

City of London Corporation Committee Report

Committee(s): Natural Environment Board	Dated: 23/10/2025
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 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 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 consider and note the content of this report, the Natural Environment Cross-Divisional Risk Register (Appendix 1) and the action being taken to effectively manage these risks.
- B. **City Gardens Risk Register:** Members are asked to consider and 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

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.

8. Detailed risk registers are presented to the Natural Environment Board every six months. The two interim quarterly reports present summary risk registers, with individual risks being reported in detail by exception.
9. New risk management reporting appendices have recently been developed for use across all departments as part of the *Informed Decision Making* objective of the Risk Management Strategy 2024-2029. These appendices are intended to help promote consistency and accuracy in risk management reporting to support strategic decision-making. Members will note that the risk registers appended to this report take this new format.

Natural Environment charities

10. 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.
11. 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.
12. 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

13. 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.
14. 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.
15. 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

1. 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.
2. The Natural Environment Director reviews the cross-divisional risks regularly in liaison with her Senior Leadership Team. Since the date of the last report to your Committee, all risks have been reviewed and updated in the risk management information system.
3. 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.
4. One risk has now been closed: '**Lack of asset register**'. The concern that the lack of an accurate, comprehensive register of assets and ownership details had the potential to cause non-compliance with Charity Commission requirements has now been reduced. The Natural Environment Charity Review has now concluded its review of land assets, and the built assets associated with them, meaning that ownership of assets is understood for the majority. The next steps are the independent assessment of complementary land assets which is addressed under risk ENV-NE 003 'Decline in condition of assets'.
5. All Natural Environment cross-divisional risks are listed below along with explanations of any significant changes. Three risks have decreased and for three others the risk approach has been changed to 'accept' rather than 'reduce'. Full details of the risks and their mitigating actions are set out in the detailed risk register at Appendix 1.
 - **ENV-NE 003: Decline in condition of assets**
(Current risk score: RED 32, constant)
 - **ENV-NE 010: Budget pressures and uncertainty over future funding model**
(Current risk score: RED 16, constant)

- **ENV-NE 015: Impacts of anti-social behaviour on staff and sites**
(Current risk score: RED 16, constant)
 This risk remains at a score of Red 16 (likely to occur with a major impact). However, the approach has changed from aiming to reduce the risk, to accepting that it is presently at the lowest achievable level. There are currently no additional actions available to officers to enable them to further influence public behaviour and reduce the likelihood of the risk occurring. However, our officers continue to do everything they can to control the impacts of the risk, ensuring our staff and visitors are safe and our sites are protected and well-maintained.
- **ENV-NE 016: Tree maintenance**
(Current risk score: RED 16, constant)
 This risk remains at a score of Red 16 (likely to occur with a major impact). However, the approach has changed from aiming to reduce the risk, to accepting that it is at the lowest achievable level. The escalating impacts of climate on tree health mean that it is not possible to further reduce the likelihood of the risk occurring, nor the impact should it occur. The greater frequency of severe storms, extreme weather conditions and tree disease, associated with climate change, are resulting in more frequent tree and tree limb failures. However, a range of robust actions continue to maintain the risk at the current level and ensure the safety of staff and site users. The risk will remain under regular review.
- **ENV-NE 002: Adverse impacts of extreme weather and climate change**
(Current risk score: AMBER 12, constant)
 This risk remains at a score of Amber 12 (possible to occur with a major impact). However, the approach has changed from aiming to reduce the risk, to accepting that it is not currently possible to reduce the score any further. The ongoing, escalating, effects of climate change are leading to more frequent extreme weather conditions which are beyond our control. The actions in place have reduced the impact score to the lowest possible level at the present time. Work continues to identify actions to adapt to climate change and to deliver the Climate Action Strategy's Carbon Removals Project. The risk is kept under regular review
- **ENV-NE 005: Negative impacts of development and encroachment**
(Current risk score: AMBER 12, constant)
- **ENV-NE 001: Risks to health and safety**
(Current risk score: AMBER 8, decreasing)
 The risk score has now been reduced from Amber 12 (possible to occur with a major impact) to the target score of Amber 8 (unlikely to occur with a major impact) due to the reduction in vacancies across the Natural Environment Division and new staff having become familiar with, and supporting the implementation of, policies, processes and safe working practices. The risk is now accepted at this new level and will be kept under regular review.

