



Markets Committee

Date: WEDNESDAY, 20 JULY 2016
Time: 11.30 am
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

Members:

John Scott (Chairman)	Deputy Jamie Ingham Clark
James Tumbridge (Deputy Chairman)	Deputy Alastair King
Randall Anderson	Oliver Lodge
Alex Bain-Stewart	Edward Lord
Nicholas Bensted-Smith	Professor John Lumley
Chris Boden	Alderman Julian Malins
Revd Dr William Campbell-Taylor	Wendy Mead
Deputy Michael Cassidy	Deputy Robert Merrett
Deputy John Chapman	Deputy Joyce Nash
Dominic Christian	Chris Punter
Karina Dostalova	Adam Richardson
Alderman John Garbutt	Ian Seaton
Deputy Stanley Ginsburg	Angela Starling
Deputy Brian Harris	Patrick Streeter
Tom Hoffman	David Thompson
Michael Hudson	Mark Wheatley
Ann Holmes	

Enquiries: Gemma Stokley
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Lunch will be served in the Guildhall Club at 1pm
N.B. Part of this meeting could be the subject of audio or visual 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 11 May 2016.
For Decision
(Pages 1 - 8)
4. **MUSEUM OF LONDON PROPOSED RELOCATION - APPROVAL IN PRINCIPLE**
Report of the Town Clerk.
N.B. This item is to be read in conjunction with the non-public appendix at Item No. 14.
For Information
(Pages 9 - 18)
5. **REVENUE OUTTURN 2015/16**
Joint report of the Chamberlain and the Director of Markets and Consumer Protection.
For Information
(Pages 19 - 42)
6. **PEDESTRIAN SEGREGATION BARRIER - NEW SPITALFIELDS MARKET (NSM)**
Report of the Director of Markets and Consumer Protection.
For Decision
(Pages 43 - 50)
7. **MARKETS COMMITTEE RISK**
Report of the Director of Markets and Consumer Protection.
For Information
(Pages 51 - 60)
8. **ENFORCEMENT ACTIVITY AT SMITHFIELD MARKET**
The Director of Markets and Consumer Protection and the Superintendent of Smithfield Market to be heard.
For Information
9. **SUPERINTENDENTS' ORAL UPDATES**
The Superintendents to be heard.
For Information
10. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
11. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

12. **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

13. **NON-PUBLIC MINUTES**
To agree the non-public minutes of the meeting held on 11 May 2016.
For Decision
(Pages 61 - 66)
14. **MUSEUM OF LONDON PROPOSED RELOCATION - APPROVAL IN PRINCIPLE - NON-PUBLIC APPENDIX**
Non-public appendix to be read in conjunction with Item No. 4.
For Decision
(Pages 67 - 68)
15. **POULTRY MARKET PROGRESS/UPDATE**
Report of the City Surveyor.
For Decision
(Pages 69 - 88)
16. **SMITHFIELD MARKET - CONDENSER WATER COOLING SYSTEM - UPDATE**
Report of the City Surveyor.
For Information
(Pages 89 - 92)
17. **SMITHFIELD MARKET - TRANSPORT FOR LONDON LEASE TO CITY, SMITHFIELD PLANT ROOM (LINDSEY STREET)**
Joint report of the City Surveyor and the Director of Markets and Consumer Protection.
For Decision
(Pages 93 - 106)
18. **MARKETS & CONSUMER PROTECTION DEPARTMENT - SBR PROGRESS REPORT**
Report of the Director of Markets and Consumer Protection.
For Information
(Pages 107 - 112)
19. **NON PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
20. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

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MARKETS COMMITTEE

Wednesday, 11 May 2016

Minutes of the meeting of the Markets Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Wednesday, 11 May 2016 at 11.30 am

Present

Members:

