

Committee(s)	Dated:
Open Spaces and City Gardens Committee	13 February 2023
Subject: Risk Management Update Report	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1, 2, 4, 11, 12
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Juliemma McLoughlin, Executive Director Environment	For decision
Report author: Joanne Hill, Business Planning and Compliance Manager	

Summary

This report is presented to provide the Open Spaces and City Gardens Committee with assurance that risk management procedures in place within the Environment Department are satisfactory and that they meet the requirements of the Corporate Risk Management Framework and the Charities Act 2011. Risk is reviewed regularly within the Department as part of the ongoing management of the operations.

The Natural Environment Cross-Divisional Risk Register includes risks which are managed by the Natural Environment Director at a higher, strategic, level. The Cross-Divisional risks are summarised in this report and the detailed register is provided at Appendix 1.

Each of the Natural Environment charities holds its own risk register which is reported to its respective Committee.

City Gardens is part of the City Operations Division of the Environment Department, and its risks are held in a separate risk register which is summarised in this report and provided in full at Appendix 2.

Recommendations

Natural Environment Division Risks: The risks faced by the Natural Environment Division have been reviewed. Members are asked to consider, and if agreed to confirm, on behalf of the City Corporation as Trustee, whether the Natural Environment Cross-Divisional Risk Register (Appendix 1) satisfactorily sets out the key top-level risks to the charities and that appropriate systems are in place to identify and mitigate risks across the charities.

City Gardens Risks: The risks held by the City Gardens service of the City Operations Division, have been reviewed. Members are asked to note the content of this report, the City Gardens Risk Register (Appendix 2), and the action being taken to effectively manage these risks.

Main Report

Background

1. The City of London's Risk Management Strategy, which forms part of its Corporate Risk Management Framework, requires each Chief Officer to report regularly to Committees on the risks faced by their department.
2. The Charity Commission requires Trustees to confirm in a charity's annual report that any major risks to which the charity is exposed have been identified and reviewed and that systems are established to mitigate those risks. These risks are to be reviewed annually. Each Committee to which the Natural Environment Division of the Environment Department reports is presented with relevant risk registers every quarter which more than fulfils this requirement.
3. The Executive Director Environment assures your Committee that all risks held by the Natural Environment Division continue to be managed in compliance with the Corporate Risk Management Framework and the Charities Act 2011.
4. Risks are regularly reviewed by management teams, in consultation with risk owners, with updates recorded in the corporate risk management information system (Pentana). Risks are assessed on a likelihood-impact basis, and the resultant score is associated with a traffic light colour. For reference, the City of London's Risk Matrix is provided at Appendix 3.
5. The Natural Environment Cross-Divisional Risk Register includes risks which are managed by the Natural Environment Director at a higher, strategic, level. The Cross-Divisional risks are summarised in this report and the detailed register is presented at Appendix 1.
6. Each of the Natural Environment charities holds its own risk register which is reported to its respective Committee.

7. City Gardens is now part of the City Operations Division, and its risks are held in a separate risk register which is summarised in this report and provided in full at Appendix 2.

Current Position

Natural Environment Cross-Divisional Risks

8. The Cross-Divisional Risk Register of the Natural Environment Division contains top, strategic, risks, such as those on key projects. Other risks on the register are those which are common to most or all sites: individual charities hold their own local risks on these matters, and the Cross-Divisional risk consolidates them for oversight by the Director.
9. The Cross-Divisional risks are owned by the Natural Environment Director who reviews them regularly along with her Senior Leadership Team.
10. The Register, summarised below and provided in full at Appendix 1, contains four RED risks and five AMBER risks:
 - **ENV-NE 001:** Health and Safety (RED, 24)
 - **ENV-NE 003:** Operational Property: Repair and maintenance of buildings and structural assets (RED, 24)
 - **ENV-NE 007:** Wanstead Park Reservoirs (RED, 24)
 - **ENV-NE 004:** Pests and diseases (RED, 16)
 - **ENV-NE 002:** Extreme weather and climate change (AMBER, 12)
 - **ENV-NE 005:** Impact of development (AMBER, 12)
 - **ENV-NE 011:** Recruitment and retention of staff (AMBER, 12)
 - **ENV-NE 010:** Budget pressures (AMBER, 8)
 - **ENV-NE 009:** Failure to implement the Charity Review (AMBER, 6)
11. The Wanstead Park Reservoirs risk (ENV-NE 007) is managed jointly with the City's Building Control Service. A full report on this project was presented to the Epping Forest and Commons Committee on 26 January 2023.
12. ENV-NE 011 has been added to the register to address the risk of being unable to recruit and retain sufficiently skilled members of staff. Mitigating actions include improving the learning and development offer to our existing staff and widening recruitment campaigns.
13. ENV-NE 010 has been added to the register to address the risk of a reduction in income. In order to mitigate the risk, a Charity Income Strategy has been drafted for Committee approval. Additionally, consideration is being given to adopting software which will assist in the identification of relevant grants to which we can bid for funding.

City Gardens Risks

14. City Gardens is part of the City Operations Division of the Environment Department, alongside Cleansing Services. The City Gardens Risk Register, summarised below and presented in full at Appendix 2, contains eight risks (three RED, four AMBER, and one GREEN) which are owned and managed by the City Gardens Manager and his Management Team.
- **ENV-CO-GC 016:** Staff resources (RED, 16)
 - **ENV-CO-GC 017:** Decline in condition of assets (RED, 16)
 - **ENV-CO-GC 018:** Anti-social behaviour (RED, 16)
 - **ENV-CO-GC 011:** Tree and plant diseases and other pests (AMBER, 12)
 - **ENV-CO-GC 012:** Climate and weather (AMBER, 12)
 - **ENV-CO-GC 009:** Health and Safety incidents (AMBER, 8)
 - **ENV-CO-GC 010:** Finance – Budget pressure (AMBER, 8)
 - **ENV-CO-GC 015:** Electric vehicles (GREEN, 4)
15. Since the date of the last report to your Committee, all risks have been reviewed. The notes of each risk and its associated action(s) have been updated to reflect the current situation. The current scores of the following risks have changed:
- a) **ENV-CO-GC 010: Finance – Budget pressure.** The risk score has **decreased** from RED 16 (likely / major) to AMBER, 8 (likely / serious) as a result of budgets having now been readjusted, reducing the impact of the risk should it occur.
 - b) **ENV-CO-GC 015: Electric vehicles.** The risk score has **decreased** from RED 16 (likely / major) to GREEN 4 (unlikely / serious). This is because the contract for a new lease hire arrangement of new electric vehicles has now been awarded and funding has been approved for the purchase of one further vehicle. These developments have reduced the likelihood of the service being unable to operate due to lack of vehicles.

Risk Management Process

16. Risk management is a standing agenda item at the regular meetings of local, divisional and departmental management teams.
17. Between management team meetings, risks are reviewed in consultation with risk and action owners, and updates are recorded in the corporate risk management information system (Pentana).
18. Regular risk management update reports are provided to this Committee in accordance with the City's Risk Management Framework and the requirements of the Charities Act 2011.

Identification of New Risks

19. New and emerging risks are identified through several channels, including:
- Directly by senior management teams as part of the regular review process.
 - In response to ongoing review of progress made against Business Plan objectives and performance measures, e.g., slippage of target dates or changes to expected performance levels.
- In response to emerging events and changing circumstances which have the potential to impact on the delivery of services. For example, changes to legislation, accidents, severe weather events.

Corporate and Strategic Implications

20. Effective management of risk is at the heart of the City Corporation's approach to delivering cost effective and valued services to the public as well as being an important element within the corporate governance of the organisation.
21. The risk management processes in place in the Environment Department support the delivery of the Corporate Plan, our Departmental and Divisional Business Plans and relevant Corporate Strategies, such as the Climate Action; Cultural; Sport and Physical Activity; and Volunteering Strategies. Risks are also being considered as part of the development of the Natural Environment and City Operations Divisions' emerging strategies.
22. Risks which could have a serious impact on the achievement of business and strategic objectives are proactively identified, assessed and managed in order to minimise their likelihood and/or impact.

Conclusion

23. The proactive management of risk, including the reporting process to Members, demonstrates that the Environment Department is adhering to the requirements of the City of London Corporation's Risk Management Framework and the Charities Act 2011.

Appendices

- Appendix 1 – Natural Environment Cross-Divisional Risk Register
- Appendix 2 – City Gardens Risk Register
- Appendix 3 – City of London Corporation Risk Matrix

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