- **ENV-NE 004: Negative impacts from pests and diseases**
(Current risk score: AMBER 8, decreasing)
 This risk has now been reduced from a score of Red 16 (likely to occur with a major impact) to a score of Amber 8 (likely to occur with a serious impact) due to the range of effective actions being undertaken by staff across all Natural Environment sites, such as monitoring, inspections, spraying and pest removal, to mitigate the impact of the risk. It is, however, recognised that the presence of existing and new pests and diseases will continue and it will not be possible to reduce the risk further. Therefore, the risk is accepted at the new level and will be kept under regular review.
- **ENV-NE 013: Negative impacts of visitor pressure**
(Current risk score: AMBER 8, constant)
- **ENV-NE 011: Recruitment of suitable staff**
(Current risk score: GREEN 4, decreasing)
 The score of this risk has now been reduced from Amber 8 (unlikely to occur, with a major impact) to the target score of Green 4 (unlikely to occur, with a serious impact) following successful recruitment across the Division, reducing the potential impact of this risk should it occur. The risk is accepted at this new level as there are still some key posts to be recruited to and the delay in the Ambition 25 Project has resulted in an extended freeze on job evaluations. The risk will be kept under review.
- **ENV-NE 012: Negative impacts of carrying out wildlife management**
(Current risk score: GREEN 2, constant)

City Gardens Risks

6. City Gardens is part of the City Operations Division of the Environment Department. The City Gardens Risk Register, summarised below and presented in full at Appendix 2, contains five risks (one RED, and four AMBER) which are owned and managed by the City Gardens Manager and his Management Team. Work to manage the risks is ongoing.
7. Since the last report to the Natural Environment Board, all risks have been reviewed and updated in the risk management information system.
8. The score of one risk, '**Negative impacts of anti-social behaviour**' has increased and this is now the highest risk on the register. There has been a rise in problematic behaviour across City Gardens sites due to the increase in encampments which result in greater cleaning and repair needs and may have a negative effect on staff safety and wellbeing. The likelihood of the risk has been raised from possible to likely, giving a new score of Red 16 (likely with a major impact). Officers are working to identify a solution and improve the situation. They are working in partnership with an external security provider and the City's Outreach Team. It is hoped that these actions will decrease the risk over time.

9. The '**Climate and weather**' risk has now been closed. The risk was reduced to a score of Green 3 (possible likelihood; minor impact) in April 2024 and had been maintained at that low level ever since. Robust actions are in place to manage the residual risk, including a well-tested Extreme Weather Policy which reduces risk by closing sites before extreme weather events occur. The risk is also mitigated through planting a wider variety of species, including those which are more tolerant of drought and other extreme weather conditions. Both actions are fully embedded into day-day processes, enabling the risk to be sufficiently managed as 'business as usual'.
10. The full list of current City Gardens risks is as follows:
 - **ENV-CO-GC 018: Negative impacts of anti-social behaviour**
(Current risk score: RED 16, increasing)
 - **ENV-CO-GC 011: Tree and plant diseases and other pests**
(Current risk score: AMBER 12, constant)
 - **ENV-CO-GC 016: Staff resources**
(Current risk score: AMBER 12, constant)
 - **ENV-CO-GC 017: Decline in condition of assets**
(Current risk score: AMBER 12, constant)
 - **ENV-CO-GC 009: Risk to health and safety**
(Current risk score: AMBER 8, constant)

Corporate and Strategic Implications

11. 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.
12. 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.
13. 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

14. 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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