



## Markets Committee

**Date:** WEDNESDAY, 22 JULY 2015  
**Time:** 11.30 am  
**Venue:** COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

**Members:**

John Scott (Chairman)	Deputy Alastair King
James Tumbridge (Deputy Chairman)	Edward Lord
Alex Bain-Stewart	Professor John Lumley
Deputy John Barker	Alderman Julian Malins
Nicholas Bensted-Smith	Wendy Mead
Christopher Boden	Deputy Robert Merrett
Revd Dr William Campbell-Taylor	Deputy Joyce Nash
Deputy John Chapman	Graham Packham
Karina Dostalova	Chris Punter
Deputy Kevin Everett	Elizabeth Rogula
Alderman John Garbutt	Ian Seaton
Deputy Stanley Ginsburg	Deputy Dr Giles Shilson
Deputy Brian Harris	Angela Starling
Tom Hoffman	Patrick Streeter
Michael Hudson	David Thompson
Deputy Jamie Ingham Clark	Mark Wheatley
Ann Holmes	

**Enquiries:** Gemma Stokley  
tel. no.: 020 7332 1427  
gemma.stokley@cityoflondon.gov.uk

Lunch will be served in Guildhall Club at 1pm  
**NB: Part of this meeting could be the subject of audio video recording**

John Barradell  
Town Clerk and Chief Executive

# AGENDA

## Part 1 - Public Agenda

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **PUBLIC MINUTES**  
To agree the public minutes of the meeting held on 13 May 2015.  

**For Decision**  
(Pages 1 - 6)
4. **REVENUE OUTTURN 2014/15**  
Joint report of the Chamberlain and the Director of Markets and Consumer Protection.  

**For Information**  
(Pages 7 - 24)
5. **ENFORCEMENT ACTIVITY AT SMITHFIELD MARKET**  
Report of the Director of Markets and Consumer Protection.  

**For Information**  
(Pages 25 - 40)
6. **FARMERS' MARKET - ST BARTHOLOMEW'S HOSPITAL**  
Report of the Director of Markets and Consumer Protection.  

**For Information**  
(Pages 41 - 46)
7. **SMITHFIELD MARKET - CONDENSER WATER COOLING SYSTEM - UPDATE**  
Report of the City Surveyor.  

**For Information**  
(Pages 47 - 52)
8. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
9. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
10. **EXCLUSION OF THE PUBLIC**  
**MOTION** - That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

## Part 2 - Non-Public Agenda

11. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the meeting held on 13 May 2015.

**For Decision**  
(Pages 53 - 58)

12. **ACTIONS TAKEN UNDER DELEGATED AUTHORITY OR URGENCY PROCEDURES**

Report of the Town Clerk.

**For Information**  
(Pages 59 - 60)

13. **POULTRY MARKET - GATEWAY 3 ISSUES AND ADDITIONAL OPTIONS REPORT**

Report of the City Surveyor.

**For Decision**  
(Pages 61 - 96)

14. **NEW SPITALFIELDS MARKET WASTE SELF-SURRENDER BY TENANTS - VARIATION TO WASTE MANAGEMENT CONTRACT**

Report of the Director of Markets and Consumer Protection.

**For Decision**  
(Pages 97 - 114)

15. **NON PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

16. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

This page is intentionally left blank

## MARKETS COMMITTEE

Wednesday, 13 May 2015

Minutes of the meeting of the Markets Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Wednesday, 13 May 2015 at 11.30 am

### Present

#### Members:

Deputy John Barker	Wendy Mead
Nicholas Bensted-Smith	Deputy Robert Merrett
Deputy John Chapman	Deputy Joyce Nash
Karina Dostalova	Graham Packham
Deputy Stanley Ginsburg	John Scott
Tom Hoffman	Ian Seaton
Michael Hudson	Deputy Dr Giles Shilson
Ann Holmes	Angela Starling
Deputy Alastair King	Patrick Streeter
Edward Lord	James Tumbridge
Professor John Lumley	Mark Wheatley
Alderman Julian Malins	

### In Attendance

#### Officers:

David Smith	Director of Markets and Consumer Protection
Donald Perry	Markets and Consumer Protection Department
Malcolm Macleod	Superintendent, Billingsgate Market
Nigel Shepherd	Superintendent, New Spitalfields Market
Julie Smith	Chamberlain's Department
Huw Lewis	Director (Property Projects), City Surveyor's Department
Steven Chandler	City Surveyor's Department
Andrew Crafter	City Surveyor's Department
Paul Hickson	Comptroller & City Solicitor's Department
Gregory Moore	Town Clerk's Department
Gemma Stokley	Town Clerk's Department

#### 1. APOLOGIES

Apologies were received from Christopher Boden, The Revd. William Campbell-Taylor, Deputy Kevin Everett, Alderman Garbutt, Deputy Brian Harris, Chris Punter, Elizabeth Rogula and David Thompson.

#### 2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

There were no declarations specific to items on this agenda; however, Alderman Malins took the opportunity to make a standing non-pecuniary

declaration in respect of matters concerning the Museum of London, by virtue of his being a member of that organisation's Board.

3. **ORDER OF THE COURT OF COMMON COUNCIL**

The Order of the Court of Common Council dated 23 April 2015 appointing the Committee and setting out its Terms of Reference was received.

4. **ELECTION OF CHAIRMAN**

The Committee proceeded to elect a Chairman in accordance with Standing Order No.29. The Town Clerk read a list of Members eligible to stand and John Scott, being the only Member expressing his willingness to serve, was duly elected as Chairman of the Committee for the ensuing year.

The Chairman thanked Members for their support and welcomed Deputy John Barker, Deputy Kevin Everett, Alderman John Garbutt, Ann Holmes, Alderman Julian Malins and David Thompson to the Committee following their appointment at the April meeting of the Court of Common Council.

He also took the opportunity to thank the four Commoners and two Aldermen who had now left the Committee for their contribution, viz. Hugh Morris, Christopher Hayward, Keith Knowles, Adam Richardson, Alderman Bowman and Alderman Hailes.

5. **ELECTION OF DEPUTY CHAIRMAN**

The Committee proceeded to elect a Deputy Chairman in accordance with Standing Order No. 30. The Town Clerk read out a list of Members eligible to stand as Deputy Chairman and both Deputy John Chapman and James Tumbridge indicated their willingness to serve,

A ballot was therefore conducted and the results were as follows:

	<b>Votes</b>
Deputy John Chapman	10
James Tumbridge	13

James Tumbridge was therefore declared Deputy Chairman for the ensuing year.

6. **APPOINTMENT OF REFERENCE SUB COMMITTEE**

The Committee proceeded to appoint a Reference Sub Committee for the ensuing year.

**RESOLVED** – That the terms of reference and composition of the Reference Sub Committee be agreed, with a Membership for the ensuing year as follows:-

- John Scott (Chairman)
- James Tumbridge (Deputy Chairman)
- Michael Hudson
- Karina Dostalova
- Deputy Stanley Ginsburg
- Edward Lord

- Deputy Joyce Nash
- Deputy Dr Giles Shilson
- Vacancy

7. **PUBLIC MINUTES**

The public minutes of the meeting held on 4 March 2015 were approved as a correct record, subject to the reference to “common land” at New Spitalfields Market on page 9 being corrected to read “common parts.”

8. **BUSINESS PLAN 2014/15: PERIOD 3 (DECEMBER - MARCH) UPDATE**

The Committee received a report of the Director of Markets and Consumer Protection providing an update on progress made against the Business Plan of the Markets Department for Period 3 (December-March) of 2014-15.

The Director commented on the sickness levels at Smithfield Market, which had been somewhat distorted by the number of long-term sickness absences previously reported to the Committee. He reassured Members that each of these long-term absences was being managed rigorously, adding that one Member of staff had now been dismissed and another was returning to work that week.

The Chairman noted the reference to the London Markets Board on page 17 of the report, advising Members that he had felt it would be appropriate for the City of London to be represented on this body and had asked the Director to join the Board accordingly.

A Member remarked upon the lack of visitors to Billingsgate Market during the period, noting that such visits were helpful in raising the market’s profile. It was suggested that Committee Members might assist in encouraging relevant high-profile individuals to attend; in response to queries around the sort of people that should be the focus of such approaches the Director advised that it would be best to consult with the Tenants’ Association as to whom they might consider most appropriate.

RESOLVED: That the report be received and its content noted.

9. **MARKETS BUSINESS PLAN 2015-2018**

The Committee considered a report of the Director of Markets and Consumer Protection seeking approval for the 2015-18 Business Plan of the City of London’s Wholesale Markets.

The Director of Markets and Consumer Protection prefaced discussion by advising Members that the Superintendent at New Spitalfields Market would be departing the Corporation in June to take up an offer of employment elsewhere. Consequently this would be his last meeting; Members thanked the Superintendent for his efforts over the years.

A Member referred to the lease negotiations at New Spitalfields Market mentioned in the business plan, asking if there had been any impact on the

financial position in respect of ongoing losses. It was advised that no relevant figures were yet available in terms of financial movement as the process had only recently been concluded, but a cost analysis would be undertaken for next year.

It was asked why the figure for income in 2015/16 was lower than the forecast outturn for 2014/15; the Director advised that he didn't have the detail to hand but would report back to the Member following the meeting.

A Member made reference to the ongoing Crossrail station construction around Billingsgate, asking why the Market's works couldn't have been undertaken simultaneously to minimise the period of disruption to traders. It was clarified that the vast majority of Crossrail construction works took place outside of trading hours so any disruption was minimal; it would also have been prohibitively difficult logistically to coordinate works with Crossrail.

RESOLVED: That the Business Plan for 2015-18 be approved.

10. **BILLINGSGATE MODERNISATION STRATEGY**

The Committee received a report of the Director of Markets and Consumer Protection concerning modernisation and improvement works at Billingsgate Market.