Randall Anderson	Deputy Alastair King
Chris Boden	Edward Lord
Deputy Michael Cassidy	Professor John Lumley
Karina Dostalova	Alderman Julian Malins
Alderman John Garbutt	Wendy Mead
Deputy Stanley Ginsburg	Deputy Robert Merrett
Deputy Brian Harris	Deputy Joyce Nash
Tom Hoffman	Chris Punter
Ann Holmes	John Scott
Michael Hudson	Patrick Streeter
Deputy Jamie Ingham Clark	James Tumbridge
	Mark Wheatley

In Attendance

Michael Welbank (Chief Commoner)

Officers:

Gemma Stokley	- Town Clerk's Department
Julie Smith	- Chamberlain's Department
Paul Hickson	- Comptroller and City Solicitor's Department
Nicholas Sommerville	- City Surveyor's Department
Steven Chandler	- City Surveyor's Department
Andrew Crafter	- City Surveyor's Department
Julie Zhu	- Press Officer, Town Clerk's Department
David Smith	- Director, Markets and Consumer Protection
Ben Milligan	- Superintendent, New Spitalfields Market
Matthew Hill	- Superintendent, Smithfield Market
Malcolm Macleod	- Superintendent, Billingsgate Market
Donald Perry	- Markets and Consumer Protection Department
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1. APOLOGIES

Apologies for absence were received from Nicholas Bensted-Smith, Deputy John Chapman, Oliver Lodge, Ian Seaton and Angela Starling.

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

There were no declarations.

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

The Order of the Court of Common Council dated 21 April 2016 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 the Committee for their continued support and welcomed Randall Anderson, Deputy Michael Cassidy, Dominic Christian, Oliver Lodge and Adam Richardson to the Committee following their appointment at the April meeting of the Court of Common Council.

He also took the opportunity to thank the five Commoners who had now left the Committee for their contribution, viz. Deputy Dr. Giles Shilson, James de Sausmarez, Elizabeth Rogula, Graham Packham and Deputy John Barker.

Finally, the Chairman welcomed Deputy Michael Welbank, the new Chief Commoner to the meeting.

5. **ELECTION OF DEPUTY CHAIRMAN**

The Committee proceeded to elect a Chairman in accordance with Standing Order No.30.

The Town Clerk read a list of Members eligible to stand and James Tumbridge, being the only Member expressing his willingness to serve, was duly elected as Deputy Chairman of the Committee for the ensuing year.

6. **APPOINTMENT OF REFERENCE SUB COMMITTEE**

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

In response to a question, the Town Clerk reported that the Reference Sub Committee had last met in November 2014. A Member commented that it was, nevertheless, useful to continue to have a Reference Sub Committee to help maintain momentum on certain, long running, issues.

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)
- Randall Anderson
- Deputy Stanley Ginsburg
- Michael Hudson
- Deputy Jamie Ingham Clark

- Edward Lord
- Professor John Lumley
- Deputy Joyce Nash

7. **PUBLIC MINUTES**

The public minutes of the meeting held on 2 March 2016 were considered and approved as a correct record.

MATTERS ARISING

Smithfield Market Christmas Traffic Plan Review (page 6) – In response to a question, the Chairman clarified that the car parking charges report would now be brought to the Markets Committee in July 2016 as the review had taken longer than originally anticipated.

Strategic Review of the Markets (page 9) – The Director reported that a GLA Market Review of all London Markets was about to commence with the GLA now in the final stages of appointing a consultant. It was anticipated that the City could utilise much of the research that was to be undertaken as part of their own review of the City Corporation's Markets.

A Member commented that it was important for the City to protect its interests under this review and to determine their own preferred course of action for the City Markets. The Director reminded the Committee that, with two of the City Corporation's markets located outside of the City, any relocation of these would, inevitably, involve the GLA.

The Director reported that he had been invited to sit on the GLA Committee for the Review and that the City had also been consulted on the terms of reference.

In response to a question, the Director confirmed that the GLA Review would be at no cost to the City Corporation.

Billingsgate Fraud (page 10) – The Director reported that the individual concerned had now been sentenced to 2 years and 8 months imprisonment after being found guilty of 14 charges of fraud.

