs + DM	VP C&SS
5h	IF the College is unable to meet the requirements of GDPR THEN the College may suffer financial and reputational damage	Staff awareness and training, project to ensure compliance, DPO appointment. Data Protection Policy agreed. Mandatory DP training on moodle. Guidance finalised for data event notification and management. Work programme signed off by SLT in February focusing on update of records management register, implementation of Data Protection Impact Assessments and training.	2	3	6	TREAT - all guidance documentation now in place. Article 30 work nearing completion. IT systems audit report highlighted risk of data leakage through USB devices, plan being implemented to mitigate this in the short term whilst waiting for identity management solution.	1	2	2	**Above Target**	HR and SM	VP F&CS
5i	IF protection against cyber attack is not sufficient, THEN the College could suffer financial and reputational damage, or negative impact on student success	Current security including Firewalls, anti-virus protection, passwords, web filtering, awareness, network segmentation, patches, traffic monitoring, backups, DRP etc. Cyber security accrediation achieved	2	3	6	TREAT - Cyber accreditation achieved, web filtering solution implemented and currently being configured.	2	2	4	**Above Target**	SM	VP F&CS
5j	IF our Childcare targets are not met THEN this could have a negative impact on financial sustainability	Curriculum planning,monitoring of eapplications, enrolments, discussion with SFC	2	2	4	TREAT - continued monitoring and negotiation with SFC	2	2	4	On Target	JG DM	VP C&SS
5k	IF rules for student support funding no longer allow the use of bursaries to purchase mobile devices, THEN the ability to deliver our BYOD strategy will be compromised	Resource planning to create flexibility in ICT replacement. Additional funding allocation received from in year re-distribution - at target. Some issues with scheme and concerns being addressed by working group - strategy paper being developed.	4	3	12	TREAT - review of scheme completed and plan in place for ongoing running. Additional work being undertaken to promote BYOD. No longer anticipate a change in the bursary rules however we are one of three Colleges who have higher levels of this type of spend from bursaries and we anticipate there will be discussion about this at a forthcoming national student support funds meeting. Retain risk at 12 until outcome of national discussion.	4	1	4	**Above Target**	SM/AH	VP F&CS

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

Risk Score

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

Impact