Noting the Worshipful Company of Fishmongers' involvement in the project, a Member questioned the appropriateness of their participation in discussions; the Director of Markets and Consumer Protection reminded Members of the services provided to the Market free of charge by the Company, with their two fully funded full-time fish inspectors delivering a much-valued contribution.

In response to a query as to the possible construction of a multi-story car park as an income generator for the market, the Director advised that this had previously been explored but had been felt to be unviable due to prohibitively high initial capital costs associated with construction.

A Member sought clarity as to why it was being proposed to cover the external marble stonework on the east side of the Market Hall and on the North face next to the entrance with aluminium plate. In response, the Director advised that the marble was often damaged by collisions with vehicles; not only was this unsightly, but these damaged sections were difficult to clean thoroughly, thereby risking a build-up of bacteria. These plates would protect the marble and prevent this.

RESOLVED: That the report be received and its content noted.

11. **RISK UPDATE**

The Committee received a report of the Director of Markets and Consumer Protection providing an update on those risks facing the markets and setting out the plans in place to mitigate these risks.

RESOLVED: That the report be received and its content noted.



12. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

**Committee Visit to Smithfield Market**

Noting the forthcoming visit to Smithfield Market on 20 May, a Member asked if it would be possible to begin the visit earlier than 07.00am so as to see some of the traders in operation. Given the proximity to the event it was suggested that it would be sensible to keep the time as it was for the current year, but explore the possibility of beginning earlier in future years. The Director of Markets and Consumer Protection also took the opportunity to remind Members that the department would be more than happy to arrange visits for Members during trading hours at other times of the year.

**Lord Mayor's Visit to New Spitalfields Market**

The Chairman advised the Committee that the Lord Mayor had visited New Spitalfields Market on 12 May accompanied by the Lady Mayoress and Sheriffs; the visit had been well received and had gone well.

13. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There were no urgent items.

14. **EXCLUSION OF THE PUBLIC**

**RESOLVED** – That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A of the Local Government Act as follows:-

Item	Paragraph
15 - 19	3

15. **NON-PUBLIC MINUTES**

The non-public minutes of the meeting held on 4 March 2015 were approved as a correct record.

16. **DEBT ARREARS**

Members received a report of the Director of Markets and Consumer Protection informing of invoiced income raised and outstanding as of 31 March 2015.

17. **TENANCIES AT WILL AND ASSIGNMENTS**

Members received a regular report on Tenancies at Will that have been granted at the City of London's Wholesale Markets and on lease assignments.

18. **SMITHFIELD MARKET CONDENSER WATER COOLING SYSTEM - UPDATE**

Members received a report of the City Surveyor providing an update on the performance of Smithfield Markets' Condenser Water Cooling System, which served Tenants' refrigeration equipment, and the works currently being undertaken to improve the system.

19. **POULTRY MARKET**

The Committee received a verbal update from the City Surveyor on the Poultry Market.

20. **ACTIONS TAKEN UNDER DELEGATED AUTHORITY OR URGENCY PROCEDURES**

The Committee received a report of the Town Clerk advising of two actions taken under delegated authority since the last meeting of the Committee.

21. **NON PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

22. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There was one urgent item.

**The meeting ended at 1.25 pm**

-----

Chairman

**Contact Officer: Gregory Moore  
tel. no.: 020 7332 1399  
gregory.moore@cityoflondon.gov.uk**

# Agenda Item 4

<b>Committee(s):</b>	<b>Date(s):</b>
Markets	22 July 2015
<b>Subject:</b> Revenue Outturn 2014/15	<b>Public</b>
<b>Report of:</b> The Chamberlain Director of Markets and Consumer Protection	<b>For Information</b>

## Summary

This report compares the 2014/15 revenue outturn for the services overseen by your Committee with the final budget for the year. Overall total net revenue outturn during the year was (£0.62m), whereas the total final budget was £1,009m, representing a surplus of (£1.071m) as summarised below.

### Summary Comparison of 2014/15 Revenue Outturn with Final Budget

	Latest Agreed Budget £000	Final Budget £000	Revenue Outturn £000	Variations Increase/ (Decrease) £000
<b>Local and Central Risk</b>				
Director of Markets and Consumer Protection	(2,562)	(2,217)	(2,977)	(760)
City Surveyor	1,094	1,094	907	(187)
<b>Total Direct Expenditure/(Income)</b>	<b>(1,468)</b>	<b>(1,123)</b>	<b>(2,070)</b>	<b>(947)</b>
<b>Capital and Support Services</b>	<b>1,975</b>	<b>2,132</b>	<b>2,008</b>	<b>(124)</b>
<b>Overall Totals</b>	<b>507</b>	<b>1,009</b>	<b>(62)</b>	<b>(1,071)</b>

The Director of Markets and Consumer Protection had a net under spend of £760,000 on his local and central risk budgets within Markets Committee, which mainly related to savings at Smithfield Market in relation to employment costs, utilities and delays in repairs from carried forward funds from 2013/2014. There are also savings at Billingsgate and New Spitalfields Markets in relation to re-phrased repair work funded from the local risk.

Chief Officers have submitted requests, to carry forward under spends. These requests will be considered by the Chamberlain in consultation with Chairman and Deputy Chairman of the Resource Allocation Sub Committee. The Director of Markets and Consumer Protection has requested to carry forward £407,000 for all the Committees within his remit, of which £189,000 was within the services

supporting Markets Committee. The City Surveyor's net under spend of £187,000 mainly related to re-phased additional work programme or historical repair work at Smithfield Market.

**Recommendations**

It is recommended that this revenue outturn report for 2014/15 and the proposed carry forward of under spending to 2015/16 are noted.

## Main Report

### Revenue Outturn for 2014/15

1. A summary comparison with the final budget for the year is tabulated below. In this and subsequent tables, figures in brackets indicate income or in hand balances, increases in income or decreases in expenditure. The net income position for your Committee's services during 2014/15 totalled (£0.62m), a surplus of (£1,071m) compared to the approved budget of £1,009m.

<b>Summary Comparison of 2014/15 Revenue Outturn with Final Budget</b>						
		<b>Latest Agreed Budget £000</b>	<b>Final Budget £000</b>	<b>Revenue Outturn £000</b>	<b>Variation Increase/ (Decrease) £000</b>	<b>Variation Increase/ (Decrease) %</b>
<b>Local Risk</b>						
Director of Markets and Consumer Protection	A	1,930	1,930	1,400	(530)	(27.5)
City Surveyor						
Repairs & Maintenance		471	471	519	48	10.2
Additional Works		623	623	388	(235)	(37.7)
Programme		1,094	1,094	907	(187)	(17.1)
City Surveyor's Total		<b>3,024</b>	<b>3,024</b>	<b>2,307</b>	<b>(717)</b>	<b>(23.7)</b>
<b>Total Local Risk</b>						
<b>Central Risk</b>						
Director of Markets and Consumer Protection	B	(4,492)	(4,147)	(4,377)	(230)	5.5
<b>Total Local and Central risk</b>		<b>(1,468)</b>	<b>(1,123)</b>	<b>(2,070)</b>	<b>(947)</b>	<b>84.3</b>
<b>Capital and Support Services</b>		<b>1,975</b>	<b>2,132</b>	<b>2,008</b>	<b>(124)</b>	<b>(5.8)</b>
<b>Total local and Central risk excluding City Surveyors</b>	C	<b>(2,562)</b>	<b>(2,217)</b>	<b>(2,977)</b>	<b>(760)</b>	<b>34.3</b>
<b>Overall Totals</b>		<b>507</b>	<b>1,009</b>	<b>(62)</b>	<b>(1,071)</b>	<b>(106.1)</b>

Note: Local Risk, line A and Central Risk, line B = line C which is the 1<sup>st</sup> row of the summary comparison table.

2. The local risk under spend of £717,000 comprises the following main variations:

**Director of Markets and Consumer Protection** – lower than anticipated expenditure as follows:

- **Smithfield Market (£389,000)**
  - employment costs are lower than anticipated as posts have been deleted through natural wastage as part of the Service Based Review and as part of the ongoing negotiations with the Smithfield Tenants Association regarding required service levels payable through the Service Charge (£120,000);
  - due to delays in procurement and City Surveyor resources, carry forward funding of (£147,000) from the previous year is being re- applied as a carry forward budget from 2014/15 into 2015/16;
  - utilities are lower than anticipated due to weather conditions resulting in reduced consumption of (£122,000).
- **Smithfield Other Properties (Rotunda car park/underground storage facility, Cock Tavern and tunnels) (£53,000)** - additional income of (£34,000) was generated from the Rotunda car park as well as lower than anticipated premises related expenses for the car park (£19,000).
- **Billingsgate Market (£35,000)** – additional income generated from filming and car parking. (20% of car parking income is allocated to local risk)
- **Directorate (£32,000)** – lower than anticipated employment costs due to a Service Based Review saving of one post.
- **New Spitalfields Market (£21,000)** – lower than anticipated vacancies.

**City Surveyor** – a reduction in repairs and maintenance costs mainly due to re-phased, or cancelled projects as follows:

- **Smithfield Market (£166,000)** – is due to rephrased works on the Additional Work Programme and historical work programme of (£223,000), and additional expenditure on general breakdown repairs of 57,000.
- **Billingsgate and New Spitalfields Market (£21,000)** – works and repairs funded from the reserves and/or the service charge are now recorded under local risk, so the budget was not required.

3. The central risk under spend of (£230,000) comprises the following main variations:

• **Smithfield Market (£208,000)**

- reduced expenditure on inspections made by the Meat Inspectors Office which is a Service Based Review saving (£45,000),
- net reduction of Tenancy at Will income £24,000;
- savings made on the Food Standard Agency (FSA) inspections due to the cost of inspections now invoiced direct to the tenants (£105,000);
- rebate for over charging the 2012-13 FSA inspections (£55,000);
- additional car parking income (£30,000) and additional rental income of (£4,000), less costs of re-letting the Cock Tavern £7,000.

