

Supplement to Group Audit and Risk Committee
by email on Friday 6 March 2020

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4.	Corporate risk report Feb 2020	3 - 8	DB

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	CONFIDENTIAL
Paper title:	Corporate Risk Report
Board/Committee	Group Board of Governors
Date of meeting:	14 th March 2020
Author:	Richard Duke, Director of Strategy & Planning
Sponsor:	Richard Flatman, Chief Financial Officer
Purpose:	For noting
Recommendation:	That the Board of Governors notes the Corporate Risk Report.

Executive Summary

The corporate risk register currently has:

- Zero critical risks;
- Eight high risks;
- Fifteen medium risks;
- Two low risks

Since the last risk register, presented in November 2019:

- Six new risks have been added;
- Two risks have been downgraded from critical to high;
- Two risks have been removed;
- One risk has been edited.

These changes have been made as a result of the review of the Senior Leadership Team (SLT) of the Group Risk Register on February 26th 2020. The SLT reviews the Group Risk Register at each of its monthly meetings. The changes are detailed in Appendix A

This format is under review, with plans for future Corporate Risk reports to integrate a Group Approach, which will incorporate the 2025 Group Strategy. A proposed Risk Policy will be re-presented to the Audit Committee in June 2020.

LSBU Corporate Risk: Board Summary Report – Feb 2020

Cover Page: Risk Exposure Matrix – Severity by risk type (from Risk Appetite)

Severity Rating/Risk Type - Appetite	Low	Medium	High	Critical
Financial (open)	(517) EU Referendum Impact on regulation & market (DP)	(402) Income growth from Research & Enterprise unrealised (PI) (457) Anticipated international & EU student revenue unrealised (PI) (624) LSBU Family integrated service benefits (DP) (630) HE Policy - Limits to recruitment based upon quality of provision (NL) (631) Full financial benefits including Income and expenditure levels fail to leverage potential of Group (RF)	(2) Revenue reduction if course portfolio, and related marketing activity, does not achieve Home UG recruitment targets (NL) (3) Sustainability of current pension schemes (RF) (625) Impact of Govt. Education Review on HE funding (RF)	
Legal / Compliance (Cautious)		(305) Data security and data protection (NL) (519) Negative Curriculum Assessment (PVC) (584) External incident compromises campus operations or access (NL)		
Academic Activity (Seek)		(398) Academic programmes not engaged with technological and pedagogic developments (PVC) (494) Inconsistent delivery of Placement activity (NL) (495) Higher Apprenticeship degrees (FM) (518) Core student system inflexibility / failure (PVC) (628) Availability of NHS placements (PB) (627) Impact of new strategy upon organisational culture (NL)	(37) Affordability of Capital Expenditure investment plans (RF) (467) Progression rates don't increase (PVC) (629) OfS Thresholds not met in relation to Condition of Registration B3 (PVC)	
Reputation (Open)	(1) Capability to respond to change in policy or competitive landscape (DP)	(6) Management Information perceived as unreliable, doesn't triangulate or absent (RF) (362) Low staff engagement impacts performance negatively (NL)	(626) Impact of assurance activity & new initiatives fails to address issues around student experience (PB) (632) Alignment of estate with sector requirements across the Group (PI)	

Impact	4 Critical <i>Corporate plan failure / removal of funding, degree award status, penalty / closure</i>			
	3 High <i>significant effect on the ability for the University to meet its objectives and may result in the failure to achieve one or more corporate objectives</i>	(495) Higher Apprenticeship degrees (FM) (457) Anticipated international & EU student revenue unrealised (PI) (624) LSBU Family integrated service benefits (DP) (305) Data security and data protection (NL) (519) Negative Curriculum Assessment (PVC) (6) Management Information perceived as unreliable, doesn't triangulate or absent (RF) (362) Low staff engagement impacts performance negatively (NL)	(37) Affordability of Capital Expenditure investment plans (RF) (467) Progression rates don't increase (PVC) (2) Revenue reduction if course portfolio, and related marketing activity, does not achieve Home UG recruitment targets (NL) (626) Impact of assurance activity & new initiatives fails to address issues around student experience (PB) (632) Alignment of estate with sector requirements across the Group (PI)	(629) OfS Thresholds not met in relation to Condition of Registration B3 (PVC) (3) Sustainability of current pension schemes (RF) (625) Impact of Govt. Education Review on HE funding (RF)
	2 Medium <i>failure to meet operational objectives of the University</i>	(517) EU Referendum Impact on regulation & market (DP) (1) Capability to respond to change in policy or competitive landscape (DP)	(398) Academic programmes not engaged with technological and pedagogic developments (PVC) (494) Inconsistent delivery of Placement activity (NL) (518) Core student system inflexibility / failure (PVC) (627) Impact of new strategy upon organisational culture (NL) (402) Income growth from Research & Enterprise unrealised (PI) (630) HE Policy - Limits to recruitment based upon quality of provision (NL) (584) External incident compromises campus operations or access (NL)	(628) Availability of NHS placements (PB) (631) Full financial benefits including Income and expenditure levels fail to leverage potential of Group (RF)
	1 Low <i>little effect on operational objectives</i>			
		1 - Low	2 - Medium	3 - High
		<i>This risk is only likely in the long term</i>	<i>This risk may occur in the medium term.</i>	<i>The risk is likely to occur short term</i>
	Residual Likelihood			

Appendix A - Risk Register and changes since last review

Risk Details				February 2020 Rating			
Risk	Risk Number	Executive Sponsor	Risk Type	Likelihood	Impact	Risk Severity	Notes
OfS Thresholds not met in relation to Condition of Registration B3	629	PVC	Academic Activity	High	High	High	Added in Feb 2020
Sustainability of current pension schemes	3	Richard Flatman	Financial	High	High	High	Impact reduced
Impact of Govt. Education Review on HE funding	625	Richard Flatman	Financial	High	High	High	
Affordability of Capital Expenditure investment plans	37	Richard Flatman	Academic Activity	Medium	High	High	Change to just affordability
Progression rates don't increase	467	PVC	Academic Activity	Medium	High	High	
Revenue reduction if course portfolio, and related marketing activity, does not achieve Home UG recruitment targets	2	Nicole Louis	Financial	Medium	High	High	Impact reduced
Impact of assurance activity & new initiatives fails to address issues around student experience	626	Pat Bailey	Reputation	Medium	High	High	
Alignment of estate with sector requirements across the Group	632	Paul Ivey	Reputation	Medium	High	High	Added in Feb 2020
Availability of NHS placements	628	Pat Bailey	Academic Activity	High	Medium	Medium	Added in Feb 2020

Full financial benefits including Income and expenditure levels fail to leverage potential of Group	631	Richard Flatman	Financial	High	Medium	Medium	Added in Feb 2020
Higher Apprenticeship degrees	495	Fiona Morey	Academic Activity	Low	High	Medium	
Anticipated international & EU student revenue unrealised	457	Paul Ivey	Financial	Low	High	Medium	
Data security and data protection	305	Nicole Louis	Legal/Compliance	Low	High	Medium	
Negative Curriculum Assessment	519	PVC	Legal/Compliance	Low	High	Medium	
Management Information perceived as unreliable, doesn't triangulate or absent	6	Richard Flatman	Reputation	Low	High	Medium	
Low staff engagement impacts performance negatively	362	Nicole Louis	Reputation	Low	High	Medium	
Academic programmes not engaged with technological and pedagogic developments	398	PVC	Academic Activity	Medium	Medium	Medium	
Inconsistent delivery of Placement activity	494	Nicole Louis	Academic Activity	Medium	Medium	Medium	
Core student system inflexibility / failure	518	PVC	Academic Activity	Medium	Medium	Medium	
Impact of new strategy upon organisational culture	627	Nicole Louis	Academic Activity	Medium	Medium	Medium	Added in Feb 2020
Income growth from Research & Enterprise unrealised	402	Paul Ivey	Financial	Medium	Medium	Medium	

HE Policy - Limits to recruitment based upon quality of provision	630	Nicole Louis	Financial	Medium	Medium	Medium	Added in Feb 2020
External incident compromises campus operations or access	584	Nicole Louis	Legal/Compliance	Medium	Medium	Medium	
EU Referendum Impact on regulation & market	517	Dave Phoenix	Financial	Low	Medium	Low	
Capability to respond to change in policy or competitive landscape	1	Dave Phoenix	Reputation	Low	Medium	Low	
LSBU Family integrated service benefits	624	Dave Phoenix	Financial				Merged with 631 and therefore removed
Loss of NHS contract income	14	Pat Bailey	Financial				Removed and replaced with risk relating to the availability of NHS placements (628)