

Glasgow Kelvin College

Audit and Risk Committee – Meeting of 20 February 2024

Risk Management Update and College Risk Register

Report by Vice Principal Operations and Director of Estates and Corporate Services

1. Introduction

It is normal practice that the College's Risk Register is considered at every meeting of the Audit & Risk Committee, Risk Management Committee and is considered twice per year by the Board of Management and once per year by each of the other formal Sub Committees of the Board and reviewed by the College's Senior Management Team at least once a Quarter.

A copy of the College Risk Register as at January 2024 is provided for information at [Appendix 1](#).

2. Risk Management Activities

- The College Risk Register was discussed at the Audit and Risk Committee on 16 November 2023 and at the Board of Management meeting on 13 December 2023.
- Henderson Loggie carried out an audit of Risk Management activities during w/c commencing 6 November 2023. This report with a Grading of "Good" is provided elsewhere on this Audit & Risk Committee agenda.
- In relation to Board Development, a Risk Refresher/Risk Appetite session will be carried out by Henderson Loggie on 18 April 2024 and will involve all Board members. A Risk Refresher/Risk Appetite session will then be delivered to Team Risk Owners soon thereafter to share the any changes to Risk Appetite and discuss how best to integrate Risk Appetite into overall Risk Management.
- The College Risk Register has been reviewed by the Risk Management Committee during their meeting held on 30 January 2024.
- The College Risk Register has been reviewed by the Senior Management Team on 13 February 2024.
- An Annual Self Evaluation exercise for the Risk Management Committee was conducted in November. The very positive results of this self-evaluation exercise and any actions are attached at [Appendix 2](#).
- UMAL carried out safety inspections across all campus locations over 11 and 12 January 2024. The areas covered are listed under the separate Governance Update Agenda Item 12.

Minor items were identified and, the final reports from UMAL are available under Agenda Item 12.

It should be noted that, in relation to the College Operating Plan, a separate Risk Register is held.

There was also a separate Risk Register pertaining to our West End Campus and the transferring of this curriculum to other campus locations. This activity was completed over summer 2023. This Risk Register has been updated in relation to the disposal of this asset and the work pertaining to this is currently ongoing.

In relation to the Scottish Government Energy Efficiency Grant for the public sector decarbonisation scheme, a separate Risk Register is held and is overseen by the Project Manager - Gordon Ross from Watts. Unfortunately, due to factors outwith the College's control, it was necessary to cancel the preconstruction contract with Ameresco as the College no longer had confidence in Ameresco's ability to complete its services on time and appropriately. The College engaged with Scottish Government before and after this cancellation, however, and disappointingly, the Scottish Government has decided to withdraw all of the grant funding, except the expenditure incurred to date and in good faith. A separate paper in relation to this £2.6m award will be presented to the Board in March 2023. This paper will provide greater detail in relation to the unexpected problems the College encountered.

The College insurance company has been advised about all capital projects and liaison is ongoing in this regard.

The Scottish Government Energy Efficiency Grant Project would have been added to the College Risk Register this month, but this will not happen now as the project has been cancelled.

3. Risk Register Review

The Risk Title, Residual Risk Score and colour of the fourteen risks which could impact on the College's ability to deliver its strategic ambitions are summarised in the table below, including Inherent Risks Scores/Categories and Residual Risks Scores/Categories.

Review January 2024
Date 

Risk No	Date	Risk Title	IR	IR2	RR	RR2	Risk Appetite Category	Movement in Period
	Identified							
1	04/11/2021	SFC Review	20	Very High	12	High	1. Policy	↔
2	04/11/2021	~~GKC Identity~~	16	Very High	4	Medium	~~2. Reputation~~	↔
3	04/11/2021	People	20	Very High	16	Very High	5. Workforce	↔
4	04/11/2021	Litigation / Compliance	16	Very High	3	Medium	7. Legal & Compliance (including Health & Safety)	↔
5	04/11/2021	Curriculum Relevance	20	Very High	9	High	6. Student Experience	↔
6	04/11/2021	Sustainable Funding	25	Very High	20	Very High	3. Financial	↔
7	04/11/2021	Student Experience	16	Very High	9	High	6. Student Experience	↔
8	04/11/2021	Environment	12	High	9	High	8. Environmental Sustainability	↔
9	04/11/2021	Digital Transformation	16	Very High	6	Medium	4. Digital	↔
10	04/11/2021	Student Recruitment & Retention	20	Very High	9	High	6. Student Experience	↓
11	04/11/2021	Cyber Risk	25	Very High	12	High	2. Reputation	↔
12	13/12/2021	Infection Controls/Future Pandemics/COVID-19 - Ongoing Impacts	9	High	4	Medium	1. Policy	↔
13	19/04/2022	Industrial Action/Action Short of Strike Action	20	Very High	16	Very High	6. Student Experience	↑
14	25/04/2023	Artificial Intelligence	25	Very High	16	Very High	Student Experience and People	↔