• **Billingsgate Market (£53,000);**

- additional income from the 80% allocated car parking income (£41,000) (80% of car parking income is allocated to central risk),
- reduced professional fees for the Satellite Unit due to timing of work, further costs expected. (£8,000);
- bad debt provision reduced (£10,000),
- increased service charge costs due to vacant premises £6,000

• **New Spitalfields Market £31,000** is due to a reduction of Tenancy at Will income.

4. The £124,000 variation in Capital and Support Services is due to increases in Support Services due to the additional costs associated with the restructure in the Chamberlain Department for IT and Procurement Services.

Annex A1 and A2 provides a more detailed comparison of the local risk outturn against the final budget, including explanations of variations.

**Local Risk Carry Forward to 2014/15**

5. Chief Officers can request up to 10% or £500,000 of under spend (whichever is the lesser) of the final local risk budget to be carried forward, as long as it is not fortuitous and the resources are required for a planned purpose. Such requests are considered by the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub Committee.

6. The Director of Markets and Consumer Protection had a local risk under spend of (£530,000) on the activities overseen by your Committee and is proposing to carry forward £189,000 of his local risk under spend for the following purposes:

## **City Cash - Smithfield Market**

- £47,000 for the renewal of emergency lighting in the West Market - previously unspent carry forward from 2013/14,
  - £10,000 to renew the rail system compressors for the East and West Market - previously unspent carry forward from 2013/14,
  - £90,000 to re-install showers and tanking to floor in the West Market common changing areas to maintain water tight surfaces - previously unspent carry forward from 2013/14;
  - £16,000 for the renewal of non slip surfaces of the loading bays for the East and West Market;
  - £20,000 for an inverter drive replacement;
  - £6,000 for 2 new CCTV cameras in the Poultry Market.
7. The City Surveyor's under spend of (£187,000) relates mainly to re-phased or cancelled projects at Smithfield Market (£166,000), Billingsgate Market (£19,000) and New Spitalfields (£2,000). The cancelled or re-phased projects have been reviewed under the 20 year plan between the Superintendents and the City Surveyor to ensure the planned programme of works is maintained and any delayed or cancelled projects are rolled over to future years.

## **Movement between Latest Approved Budget and Final Budget**

8. Members have asked for clarification on the changes in budgets during the year and it has been agreed that a reconciliation of movement be prepared detailing the variations which is shown at Annex A3

## **Financial Performance of the Markets**

9. Members have in the past, requested a breakdown of financial performance of individual Wholesale Markets (i.e. excluding the car park and outside properties at Smithfield). This is set out in Annex B1 which shows the operating costs for each Market. This table is not prepared in accordance with conventional City of London format as shown in Annex A1 and A2, therefore brackets indicate increases in expenses or decreases in income.

An apportionment of the Directorate costs and other central support costs are included below the operating line. The three Wholesale Markets produced a combined operating surplus of £2.305m in 2014/15. Surpluses of £1.561m and £0.963m at Spitalfields and Billingsgate respectively have been partly offset by a deficit of (£0.219m) at Smithfield.

10. When capital costs of (£0.847m) and central support costs of (£1.429m) respectively are added, there is a consolidated surplus to the City of London Corporation of £0.029m in 2014/15.
11. Details of variances for Appendix B1 are listed and attached on Appendix B2.



Annex A1 - Comparison of 2014/15 Local Risk Revenue Outturn with Final Agreed Budget  
Annex A2 - Comparison of 2014/15 Central Risk Revenue Outturn with Final Agreed Budget  
Annex A3 – Movement from Latest Approved Budget to Final Budget  
Appendix B1 - Comparison of 2014/15 Operating Statement with Operating Budget  
Appendix B2 – Variance details for appendix B1

**Contacts:**

*Simon Owen*

020 7332 1358

[simon.owen@cityoflondon.gov.uk](mailto:simon.owen@cityoflondon.gov.uk)

*Debbie Howard*

020 7332 3574

[debbie.howard@cityoflondon.gov.uk](mailto:debbie.howard@cityoflondon.gov.uk)

**Markets Committee - Comparison of 2014/15 Revenue Outturn with Final Agreed Budget**

	<b>Latest Approved Budget £000</b>	<b>Final Budget £000</b>	<b>Revenue Outturn £000</b>	<b>Variation Increase/ (Decrease) £000</b>	<b>Variation %</b>	<b>Reasons</b>
<b>LOCAL RISK</b>						
<b>Director of Markets</b>						
City Fund						
Spitalfields Market Service Charge	25	25	2	(23)	(92.0)	1
Spitalfields Market Corporation	22	22	24	2	9.1	2
<b>Total City Fund</b>	<b>47</b>	<b>47</b>	<b>26</b>	<b>(21)</b>	<b>(44.7)</b>	
City's Cash						
Smithfield Market Service Charge	989	989	782	(207)	(20.9)	3
Smithfield Market Non Service Charge	299	299	117	(182)	(60.9)	4
Smithfield Market Other Services	(17)	(17)	(70)	(53)	(311.8)	5
Billingsgate Market Non Service	163	163	128	(35)	(21.5)	6
Markets Directorate	449	449	417	(32)	(7.1)	7
<b>Total City's Cash</b>	<b>1,883</b>	<b>1,883</b>	<b>1,374</b>	<b>(509)</b>	<b>(27.0)</b>	
<b>Total Director of Markets</b>	<b>1,930</b>	<b>1,930</b>	<b>1,400</b>	<b>(530)</b>	<b>(27.5)</b>	
<b>City Surveyor</b>						
City Fund						
Spitalfields Market Service Charge	30	30	26	(4)	(13.3)	
Spitalfields Market Corporation	1	1	3	2	(200.0)	
<b>Total City Fund</b>	<b>31</b>	<b>31</b>	<b>29</b>	<b>(2)</b>	<b>(6.5)</b>	<b>8</b>
City's Cash						
Smithfield Market Service Charge	250	250	307	57	22.8	9
Smithfield Market Non Service Charge	663	663	440	(223)	(33.6)	9
Smithfield Other Services	0	0	0	0	00	
Billingsgate Market Service Charge	139	139	131	(8)	(5.8)	10
Billingsgate Market Non Service	11	11	0	(11)	(100)	10
<b>Total City's Cash</b>	<b>1063</b>	<b>1063</b>	<b>878</b>	<b>(185)</b>	<b>(17.4)</b>	
<b>Total City Surveyor</b>	<b>1,094</b>	<b>1094</b>	<b>907</b>	<b>(187)</b>	<b>(17.1)</b>	
<b>TOTAL LOCAL RISK</b>	<b>3,024</b>	<b>3,024</b>	<b>2,307</b>	<b>(717)</b>	<b>(23.7)</b>	

## Reasons for Local Risk Variations – Director of Markets

1. **Spitalfields Market Service Charge Account** - under spend of (£23,000) is due to the following:
  - A budget is maintained on the Service Charge Account to expend against Service Charge apportionment for vacant premises (voids) which is the liability of the City of London under the current leases. The vacant premises were lower than anticipated which has resulted in an under-spend of (£23,000).
2. **Spitalfields Market Corporation Account** - the overspend of £2,000 is due to the following:
  - Hosting an event for the World Union of Wholesale Markets (WUWM) from planned under spends elsewhere in the budget £15,000;
  - Rates were less than anticipated (£2,000);
  - Supplies and Services were less than expected mainly due to the Professional/Legal fee budget not required in 2014/15 (£8,000) and equipment, printing and conference budgets not fully expended (£3,000).
3. **Smithfield Market Service Charge Account** - the under spend of (£207,000) is mainly due to the following:
  - Lower than expected employment costs of (£120,000) due to:
    - ❖ Cleaning and Maintenance Operatives – several vacancies for different time periods throughout the year, offset against agency costs (£107,000)
    - ❖ Administration Posts – 1 vacant part time administration post, all year (£13,000);
  - Lower than expected chilled and hot water provided by Citigen (£39,000);
  - Lower than expected electricity costs for common areas due to lower consumption and better check meters (£48,000).
4. **Smithfield Market Non Service Charge Account** - under spend of (£182,000) is mainly due to the following:
  - Lower than expected employment costs of (£13,000);
  - Due to delays in procurement and City Surveyor resources, carry forward funding of (£147,000), is being re- applied as a carry forward budget from 2014/15 into 2015/16;
  - Higher than expected income for utilities and fees (£22,000).

5. **Smithfield Market Other Services**- under spend of (£53,000) is mainly due to the following:
  - Additional income of (£34,000) was generated from the Rotunda car park;
  - Lower than anticipated premises related expenses for the car park (£19,000).
6. **Billingsgate Market Non Service Charge** – the underspend of (£35,000) is due to the additional income generated from the car park.
7. **Directorate** – the reduction of (£32,000) is due to reduced employment costs due to an administration vacancy in the Directorate. The reduction is passed onto all the Markets and Consumer Protection budgets under the remit of the Director, through the recharging policy of the City of London. This post has been identified as a Service Based Review saving.

#### Reasons for Significant Local Risk Variations – City Surveyors

8. The under spend at New Spitalfields Market is due to works costing less than expected (£2,000).
9. The net under spend of (£166,000) at Smithfield Market is due to the Additional Work Programme being delayed and re-phased (£223,000) and additional general breakdown works of £57,000.
10. The net under spend of (£19,000) at Billingsgate Market is due to delayed or cancelled minor works.

