



FINANCE & RESOURCES COMMITTEE

17 June 2024

Strategic Risk update

1.0 PURPOSE OF PAPER For discussion

- 1.1 The purpose of this paper is to present to the Committee the risks assigned to it, within the current strategic risk register, and to provide an update on the agreed actions.

2.0 EXECUTIVE SUMMARY

- 2.1 Following the Board development day on 9th November five risks have been assigned to the Committee.
- 2.2 Four of the five risks are currently within or below the agreed risk appetite agreed by the Board with agreed actions progress to ensure the remaining risk is within the agreed risk appetite.
- 2.3 Appendix 1 details each risk assigned to the Committee and the progress on the agreed actions for these risks.

3.0 RECOMMENDATION

- 3.1 It is recommended the Committee note the progress of the agreed actions.

4.0 BACKGROUND

- 4.1 Identifying and managing risk is a corner stone of effective management and good governance. The strategic risk register was developed through a period of engagement with Board Members and with the Senior Leadership Team. The Board development day on 9th November agreed the revised format of the risk register and the Committee responsible for monitoring progress on the risks.
- 4.2 The Board agreed risk appetites for each of the identified risks. The table over provides details the parameters for each risk appetite:

Risk Appetite	Description	Risk Appetite Score
Averse	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is key objective. Activities undertaken will only be those considered to carry virtually no inherent risk.	Lower than 7
Minimal	Preference for very safe business delivery options that have a low degree of inherent risk with the potential for benefit/return not a key driver. Activities will only be undertaken where they have a low degree of inherent risk.	between 7 -9
Cautious	Preference for safe options that have low degree of inherent risk and only limited potential for benefit. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant benefit and/or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.	between 10 - 14
Open	Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.	between 15- 19
Hungry	Eager to be innovative and to choose options based on maximizing opportunities and potential higher benefit even if those activities carry a very high residual risk.	20 and above

5.0 F&R RISKS UPDATE

5.1 Following the Board Development day on 9th November the following were agreed for the F&R Committee to monitor. The table below details the current score and agreed appetite for these.

no	Risk	Appetite	Score
1.1	Commercial income targets not fully reached.	Open	9
1.2	Delivery of College outcomes unaffordable	Cautious	16
3.2	College unable to recruit, retain and maintain effective and skilled staff	Cautious	6
3.3	Closure/disruption/denial of access to site facilities	Minimal	6
3.4	Disruption or failure of IT/Digital services or infrastructure	Minimal	9

5.2 Four of the five risks are currently within or below the risk appetite agreed by the Board. The financial risk in 1.2 is being carefully monitored and up dates will be given to the Committee as the position is further clarified.

5.3 Progress has been made on the actions agreed by the Board and these are detailed in Appendix 1.

5.4 The Senior Leadership Team has fully reviewed the risks and progress of actions on 20 February, 19 March, 23 April and 21 May 2024. No new risks have been added to the strategic risk register.

6.0 IMPLICATIONS AND CONSIDERATIONS

6.1 Financial Implications

There are no direct financial implications from the contents of this report.

6.2 Learner Implications

There are no direct learner implications from the contents of this report.

6.3 Staff Implications

There are no direct staff implications from the contents of this report.

6.4 Equality and Diversity Implications/Equality Impact Assessment

There are no direct equality implications from the contents of this report.

6.5 Sustainability/Environmental Implications

There are no direct sustainability implications from the contents of this report.

7.0 RISK COMMENTARY

- 7.1 The management of risks is an essential part of good governance for an organisation. The monitoring of risk is a key element of this management. This report provides the Committee with assurance that the monitoring of risks is undertaken and agreed actions to further mitigate risks are being progressed.

8.0 CONCLUSION

- 8.1 The risks register has been reviewed and progress has been made on the actions approved by the Board.