The Committee were informed that the sentencing had received some publicity in both the Evening Standard and the Daily Mail.

In response to questions, the Director reported that the City Corporation now intended to recover as much of the money stolen as possible under the Proceeds of Crime Act. The accused's lawyer had said that the individual was in the process of selling his home in order to re-pay some of the money stolen. This had possibly led to a limited sentence.

8. **MARKETS BUSINESS PLAN UPDATE PERIOD 3 2015/16 (DECEMBER - MARCH)**

The Committee received a report of the Director of Markets and Consumer Protection providing Members with an update on progress for Period 3 (December-March) of 2015-16 against key performance indicators (KPIs) and objectives outlined in the Markets' Business Plan.

In response to questions regarding sickness absence, the Superintendent of Billingsgate Market reported that his figures had, unfortunately, continued above target in both April and May. He confirmed that the figures included three long-term sickness cases but that there were also some short-term sickness issues amongst staff. He recognised that this was a major issue but one which he was determined to overcome and was discussing with Corporate HR.

In response to further questions, the Director of Markets & Consumer Protection confirmed that some staff who had been absent through long-term sickness had now left the City Corporation's employment.

In response to questions regarding income generated by the Billingsgate car park, the Superintendent of Billingsgate Market reported that the income was split with 20% attributed to local risk and 80% to central risk. The Chamberlain clarified that Business Plan Updates reported on local risk only but that the Committee would receive information on central risk at their next meeting in July 2016.

In response to questions regarding the review of Smithfield car park charges, the Superintendent of Smithfield Market reported that he was mindful of the Department of Built Environment's (DBE) car parking review and was hoping to 'dove tail' with this. He added that he was conscious that the overarching DBE car parking review may have implications for the Market.

The Chairman reported that the High Commissioner of Malawi and London Mayoral candidate Zac Goldsmith had also visited Billingsgate Market in recent weeks.

With regard to the information provided to the Committee on Filming/Photography the Chairman reported that Officers had been asked to ensure that the format of this was consistent going forward and that any fees charged would also be detailed where applicable.

RESOLVED - That, the Committee notes the content of the report and its appendices.

9. **2016-19 BUSINESS PLAN**

The Committee considered a report of the Director of Markets and Consumer Protection seeking approval for the 2016-2019 Business Plan of the City of London's Wholesale Markets, which are part of the Department of Markets and Consumer Protection.

The Chairman highlighted that Markets Operational Performance Indicator 2 (MKPI2) would be amended to read “100% of debts to be settled within 90 days” to reflect the current Committee strategy.

A Member requested that, on the risk register the narrative under ‘effect’ for MCP-SM 002 and MCP-SM 005 be amended to read “if this risk were to be realised it could result in prosecution.....” as opposed to would result in prosecution.

RESOLVED – That, Members approve the Markets Business Plan 2016-2019 and its appendices.

10. **MARKETS COMMITTEE RISK**

The Committee received a report of the Director of Markets and Consumer Protection providing Members with assurance that risk management procedures in place within the Department of Markets and Consumer Protection are satisfactory and that they meet the requirements of the corporate Risk Management Framework.

The Chairman highlighted that there were currently no red risks for the Committee to note.

The Chairman informed Members that the review dates contained within the table at Appendix A detailed the last review date for each risk. For example, those listed as having been reviewed in January 2016, would continue to be reviewed on a quarterly basis.

In response to a question, the Director confirmed that, whilst there were no risks within the report for Billingsgate Market, this did not mean that there were no risks on this site it simply reflected the fact that none of these were serious enough to be covered as a Departmental Risk.

RESOLVED – That, Members note the report and the actions taken in the Department of Markets and Consumer Protection to monitor and manage effectively risks arising from its operations.

11. **ENTRY BARRIER - NEW SPITALFIELDS MARKET (NSM)**

The Committee considered a report of the Director of Markets and Consumer Protection regarding the installation of a payment barrier at the front gate of New Spitalfields Market.