**Markets Committee - Comparison of 2013/14 Revenue Outturn  
with Final Budget**

	<b>Latest Approved Budget £000</b>	<b>Final Budget £000</b>	<b>Revenue Outturn £000</b>	<b>Variation Increase/ (Decrease) £000</b>	<b>Variation %</b>	<b>Reasons</b>
<b>CENTRAL RISK</b>						
<b>Director of Markets</b>						
City Fund						
Spitalfields Market Service	(426)	(426)	(423)	3	(0.7)	
Charge	(1,347)	(1,347)	(1,308)	39	(2.9)	11
Spitalfields Market City	(29)	(29)	(40)	(11)	37.9	12
Account						
Spitalfields Market Tenants						
Repairs						
Total City Fund	(1,802)	(1,802)	(1,771)	31	(1.7)	
City's Cash						
Smithfield Market Service	105	105	(55)	(160)	(152.4)	13
Charge	(1,647)	(1,302)	(1,323)	(21)	1.6	14
Smithfield Market Non	0	0	(27)	(27)	0	15
Service	(289)	(289)	(285)	4	(1.4)	
Smithfield Market Other	(835)	(835)	(892)	(57)	6.8	16
Services	(24)	(24)	(24)	0	0	
Billingsgate Market Service	0	0	0	0	0	
Charge						
Billingsgate Market Non						
Service						
Billingsgate Market Special						
Works						
Directorate						
Total City's Cash	(2,690)	(2,345)	(2,606)	(261)	11.1	
<b>TOTAL CENTRAL RISK</b>	<b>(4,492)</b>	<b>(4,147)</b>	<b>(4,377)</b>	<b>(230)</b>	<b>5.5</b>	

**Reasons for Significant Central Risk Variations**

11. **Spitalfields Market City A/C** – net income is lower due to reduced Tenancy at Will rent in the year £39,000.
12. **Spitalfields Market Tenants Repairs A/C** – net income/expenditure on this account is transferred to/from the Spitalfields Reserve Account to fund works and projects. More works were complete which resulted in additional funds required from the Spitalfields Market Reserve Account (£11,000).
13. **Smithfield Service Charge A/C** – net expenditure is lower due mainly to the reduction of the FSA Inspection fee charges (£105,000) and a rebate on the previous year of (£55,000).
14. **Smithfield Market Non Service Charge A/C** – net income is higher due to the reduction in expenditure for inspections by Environment Services (£45,000), less lower than expected rental income due to reduction of Tenancy at Will fees of £24,000.

15. **Smithfield Other Services A/C** – net income is higher due mainly to additional income for car parking (£30,000) and additional rent of (£4,000), less professional fees required for the letting of the Cock Tavern £7,000.
16. **Billingsgate Market Non Service Charge** – net income is higher due to additional car parking income.

Annex A3

Markets Committee – Movement in 2014/15 Latest Approved Budget to Final Budget

Analysis by Service Managed	Original Budget 2014-15 £'000	Latest Approved Budget* 2014-15 £'000	Final Budget 2014-15 £'000	Movement £'000	Notes
<b>CITY FUND</b>					
Spitalfields Market Service Charge	35	25	25	0	
Spitalfields Market City Account	(822)	(832)	(832)	0	
Spitalfields Market Repainting & Repair	0	0	0	0	
<b>TOTAL CITY FUND</b>	<b>(787)</b>	<b>(807)</b>	<b>(807)</b>	<b>0</b>	
<b>CITY CASH</b>					
Smithfield Market Service Charge	1,785	1,700	1,701	1	(a)
Smithfield Market City Account	(210)	(78)	292	370	(b)
Smithfield Other Properties	28	47	47	0	
<b>TOTAL SMITHFIELD MARKET</b>	<b>1,603</b>	<b>1,669</b>	<b>2,040</b>	<b>371</b>	
Billingsgate Market Service Charge	0	0	0	0	
Billingsgate Market City Account	(434)	(355)	(333)	22	(c)
Billingsgate Market Repainting & Repair	0	0	0	0	
<b>TOTAL BILLINGSGATE MARKET</b>	<b>(434)</b>	<b>(355)</b>	<b>(333)</b>	<b>22</b>	
<b>DIRECTORATE – Late budget change for reapportionment.</b>	<b>0</b>	<b>0</b>	<b>109</b>	<b>109</b>	<b>(d)</b>
<b>TOTAL CITY CASH</b>	<b>1,169</b>	<b>1,314</b>	<b>1,816</b>	<b>502</b>	
<b>TOTAL</b>	<b>382</b>	<b>507</b>	<b>1,009</b>	<b>502</b>	

\*Latest Approved Budget as reported to your Committee on 26<sup>th</sup> November 2014

**Notes:**

- a) Transfer of £1,000 from central funds for contribution pay while service charge is capped.
- b) Transfer of £300,000 from capital to fund the transfer of supplementary revenue project costs for the Poultry Market roof and the transfer of £70,000 for central recharges and capital charges from Environmental Services for the Animal By Product facility at Smithfield Market.
- c) Transfer of £22,000 from central funds for film liaison apportioned costs.
- d) Transfer of £109,000 from central funds for IT and Procurement services apportioned costs. This was a late budget transfer and so has not been reapportioned across the Markets to create a nil position on the Directorate.

This page is intentionally left blank



APPENDIX B1

	Spitalfields						Billingsgate						Smithfield						Total					
	A	B	C	B-C	% variance	Notes	A	B	C	B-C	% variance	Notes	A	B	C	B-C	% variance	Notes	A	B	C	B-C	% variance	Notes
	Latest Approved Budget 2014/15 £'000	Final Budget 2014/15 £'000	Actual 2014/15 £'000	Variance 2014/15 £'000			Latest Approved Budget 2014/15 £'000	Final Budget 2014/15 £'000	Actual 2014/15 £'000	Variance 2014/15 £'000			Latest Approved Budget 2014/15 £'000	Final Budget 2014/15 £'000	Actual 2014/15 £'000	Variance 2014/15 £'000			Latest Approved Budget 2014/15 £'000	Final Budget 2014/15 £'000	Actual 2014/15 £'000	Variance 2014/15 £'000		
<b>Operating Expenditure</b>																								
<b>Expenditure</b>																								
Employees (basic pay, NI, pension, overtime, training and recruitment advertising)	(1,276)	(1,276)	(1,264)	12	-1%		(1,598)	(1,598)	(1,600)	(2)	0%		(1,912)	(1,913)	(1,793)	120	-6%	11	(4,786)	(4,787)	(4,657)	130	-3%	
Premises (Energy, repair and maintenance, rates, insurance, water, pest control, cleaning materials )	(1,411)	(1,411)	(1,216)	195	-14%	1	(1,480)	(1,480)	(1,444)	36	-2%	5	(3,398)	(3,398)	(2,992)	406	-12%	12	(6,289)	(6,289)	(5,652)	637	-10%	
Transport (Vehicle running costs, congestion charge and travel costs)	(6)	(6)	(5)	1	-17%		(37)	(37)	(69)	(32)	86%	6	(13)	(13)	(10)	3	-23%	13	(56)	(56)	(84)	(28)	50%	
Supplies and Services (Refuse collection, Equipment and CCTV hire/maintenance and purchase, uniforms and clothing, communication and office expenses)	(145)	(145)	(142)	3	-2%		(156)	(156)	(118)	38	-24%	7	(464)	(764)	(556)	208	-27%	14	(765)	(1,065)	(816)	249	-23%	
Waste and Cleaning contract (Spitalfield Market only)	(1,807)	(1,807)	(1,811)	(4)	0%	2	0	0	0	0	0%		0	0	0	0	0%		(1,807)	(1,807)	(1,811)	(4)	0%	
<b>Total Operating expenditure</b>	<b>(4,645)</b>	<b>(4,645)</b>	<b>(4,438)</b>	<b>207</b>	<b>-4%</b>		<b>(3,271)</b>	<b>(3,271)</b>	<b>(3,231)</b>	<b>40</b>	<b>-1%</b>		<b>(5,787)</b>	<b>(6,088)</b>	<b>(5,351)</b>	<b>737</b>	<b>-12%</b>		<b>(13,703)</b>	<b>(14,004)</b>	<b>(13,020)</b>	<b>984</b>	<b>-7%</b>	
<b>Income</b>																								
Rent, Wayleaves and Tolls Income	1,330	1,330	1,330	0	0%		667	667	623	(44)	-7%	8	1,713	1,713	1,713	0	0%		3,710	3,710	3,666	(44)	-1%	
Charges for Services (Filming, car parking, service charge income, insurance, advertising hoarding, reimbursment if direct recovered costs)	4,684	4,684	4,669	(15)	0%	3	3,479	3,479	3,571	92	3%	9	3,431	3,431	3,419	(12)	0%	15	11,594	11,594	11,659	65	1%	
<b>Total Operating Income</b>	<b>6,014</b>	<b>6,014</b>	<b>5,999</b>	<b>(15)</b>	<b>0%</b>		<b>4,146</b>	<b>4,146</b>	<b>4,194</b>	<b>48</b>	<b>1%</b>		<b>5,144</b>	<b>5,144</b>	<b>5,132</b>	<b>(12)</b>	<b>0%</b>		<b>15,304</b>	<b>15,304</b>	<b>15,325</b>	<b>21</b>	<b>0%</b>	
<b>Net Operating Surplus/(Deficit)</b>	<b>1,369</b>	<b>1,369</b>	<b>1,561</b>	<b>192</b>	<b>14%</b>		<b>875</b>	<b>875</b>	<b>963</b>	<b>88</b>	<b>10%</b>		<b>(643)</b>	<b>(944)</b>	<b>(219)</b>	<b>725</b>	<b>-77%</b>		<b>1,601</b>	<b>1,300</b>	<b>2,305</b>	<b>1,005</b>	<b>77%</b>	
<b>Central Costs</b>																								
Capital Charges (Depreciation and Interest)	(555)	(555)	(555)	0	0%		(204)	(204)	(203)	1	0%		(16)	(89)	(89)	0	0%		(775)	(848)	(847)	1	0%	
Other Central Costs (All Markets = transfer from and to reserves, recharges across and within funds and the apportionment of the Market Directorate.	(7)	(7)	(254)	(247)	3529%	4	(316)	(338)	(307)	31	-9%	10	(963)	(960)	(868)	92	-10%	16	(1,286)	(1,305)	(1,429)	(124)	10%	
<b>Total Market (Expenditure)/Income</b>	<b>807</b>	<b>807</b>	<b>752</b>	<b>(55)</b>	<b>-7%</b>		<b>355</b>	<b>333</b>	<b>453</b>	<b>120</b>	<b>36%</b>		<b>(1,622)</b>	<b>(1,993)</b>	<b>(1,176)</b>	<b>817</b>	<b>-41%</b>		<b>(460)</b>	<b>(853)</b>	<b>29</b>	<b>882</b>	<b>-103%</b>	

N.B.

