

Committee(s)	Dated:
Natural Environment Board	11 July 2024
Subject: Risk Management Update Report	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	<ul style="list-style-type: none"> • Diverse engaged communities • Vibrant thriving destination • Providing excellent services • Flourishing public spaces • Leading sustainable environment
Does this proposal require extra revenue and/or capital spending?	No
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 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

- A. **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.
- B. **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

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 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.
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. 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 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 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. The Register, summarised below and at Appendix 1, contains eleven risks (four RED, six AMBER, one GREEN).
11. The highest risk on the Cross-Divisional register remains 'Decline in condition of assets' which is currently scored at Red 32 (likely to occur, with a serious impact). The cause of this risk is the backlog of repair and maintenance works required to be undertaken on the charities' built assets. Additional funding to address the bow-wave of maintenance works across the Corporation has recently been approved. Officers are working closely with colleagues in the City Surveyor's Department to formally assess, allocate and prioritise the funding allocated to the Environment Department to areas of most need. The completion of priority works, along with any alternative funding options identified through the Natural Environment Charity Review should help to reduce the risk.
12. The current scores of two risks have recently been reduced:
 - a. The likelihood of the 'Lack of asset register' risk has reduced from 'likely' to 'possible'. A full asset review is underway, and a Charity Asset Officer has now been recruited to work on the development of a comprehensive asset register.
 - b. The likelihood of 'Negative impacts of carrying out wildlife management' has reduced from 'possible' to 'unlikely' taking the overall score to Green 4. This follows the successful deer cull at Epping Forest during winter 2023/24, and the preparation of plans for the 2024/25 season which are awaiting approval of the Deer Management Oversight Group. It is hoped that the risk will reduce further by the end of the financial year.
13. The full list of Natural Environment Cross-Divisional risk is as follows:
 - **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 015: Impacts of anti-social behaviour on staff and sites** (*RED, 16*)
 - **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 014: Lack of asset register** (*AMBER, 12*)
 - **ENV-NE 013: Negative impacts of visitor pressure** (*AMBER, 8*)
 - **ENV-NE 012: Negative impacts of carrying out wildlife management** (*GREEN, 4*)

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 at Appendix 2, contains seven risks (one RED, four AMBER, two GREEN) which are owned and managed by the City Gardens Manager and his Management Team.
15. 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.
16. The highest risk for City Gardens remains 'Negative impacts of public behaviour' which is currently scored at Red 16 (likely to occur, with a major impact). Irresponsible public behaviour continues to be an issue in and around the City Garden sites. To address this, officers work in partnership with the City of London's Outreach Team and Street Environment Officers, and with Parkguard where appropriate. Recruitment is underway for a new 'Keeper' post. This individual will have enforcement duties and it is hoped that once they are on board, the risk will reduce.
17. Work to reduce other risks on the register is ongoing. Staff resources are increasing, with four apprentice gardeners having been taken on in January, and four other posts currently proceeding through the recruitment process. Officers are working closely with colleagues in the City Surveyor's Department as the corporately approved funds to address the bow wave of maintenance works is allocated and works prioritised.
18. The full list of risks held by City Gardens is as follows:
 - **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 016: Staff resources** (*AMBER, 12*)
 - **ENV-CO-GC 017: Decline in condition of assets** (*AMBER, 12*)
 - **ENV-CO-GC 009: Risk to health and safety** (*AMBER, 8*)
 - **ENV-CO-GC 015: Electric vehicles (lack of suitable electric vehicles to replace existing fleet)** (*GREEN, 4*)
 - **ENV-CO-GC 012: Climate and weather** (*GREEN, 3*)

Risk Management Process

19. Across the Environment Department, risk management is a standing agenda item at the regular meetings of local, divisional and departmental management teams.
20. 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.

21. 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

22. 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

23. 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.
24. The risk management processes in place in the Environment Department support the delivery of the Corporate Plan, our Departmental high-level Business Plan, local business plans, the Natural Environment Division's core strategies and relevant Corporate Strategies including, but not limited to, the Climate Action; Cultural; Sport and Physical Activity; and Volunteering Strategies.
25. 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

26. 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 2 – City Gardens Summary Risk Register
- Appendix 3 – City of London Corporation Risk Matrix

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