

# F&GP COMMITTEE REPORT

<b>Subject:</b> Strategic Risk Register	<b>Purpose:</b> <b>For Approval</b> <input type="checkbox"/> <b>For Discussion</b> <input checked="" type="checkbox"/> <b>For Information</b> <input type="checkbox"/>			
<b>Prepared by:</b> Hazel Robertson	<b>Date:</b> 12 November 2020			
<b>Purpose:</b> To provide members with the current strategic risk register for scrutiny				
<b>Linked to Strategic Goal:</b> We will take a leading role in enabling an inclusive, resilient and sustainable Scotland				
<b><u>Executive Summary:</u></b>  <p>There is an agreement that the strategic risk register and process requires renewal. The desktop review and redesign of the risk register continues. This will assist with preparation for the Board risk workshops being held on Wednesday 13 January at 1.30pm and 21 January at 4pm.</p> <p>As per discussion at the Board Strategy session on 12 November, to implement the Board Development Plan, the risk workshops will cover:</p> <ul style="list-style-type: none"> <li>Strategic Risk Identification, Assessment and Monitoring</li> <li>Scenario Planning</li> <li>Establishing the right balance in the Board's Attitude to risk</li> <li>Understanding and developing the roles accountabilities of the Board Committees</li> <li>Maintaining a clear distinction between issues that relate to governance and those that are operational in nature.</li> </ul> <p>Members are reminded that risk is about uncertainty, so going forward for the new risk register we also need to identify areas where we can use uncertainty to our advantage, to improve our ability to achieve our strategic ambition.</p> <p><b><u>Risk Register Policy</u></b></p> <p>The new matrix continues to be adopted. The Risk Register Policy will be finalised after the risk workshops in January 2021.</p> <p>The Regional Board retains responsibility for risk within the College and will be provided with the revised Risk Register Policy for approval.</p> <p><b><u>Risk Register</u></b></p> <p>The current strategic risk register is attached as Appendix 3. This is an interim register until the Board can consider the risks associated with delivery of the new Strategic Ambition.</p> <p>Two risks are recommended for closure</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td style="width: 10%; padding: 5px;">3b</td> <td style="width: 40%; padding: 5px;">Learners travelling to other areas to study</td> <td style="width: 50%; padding: 5px;">This is not material. No evidence to support this being a strategic or operational risk</td> </tr> </table>		3b	Learners travelling to other areas to study	This is not material. No evidence to support this being a strategic or operational risk
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5m	Spread and impact of Covid 19 causing adverse impact on income and cost	Based on Annual Accounts review and QTR1 Business Review, financial consequences are well within budget parameters. Even with change in tier in Scotlands framework, our provision will continue and costs will not materially increase, in fact they may reduce if we have less staff and students on site.. Education is protected at all tiers. We continued to function with significantly lower teaching supplies costs, travel, printing and other support costs when in lockdown. Additionally we have been able to identify an additional budget to provide support to students who do not meet the SFC funding criteria.
<p>Risks have been realigned to the 3 strategic objectives:</p> <ol style="list-style-type: none"> <li>1. We will provide high quality learning and training opportunities which are relevant, enabling and flexible</li> <li>2. We will proactively engage with our community and stakeholders to ensure our practice reflects their need</li> <li>3. We will take a leading role in enabling an inclusive, resilient and sustainable Scotland</li> </ol> <p>The 5x5 summary matrices have been updated with the revised scores (Appendix 4). This summary by strategic objective hopefully makes it easier for members to understand where our most significant risks are, and thus, where our efforts need to be focussed.</p> <p>Looking at the 5x5 matrices is probably the easiest way to identify any risks that have been missed or any that may require review and rescore. Similarly, these matrices may also help members to think about risk appetite.</p> <p>The greatest risk exposure currently is:</p> <ul style="list-style-type: none"> <li>• Potential excess costs associated with national bargaining/job evaluation (no information available to further assess this until the outcome of job evaluation begins to become available). Potential pressures on support staff pay due to pay negotiations. Assumptions currently assume SFC funding, but is a risk and potentially a time lag.</li> <li>• Potential worsening impact of COVID on delivery of curriculum. We are gradually increasing student numbers on site whilst maintaining safe systems of work. We are expanding the available 1-1 support for students who require it, our support services are setting out their plans, which will be included in a service directory so that staff and students know what is available and how. The directory will be available on line week commencing 16 November.</li> <li>• Outcomes not showing a positive trend. Measures to support the COVID risk above will also address this risk. Renewed Curriculum Strategy will address this risk in the longer term.</li> <li>• BREXIT impact on the economy and the College not being able to meet regional need (unable to adequately assess due to lack of sufficient information).</li> </ul>		