This table has not been prepared in accordance with conventional City of London Corporation format. In the table above ( ) = Expenditure / Deficit

\*Excludes the car park and outside properties at Smithfield

Includes monies allocated from Policy and Resources Committee for additional repairs and maintenance at Smithfield and Legal and Surveying fees for lease renewals

Notes on Net Operating Surplus/Deficit are located at Annex B2

Budget movement from LAB to Final budget	
Changes made at year end	
LAB o/B	(460)
Smithfield ABP recharegs/capital trfd from ES	(70)
Smithfield SRP contingency for Poultry market roof- prof fees	(300)
Smithfield central employment adjustment	(1)
Billingsgate Film Liason budget from centre	(22)
<b>Final Budge</b>	<b>(853)</b>

This page is intentionally left blank

## Operating Statement Notes

The tables below analyse the variances for the Wholesale Markets as reported on the Operating Summary which is attached at Appendix B1. The summary compares the 2014-15 final budget to the actual outturn for 2014-15. The Operating summary and statement has not been prepared in accordance with conventional City of London Corporation format. Brackets on the summary signify an expenditure item and/or deficit position. All increases in the budget, whatever the percentage and decreases of 10% or more have been detailed below.

<u>New Spitalfields Market Note number</u>	<u>Description</u>	<u>2014-15 Final Budget to actual outturn</u>
	<b>Expenditure</b>	
1	Premises related	The 195,000 a 14% decrease in premises related costs are due to: <ul style="list-style-type: none"> <li>• The City Surveyor has carried out less repair projects at Spitalfields than planned £217,000,</li> <li>• small overspends on rates and utilities (£22,000)</li> </ul>
2	Waste/cleaning contract	<ul style="list-style-type: none"> <li>• The (£4,000), a &lt;1% increase in the waste and cleaning is due to the annual increase in RPI allowable under the contract.</li> </ul>
3	Income	<ul style="list-style-type: none"> <li>• The (£15,000), a &lt;1% decrease in fees for services is due to a net reduction in service charge expenditure.</li> </ul>
	<b>Central Costs</b>	
4	Other Central costs	The (£247,000), 3529%, is an increase which is created as a result of: <ul style="list-style-type: none"> <li>• A net transfer to the reserves account from the service charge revenue account of (£217,000) due to a reduction in repairs,</li> <li>• An increase of (£30,000) for IT central recharges.</li> </ul>

<b><u>Billingsgate Market Note number</u></b>	<b><u>Description</u></b>	<b><u>2014-15 Final Budget to actual outturn</u></b>
	<b>Expenditure</b>	
5	Premises related	The £36,000, a 2.0% reduction in costs relate to <ul style="list-style-type: none"> <li>• a net reduction in repairs carried out by City Surveyors £71,000,</li> <li>• an increase in general breakdown costs of (£24,000),</li> <li>• an increase in water costs of (£11,000).</li> </ul>
6	Transport related	The (£32,000), an 86% increase, is due to the purchase of the Johnston Sweeper for (£31,000) and the higher than anticipated cost of staff travel (£1000).
7	Supplies and Services	A reduction of £38,000, a 24.% decrease is due to <ul style="list-style-type: none"> <li>• a reduction in Professional fees in 2014/15 for the letting of the Satellite unit £17,000, there will be further costs in 2015/16,</li> <li>• reduction in bad debt provision of £11,000,</li> <li>• savings made on waste removal £10,000.</li> </ul>
	<b>Income</b>	
8	Rent, Wayleaves and tolls	The (£44,000), a 7% decrease is due to the delay in renting the Satellite Unit.
9	Charges for services	The £92,000, a 3% increase is due to additional income for parking and filming.
	<b>Central Costs</b>	
10	Other central costs	The £31,000, a 9% decrease is created as a result of a reduction in net transfers from the reserve account to the revenue account.

<u>Smithfield Market Note number</u>	<u>Description</u>	<u>2014-15 Final Budget to actual outturn</u>
	<b>Expenditure</b>	
11	Employee costs	The £120,000, a 0.6% decrease is due to: <ul style="list-style-type: none"> <li>• Several vacancies for different time periods over the year for cleaning and maintenance posts, some of which will be given up as part of the Service Based Review £107,000,</li> <li>• a full year vacancy of a part time administrator £13,000.</li> </ul>
12	Premises related	The £406,000, a decrease of 12% is due to <ul style="list-style-type: none"> <li>• re-phase some of the Additional Works Programme £166,000,</li> <li>• carry forward estimates £147,000</li> <li>• energy cost reduction £48,000,</li> <li>• cool and hot water reduction of £39,000.</li> <li>• Water consumption £6,000.</li> </ul>
13	Transport related	The £3,000, a decrease of 23% is due to a reduction of the congestion charge to staff during certain shift patterns.
14	Supplies and Services	The £208,000, a decrease of 27% is due to <ul style="list-style-type: none"> <li>• A reduction in the Environmental Services inspections £45,000,</li> <li>• a rebate of £55,000 from FSA for inspections of the market,</li> <li>• the FSA inspections no longer take place, therefore there is a saving of £105,000,</li> <li>• a reduction in the bad debt provision of £3,000.</li> </ul>
	<b>Income</b>	
15	Charges for Services	The (£12,000), a decrease in income of <1% is due to a reduction in filming fees.
	<b>Central Costs</b>	
16	Other central costs depreciation	The (£92,000), a decrease of 10% is due to a reduction in transfers from the market reserve account to the revenue account.

This page is intentionally left blank

# Agenda Item 5

<b>Committee(s):</b>	<b>Date(s):</b>	<b>Item no.</b>
Markets Committee	22 July 2015	
<b>Subject:</b> Enforcement Activity at Smithfield Market	<b>Public</b>	
<b>Report of:</b> Director of Markets & Consumer Protection	<b>For Information</b>	
<b><u>Summary</u></b>		
<p>This report advises your Committee of Enforcement Activity carried out by the Smithfield Enforcement Team within my Department during the four month period 1 February 2015 to 31 May 2015.</p>		
<p>It provides information on the Food Standards Agency's (FSA) National Co-ordinated Food Sampling Programme 2014/15, the FSA funded food standards and traceability project carried out at Smithfield between October 2014 and January 2015 and the training developed for Smithfield traders to assist them in complying with their legal obligations in respect of the new Food Information Regulations 2014.</p>		
<p>In respect of enforcement under the Health &amp; Safety at Work etc Act 1974, it should be noted that there has been a slight increase over the last quarter in the level of verbal advice given to traders, market customers and self-employed persons.</p>		
<b>Recommendations</b>		
<p>I recommend that your Committee notes the content of this report.</p>		

## Main Report

### **Background**

1. This is the thirty sixth report submitted to your Committee detailing the activities of the Smithfield Enforcement Team.
2. The table at Appendix 1 provides a breakdown of Health and Safety enforcement activity for the four month period 1<sup>st</sup> February 2015 to 31<sup>st</sup> May 2015. The names of tenants in respect of which warnings were issued have not been included. The table at Appendix 2 shows Health and Safety enforcement activity during the last sixteen months. The report provided to the FSA on the findings of the food standards and traceability project is included at Appendix 3.

### **Current Position**

3. Members will recall that following a successful bid, the FSA provided funding of £1,590 to the City of London Corporation for the purpose of food sampling at Smithfield Market as part of their 2014/15 National Co-ordinated Sampling Programme. The funding was provided to cover officer costs in obtaining samples. A total of 53 samples were obtained and submitted for analysis during the period August 2014 to December 2014 comprising minced meat (37 samples) and uncooked chicken (16 samples). Public analyst costs were funded directly by the FSA. Results in all but 13 samples were reported to the last Committee. Results of the final 13 samples have now been received. Ten of these were satisfactory whilst 3 were unsatisfactory. The unsatisfactory samples were minced meat, of which 2 contained excess water not indicated on the label contrary to the requirements of the Food Information Regulations 2014, and 1 was incorrectly labelled in respect of the % fat content and collagen/meat protein ratio content contrary to the requirement of the Food Information Regulation 2014.
4. The manufacturers of the unsatisfactory samples have been notified of the results and provided with advice on how they can comply with the legislation.
5. Members will recall that a further successful bid for funding was made to the FSA in August 2014 for £ 26,000. This was to undertake a 3 month project (October 2014 – January 2015) focusing on food standards and traceability at Smithfield market, and the development of guidance and training on new EU labelling rules to enable Smithfield traders to meet their legal obligations in respect of The Food Information Regulations 2014. Work on any other areas of specific concern to the City of London was also agreed, including continuation of the joint initiative assessing compliance by food delivery vehicles, food labelling compliance and animal by-product controls.
6. A report was provided to the FSA in March 2015 detailing the outcomes of the project. This is included for information at Appendix 3.



7. Members will recall that all market traders were provided with detailed guidance produced in conjunction with a consultant from Campden BRI Group to assist them in complying with the new Food Information Regulations 2014. Training took place on 6 and 13 May which was offered to all traders, some of whom sent more than one representative.
8. Proposals are currently being considered for a further bid to participate in the FSAs 2015/16 National Co-ordinated Food Sampling Programme and other project work at Smithfield. Once details have been finalised an update will be provided to your Committee.
9. The Committee was previously advised of the consultation issued by the FSA in November 2014 on amendments to the Food Law Code of Practice. Following the consultation the revised Code of Practice was published in April 2015. The changes to the Code included revised arrangements for food establishment registration and inspection of mobile food establishments, ships and aircrafts, and revised competency and qualification requirement for authorised officers. These changes will not impact on the day to day enforcement activities carried out at Smithfield.
10. Regular liaison meetings continue to take place between City of London Corporation officers and the FSA. Further, City of London Corporation officers and FSA officials meet with the Smithfield Market Traders Association on a regular basis.
11. During the four month period from February 2015 to May 2015 advice has continued to be provided to traders, customers and self-employed persons under the Health and Safety at Work etc. Act 1974 with verbal advice being provided on 187 occasions for contraventions such as not wearing personal protective equipment. This is a slight increase on the previous reporting period when advice was provided on 180 occasions. It should be noted that of the 187 occasions this period, 9 involved traders, the remainder involved customers (173) and self- employed persons (5).
12. Health and safety enforcement is delivered having regard to the Compliance Code for Regulators and the Port Health and Public Protection Service Enforcement Policy.

