

<b>Risk Description</b> <i>A clear statement of the identified risk</i>	<b>Consequence</b> <i>A clear statement of the effect if the risk is realised</i>	<b>Existing controls</b> <i>Details of controls <u>already in place</u> designed to mitigate the risk and/or address the consequence (contingency plans)<sup>1</sup></i>		<b>Prob.</b> <i>Likelihood of risk being realised H(igh), M(edium), or L(ow)</i>	<b>Impact</b> <i>Severity of consequence H(igh), M(edium), or L(ow)</i>	<b>Risk Rating</b> <i>Combined Probability / Impact score</i>	<b>Tolerate / Accept (Y/N)</b> <i>[see risk matrix.]</i>	<b>Further Actions to improve controls and/or mitigate impact</b> <i>If risk <u>not</u> tolerable / acceptable</i>	<b>Action by date</b>	<b>Resp. Officer</b>
		<i>A) Existing controls which mitigate the risk</i>	<i>B) Existing contingency plans to address consequence</i>							
<b>Widening Access</b>										
028/10 Failure to meet For our Future targets for widening access	<ul style="list-style-type: none"> <li>Sector fails to widen access and deliver social justice.</li> <li>WA applicants displaced as HEIs focus on 'traditional' recruitment</li> <li>'Capping' impacts adversely on widening access</li> </ul>	<ul style="list-style-type: none"> <li>Continue to emphasise WA strategic approaches</li> <li>Continue to support RW partnerships.</li> <li>Higher levels of widening access premia</li> </ul>	Monitor impact of additional funding levers such as increased premia to support widening access.	H	M	H/M	N	<ul style="list-style-type: none"> <li>Consider additional mechanisms to incentivise widening access through funding method</li> <li>Review of widening access policy</li> </ul>		Head of SLF
<b>Student Experience</b>										
025/10 Failure to meet For our Future target for Welsh medium provision.	<ul style="list-style-type: none"> <li>Sector seen as failing to contribute to Assembly's Welsh medium education strategy and continuing risk of external complaints about sector performance</li> </ul>	<ul style="list-style-type: none"> <li>Welsh medium development and premium funding</li> <li>Working with the sector to support the strategic framework including the Centre for Welsh Medium Higher Education</li> </ul>		M	M	M/M	N	<ul style="list-style-type: none"> <li>New WM target to focus on growth in actual numbers rather than percentage.</li> <li>Establishment of Coleg Ffederal</li> </ul>	May 2010 October 2010	Head of SLF Team
026/10 Unable to establish Coleg Federal	<ul style="list-style-type: none"> <li>HEFCW seen as unable to deliver key FoF priority;</li> <li>Sector seen as failing to contribute to WM strategy (as above)</li> </ul>	<ul style="list-style-type: none"> <li>Continue with HESG activity (as above)</li> <li>Keep WAG informed of progress</li> </ul>	Implementation Board established	M	M	M/M	N	<ul style="list-style-type: none"> <li>Develop governance arrangements for Coleg</li> <li>Ensure clarity over funding</li> </ul>	October 2010	Head of SLF Team

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<b>008/08</b> Funding from the Assembly is insufficient to be able to sustain current levels of funded activity and move to new FoF funding arrangements.	<ul style="list-style-type: none"> <li>• Significant political impact of funding in Wales falling behind that in England and elsewhere in the UK</li> <li>• Possible reduction in activity, or inability to maintain adequate volume of activity, which would threaten achievement of targets.</li> <li>• Institutions unable to maintain and/or develop estates, including meeting statutory responsibilities.</li> <li>• Lack of flexibility in profile of above base-line funding</li> <li>• Economic downturn tightens financial position further in individual HEIs</li> <li>• Closure of insitution</li> </ul>	<ul style="list-style-type: none"> <li>• Dialogue with Assembly about need for funding at a level appropriate to the Assembly's vision, and to the reality of a UK and wider international market for students and staff in higher education.</li> <li>• Continue to conduct funding gap analysis on an annual basis;</li> <li>• Respond effectively to Minister's request for information on funding streams.</li> </ul>	<ul style="list-style-type: none"> <li>• Supporting the sector to pursue value for money options and efficiencies</li> <li>• 0% efficiency gains to be applied to some UK budgets in light of HEFCE decisions</li> <li>• Reductions in annual allocations to sector support bodies (eg HEA)</li> </ul>	H	H	H/H	N	Contribute to Phase 2 of Review of Education Funding in Wales  Move towards more explicit focus on financial sustainability in respect of allocation of funding and strategic dialogue with institutions.  Prepare contributions to Comprehensive Spending Reviews (CSR) as required by WAG  Engagement with WAG processes for Strategic Capital Investment Fund  Engagement with process of allocating Jones funding outcomes  Constant dialogue with Assembly regarding budget implications and be prepared to: <ul style="list-style-type: none"> <li>- Implement challenge process for individual budget lines.</li> <li>- Apply tighter efficiency gain on core funding</li> <li>- Apply efficiency gains on strategic budget lines.</li> </ul>	March 2011	Chief Executive and Head of SLF