<ul style="list-style-type: none"> <li>• Lack of growth funding from SFC (risk of insufficient capital funds for IT has reduced in the current year due to the development of a funding model for the currently scoped Digital Transformation Programme)</li> <li>• Potential impact of ineffective engagement with partners (much of our strategic ambition relies on this). Appointment of an Exec Director and Director will have a direct impact on this area of our activity. A new Stakeholder Strategy is being developed. This will also positively impact on our marketing activity including website.</li> </ul>		
<b>Recommendation:</b> Members to <ul style="list-style-type: none"> <li>• Participate in the forthcoming risk workshops in January 2021</li> <li>• Seek clarification on any specific risks and gain assurance on mitigation plans.</li> <li>• Identify any additional strategic risks to be added to the Register.</li> </ul>		
<b>Previous Committee Approvals:</b> None		
For publication <input checked="" type="checkbox"/>	For publication with redactions <input type="checkbox"/>	Not for publication <input type="checkbox"/>

## APPENDIX 1

## Proposed risk impact matrix

Descriptor	Negligible	Minor	Moderate	Major	Extreme
<b>Student experience</b>	Reduced quality of student experience/outcome directly due to curriculum delivery	Unsatisfactory student experience / outcome - readily resolvable	Unsatisfactory student experience / outcome - resolvable within xxx time	Unsatisfactory student experience / outcome - resolvable within xxx time	Unsatisfactory student experience / outcome - long term impact
<b>Objectives / Project</b>	Barely noticeable impact on scope, quality or schedule	Minor reduction in scope, quality or schedule	Reduction in scope, quality or schedule	Significant project overrun / reduction in quality	Inability to meet project objectives / impact on reputation
<b>Injury to student/ staff / visitors</b>	Adverse event not requiring first aid	Minor injury/illness requiring first aid	Agency reportable	Long term incapacity requiring medical treatment or counselling	Death or major permanent incapacity
<b>Complaints</b>	Locally resolved verbal complaint	Justified written complaint	Justified complaint involving lack of professionalism	Multiple justified complaints	Complex justified complaints
<b>Business interruption</b>	Interruption in a service which does not affect delivery of educational services	Short term interruption which has minor impact on educational delivery	Some disruption with unacceptable impact on educational delivery. Temporary loss of ability to provide services.	Sustained loss of service which has serious impact on ability to delivery educational services, resulting in major contingency plans being invoked.	Permanent loss of core service or delivery. Disruption to services causing significant knock on effect
<b>Staffing</b>	Short term low staffing levels temporarily affecting service quality	Ongoing low staffing level reducing service quality. Minor error due to ineffective training	Late delivery of objectives due to lack of staff. Moderate error due to ineffective training.	Uncertain delivery of objectives due to lack of staff. Major error due to ineffective training	Non delivery of key objective due to lack of staff. Loss of key staff and inability to recruit. Critical error due to ineffective training.
<b>Financial</b>	Negligible <£1k	Minor >£1k to £10k	Significant >£10k to £50k	Major >£50k to £100k	Over £100k
<b>Inspection / Audit</b>	Small number of recommendations - minor quality improvement	Recommendations which can be addressed by low level of management action	Challenging recommendations which can be addressed with appropriate action plan	Enforcement action, low rating. Critical report	Prosecution, zero rating, severely critical report.
<b>Reputation</b>	Rumours, no media coverage, little impact on staff morale	Local press, little impact on morale and public perception	Local media coverage. Long term adverse publicity. Significant effect on staff morale and public perception	National media coverage less than three days. Public confidence undermined. Use of services affected	National media coverage > 3 days. MSP/MP concern (questions in Parliament), public enquiry, enforcement