### **Conclusion**

13. My officers in the Smithfield Enforcement team continue to work collaboratively with the FSA and are currently working with them to identify priorities for further work in 2015/16.

### **Background Papers:**

- Appendix 1: Table showing breakdown of health and safety enforcement activity during the four month period 1 February 2015 – 31 May 2015.

Appendix 2: Comparison table showing health and safety enforcement activity summary for the 16 month period 1 February 2014 -31 May 2015.

Appendix 3: Report to FSA- *Food Standards Agency Funded Interventions at Food Businesses on Smithfield Market.*

**Contact:**

*Jon Averbs*

0207 332 1603

[jon.averms@cityoflondon.gov.uk](mailto:jon.averms@cityoflondon.gov.uk)



This page is intentionally left blank

**HEALTH SAFETY ENFORCEMENT ACTIVITY SUMMARY**  
**SMITHFIELD MEAT MARKET - 1 February 2014 to 31 May 2015**

The following information shows the breakdown of the enforcement activity. Each company has been allocated a number, so that the information remains confidential. The number that has been allocated to the company remains the same, and this will demonstrate whether companies are improving or whether they are continuing to fail to comply with the Regulations.

**Key**      **A:**    Verbal advice                      **C:**    Formal notices  
**B:**    Written advice                      **D:**    Recommended for prosecution

Stall	Feb 14 to May 14				June14 to Sept 14				Oct 14 to Jan 15				Feb 15 to May 15				TOTAL
	A	B	C	D	A	B	C	D	A	B	C	D	A	B	C	D	
1		1			1												2
2	2	1											2				5
3									1				1				2
4						1			1								2
5					2												2
6																	0
7					1												1
8																	0
9																	0
10						1			1								2
11																	0
12	1																1
13																	0
14																	0
15	1																1
16					2												2
17																	0
18					1												1
19																	0
20					1												1
21									1				1				2
22	3				1	1											5
23																	0
24																	0
25																	0
26									1								1
27																	0
28																	0
29																	0
30		1															1
31	3				2				2				2				9
32									2				3				5
33					1				1								2
34	4																4
35	3				1												4
36																	0
37																	0
38																	0
39																	0
40					2												2
41																	0
42					1	2											3
43																	0
44																	0
45	1																1
46	1				1												2
<b>TOTAL</b>	<b>19</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>17</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>63</b>

This page is intentionally left blank



# **Food Standards Agency Funded Interventions at Food Businesses on Smithfield Market**

## **Summary Report of Findings**

**March 2015**

# CONTENTS

<b>1. Introduction</b>	<b>3</b>
<b>2. Terms of Reference</b>	<b>3</b>
<b>3. Findings</b>	<b>4</b>
<b>4. Financial Implications</b>	<b>6</b>
<b>5. Conclusion</b>	<b>6</b>
<b>6. Follow-Up Action</b>	<b>7</b>
<b>Annex 1 FIR Guidelines for Traders</b>	<b>8</b>



## **1. Introduction**

- 1.1 In 2014/15 the Food Standards Agency (FSA) funded the City of London Corporation to carry out project work at Smithfield Market focusing on food standards and traceability. Work on other areas of specific concern to the City of London was also agreed, including continuation of the joint initiative assessing compliance with food law by food delivery vehicle operators, food labelling under the new Food Information Regulations 2014 and animal by-product controls.

The work was carried out between October 2014 and March 2015. In 12 cases, visits to food establishments were carried out jointly with the FSA's contracted Official Veterinarians.

## **2. Terms of Reference**

- 2.1 Proposals for the project were developed by the City of London Smithfield Enforcement Team for consideration by the FSA. The terms of reference and costs of £26,620 were agreed by the FSA. The terms of reference included several work streams providing targeted work to assess the level of food business operator compliance with legal requirements. Food sampling was included within the original proposal but was not carried as it would have duplicated work subsequently agreed towards the FSAs 2014/15 National Coordinated Food Sampling Programme which was funded separately.

### **2.1.1 Traceability - Article 18 of Regulation (EC) No. 178/2002**

Arrangements in place to comply with Article 18 of Regulation (EC) No. 178/2002 with respect to traceability were assessed. The aim of the assessment was to determine whether there were systems in place to ensure that food can be identified, traced and recalled.

Products targeted:

- Carcases (imported and home produced)
- Manufactured meat products such as sausages, minced meat, faggots, pies etc:
- Boxed vacuum packed cuts of meat
- Boxed poultry and poultry products

Identification of suppliers - supplier details were ascertained through examination of paperwork e.g. supplier lists, delivery notes, invoices.

Identification of customers - most traders supplied both final consumers and other businesses. Where business to business trade was carried out customer lists and sales invoices were examined.

Product recall arrangements - an assessment of traders' products recall procedures were carried out.

#### **2.1.2 Food Labelling Requirements including production of FIR guidance and training specific to the needs of Smithfield market traders**

Compliance with labelling legislation was considered during inspections where pre-packed products were offered for sale –approximately 30 establishments. Further, Campden BRI was commissioned to produce documented guidance for market traders and deliver face to face training.

#### **2.1.3 Animal By-Product Controls**

Compliance checks were carried out at all 44 stalls on Smithfield Market to verify that animal by-product is being appropriately controlled.

#### **2.1.4 Delivery Vehicles (food business registration and hygiene controls)**

Eighty one vehicles were inspected to assess compliance with food hygiene legislation.

### **3. Findings**

#### **3.1 Traceability**

3.1.1 All 44 food establishments on Smithfield market were visited for the purpose of carrying out traceability exercises. Trace ability checks were carried out on three products at each establishment.

3.1.2 The suppliers of all products selected for traceability checks could be identified from the records available. Further, systems were in place to identify customers who had been supplied with products.

3.1.3 Product recall procedures were in place at all of the 44 establishments. During the traceability exercise one of these establishments was involved in a product recall following notification of *Salmonella* in raw chicken breasts originating from Belgium. This had been via the Rapid Alert System for Food and Feed (RASFF) notified by the FSA. The business dealt the incident in accordance with their procedure to effect the withdrawal of the product.

## **3.2 Food Labelling**

- 3.2.1 Food labelling contraventions were identified at a total of 33 establishments. Some contraventions (26 cases) had occurred as a consequence of traders splitting large boxes of product where boxes had been labelled but the inner packs had not been. The inner packs were being sold without the mandatory labelling information required under the Food Information Regulations 2014.
- 3.2.2 Other labelling contraventions included labelling in foreign languages (3 cases), date of freezing or date of first freezing not being applied to product (7 cases) and product being offered for sale beyond its indicated durability date/use by date (11 cases). In one case product was being offered for sale with no durability date.
- 3.2.3 Sampling was not carried out as part of the project as originally planned as officers were involved in sampling in connection with the FSA's 2014/15 National Coordinated Food Sampling Programme. All analytical results for this programme are entered onto the UKFSS database.
- 3.2.4 As part of the project Campden BRI was commissioned to produce guidance on the new food information/labelling legislation for traders. This guidance has been provided to all 44 establishments on Smithfield Market and is included for information at Annex 1.
- 3.2.5 Campden BRI has also been commissioned to provide face to face training for traders on the new food information requirements. Following feedback from traders, the initial proposal to run one training session has been increased to three to enable as many traders as possible to benefit. The FSA was notified of this change and has provided approval for it. It is anticipated the training will be delivered in April/May 2015.

## **3.3 Animal By-Product (ABP) Controls**

- 3.3.1 Compliance checks were carried out at all 44 stalls to verify that animal by-product is being appropriately controlled.
- 3.3.2 Three establishments were found to have ABP on the premises which had not been identified as ABP by the food business operators or segregated from other food products. The first had 1,559 kilos of ABP, some of which was unfit for human consumption; the remainder was past its use by date. Another establishment had 1,417 kilos of ABP on the premises which was unfit for human consumption. The third establishment had 5 kilos of unfit product displayed for sale.
- 3.3.3 ABP non compliances were identified at a further three establishments. In two of these, category 2 ABP had been stored in health marked bags indicating that the food was fit for human consumption. In the other establishment,

category 2 material was being disposed of as category 3 material contrary to the Animal By Product (Enforcement) (England) Regulations 2013.

### **3.4 Delivery Vehicles (food hygiene controls)**

3.4.1 Eighty one vehicles were checked during the exercise. All were found to be compliant with food hygiene legislation.

## **4. Financial Implications**

4.1 Total expenditure on the project was £13,604 broken down as follows:-

Officer time for interventions £4,734

Officer time (management) £1,000

Production FIR Guidance (Camden BRI) £3,210

FIR Training for market traders (estimate) £4,660

## **5. Conclusion**

5.1 The project was a success in that it identified some areas where levels of compliance with food law were high and other areas where food business operators require further advice and support to enable them to meet the required statutory standards.

5.2 In respect of traceability, levels of compliance with Article 18 of Regulation (EC) No. 178/2002 were found to be high. Further the hygiene of delivery vehicles was found overall to be satisfactory.

5.3 Compliance with the Food Information Regulations 2014 was identified as an area for improvement. It is anticipated that the training planned for April/ May 2015 will assist businesses to comply with the legislation. The project has raised awareness of the requirements with food business operators.

5.4 Compliance with ABP legislation was variable and due to the risks of this product entering the human food chain this should be closely monitored.

