

<b>Committee(s)</b>	<b>Dated:</b>
Natural Environment Board	19 February 2024
<b>Subject:</b> Risk Management Update Report	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>1, 2, 4, 11, 12</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>No</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of:</b> Bob Roberts, Interim Executive Director Environment	<b>For Decision</b>
<b>Report author:</b> 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 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 an appropriate risk management process is in place.

**City Gardens Risks:** Members are asked to note the content of this report and the City Gardens Summary Risk Register (Appendix 2).

## Main Report

### Background

- 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.
- 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 receives a quarterly update on the risks of the charity or charities relevant to that Committee. 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. This reporting frequency aligns with the City of London's Risk Management Strategy and exceeds the requirements of the Charity Commission.
- 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.
- Risks are regularly reviewed by management teams, in consultation with risk owners, with updates recorded in the corporate risk management information system. 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.
- The Natural Environment Cross-Divisional Risk Register includes risks which are managed by the Natural Environment Director at a 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, 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

- 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.
- The Natural Environment Director reviews the Cross-Divisional risks regularly in liaison with her Senior Leadership Team. The most recent review has resulted in:
  - a. some of the risk titles being refined to improve clarity;
  - b. confirmation that the current and target risk scores remain appropriate; and,
  - c. the addition of one new risk to the register, as summarised below. This risk is presented in full, by exception, at Appendix 1a.
- The Register, summarised below and at Appendix 1, contains six RED risks and five AMBER risks:
  - **ENV-NE 003: Decline in condition of assets** (*RED, 32*)
  - **ENV-NE 004: Negative impacts of pests and diseases** (*RED, 16*)
  - **ENV-NE 010: Budget pressures** (*RED, 16*)
  - **ENV-NE 012: Negative impacts of carrying out wildlife management** (*RED, 16*)
  - **ENV-NE 014: Lack of asset register** (*RED, 16*)
  - **ENV-NE 015: Impacts of anti-social behaviour on staff and sites** (*RED, 16*)
 

This new risk is presented in detail at Appendix 1a. It addresses the issues related to anti-social, irresponsible and abusive behaviour by members of the public which presents a risk to staff, visitors and sites. A departmental approach is being developed to tackle the abuse of staff; encourage responsible behaviour; ensure rapid reporting; and increase collaboration with the police and other enforcement agencies to minimise incidents and their effects.
  - **ENV-NE 001: Risk to health and safety** (*AMBER, 12*)
  - **ENV-NE 002: Adverse impacts of extreme weather and climate change** (*AMBER, 12*)
  - **ENV-NE 005: Negative impacts of development and encroachment** (*AMBER, 12*)
  - **ENV-NE 011: Recruitment of suitable staff** (*AMBER, 12*)
  - **ENV-NE 013: Negative impacts of visitor pressure** (*AMBER, 8*)

## City Gardens Risks

- City Gardens is part of the City Operations Division of the Environment Department, alongside Cleansing Services. The City Gardens Risk Register, summarised below and 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.
- 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.
  - **ENV-CO-GC 016: Staff resources** (*RED, 16*)
  - **ENV-CO-GC 017: Decline in condition of assets** (*RED, 16*)
  - **ENV-CO-GC 018: Negative impacts of public behaviour** (*RED, 16*)
  - **ENV-CO-GC 011: Tree and plant diseases and other pests** (*AMBER, 12*)
  - **ENV-CO-GC 009: Risk to health and safety** (*AMBER, 8*)
  - **ENV-CO-GC 012: Climate and weather** (*AMBER, 6*)
  - **ENV-CO-GC 015: Electric vehicles (lack of suitable electric vehicles to replace existing fleet)** (*GREEN, 4*)

## Risk Management Process

- Across the Environment Department, risk management is a standing agenda item at the regular meetings of local, divisional and departmental management teams.
- 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.
- 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

- 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**

- 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.
- 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.
- 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**

- 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 Summary Risk Register
- Appendix 1a – New Cross-Divisional risk
- Appendix 2 – City Gardens Summary Risk Register
- Appendix 3 – City of London Corporation Risk Matrix

## **Contact**

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