## APPENDIX 2 Proposed probability scoring and overall Risk Matrix

	Rare	Unlikely	Possible	Likely	Almost certain
<b>Probability</b>	Cant believe this event would ever happen - will only happen in exceptional circumstances	Not expected to happen but definite possibility exists - unlikely to occur	May occur occasionally - has happened before on occasions - reasonable chance of occurring	Strong possibility that this could occur - likely to occur	This is expected to occur frequently - more likely to occur than not

### Previous matrix

Impact /Likelihood	Negligibile	Minor	Moderate	Major	Extreme
Almost certain	5	10	15	20	25
Likely	4	8	12	16	20
Possible	3	6	9	12	15
Unikely	2	4	6	8	10
Rare	1	2	3	4	5

### Proposed

Impact /Likelihood	Negligibile	Minor	Moderate	Major	Extreme
Almost certain	5	10	15	20	25
Likely	4	8	12	16	20
Possible	3	6	9	12	15
Unikely	2	4	6	8	10
Rare	1	2	3	4	5

**BORDERS COLLEGE STRATEGIC RISK REGISTER**  
**Strategic Risk Appetite - MODERATE**
**Date:** 12/11/2020

Objectives and Risks		Baseline controls	Likelihood (1 - 5)	Impact (1 - 5)	Rating (max =25)
<b>1 We will provide high quality learning and training opportunities which are relevant, enabling and flexible</b>					<b>29</b>
2a	IF learners' needs are not properly articulated when considering resource planning, THEN learners may be enrolled in the wrong course and / or not achieve their desired outcomes.	The move from face to face to online learning has introduced different resourcing issues. Investment in elearning facilitators, additional support for learning through achievement coaches and focused student support. Strong engagement with BCSA continues.	2	3	6
2b	IF staff are not fully motivated and engaged in delivering the best learner experience, THEN students may not achieve desired outcomes.	This risk has not materialised in 2019/2020.	2	3	6
2h	IF our outcomes don't show a positive trend THEN it may impact on our Education Scotland grade and potentially our SFC funding.	There are specific COVID19 impacts on our ability to complete some qualifications which meant that over 500 students were affected. The priority in 2020/21 is to timetable these students, to support their achievement in 2020/21.	3	3	9
3b	IF significant numbers of learners decide to travel to study at other colleges and HEIs, THEN learner choice may be reduced.	This risk has not materialised in 2019/2020	2	2	4
4f	IF the College does not work effectively in partnership with other Colleges to implement shared delivery eg digital THEN our ability to access future grant funding from SFC/SOSEA may be impaired.	Although additional funding has not been agreed through SOSEA, this is likely due to the economic impact of COVID19, which is a factor outwith our control. Discussions are ongoing about the next phase. Discussions re wider federations are ongoing	2	2	4
<b>2 We will proactively engage with our community and stakeholders to ensure our practice reflects their need</b>					<b>32</b>
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.	The 2019/20 bid for redistribution was successful however was funded at a much lower rate than expected, due to sector wide demand.	2	2	4
1b	IF there is not successful engagement with partners, THEN the College will not receive enough funding to be able to identify and meet their needs.	Strong engagement with partners has continued and where possible within the context of COVID19 we are continuing to meet their requirements under current constraints	2	3	6
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.	This risk is not in our ability to control. It has not materialised in 2019/2020 or 2020/2021 to date	3	3	9
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.	Impact has been factored into financial assessment. This risk has not materialised in 2019/20	2	2	4
5l	IF the Coronavirus continues to spread and increase in impact, THEN the College may need to invoke contingency measures to protect staff and to maintain critical services	This is no longer an issue - it is a risk. We have well established and proven mechanisms for dealing with the specific risks and taking action promptly to preserve service delivery. Propose closing this risk. Any significant issues will be reported to the relevant committee and Board as routine.	3	3	9
<b>3 We will take a leading role in enabling an inclusive, resilient and sustainable Scotland</b>					<b>40</b>
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.	There has been no tangible progress on this matter in this year.	4	4	16