## **6. Follow - Up Action**

- 5.1 Appropriate follow-up action has been taken in respect of all contraventions identified where the City of London Corporation is the enforcing authority. Follow-up has included letters to food business operators detailing the non-compliances, and liaison with food producers and Home Authorities as appropriate. Revisits will be undertaken as necessary to check progress on compliance.
- 5.2 In respect of ABP controls the significant contraventions identified were either referred to the FSA as the enforcing authority via its contractor or, where joint visits were carried out, appropriate action was taken by Official Veterinarians at the time of the visits.
- 5.3 As significant labelling contraventions were identified during the project and training for food business operators on labelling requirement is scheduled, it is recommended that further work is undertaken in approximately six months' time to evaluate the effectiveness of the training and information provided in securing the necessary improvements.

This page is intentionally left blank

<b>Committee(s):</b>	<b>Date(s):</b>
Markets Committee	22 July 2015
<b>Subject:</b> Farmers' Market – St Bartholomew's Hospital	<b>Public</b>
<b>Report of:</b> Director of Markets and Consumer Protection	<b>For Information</b>
<b>Summary</b>	
<p>Bart's Health NHS Trust has asked London Farmers' Markets (LFM) to operate a weekly farmers' market in the grounds of St Bartholomew's Hospital, West Smithfield.</p> <p>The market will operate from 9 am to 2 pm on Wednesday of each week and will supply regional food from farm businesses and small food producers.</p> <p>LFM are about to submit a formal planning application to the City for the market and have asked for written confirmation from the Director of M&amp;CP whether the proposed market conflicts with the City's market rights before proceeding with the application.</p> <p><b>Recommendation(s):</b> Members are asked to note the report.</p>	

## Main Report

### Background

1. Bart's Health NHS Trust has asked London Farmers' Markets (LFM) to operate a weekly Farmers' Market in the courtyard in the centre of St Bartholomew's Hospital (Bart's), West Smithfield.
2. LFM operate retail markets at 21 locations across London that enable farmers to sell their products directly to the public.
3. LFM seeks to increase farm incomes, and provide high quality local /seasonal foods to urban communities and encourage sustainable methods of food production. LFM support traditional animal breeds and heritage fruit and vegetable varieties; encourage Londoners to take a greater interest in food production and rural issues and provide advice to farmers about what to grow, how to grow it, and how to market local produce.
4. Producers come from within 100 miles of the M25 and are required to raise, grow or bake everything they sell.
5. LFM have been in discussion with the hospital trust and have produced a planning design access statement (see Appendix 1) which they have submitted to the City's Planning Team for comment. The Comptroller and City Solicitor has given legal opinion on the proposed market (see Appendix 2)

## **Current Position**

6. LFM's planning design access statement envisages the market operating every Wednesday between 9am and 2pm and imposes the following operating conditions on market users.
  - a no arrival rule on site before 7am
  - a quiet set up policy- no music, no shouting. (stalls making a noise can be removed from the market)
  - a no trading before 9am rule
  - a market layout to provide requested access points through the market
  - enforcement of market rules on what can be sold
  - the end of trading at 2pm
  - a clean up policy so the site is left tidy and rubbish is taken away by traders
7. The Farmers' market is a retail market that will not commence until after Smithfield Market has ceased trading each day. Access for vehicles supplying the Farmers' market will not need to use any of the roadways bounding Smithfield Market and should not therefore cause an obstruction to vehicles using the wholesale market.

## **Proposals**

8. LFM are about to submit a formal planning application to the City for the farmers' market and have asked for written confirmation from the Director of M&CP whether the department has any objection to the market on the grounds of potential conflict with the City's market rights. The Director intends to confirm that the City has no objection to the market. Since it will not conflict with the City's Markets' wholesale activities and there are already a number of small 'street markets' within seven miles.

## **Corporate & Strategic Implications**

9. The operation of a Farmers' Market would provide access to fresh produce for residents and City workers, which supports the City's Health Improvement agenda, as well as opportunities for small businesses to trade at the market
10. Links to:-
  - Corporate Plan "To provide valued services, such as education, employment, culture and leisure, to London and the nation"
  - City Together Strategy "supports our communities"; "is vibrant and culturally rich"



## **Implications**

11. There are no financial or HR implications arising from this proposal. Legal opinion is given in Appendix 2.

## **Conclusion**

12. Members are asked to note the content of this report.

## **Appendices**

- Appendix 1 – LFM – Design and Access Statement
- Appendix 2 – Comptroller and City Solicitors advice

## **Don Perry**

Head of Business Performance  
Market and Consumer Protection

T: 020 7332 3221

E: [Donald.perry@cityoflondon .gov.uk](mailto:Donald.perry@cityoflondon.gov.uk)

## **Design and Access Statement West Smithfield Farmers Market at Bart's' Hospital**

The weekly farmers' market will supply regional food to local people and in the process instil a sense of community. The area will benefit from the linking up of urban communities with farm businesses and small food producers, as local residents and workers are able to buy food direct from the people who produce it.

### **Sites Current Use**

The site is a courtyard in the centre of Bart's Hospital Trust, West Smithfield. At present, vehicles including ambulances use it for access. There will be no vehicle access once the courtyard development is finished, apart from farmers' market vehicles. There is a fountain, shelters and benches where people sit. The site is located close to the centre of West Smithfield and Farringdon.

The site is an open, level, tarmac surface surrounded by hospital buildings.

### **Sites proposed use**

The weekly farmers market requires no permanent physical alterations to the site. The farmers market would take place every Wednesday between 9am and 2pm. The farmers market is a good example of sustainable development by having minimum impact on its surroundings. The sites closeness to existing retail outlets is convenient for pedestrians, hospital staff and patients and gives them a good choice of healthy food. The market is managed by London Farmers Markets. We bring a manager who is always present on site for the duration of the market to ensure a successful market operation. This is achieved through the following duties;

- Enforce a no arrival rule on site before 7am
- Enforce a quiet set up policy- no music, no shouting. (stalls making a noise can be removed from the market)
- Enforce a no trading before 9am rule
- Set up market layout to provide requested access points through the market
- Enforces market rules on what can be sold
- Enforces the end of trading at 2pm
- Enforces our clean up policy so the site is left tidy and rubbish is taken away by traders

Market stalls on average are 3m wide and are roofed with canvas material and weighted down, and they come in a range of attractive colours. The market would have approximately 25 to 30 stalls each week.

The market layout is designed to give maximum benefit to pedestrians and to maintain the existing layout of the square. Emergency Access will always be possible through the market; stalls can be moved in seconds if required. If wider emergency access was required at some time in the future this could be arranged with only a week's notice.

The market is located within the courtyard at Bart's, with access for pedestrians through the King Henry VIII Gate at the North-West end. The market is accessible for disabled and elderly people. We aim to have the least amount of impact on any of the neighbouring properties and the least disturbance to patients and staff at Bart's. Temporary signs would indicate that a market takes place on Wednesdays and which areas they should not park in. As the market takes place in a courtyard with previous vehicle access, there is always the chance that a car could park in the market area before the market sets up. If this situation occurs, space is left to allow the car to leave if the car owner returns in market hours. Our vehicles would enter via the Henry VIII gate and exit onto Little Britain.

The market stalls will be arranged around the courtyard, their backs to the centre alongside the covered shelters, with stalls along the kerbs with their backs to the buildings, facing them. This allows enough access for pushchairs and wheelchairs to move freely around the market and for emergency access.

Public transport to the site is excellent with direct rail and bus links only a few minutes' walk away.

The farmers market complements the existing retail in the area by offering only local produce, permitted within LFM's rules. We know from experience that farmers' markets increase sales for local businesses. This boost to the local economy has been welcomed by many businesses that have seen a boom in customers. Many businesses have told us directly that their sales have increased on market days.

The overall appearance of our markets is perceived by many to enhance and improve the environments we work in, if only for a very limited amount of time. For five hours each Wednesday the courtyard would turn into a hive of local community activity. Neighbours, patients and hospital staff get to meet each other and the event encourages a sense of community. By having limited trading hours we increase the chances that the local community will come together and get to know each other. The limited trading hours also protect the amenity for our neighbours on the area that could be concerned about the market starting too early or finishing too late.

The market adds to the mix of local activity and strengthens West Smithfield as a place to visit by offering another interesting attraction. The market is also keen to work with Bart's Health, creating special events such as healthy eating cooking demonstrations, which all build stronger community links and foster a sense of ownership of the market by the local community. The market makes use of what is an under used and undervalued space and turns it into a vital community resource. The farmers market puts the 'village' back into West Smithfield, by giving the area an anchor, where the community can gather.

The surrounding area; immediately to the north outside the Henry VIII gate is West Smithfield with its restaurants, cafes, and Smithfield Market. Beyond this, Charterhouse Street and Farringdon.

To the East; Little Britain and the Museum of London.

West; Farringdon street, Holborn Viaduct and south, Newgate street and St Pauls.

### Legal Opinion

Thanks for your request for advice regarding the proposed farmers' market at Bart's Hospital. A number of ancient markets are protected under common law from 'disturbance' (in other words, competition) from any rival market held within a distance of six and two-thirds miles. The common law distance was supplemented in relation to the City of London by a charter of Edward III dated 1327 which provides that no market could be created within 7 miles circuit of the City. These 'market rights', or 'market franchise rights' are a type of private property right to have a concourse of buyers and sellers.

The applicant's Design and Access Statement proposes that the market would take place every Wednesday, and another application document describes "a full range of farm products including meat, eggs, fruit, vegetables, dairy, cheese, fish, baked goods, honey, preserves and plants". Smithfield Market is open Monday to Friday and trades in meat. The City Corporation is also the market authority for Billingsgate Market (trading in fish etc on Tuesday to Saturday) and New Spitalfields Market (trading in fruit and vegetables on Monday to Saturday). All are within a 7 mile radius of the proposed market.