The movements which have taken place since the last meeting of the Audit & Risk Committee are as follows:

02: College Identity

Due to the vast amount of work that has been undertaken in relation to raising the profile of the College including:

- New website launched.
- New internal & external communication and marketing framework developed and work progressing.
- Promotion of successes.
- Faculties using own social media.
- Investment in marketing resource.
- Employer engagement activity.
- Digital strategy / My Kelvin / Brand refresh involving external agency – Stand.
- Press exposure and effective social media.

It is now deemed that the risk in relation to GKC Identity can be removed.

10: Student Recruitment and Retention

The Residual Impact has reduced from 4 to 3. This reduction has been achieved by activity in the Controls and Mitigating Actions namely: the appointment of a Wellbeing Officer, the completion of the Campus Re-investment Project and the new National Equality Outcome which is now in place and looks to tackle persistent inequalities.

13: Industrial Action/Action Short of Strike Action

The Inherent Impact has risen from 3 to 4. The Cause has been amended to reflect that both teaching and support staff are requesting a better pay offer and that, as of 12 February 2024 until 15 July 2024, ASOS will be back in place for EIS members. Under Effect it is noted that failure to certificate could cause problems for students progressing. Subsequently the Residual Impact has risen from 3 to 4 as the cessation of previous ASOS has been removed from Controls and Mitigating Actions. This has caused the Residual Risk to move from High to very High.

Cognisance is being taken of all factors/issues affecting the College on an ongoing basis. These include:

- Homelessness in Scotland to increase by a third imminently; this is linked to private landlords selling properties due to rent freezes and other restrictions placed upon them by the Government.
- Extremely lengthy NHS waiting lists for operations mean that people are in pain/unwell for considerably longer despite higher tax costs in Scotland. Many people are choosing to go abroad and pay for their operations.
- The ongoing cost of living/debt crisis with continued rising costs of food prices.
- Future of the service industry concerns – lack of disposable income prevalent in the situation that is occurring i.e. business closure.
- Energy prices placing additional cost pressures on heating College buildings/homes as we are now in colder winter months.
- Suggested substantial increase in vehicle insurance costs need to be factored in.
- Lecturing staff industrial action in the form of “working to rule” (action short of strike action) and a “resulting boycott” will commence from 12 February 2024 and will continue until 15 July 2024 (ending earlier if a resolution is found.) A letter has been sent to teaching staff advising that ASOS could result in the College withholding pay; a similar message has been sent out from most other colleges across the country. Press articles relating to this matter are available as per below:
 - [Scotland's Colleges agree to dock pay for boycotting staff | The Herald \(heraldscotland.com\)](https://www.heraldscotland.com/news/scotland-s-colleges-agree-to-dock-pay-for-boycotting-staff-1.6844444)
 - [Comment on the EIS-FELA's launch of Action Short of Strike and a new resulting boycott \(collegeemployersscotland.ac.uk\)](https://collegeemployersscotland.ac.uk/news/comment-on-the-eis-fela-launch-of-action-short-of-strike-and-a-new-resulting-boycott)
- GMB and Unite have now accepted the pay offer for Support staff, but this still cannot be settled as UNISON have yet to agree.
- Cyber-attacks, particularly across the education sector remain extremely high.
- Artificial Intelligence concerns, i.e. threat to jobs, impact on teaching and learning, misinformation and disinformation.
- Budget cuts to the public sector, continued threat of job losses.
- Scottish Government budget cuts looming with a reduction across the education sector.
- Some random acts of vandalism have occurred at Springburn and Easterhouse Campuses. These repair costs are unwelcome, liaison is taking place accordingly.
- Flooding of road infrastructure (can be due to lack of repair/clearing of drains) – due to council budget cuts.
- Impact of severe weather on travelling to/from College and damage to buildings.

