

City of London Corporation Committee Report

Committee(s): Natural Environment Board	Dated: 03/07/2025
Subject: Risk Management Update Report	Public report: For Information
This proposal: <ul style="list-style-type: none"> • delivers Corporate Plan 2024-29 outcomes • provides business enabling functions 	Corporate Plan Outcomes: Diverse engaged communities; Vibrant thriving destination; Providing excellent services; Flourishing public spaces; Leading sustainable environment Business enabling functions: Risk Management
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 Environment
Report author:	Joanne Hill, Environment Department

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 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 a separate 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 register which is summarised in this report and at Appendix 2.

Recommendations

- A. **Natural Environment Division Risk Register:** Members are asked to consider and note the content of this report and the Natural Environment Cross-Divisional Summary Risk Register (Appendix 1).
- B. **City Gardens Risk Register:** Members are asked to consider and note the content of this report and the City Gardens Summary Risk Register (Appendix 2).

Main Report

Background

Corporate Risk Management Process

1. The City of London's Risk Management Framework incorporates the Risk Management Policy; the Risk Management Strategy 2024-29; and Risk Management Guidance and Training.
2. The Risk Management Policy outlines the City Corporation's overarching approach and requirements in risk management.
3. The Risk Management Strategy 2024-2029 articulates the City of London Corporation's approach to identifying, mitigating, and managing risk. It ensures that the City Corporation upholds duties, delivers priorities, and supports and aligns with organisational ambitions including our Corporate Plan 2024-2029 strategic outcomes enabling delivery, continuous improvement and innovation.

Risk governance and reporting

4. To ensure our risk management process is robust, the risks on our risk registers are regularly reviewed by, and reported to, a variety of internal stakeholders – both Officers and Members.
5. Officers (and our Town Clerk and Chief Executive) are responsible – and ultimately accountable - for identifying and managing risk within the City Corporation. This includes what risks should be put onto the risk register, updating these in timely and responsive manner and managing any mitigating actions.
6. Members monitor and oversee the City Corporation's Risk Management Strategy and arrangements. They play an essential role in scrutinising risk management and its effectiveness. This is distinct from operational decision-making on risks/officer actions to identify and manage risk but works in tandem with this to ensure sound and appropriate risk management.
7. The City of London's Risk Management Framework requires each Chief Officer to report regularly to Committees on the risks faced by their department.

Natural Environment charities

8. The responsible Management Committee retains oversight of risk for their charity (or charities), with officers under their relevant delegated authority in the operational management of each charity having day-to-day responsibility for managing and controlling risk.
9. 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.
10. Members of each Charity Management Committee, on behalf of the City Corporation as trustee, review risks on a quarterly basis to gain assurance that risks are being effectively identified and managed. This reporting frequency aligns with the City of London's Risk Management Framework and exceeds the requirements of the Charity Commission.

Current position

11. 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 charities, the Charities Act 2011.
12. 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.
13. 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.

Natural Environment Cross-Divisional Risks

14. 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.

15. 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 five RED risks, six AMBER risks and one GREEN risk.
16. 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 operational property across all Natural Environment sites. Additional funding to address the backlog of maintenance works across the Corporation has been approved and 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.
17. The full list of current Natural Environment Cross-Divisional risks is as follows:
- **ENV-NE 003: Decline in condition of assets**
(Current risk score: RED 32, increasing)
 - **ENV-NE 004: Negative impacts from pests and diseases**
(Current risk score: RED 16, constant)
 - **ENV-NE 010: Budget pressures and uncertainty over future funding model**
(Current risk score: RED 16, increasing)
 - **ENV-NE 015: Impacts of anti-social behaviour on staff and sites**
(Current risk score: RED 16, constant)
 - **ENV-NE 016: Tree maintenance**
(Current risk score: RED 16, decreasing)
 - **ENV-NE 001: Risks to health and safety**
(Current risk score: AMBER 12, decreasing)
 - **ENV-NE 002: Adverse impacts of extreme weather and climate change**
(Current risk score: AMBER 12, constant)
 - **ENV-NE 005: Negative impacts of development and encroachment**
(Current risk score: AMBER 12, constant)
 - **ENV-NE 014: Lack of asset register**
(Current risk score: AMBER 12, decreasing)
 - **ENV-NE 011: Recruitment of suitable staff**
(Current risk score: AMBER 8, decreasing)
 - **ENV-NE 013: Negative impacts of visitor pressure**
(Current risk score: AMBER 8, constant)
 - **ENV-NE 012: Negative impacts of carrying out wildlife management**
(Current risk score: GREEN 2, decreasing)

City Gardens Risks

18. 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 (five AMBER, and one

GREEN) which are owned and managed by the City Gardens Manager and his Management Team. Work to control the risks is ongoing.

19. The highest four risks on the register each have a score of Amber 12 (possible likelihood; major impact). Of these risks, 'Tree and plant diseases and other pests' has been accepted at its current score and is well controlled to maintain it at that level. The three other risks have decreased during the last year and actions are underway to reduce them to their target scores.

20. The full list of current City Gardens risks is as follows:

- **ENV-CO-GC 011: Tree and plant diseases and other pests**
(Current risk score: AMBER 12, constant)
- **ENV-CO-GC 016: Insufficient staff resources**
(Current risk score: AMBER 12, decreasing)
- **ENV-CO-GC 017: Decline in condition of assets**
(Current risk score: AMBER 12, decreasing)
- **ENV-CO-GC 018: Negative impacts of public behaviour**
(Current risk score: AMBER 12, decreasing)
- **ENV-CO-GC 009: Risk to health and safety**
(Current risk score: AMBER 8, constant)
- **ENV-CO-GC 012: Climate and weather**
(Current risk score: GREEN 3, decreasing)

Corporate and Strategic Implications

21. 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.

22. 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.

23. 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

24. 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

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