Kirsty Robb, Vice Principal Finance & Corporate Services

Previous Board or College Committee Approvals: F&R Committee, 14 March 2024

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Borders College Risk Register as at		21/05/2024															
no	Risk	Causes/ Risk factors	Consequences/ Potential Effect	Risk Owner	Committ	Appetit	Pre Mitigation Score			Existing Mitigation Actions	Post Mitigation Scores			Actions	Progress as at 21/5/24		
							Likeliho	Impact	Score		Likeliho	Impact	Score				
Financial Stability																	
1.1	Commercial income targets not fully reached.	Availability of external grants lack of Employer demand lack of Student demand External training providers competing for same market	income targets not achieved resulting in budget deficit Costs incurred not fully covered by income resulting in losses Under utilization of permanent staff and resources Not meeting needs of community & employers Possible impact on credit targets Long term financial targets not achieved.	Dir Fin & Proc/ VP Finance & Corp Services	F&R	Open (between 15-19)	4	4	16	Income targets set and monitored on regular basis Membership of National, local and sectors to identify potential funding sources Regular market research and communication with employers Regular Partnership working	3	3	9	TREAT - Increased monitoring and reporting of Non Core funding to SLT and F&R Committee (by 31/12/23) - Action complete - Identify new funding sources (ongoing) - Embed commercial income into curriculum areas supported by DEBI (by 31/7/24)	-Continuing to develop new income streams and relationships with new customers. - Liaising with SDS in relation to MA Contract for 24/25. - Continuing to monitor Grantfinder and one application made for funding so far (RH)		
1.2	Delivery of College outcomes unaffordable	Strategic political policies Changes to SFC funding methodology & allocations Identified savings not achieved Loss of HWU rent/SLA income Unaffordable national pay awards Under utilization of estate Reduction in HE Fees	Possible reductions in funding and credits reduction could result in deficit position Unable to deliver to the level required by students and employers Long term Financial targets not achieved Adverse impact on reputation of College Possible staff losses	Dir Fin & Proc/ VP Finance & Corp Services	F&R	Cautious (between 10-14)	5	4	20	Budgetary monitoring process in place Membership of CDN networks Regular contact with SFC and outcome agreement manager Working with Colleges and CES to lobby Regular reporting to SLT and F&R Committee Partnership working with HWU	4	4	16	TREAT - Develop 3 year budget setting - by 31/7/2024) - Increased monitoring and reporting of savings target (by 31/7/24) - action complete - Undertake increased liaison with HWU for future estate use (by 31/3/24) - Savings monitor report to be developed for SLT (by 31/7/24) - Agree KPI's for Board and F&R reports (by 31/12/23) - Action complete	- Budget setting process for 24/25 on track for presentation to F&R Committee and Board - 23/24 savings on track with forecast inline with budget savings - Discussion ongoing with HWU - SLT developing savings tracker from Workshop outputs		
Objectives/Strategies																	
3.2	College unable to recruit, retain and maintain effective and skilled staff	Failed recruitments Low staff moral External competition Age profile of staff Pay awards Lack of succession planning	High staff turnover Inability to provide services due to staff vacancies Strike action from staff High sickness levels Increased staff performance issues Poor student experience	Dir People Services	F&R	Cautious (between 10-14)	3	4	12	Workforce Strategy Policies and Procedures, regularly reviewed Regular monitoring and reporting to F&R Committee Regular staff survey via Great Places To Work Staff Performance and Reviews carried out regularly	2	3	6	TREAT -Increased publicity around success (ongoing) -Improve profile of Great Place To Work - more staff involvement (end April 2024) -Consider succession planning (September2024)	-The results of the GPTW survey show a 71% trust index meaning that the college remains a certified Great Place to Work, details will be shared with SLT and the wider staff group as well at the F&R committee - All vacancies have been successfully recruited to including those which have previously been hard to fill		
3.3	Closure/disruption/denial of access to site facilities	Power failure Fire Pandemic Power rationing/disruption Terrorist event Building defects	Business Interruption Impact on student outcomes Impact on ability to meet future obligations Potential loss of essential data Building defects cause building to be unsafe for occupation	Dir Estate & Facilities/ VP Fin & Corp Services	F&R	Minimal (between 7-9)	3	5	15	Business Continuity Plan in place Active membership and participant of the Contest group Under regular statutory inspections Planned preventative maintenance Program Statutory training mandatory Fire test and evaluation tests undertaken Risk assessments undertaken Regular internal inspections Required Permits in place	2	3	6	TREAT -Improve awareness of Business Continuity Plan with staff group (31/03/24) - RAAC survey work being undertaken (by 30/11/23) - Action complete	- Article to be included in June newsletter on Business Continuity All RAAC works completed in Tower and workshops, repairs to corridor roofing completed to prevent further water ingress, college entering monitoring phase with annual inspections planned.		
3.4	Disruption or failure of IT/Digital services or infrastructure	Cyber attack Power Loss system failure Data breach Business interruption	Business Interruption Potential loss of essential data Impact on student outcomes Impact on ability to meet future obligations Adverse financial impact	Dir IT & Digital/ VP Fin & Corp Services	F&R	Minimal (between 7-9)	3	5	15	Various technical controls in place for end users and infrastructure Cyber threat early warning notifications Server/Network Monitoring/Alerts Backup as a Service Disaster Recovery as a Service	3	3	9	TREAT -Network redesign to remove SBC as single point of failure (by 29/2/24) -Network infrastructure refreshed (by 31/7/25) -End User Awareness Training (by 31/3/24)	- Network being reviewed against current ongoing projects which further mitigate the risk. - Stage 1 of complete (current system health check) Budget identified in Capital plan due for approval June 24. - Cyber training completed 23/1/24, additional phishing campaign completed May, resulted being reviewed		