

Committee(s)	Dated:
Natural Environment Board	17 October 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"> • Leading sustainable environment • Providing excellent services • Flourishing public spaces
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: Katie Stewart, Executive Director of 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 services.

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 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 management 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.

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 relevant to that Committee. This frequency aligns with the City of London's Risk Management Strategy and exceeds the requirements of the Charity Commission.
4. The 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 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 management 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 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 provided in full at Appendix 1, contains four RED risks, six AMBER risks and one GREEN risk.
11. The highest risk on the Cross-Divisional register remains '**Decline in condition of assets**'. The risk is currently scored at Red 32 (likely to occur, with a serious impact) due to ongoing concerns about inadequate repair and maintenance of the charities' built assets. Officers are working closely with colleagues in the City Surveyor's Department to assess, allocate and prioritise funding to areas of most need. Work is also underway to develop an agreed set of clearly defined roles and responsibilities for asset management and maintenance across departments. The progression of these actions, along with the completion of priority works, should help to reduce the risk.
 - Since the last report to the Natural Environment Board, the score of the '**Recruitment of suitable staff**' risk has reduced from Amber 12 (possible / major) to Amber 8 (unlikely / major). This is a result of successful recruitment to several posts across the Natural Environment Division. However, there are some key posts still to be filled before consideration can be given to reducing this risk further.
 - In response to comments from the Natural Environment Board, the previously titled 'Budget pressures' risk has been amended to '**Budget pressures and uncertainty over future funding model**'. The risk description has also been revised to clarify that it includes the proposed changes to the funding model for the charities. The ongoing Natural Environment Charity Review includes the development of a sustainable funding model which should, in time, lead to the reduction of this risk.

12. 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 from pests and diseases** (*RED, 16*)
 - **ENV-NE 010: Budget pressures and uncertainty over future funding model** (*RED, 16*)
 - **ENV-NE 015: Impacts of anti-social behaviour on staff and sites** (*RED, 16*)
 - **ENV-NE 001: Risks 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 014: Lack of asset register** (*AMBER, 12*)
 - **ENV-NE 011: Recruitment of suitable staff** (*AMBER, 8*)
 - **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

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 in full at Appendix 2, contains seven risks (one RED, four AMBER, and two GREEN) which are owned and managed by the City Gardens Manager and his Management Team.
14. Since the last report to the Natural Environment Board, all risks have been reviewed and updated in the risk management information system.
15. 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 the position is filled, the risk will begin to reduce.
16. 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 backlog of maintenance works is allocated and works prioritised.

17. 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** (*GREEN, 4*)
- **ENV-CO-GC 012: Climate and weather** (*GREEN, 3*)

Risk Management Process

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

21. 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. For example, changes to legislation, resource availability, severe weather events.

Corporate and Strategic Implications

22. 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.
23. 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 Natural Environment and City Operations Divisions' strategies.

24. 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

25. 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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