

Committee(s)	Dated:
Natural Environment Board	16 October 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: Bob Roberts, Interim 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, where applicable, 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

Members are asked to:

- A. **Natural Environment Division Risk Register:** Members are asked to confirm, on behalf of the City Corporation as Trustee, that 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.
- B. **City Gardens Risk Register:** 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.
- C. **Reporting format:** Risk registers are available in a detailed or summary format. Detailed risk registers are appended to this report. Summary risk registers include the risk title, current and target scores, direction of travel and flight path. Members are asked to decide whether:
 - i. they wish to continue to receive detailed risk registers with each quarterly report; or
 - ii. they would be satisfied with receiving detailed risk registers every six months and summary risk registers in the two interim quarterly reports, with individual risks being reported in detail by exception.

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 relevant to the Committee every quarter. This frequency aligns with the City of London's Risk Management Strategy and exceeds the requirements of the Charity Commission.
4. The Interim Executive Director Environment assures the Natural Environment Board that all risks held by the Natural Environment Division and the City Operations Division continue to be managed in compliance with the Corporate Risk Management Framework, and, in the case of the Natural Environment Division, with 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 the detailed register is presented 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 provided in full at Appendix 2.

Current Position

Natural Environment Cross-Divisional Risks

9. The Natural Environment Director maintains oversight of all risks and holds a Cross-Divisional Risk Register containing risks which are common to most or all Natural Environment charities: individual charities hold their own local risks on these matters, and the Cross-Divisional risk consolidates them for oversight by the Director.
10. The Natural Environment Director reviews the Cross-Divisional risks regularly in liaison with her Senior Leadership Team. A recent, detailed review has resulted in current and target risk scores being updated and three new risks being added to the register. In addition, the risk relating to the Wanstead Park Reservoirs project has been transferred to the Epping Forest risk register as it relates specifically to that charity.
11. The Register, summarised below and provided in full at Appendix 1, contains five RED risks and five AMBER risks:
 - **ENV-NE 003: Repair and maintenance of buildings and structural assets** (*RED, 32*)
 - **ENV-NE 004: Pests and diseases** (*RED, 16*)
 - **ENV-NE 010: Budget pressures** (*RED, 16*)
 - **ENV-NE 012: Wildlife management** (*RED, 16*)
This new risk addresses the necessary control of wildlife across the Natural Environment site in order to ensure populations remain healthy and in balance with their environment, to conserve biodiversity and protect carbon stocks. A key action is to undertake deer management at Epping Forest.
 - **ENV-NE 014: Lack of asset register** (*RED, 16*)

This new risk includes actions to compile a comprehensive asset register for the Division, so that we can identify ownership and ensure compliance with Charity Commission requirements. The register will also enable us to consider wider opportunities for income generation.

- **ENV-NE 001: Health and Safety** (*AMBER, 12*)
- **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 013: Increased visitor pressure** (*AMBER, 8*)

This new risk addresses the Division-wide issues related to increased number of visitors. Actions are being undertaken to improve visitor infrastructure and encourage the public to use sites responsibly.

City Gardens Risks

12. 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 seven risks (three RED, three AMBER, and one GREEN) which are owned and managed by the City Gardens Manager and his Management Team.

13. Since the last report to the Natural Environment Board, all risks have been reviewed and updated in the risk management information system. The risks are listed below with their current score and notes summarising significant recent updates, where applicable.

- **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 009: Health and Safety incidents** (*AMBER, 8*)
- **ENV-CO-GC 012: Climate and weather** (*AMBER, 6*)

Completion of actions including updating the Extreme Weather Policy and the 'working in heat' risk assessment have enabled the current score of this risk to be reduced from AMBER 12 (possible/major) to the target of AMBER 6 (possible/serious).

A new target has been set to reduce the risk to a score of GREEN 3 (possible/minor) through development of a plant species catalogue.

- **ENV-CO-GC 015: Electric vehicles** (*GREEN, 4*)

Risk Management Process

14. Across the Environment Department, risk management is a standing agenda item at the regular meetings of local, divisional and departmental management teams.
15. 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).
16. Regular risk management update reports are provided to this Committee in accordance with the City's Risk Management Framework and, where applicable, the requirements of the Charities Act 2011.

Identification of New Risks

17. New and emerging risks are identified through several channels, including:
 - Directly by Senior Leadership 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, e.g., changes to legislation, resource availability, severe weather events.

Corporate and Strategic Implications

18. 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.
19. 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.
20. 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

21. 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, where applicable, 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

Contact

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