- Roads infrastructure in decline as repairs not carried out timeously due to council budget cuts; damage to vehicles travelling to and from College campus locations. (Bike lanes are being installed but poor weather/conditions may result in very limited uptake.)
- Power cuts threat.
- The next pandemic - Disease X – has been modelled at the recent World Economic Forum and expected death figures (greater than the last pandemic) have been plotted accordingly.
- The structure of Scottish income tax will change from 6 April 2024:
 - The starting levels for basic and intermediate rate tax were increased in line with inflation (6.7% to September 2023).
 - The higher rate threshold will be frozen meaning the size of the band will contract.
 - A new advanced rate band, at a rate of 45%, will be introduced on income between £75,000 (£62,430 + £12,570 personal allowance) and the starting point of the top rate of tax, which remains at £125,140.
 - The top rate of tax will be increased from 47% to 48%.
- As previously mentioned, it is likely that some talent in Scotland will be lost to England due to lower tax levels.
- As previously announced, for 2024/25 the Scottish Government will freeze council tax rates.
- UK Citizen Army/potential national conscription being discussed.

4. Springburn Campus

Cladding

An engineering and construction firm has produced a report based on the invasive inspections undertaken. This report has been sent to the College insurance company and legal advice has been taken. GCRB has also been advised of the situation and a letter has been sent to the Scottish Funding Council (SFC). Further advice has been provided in relation to this situation and this is being considered at present.

5. Project Works

The third strand of the Campus Reinvestment Project relates to the College Environment. Significant works have progressed and new welcome and directional signage being installed at present.

6. Land at Springburn

As members are aware, there is a small parcel of amenity land which is within the perimeter fence at Springburn Campus, but which belongs to HydePark Residents Association.

Risk Management Committee members and the Board Audit and Risk Committee have been kept fully up to date with meetings held to try to reach a satisfactory conclusion to both parties.

We are aware that a meeting was held on 23 November 2023 involving all property owners within the HydePark Estate. The related correspondence is attached at [Appendix 3](#).

We are not aware of the outcome of this meeting or the vote held.

The College remains in contact with our solicitors in this regard who have written to HydePark Residents Association to obtain an update.

Audit and Risk Committee members will be kept apprised accordingly.

7. West End Campus

The West End Campus is on the market for sale or lease through Graham and Sibbald.

[Link to Marketing Brochure.](#)

There have been many viewings over November, December, January and February with some interested parties returning for multiple visits. A closing date has been set for 23 February 2024.

Members of the SMT are in correspondence with the SFC in regard to disposal of this building and this will be taken forward accordingly.

Sundry furniture items considered to be superfluous are being sold via auction; this process is ongoing.

The College insurance company has been fully informed of the marketing of this building.

Rate reduction has been explored and should be granted to us by Glasgow City Council when the building is empty of all furniture.

8. Manned Guarding

Consultation is now underway with Estates and Administration and Secretariat staff in relation to removing manned guarding at Easterhouse and East End Campuses. The proposed changes will result in significant financial savings to the College.

The changes will require the implementation of a rota system for locking up campus buildings (similar to Springburn Campus.) Liaison is taking place in this regard.

Audit and Risk Committee members will be kept apprised accordingly.

9. Risk Management Committee

At the recent Risk Management Committee meeting of 30 January 2024, due cognisance was taken of key reports; hyperlinks and a brief overview of the main aspects of these reports is provided below:

[BCI Horizon Scan Report 2023](#)

The BCI Horizon Scan Report is an annual examination of the risk landscape for resilience professionals. It provides insights into both current and anticipated threats and disruptions that organisations may face. Key points from the report include:

- The consequences of the pandemic continue to dominate organisations' agendas in 2023 in the form of health incidents such as stress and/or mental health. The cost-of-living crisis features for the first time as a top threat for organisations.
- COVID-19 related disruptions lessened throughout 2023, but primary disruptions in the last three years have all related to the human factor i.e. occupational health, infectious diseases etc.
- The greatest single disruption for organisations in the past twelve months has been IT and telecom outages (the move to homeworking highlighting the need to address IT infrastructure).
- Loss of productivity was the greatest consequence of disruption to organisations in 2023 (emphasizing the importance of staff wellbeing).

World Economic Forum

- i) [The Global Risk Report 2024: Executive Summary](#)
- ii) [The Global Risk Report 2024](#)

The Global Risks Report analyses global risks over one-, two- and 10-year horizons to support decision-makers in adopting a dual vision that balances short- and longer-term risks. As 2024 begins, the 19th edition of the report is set against a backdrop of rapidly accelerating technological change and economic uncertainty, as the world is plagued by a duo of dangerous crises: climate and conflict.

Global risks are ranked by severity over the short and long term.