TYPE	Likelihood (1 - 5)	Impact (1 - 5)	Rating (max =25)	Target
				Actions to reach target
				<b>We will provide high quality learning and training opportunities</b>
Student Experience	2	3	6	TREAT - further investment in digital learning support and technology. Further 1-1 support for students is being identified
Student Experience	2	3	6	TREAT - further investment in digital learning - staff capability
Inspection/audit	3	3	9	TREAT - Continue to enhance tracking and monitoring arrangements. 10 welfare measures have been implemented including feel good day, protected CPD and social activities
Objectives				TERMINATE - this is not a concern. We are attracting students from rest of Scotland and RUK, especially in relation to Sports and outdoor activity
Objectives	2	4	8	TREAT - End of project report submitted. Implementation of spokes nearly complete (some delays due to Covid). Programme for use of schools has been delayed due to covid. Reprofiled plan to be developed.
				<b>We will proactively engage with our community and stakeholders</b>
Student Experience	3	4	12	TREAT - Continue to lobby SFC for recurrent growth
Objectives	3	4	12	TOLERATE. - Transformation Programme Board has been formed to oversee significant projects with external stakeholders. Appointment of Exec Director and Director, along with renewal of the Stakeholder Strategy will provide focus for engagement. Website renewal will support.
Objectives	4	4	16	TREAT - Continue to discuss with SFC. Attend BREXIT forums. Await further advice from SFC.
Financial	3	3	9	TREAT - Continue to explore opportunities. Appointment of Exec Director and Director will provide focus for growth. Set stretch targets for curriculum portfolios as part of budget setting for 20/21
Business interruption	3	3	9	TREAT - Continue with IMT as required. Keep in touch with national discussions and guidance. Strive to thrive framework created which will allow us to flex up and down as required. Service directory and communications plan being updated, for staff and students. Plan to reopen Hawick campus in mid November to allow additional targeted 1-1 support, and space for staff hot desking and small meetings.
				<b>We will take a leading role in enabling an inclusive, resilient and sustainable Scotland</b>
Financial	4	4	16	TOLERATE - assume SFC redistribution of funds would address = current risk lowered. Some pressure on support staff pay award, which can be accommodated within current budget availability without too much strain.

5h	IF the College is unable to meet the requirements of GDPR THEN the College may suffer financial and reputational damage	Information Governance audit identified some actions for completion. These actions are not new, but the report serves as a helpful basis for ensuring a focus on implementing our already agreed action plan. Report reviewed by audit committee and risk level remains, to be further reviewed in October.	2	3	6	Inspection/audit	3	2	6	TREAT - Data sharing agreements and Data Protection Impact Assessments are now a priority. IT systems audit report highlighted risk of data leakage through USB devices, plan to be implemented. Data breach with associated financial loss, notified in January has identified further technical, operational and training actions. Data protection action plan will be refreshed by end November 2020.
5i	IF protection against cyber attack is not sufficient, THEN the College could suffer financial and reputational damage, or negative impact on student success	We are aware of cyber security risks as a result of COVID 19 however there are no current issues locally. Report reviewed by audit committee and risk level remains, to be further reviewed in October. Cyber risk review nearing completion, and cyber essentials plus re-accreditation pending	3	3	9	Business interruption	2	4	8	TREAT - cyber risk technical assessment completed Sep 2020, cyber essentials plus re-accreditation completed Sep 2020. Resource investment required and will be reported to audit committee in December. The DTP will improve our ability to comply with cyber security standards and we need to address any remaining skills gaps as part of our forward planning, to be implemented alongside the DTP.
5m	IF the Coronavirus continues to spread and increase in impact, THEN the College may incur a deficit due to increased costs and reduced income.	Forecast deficit due to reduction in income and increase in costs. Reduced to some degree by our application for the furlough scheme. Unclear how the SFC will want to handle this position, which is felt across the sector.	3	3	9	Financial				TERMINATE - this is no longer a risk - it is an issue which we are dealing with on day to day basis. Our quarter one business review demonstrates a relatively low level of direct Covid spend, a significant impact on cleaning staff and a deficit from the Union. These factors are all built into our budget assumptions. Any material new issues regarding costs or income will be reported as part of the finance report to the F&GP committee.

## 5X5 Risk matrices

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
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.