

# City of London Corporation Committee Report

<b>Committee(s):</b> Natural Environment Board	<b>Dated:</b> 29 January 2026
<b>Subject:</b> Risk Management Update Report	<b>Public report:</b> For Information
<b>This proposal:</b> <ul style="list-style-type: none"> <li>• <b>delivers Corporate Plan 2024-29 outcomes</b></li> <li>• <b>provides business enabling functions</b></li> </ul>	<b>Corporate Plan Outcomes:</b> Diverse engaged communities; Vibrant thriving destination; Providing excellent services; Flourishing public spaces; Leading sustainable environment <b>Business enabling functions:</b> Risk Management
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>If so, how much?</b>	N/A
<b>What is the source of Funding?</b>	N/A
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	N/A
<b>Report of:</b>	Katie Stewart, Executive Director Environment
<b>Report author:</b>	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; its risks are held in a register which is summarised in this report and at Appendix 2.

## **Recommendations**

Members are asked to note the content of this report and:

- A. The summary of the Natural Environment Cross-Divisional Risk Register presented within the report and at Appendix 1.
- B. The summary of the City Gardens Risk Register presented within the report and at Appendix 2.
- C. The assurance of the Executive Director 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.

## **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.
- 4. To support delivery of the Risk Management Strategy 2024-2029, a Corporate Risk Appetite Statement was recently approved by Court of Common Council. This Statement details the City Corporation's approach to taking risk across nine themes and will be used to aid strategic decision making. Initially, this is being applied to Corporate-level risks only, but will, in time, be rolled out to risks at all levels, including charity risks. Further details will be reported to your Board as they become available.

#### **Risk governance and reporting**

- 5. 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.

6. 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.
7. 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.
8. The City of London's Risk Management Framework requires each Chief Officer to report regularly to Committees on the risks faced by their department.
9. 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.

#### **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**

16. 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. The Director reviews the risks regularly in liaison with her Senior Leadership Team.
17. The Cross-Divisional Risk Register contains five RED risks, five AMBER risks and two GREEN risks. Since the last report to your Board, all risks have been reviewed and updated as necessary. The scores of two risks have changed and one risk has been closed and replaced with two new risks; further explanation of these changes is provided below:
18. **‘ENV-NE 003: Decline in condition of assets’.**  
The impact rating of this risk has now been decreased from ‘Extreme’ to ‘Major’ reducing the overall risk score from Red 32 to Red 16 (likely/major). While it remains likely that the risk will occur, should it do so, the impact will be less serious than previously. This positive change is a result of the large amount of work that has now been carried out, and planned, as part of the Cyclical Works Programme (CWP) backlog funding. Officers continue to work with colleagues in the City Surveyor’s Department as part of the Natural Environment Charities Review to clarify accountability and responsibility for building maintenance assets and reduce the likelihood of the risk occurring. This risk is reported in detail at Appendix 1 for Members’ information.
19. **‘ENV-NE 001: Risk to health and safety’.**  
The likelihood rating of the risk has been increased from ‘unlikely’ to ‘possible’, taking the overall risk score from Amber 8 to Amber 12 (possible/major). This change reflects current understaffing and over-reliance on casual staff which has resulted in some significant health and safety concerns at the North London Open Spaces sites. Some of those sites are also experiencing increasing anti-social behaviour issues which staff are having to deal with on a regular basis. Funding for additional staff for the North London Open Spaces is being sought as part of the Natural Environment Charities Review (NECR) re-baselining exercise and, if successful, this should help to reduce the risk score again.
20. **‘ENV-NE 010: Budget pressures and uncertainty over future funding model’.**  
For the sake of clarity and more effective management and mitigation, this risk has been closed and replaced with two new risks which separate out the NECR

elements from 'business as usual' budget pressures, as explained below. Both new risks are presented in detail at Appendix 1 for reference.