Case law has established an irrebuttable presumption that if a rival market is held within the actionable distance of a lawful market, and on the same day, then it will be a disturbance of the lawful market. In other words damage can be presumed without having to prove it. What amounts to a rival market is a question of fact in each case.

Smithfield, Billingsgate, and New Spitalfields Market are wholesale markets, for the sale of produce to retailers or businesses, and generally anyone other than the standard consumer. The applicant's document '2012 General Proposal' includes a statement: "We do not permit wholesalers or middlemen". As the proposal is for the farmers' market at Bart's Hospital to operate on Wednesday though, this would arguably be disturbing the City Corporation's market rights in respect of:

- Smithfield (if meat is on sale);
- Billingsgate (if fish is on sale); and
- New Spitalfields (if fruit and vegetables are on sale).

In theory, an injunction could be obtained to restrain a rival market. However there are potential difficulties in seeking to enforce our rights by injunction. A court may be unwilling to grant an injunction supporting what is really a monopolistic practice which potentially could be argued to be inconsistent with modern competition law.

Therefore, unless it is considered that the farmers' market at St Bart's would cause serious damage to one of the Corporation's markets, the appropriate action would be to consider, in consultation with the Market's Department and the Town Clerk's Department, whether we would wish to licence the farmers' market. Further, we should bear in mind that where markets have recently been granted planning permission, for example as I understand at One New Change and near the Gherkin, that a consistent corporate approach will best protect the City Corporation's legal rights and reputation.

<b>Committee(s):</b>	<b>Date(s):</b>
Markets	22 July 2015
<b>Subject:</b> Smithfield Market – Condenser Water Cooling System – update	<b>Public</b>
<b>Report of:</b> The City Surveyor (Ref. CS 217/15)	<b>For Information</b>
<p><b>Summary</b></p> <p>This report provides Members with an update on the Smithfield Market condenser water cooling system since the last report to Markets Committee in May 2015.</p> <p>The performance of the cooling system since the last report has been satisfactory with no significant incidents recorded.</p> <p>The operating temperature of the cooling system remains set at 20°C. The hot weather experienced from 28 June has caused the water temperature from the cooling towers to rise to 26.5°C, but to date this has not resulted in fridge operating problems.</p> <p>The City’s report for the Smithfield Market Tenants Association (SMTA) providing a description of the operation of the system explaining its current state and analysing its performance has been issued to the Association. Their response is awaited.</p> <p>The City will continue to monitor the system closely, and respond to Tenants’ request for advice concerning refrigeration and cooling matters.</p> <p><b>Recommendation(s)</b></p> <p>Members are invited to note the contents of this report.</p>	

## Main Report

### **Background**

1. The Market's condenser water cooling system removes waste heat from 120 tenants' refrigeration units in East, West and Poultry Markets and dissipates it to the atmosphere via five cooling towers located in the Poultry Market. The system is operated and maintained by the City Corporation.
2. Over the last five years the City Corporation has been undertaking a programme of works in the three Markets to improve the water circulation and address dirt contamination in the system, which is now complete.
3. At this stage the City had hoped to increase the operating temperature of the cooling system, currently 20°C, by 4 to 5°, in order to reduce its operating costs and reduce wear to cooling tower components. However, the SMTA has requested that no changes be made to the system without first understanding the conditions under which it is operating and clarification of the available water supply.

### **Current Position**

4. The cooling system is currently working well and supplying water to the Tenants' fridge condensers. There have been no significant operating issues to report since the last report to your Committee in May 2015. Hot weather from 28 June to 3 July caused the water temperature from the cooling towers to rise, reaching 26.5°C on 1 July, but to date this has not led to fridge operating problems. There were two fridge trips on 1 and 2 July, attributable to blocked strainers, which were dealt with in the normal way. The hot weather will have caused more airborne dirt to be entrained at the cooling towers.
5. Following a trial in May, the speed of West Market pumps was increased on 8 June from 50 Hertz AC mains frequency to 52 Hertz. This has increased the volume flow by around 4% and the flow meter is now recording a maximum flow of 30.9 litres/sec to West Market at peak times. This slightly higher flow may have helped West Market fridges cope in the hot weather conditions.
6. As explained in the last report, it is believed that East and West pumps are showing some indications of wear after 18-20 years' service and the City is therefore proposing to bring forward their planned replacement to FY 2016/17. Larger pumps will be considered. Funds for the replacement (and also that of the main pipework) have been bid for under the Additional Works Programme.
7. The position on other matters is described below.

### **Report on cooling system for the SMTA**

8. The City Surveyor's report on the cooling system, providing a written description of the system, its history, with an analysis of its current performance, together with a copy of the refrigeration database compiled, was issued by the Superintendent to the SMTA on 7 July. A full copy of the report

and database may be seen on the City's IS system at W:\File Transfer\Smithfield Market - Refrigeration & Condenser Water Cooling System and a summary of the conclusions is given at Appendix 1.

9. It is anticipated that the SMTA will wish to discuss the report at a meeting of the Joint Specification Committee, and their response is awaited.

### **Meetings with Tenants**

10. Since the last report there have been no further meetings requested by Tenants to discuss refrigeration matters.

### **Condenser upgrades**

11. Following the seven condenser replacements carried out, there are no further replacements planned.

### **Stall 25 refrigeration**

12. There has been no response from the Tenant to the City's last letter of 24 February 2015.

### **Proposals**

13. It is anticipated that a formal meeting of the Joint Specification Committee will be convened with the SMTA to discuss the refrigeration report.
14. For the time being, the system operating temperature will continue to be set at 20°C.
15. A future strainer inspection and cleaning regime is being set up by the Property Facilities Manager with the fridge maintenance companies to ensure strainers are monitored and cleaned as necessary.
16. Further replacements of fridge condensers by Tenants' contractors will be monitored and encouraged.
17. Preparations for the planned replacement of East and West pumps in FY 2016/17 will be commenced later this year.

### **Corporate & Strategic Implications**

18. The system supports the following Strategic Aims:
  - To provide modern, efficient and high quality local services and policing within the Square Mile for workers, residents and visitors with a view to delivering sustainable outcomes.
  - To provide valued services to London and the nation.

## **Implications and Risks**

19. The cooling system operated by the City provides a critical service for Tenants' refrigeration equipment. A failure of the system could expose the City to claims for loss or damage suffered by Tenants if refrigeration equipment ceased to operate as a result.
20. Operation of the cooling system at 20°C for the time being will assist fridge operation in warmer weather and reduce the risk of fridge problems, albeit incurring higher operating costs.

## **Conclusion**

21. Since the last report in May the performance of the condenser water cooling system has been satisfactory. In recent hot weather the water temperature has reached 26.5°C but this does not seem to have led to any significant fridge problems. This suggests that fridges should be capable of working with water supplied above the current setting of 20°C.
22. Whether the system operating temperature can be raised is likely to be resolved following a review of the report by the Joint Specification Committee. For the time being, the system operating temperature will be maintained at its current setting of 20°C at the request of the SMTA.
23. The City will continue to monitor the system closely, and respond to Tenants' request for advice concerning refrigeration and cooling matters.

## **Background Papers:**

Report of the City Surveyor (ref CS129/15) dated May 2015 to Markets Committee: 'Smithfield Market – Condenser Water Cooling System - update'

## **Appendix 1: Refrigeration Report by City Surveyor's Department - Summary of conclusions**

### **Andrew Crafter**

Principal Mechanical Engineer, Operations Group, City Surveyor's Department

T: 020 7332 1252

E: [Andrew.Crafter@Cityoflondon.gov.uk](mailto:Andrew.Crafter@Cityoflondon.gov.uk)



## **Appendix 1: Refrigeration Report by City Surveyor's Department - Summary of conclusions**

In general the system is operating to the best of its ability providing a reasonable service to the fridges.

### **Condensers**

Where there is evidence of high refrigerant pressure/temperature, and the cooling supply is sufficient, the fridge condenser should be replaced with a larger unit. Where this has already been done, fridge performance has improved and operating problems have been overcome.

### **System capacity**

The system has the capacity to remove the required heat load from the condensers currently in use and reject it from the cooling towers provided the operating temperature is 25°C or less.

Although the system cannot circulate a greater volume of water with the current pumps, the system has capacity to remove more heat from condensers if they are able to return water at a warmer temperature, which is achieved by larger condensers.

### **Water temperature**

The system can maintain the water supply temperature at 20°C for most of the year and at no more than 25-26°C at peak summer conditions. This is sufficient to meet all fridge design specifications. Compared to the original design specification of 30°C the reduced temperature compensates for more fridges running concurrently than assumed in the design.

The water temperature returned from fridges is lower than desirable in some cases. A higher return temperature, achieved by installing larger condensers, would provide greater heat rejection.

### **Water flow and pressure**

The flows to each market are set to their maximum. The flow to West Market has recently been increased by setting pumps to run above normal speed.

The water flow to East Market is slightly above its design figure. There are signs that system pressure on NE deck may be a little low at times, although deck pressures are generally good.

The water flow to West Market is mostly lower than its design figure. As the pump head (pressure) is also slightly low, West Mkt pumps appear to be operating below their design specification. It is possible that performance has declined due to impeller wear.

To address these issues, the impellers, or complete pumps, should be replaced. At this time the opportunity should be taken to review the basis of sizing, adopting a more conservative (higher) diversity factor.

The measured water flow to certain fridges is low but they will not take any more water. Where not already replaced, pipe connections should be checked for flow restrictions. If clear, the condenser itself may be imposing too much resistance and a larger condenser should resolve this.

### **Water distribution**

Water distribution on the four fridge decks is generally adequate but would be improved by use of a 'reverse return' configuration which should be considered when pipework is due for renewal. Such a system would give an equal pressure drop at each branch.

### **Diversity Factor**

The pump duties originally specified for East and West Markets were based on a diversity factor reflecting maximum numbers of fridges expected to run at any time. Observations made suggest slightly higher figures would have been more appropriate. This will be taken into account in the selection of new pumps.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank



By virtue of paragraph(s) 3, 5, 7 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank