

Committee(s)	Dated:
Natural Environment Board	10 July 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: Executive Director Environment	For decision
Report author: Joanne Hill, Business Planning and Compliance Manager	

Summary

This report is presented to provide the Natural Environment Board 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 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 at Appendix 2.

Recommendations

Natural Environment Division Risks: Members are asked to confirm, on behalf of the City Corporation as Trustee, that the Natural Environment Cross-Divisional Summary Risk Register (Appendix 1) satisfactorily identifies 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: Members are asked to note the content of this report, the City Gardens Summary 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.
3. Each Committee to which the Natural Environment Division of the Environment Department reports receives an update on the risks of the charity or charities relevant to the Committee every quarter. Detailed risk registers are presented to Committees every six months. The two interim quarterly reports present summary risk registers, with individual risks being reported in detail by exception.
4. The Executive Director Environment assures the Natural Environment Board 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.
5. 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.
6. 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 at Appendix 1.
7. Each of the Natural Environment charities holds its own risk register which is reported to its respective Committee.

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

Current Position

Natural Environment Cross-Divisional Risks

9. 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.
10. The Cross-Divisional risks are owned by the Natural Environment Director and they have been recently reviewed in collaboration with the Natural Environment Senior Leadership Team.
11. The Register, summarised below and 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)
12. The Wanstead Park Reservoirs risk (ENV-NE 007) is managed jointly with the City's Building Control Service. A detailed report on this project was presented to the Epping Forest and Commons Committee on 26 January 2023.

City Gardens Risks

13. 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 at Appendix 2, contains seven risks (three RED, three 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 015:** Electric vehicles (GREEN, 4)
14. Since the date of the last report to the Natural Environment Board, all risks have been reviewed and updated in the risk management information system. None of the risk scores have changed.
15. One risk, '**ENV-CO-GC 010: Finance – Budget pressure**' has been removed from the register. The risk was specific to the 2022/23 financial year, relating to delayed implementation of the Target Operating Model and pay award requirements. These factors were all managed and are now resolved. Should a new financial risk be identified following confirmation of the 2023/24 budget, a new risk will be created as appropriate.

Risk Management Process

16. Across the Environment Department, 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 the Natural Environment Board 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 high-level Business Plan, local Management Plans and relevant Corporate Strategies, including, but not limited to, the Climate Action; Cultural; Sport and Physical Activity; and Volunteering Strategies. Risks are also being taken into consideration 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 Risks - Summary Risk Register
- Appendix 2 – City Gardens Summary Risk Register
- Appendix 3 – City of London Corporation Risk Matrix

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