- **'ENV-NE 017: Budget pressures and 'business as usual' resourcing.**

This new risk covers potential insufficient funding to cover operating costs and deliver safe and effective core operations should there be reductions in the City's Estate grant or self-generated income sources and/or increases in costs. Proposals for re-based budgets have been prepared to outline needs for transitional funding to prepare the Natural Environment charities for success in fundraising and income diversification over future years, and to ensure baseline core budgets are sufficient. The budget proposals will be presented to Finance Committee for approval in January/February 2026 so that they can be included in the Corporation's budget-setting process for 2026/27. The risk will be reviewed and reassessed following confirmation of the new budgets.

- **'ENV-NE 018: Readiness for Natural Environment Charities Review implementation'**

This new risk addresses the potential implications should unrealistic, near-time, income targets be set for the charities following the move to a grant funding model. This could result in an inability to fully implement the NECR recommendations; take advantage of new funding model imperatives and opportunities of the NECR; and/or to build sufficient fundraising capacity, expertise and resources.

Actions to mitigate this risk include implementation of the recommendations of a Fundraising Consultant which identify capacity needs and fundraising priorities for each charity, and an options assessment of complementary land assets.

21. The full list of current Natural Environment Cross-Divisional risks is now as shown below (and at Appendix 1):

- **ENV-NE 003: Decline in condition of assets**  
(Current risk score: RED 16, decreasing)
- **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, constant)
- **ENV-NE 017: Budget pressures and 'business as usual' resourcing**  
(Current risk score: RED 16, new risk)
- **ENV-NE 018: Readiness for Natural Environment Charities Review implementation**  
(Current risk score: RED 16, new risk)
- **ENV-NE 001: Risks to health and safety**  
(Current risk score: AMBER 12, increasing)
- **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 004: Negative impacts from pests and diseases**  
(Current risk score: AMBER 8, constant)
- **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, constant)
- **ENV-NE 012: Negative impacts of carrying out wildlife management**  
(Current risk score: GREEN 2, constant)

### City Gardens Risks

22. City Gardens is part of the City Operations Division of the Environment Department, alongside Cleansing Services. The City Gardens Risk Register contains five risks (one RED and four AMBER) which are owned and managed by the City Gardens Manager and his Management Team. Since the last report to your Board, all risks have been reviewed and updated as necessary; none of the risk scores have changed.
23. The highest risk on the City Gardens register remains '**Negative impacts of anti-social behaviour**' (**Red 16, Likely/Major**). The risk score reflects ongoing incidents of problematic, anti-social and criminal behaviour across the City Gardens sites, and their potential impact on the sites; staff safety and wellbeing; user experience; reputational harm; and increased costs of cleaning and repairing damage. Officers are undertaking appropriate actions to reduce the risk score to the target of Amber 6 (Possible/Serious) over the coming months. Actions include continued partnership working with Parkguard to engage with offenders, and with the City's Outreach Team to engage with rough sleepers. Data on the issues faced by staff is also reported to the City Police.
24. The four Amber risks, listed below, are all being managed effectively as part of day-to-day operations. Risk owners monitor each risk, remaining aware of any changes or factors that could affect it, either positively or negatively, and identify any new opportunities to better control each one. Full details of all risks and their mitigating actions are presented to your Board every six months in detailed risk management update reports.
- **ENV-CO-GC 011: Tree and plant diseases and other pests**  
(Current risk score: Amber 12 (Possible/Major))
  - **ENV-CO-GC 016: staff resources**  
(Current risk score: Amber 12 (Possible/Major))
  - **ENV-CO-GC 017: Decline in condition of assets**  
(Current risk score: Amber 12 (Possible/Major))
  - **ENV-CO-GC 009: Risk to health and safety**  
(Current risk score: Amber 8 (Unlikely/Major))

### Corporate and Strategic Implications

25. 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.

26. 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.
27. 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**

28. 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 Risks
- Appendix 2 – City Gardens Risks
- Appendix 3 – City of London Corporation Risk Matrix

### **Contact**

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