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<b>Skills</b>										
030/10 UHOVI unable to achieve objectives within agreed timescales	<ul style="list-style-type: none"> <li>Failure of higher education to widen access and upskill HOtV population;</li> <li>Minister sees HE as failing to deliver on UHOVI project;</li> <li>Accountability of public funding is problematic</li> </ul>	<ul style="list-style-type: none"> <li>Clear deliverables agreed with UHOVI</li> <li>Attendance at project management board and other monitoring meetings;</li> <li></li> </ul>	Adjustments to targets to be agreed as appropriate	H	H	H/H	N	<ul style="list-style-type: none"> <li>Withhold funding for second phase of project.</li> <li>Dialogue with WAG to secure change to contracted targets.</li> <li>Promote more flexible learning opportunities in response to FoF, including for FDs and CQFW accredited provision.</li> </ul>	As appropriate	Head of SLF
<b>Knowledge Transfer</b>										
<b>Research</b>										

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<b>006/08</b> REF processes expose relative weaknesses of research performance in Wales	<ul style="list-style-type: none"> <li>Research performance and contributions of WHE compares unfavourably with rest of UK and more widely</li> <li>Reputational damage to Welsh research base</li> <li>Sector finds it more difficult to attract external research partners and funders</li> <li>Adverse funding consequences flow, with consequential damage to WHE's ability to impact positively on Welsh economy developments</li> <li>Loss of leading Welsh Research staff</li> </ul>	<ul style="list-style-type: none"> <li>Officers contributing to UK-wide discussions on structure and operation of REF</li> <li>Exploring options and possible solutions in RIE Committee</li> <li>RIE Committee to advise Council on clear direction and choices on routes to best secure continued improvement in Welsh Research performance and capacity building against UK standards/bench marks</li> <li>On UK-wide adoption of REF methodology, open discussions with sector and DCELL on how best to manage consequences for Wales</li> </ul>		M	H	M/H	N	Strengthen capacity to engage in and influence post-REF debate consultation  Seek RIEC Guidance  Ensure information about new impact element shared effectively with sector (e.g. through events involving 2 Welsh pilot HEIs)	Autumn 2010	Head of BRC/ LT
<b>Reconfiguration and Collaboration</b>										

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009/08 Failure to achieve sufficient major HE Sectoral collaboration and mergers	Sector performance not as efficient or effective as could be achieved  Failure to achieve significant reconfiguration/merger impacts on reputation of HEFCW.	<ul style="list-style-type: none"> <li>• Evaluation of proposals by the RCC to ensure the viability and sustainability of partnerships</li> <li>• A requirement for WAG agreement to the release of RCF funds</li> <li>• Monitoring of partnerships to ensure successful delivery against targets and outcomes</li> <li>• Maintaining our capacity to extend current invitations and encourage new ones, including for shared services</li> <li>• Dialogue with WAG about pressures on budget.</li> <li>• Publish feedback and reasons for decisions to improve transparency</li> </ul>	Failure to achieve sufficient major HE Sectoral collaboration and mergers	M	M	M/M	N	<ul style="list-style-type: none"> <li>• Investigate links through transformation agenda and potential sources of funding</li> <li>• Consider increasingly targeted approaches to strategic use of core funding to support reconfiguration.</li> <li>• Use funding levers to direct institutions towards collaboration or merger;</li> </ul>	Aug 2010	Head of SLF

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031/10 HE providers fail to establish effective regional partnerships	<ul style="list-style-type: none"> <li>Unable to deliver For our Future priority for regional planning</li> <li>Minister will see HE as non-deliverer</li> <li>Missed opportunity to rationalise duplication</li> <li>Missed opportunity for regional efficiency savings</li> </ul>	<ul style="list-style-type: none"> <li>Clear Ministerial steer in favour of regional working</li> <li>Arrangements for regions based on current regional structures in HE</li> <li>Consultation completed to gain buy in on way forward.</li> </ul>	<ul style="list-style-type: none"> <li>RCC to assess regional strategies.</li> <li>Clear guidance published on regional strategies</li> </ul>	H	M	H/M	N	<ul style="list-style-type: none"> <li>Consultants to be employed to assist development of strategies, improve joint working and share practice between partnerships;</li> <li>Additional funding support for development of regional strategies;</li> <li>Iterative process between regions and officers in finalising strategies;</li> <li>Funding incentives to support regional policy</li> <li>HEFCW to implement regional funding mechanisms</li> <li>HEFCW to meet with regions to 'kickstart' process</li> </ul>	August 2010  From August 2010  From August 2010	Head of SLF

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<b>Governance</b>										
010/08 Institutions unable to comply with the financial memorandum and to maintain their long term financial sustainability.	Potential closure of institutions.  Institutions unable to provide the HE provision required by its students in sufficient quantity and quality.	Sustainability (with a strong emphasis on financial sustainability) one of six key areas reviewed as part of HEFCW IRR process. Informed by review of annual financial statements and 5 year forecasts and commentary.  Intervene at an early stage when institutions are getting into difficulty  Require institutions to address sustainability in their strategic plans.	Where significant risks have been identified in relation to financial sustainability through the IRR process this will result in additional engagement with the institutions concerned, to ensure that the issues are being actively addressed. This may included a requirement for recovery plans and more frequent reporting of financial information to monitor implementation of the recovery plan.	L	H	L/H	N	Ongoing liaison with finance officers at individual institutions and also collectively in attending quarterly meetings of the WHEFDG (Welsh HE Finance Directors Group)		Head of GLI

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<b>015/08</b> Further DCELLS reorganisation takes time to embed	Liaison and effective working with relevant DCELLS colleagues impeded, with consequential failure by HEFCW to address one or more key Assembly priorities.  Failure in WAG to register HE dimension of other policy domains, with impacts on consultation and coordination between HE and other post-16/skills agendas	<ul style="list-style-type: none"> <li>• Close officer dialogue with relevant colleagues, via routine and special meetings, as needed</li> <li>• Individual induction as appropriate</li> <li>• Active role by officers in alerting WAG colleagues to key agendas/issues</li> <li>• Improved meeting sequence established</li> </ul>	Escalate any clear concerns at officer level	M	M	M/M	N	<ul style="list-style-type: none"> <li>• Escalate any clear concerns even higher if need be – invite Council to make representation</li> <li>• Have held further discussion with sponsor division on control framework – now need to monitor developments</li> <li>• Implement lessons of Governance Review</li> <li>• Support induction of new senior DCELLS staff in coming months</li> </ul>	Ongoing but review July 2010 once new senior appointments in place	Chief Executive (in close consultation with Directors)

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<b>Internal Hefcw Risks</b>										
<b>017/08</b> Risk of exceeding cash 2% threshold at end of financial in due to accumulation of ring-fenced commitments in areas such as 'strategic implementation'.	Potential underspend on budget leading to return of funds to WAG at financial year end.	<ul style="list-style-type: none"> <li>Budget and Cash Management document sets out procedures for all aspects of budgetary activities</li> <li>Routine monitoring of cash threshold performed by Budget Group.</li> </ul>		Advance notice given to WAG of potential budget underspend and request for possible carry forward of committed funds.	L	H	L/H	N	Alternative budget spend plans to be managed by HEFCW Budget Group and proposals put to Council for approval prior to financial year end to ensure cash does not exceed 2% threshold.	Jan – March each year  Director FCS
<b>Res R14</b> Uncertainty concerning level of future running costs' budget and continuing approval to transfer elements of running costs to programme budget	Inability to absorb cuts in short-term.  Impact on HEFCW operations	<ul style="list-style-type: none"> <li>Prudent management of 2010-11 running costs expenditure and budget, deferring optional planned expenditure until 2011-12 budget confirmed by WAG.</li> <li>Existence of contingency funds at start of FY 2010-11 following underspend of budget in 2009-10.</li> <li>WAG approval obtained for transfer of running costs to programme budget for 2010-11.</li> </ul>		Use of contingency funds brought forward to FY 2010-11	M	M	M/M	N	Running costs' efficiency savings review to be continued and any savings incorporated in budget.	March 2011  Head of Res'cs

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022/09 Fail to maintain confidence of sector in the HEFCW Council and Executive	Inability to function effectively	<ul style="list-style-type: none"> <li>• Dialogue with the Assembly and sector</li> <li>• Close working with HEW Director, especially on building common quantitative and qualitative assessments of the state of HE in Wales</li> <li>• Work with sector to establish "added value" from HEFCW</li> <li>• External stakeholder survey to be carried out autumn 2010 to gauge current level of opinion.</li> <li>• Take care over handling of strategic directives from WAG, including For our Future</li> </ul>	Council itself to discuss radical change in membership and/or staffing with Minister	L	H	L/H	N	<ul style="list-style-type: none"> <li>• Careful consideration to ensure a balance of strengths in Council membership.</li> <li>• Dialogue over implementation of Corporate Strategy, SIF, and Regional strategy</li> </ul>	Oct 10	Chief Executive (in close consultation w/ Chairman)

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<b>023/09</b> Failure to deliver implementation of For our Future and the remit letter	Undermining of WAG confidence in the Council and the sector	<ul style="list-style-type: none"> <li>• Active engagement with officials and Minister to ensure practical Action Plan to deliver <i>For our future</i>, including via new WAG Project Board</li> <li>• Internal project team set up to take forward FoF and remit letter</li> <li>• Consultation with sector on key aspects of FoF, such as regional agenda, in order to secure sector engagement</li> </ul>		L	H	L/H	N	<ul style="list-style-type: none"> <li>• Reinforce established dialogue with new Minister, Deputy Minister and special adviser, especially via Chairman</li> </ul>	Review July 2010	Chief Executive