2 years

Misinformation and disinformation
Extreme weather events
Societal polarization
Cyber insecurity
Interstate armed conflict
Lack of economic opportunity
Inflation
Involuntary migration
Economic downturn
Pollution

10 years

Extreme weather events
Critical change to Earth systems
Biodiversity loss and ecosystem collapse
Natural resource shortages
Misinformation and disinformation
Adverse outcomes of AI technologies
Involuntary migration
Cyber insecurity
Societal polarization
Pollution

[Scottish Government: The Scottish Health Survey 2022 Report](#)

The Scottish Health Survey 2022 main report and summary report were published on 6 December 2023. The Scottish Health Survey provides a detailed picture of the health of the Scottish population in private households and is designed to make a major contribution to the monitoring of health in Scotland. The information is used to inform policy decisions about health services and to help with planning services in Scotland.

[Scotland's Colleges Briefing Paper 2023](#)

Key messages from the paper produced by Audit Scotland are summarised:

Scotland's colleges are vital to learners and local communities. Risks to the college sector's financial sustainability have increased since Audit Scotland reported in 2022. Rising staffing costs are colleges' biggest financial pressure.

The Scottish Government's funding for the sector has reduced by 8.5 per cent in real terms between 2021/22 and 2023/24, while the sector's costs have increased. Effective, affordable workforce planning is now a greater than ever priority and challenge for colleges.

Significant changes to how the college sector operates have been recommended by recent reviews. However, the Scottish Government and the Scottish Funding Council urgently need to build on their ongoing work to help colleges plan for change now and make best use of available funding so that they are sustainable for the future.

[Investing in Scotland's Infrastructure September 2023](#)

The Scottish Government's Infrastructure Investment Plan set out £26 billion of spending to address three priorities:

- enabling the transition to net zero emissions and environmental sustainability,
- driving inclusive economic growth, and
- building resilient and sustainable places.

However, the Scottish Government faces a challenging combination of reducing capital budgets, higher costs and increasing maintenance requirements. Consequently, it will no longer be able to deliver all its planned infrastructure investment.

This will affect its ability to provide services now and in the future. It will also be extremely challenging to retrofit public buildings to meet net zero targets.

The Scottish Government is now making difficult decisions to prioritise its capital spending. This includes deciding to stop or pause some of the projects set out in the Infrastructure Investment Plan and reviewing its capital spending.

The Scottish Government is beginning a coordinated approach to reform how offices and other administrative buildings are used. Beyond this, individual public bodies are also responsible for managing their operational buildings, such as hospitals and colleges, more efficiently.

In reforming the public estate, the Scottish Government will consider how all buildings can be used to best support the transformation of services as well as making savings and reducing the size of the estate. The Scottish Government and its bodies will need better data across all publicly owned buildings to do this.

[Environment Sustainability and Biodiversity Annual Report 2022-23](#)

The Environment Sustainability and Biodiversity Annual Report 2023 produced by Audit Scotland provides an update on the progress Audit Scotland are making towards their organisational environmental targets. It also provides an update on how they are developing their approach to auditing climate change.

[Scottish Funding Council: College Infrastructure Strategy \(CIS\): Delivery Plan](#)

SFC's ambition is a college estate that delivers a high quality, technologically advanced and sustainable learning environment enabling and enhancing successful learning and skills outcomes for students, staff, and other communities.

This document outlines the College Infrastructure Strategy Delivery Plan which supports the development of an Infrastructure Investment Plan for the college sector, as defined by the College Infrastructure Strategy: The approach to delivering Scotland's college Infrastructure Investment Plan.

The plan will identify future infrastructure investment, including investment for net zero, training equipment and digital, needed for a sustainable college estate to deliver the desired outcomes for students, staff, and the communities they serve.

Other

Several newsletters were also reviewed and discussed at the Risk Management Committee. Pertinent articles from these will be extracted and incorporated into communication for staff/students.

The approved minute of the Risk Management Committee held on 24 October 2024 is provided for interest and perusal.

[Link to Minute of Risk Management Committee meeting of 24 October 2024.](#)

Risk Management Committee members also reviewed the various Team Risk Registers and the analysis which had been undertaken – this is shown via the link at [Appendix 4](#). This highlights the progress made by the College in embedding Risk Management.

10. Glasgow City Region Economic Briefing December 2023

A review of the above publication provides the following information:

Economic Outlook: Despite November 2023 seeing growth in the UK's GDP, the economy shrank in Q3 of 2023 and December's inflation edged up to 4%. This puts the UK economy on

the cusp of a technical recession, with the Bank of England forecasting near-zero growth in 2024.

GDP forecasts for Scotland are more pessimistic than the UK, with The Scottish Financial Commission (SFC) revising down their short term forecasts to 0.8% of real GDP growth in 2024, along with the most recent Scottish Business Monitor (SBM) suggesting that half of firms have cancelled or delayed investments. This may mean a more challenging macroeconomic environment in Scotland than the rest of the UK.

The Office for Budgetary Responsibility (OBR) suggests that weakened economic activity will negatively affect businesses' hiring intentions in 2024 and beyond. They forecast that unemployment will rise in 2025 to 4.6%. This could mean rise of unemployment of approximately 3,000 people across GCR.

Declining Living Standards: The Resolution Foundation and the OBR both expect disposable incomes to see zero growth in 2024-25. Although real earnings are set grow by some 1% over 2024, the lowest earners will continue to be the hardest hit by increased housing costs and changes to cost of living support. The SFC forecasts that the reduced living standards across Scotland will likely not return to pre-pandemic levels until 2026-27.

Housing Crisis: The latest data shows that in December 2023, the average UK renter experienced a 10.2% year-on-year increase in housing costs. Evidence suggests that tighter regulations in Scotland have pushed many landlords to sell, meaning that in 2023 12% of all property sellers in Scotland were landlords. Greater demand for private rentals, from historically high property prices and interest rates, will likely mean that this trend will continue into 2024.

The full version of the report can be found at via the following link:

[GCR Economic Briefing December 2023](#)

11. Safety Alert – e-bike batteries

A safety alert has been issued by the Office for Product Safety and Standards (OPSS) who are taking enforcement action regarding the risk of fires caused by batteries used in e-bikes and e-scooters and has issued a warning about 'UPP' branded e-bike batteries manufactured in China. The batteries have been linked to a number of fires across England.

The *Product Safety Report (UPP Battery E-Bike Battery Packs sold via Amazon, AliBaba, eBay, Made in China and Desertcart)* can be found [here](#).

The College can confirm that campus e-bikes for use by staff and students do not use UPP batteries instead utilising BOSCH batteries, which are stored securely and separately when the bikes are not in use.

Electric vehicle battery packs store a lot of energy in a very small space. When damaged, an internal short circuit triggers a chain reaction called 'thermal runaway'. The battery pack then generates more heat than it can dissipate and catches fire.

About 95% of battery fires are classed as ignition fires, which produce jet-like directional flames. The other 5% involve a vapour cloud explosion.

Once batteries are on fire, they can be hard to manage. Lithium battery fires burn at extremely high temperatures, can last for days and cause extensive damage. They often reignite just when the fire seems to have subsided.

If not managed properly, battery fires can emit highly toxic gases and chemicals for many hours. Properly trained firefighting crews are needed to handle these fires.

12. Resource Implications

There are some additional resource implications, i.e. overtime arising as a consequence of staffing shortages due to general illness.

Contractor costs and materials costs also escalate on an almost daily basis.

Energy costs continue to be closely monitored.

13. Impact on Students

There is likely to be a negative impact on current and future students as the College moves forward further into an arena of unprecedented, reduced funding and increased cost pressures.

14. Risk & Assurance

There are no risks or perceived implications arising from this report that are not already recorded in the Risk Register, this paper, the College Operating Plan Risk Register or the West End Campus Risk Register.

15. Equality

There are no adverse impacts on individuals with protected characteristics arising from the contents of this report.

16. Data Protection

There are no new data protection risks arising from the contents of this report. Data Protection continues to be a key consideration in College activities.

17. Environmental and Sustainability

There is an overall risk to the environment due to the negative arena being experienced at present i.e. extremely tight financial arena.

The College's position as a community college is more important than ever to provide a positive destination for the communities served during these times of hardship, however, the funding reduction is likely to reduce this community asset.

The majority of the £2.6m award for energy efficiency capital works is no longer available due to problems referenced above.

18. Recommendations

Members of the Audit & Risk Committee are recommended to:

- i) note the contents of this report, appendices and links; and
- ii) approve the College Risk Register, including the changes.

19. Further Information

Members can obtain further information on the contents of this report from Jeanette Evans, Vice Principal Operations at jevans@glasgowkelvin.ac.uk or Lisa Clark, Director of Estates and Corporate Services at lisaclark@glasgowkelvin.ac.uk

JE/LC
Glasgow Kelvin College
February 2024