The Superintendent of New Spitalfields Market informed the Committee that this report had been approved by the Projects Sub Committee earlier this morning where it was well received by the Chairman.

A Member questioned whether consideration might be given to introducing annual passes which might assist in speeding up entry through the barriers and also encouraging more frequent visits to the site. The Director confirmed that the project would now progress to Gateway 4 and a feasibility study and that this and other options could be considered.

RESOLVED – That Members approve the installation of a payment barrier at the front gate of New Spitalfields Market and note that no City funding will be required. Funds to install the barrier will come solely from New Spitalfields Market resources. £1m of ring fenced money has been set aside in the Market’s funds/reserves. This will easily cover the costs of implementation. Revenue received will replenish these reserve funds before any money is allocated to planned works/improvements or the service charge.

12. **NON-TENANT WASTE**

The Committee received a report of the Director of Markets and Consumer Protection providing Members with an update on the issue of non-tenant waste at the City’s Wholesale food markets as requested at the March Markets Committee meeting.

The Chairman thanked Officers for producing this report. He reported that the Smithfield Market Tenant’s Association were now taking up the issue of waste on site with tenants more actively.

RESOLVED – That, Members note the report.

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

Superintendents’ Oral Updates

A Member questioned why Superintendents’ Oral Updates had not featured on today’s agenda given that the Committee had only recently requested that this be a standing item. The Chairman reported that he and the Director had taken the decision to remove the item from today’s agenda as each Superintendent had provided a written update on issues at their respective sites within the Business Plan. It was therefore felt that, on this occasion, a separate update item would lead to unnecessary duplication.

Members stated that that the inclusion of this item on each agenda was a Committee decision and requested that it now feature on every occasion even if Superintendent’s simply stated that they had nothing further to report.

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

Smithfield Market Committee Visit

The Chairman, on behalf of the Committee, thanked the Superintendent of Smithfield Market and his team for this morning’s successful and informative Committee visit to the site.

15. **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 No.	Paragraph(s)
16	1, 3 & 5
17	3, 5 & 7
18 – 19	3
20	1, 3 & 5

16. **NON-PUBLIC MINUTES**

The non-public minutes of the meeting held on 2 March 2016 were considered and approved as a correct record.

17. **DEBT ARREARS MARKETS - PERIOD ENDING 31ST MARCH 2016**

The Committee received a report of the Director of Markets and Consumer Protection informing Members of invoiced income raised and outstanding as at 31st March 2016 from 31 days to 121+ days.

18. **SMITHFIELD MARKET - CONDENSER WATER COOLING SYSTEM - OPERATING TEMPERATURE**

The Committee received a report of the City Surveyor explaining the background to the operating temperature of the Market's condenser water cooling system as requested at the last Markets Committee meeting and the latest developments.

19. **POULTRY MARKET- REPAIRS PROJECT**

The Committee considered and approved a report of the City Surveyor regarding the Poultry Market repairs project.

20. **TENANCIES AT WILL AND ASSIGNMENTS**

The Committee received a report of the Director of Markets and Consumer Protection on the Tenancies at Will that have been granted at the City of London's Wholesale Markets and on lease assignments.

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

Questions regarding approaches from developers on the City's market sites and the Spitalfields Market lease renewal negotiations were raised in the non-public session.

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

There were no urgent items.

The meeting ended at 12.40 pm

Chairman

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Agenda Item 4

Committee(s):	Date:
Policy and Resources Committee – For Decision Markets Committee – For Information Property Investment Board – For Information	07 July 2016 20 July 2016 20 July 2016
Subject: Museum of London Proposed Relocation – Approval in Principle	Public
Report of: Town Clerk	For Information
Report authors: Matthew Pitt	

Summary

This report seeks Members' approval in principle for the City of London Corporation to work with the Greater London Authority (GLA) to support the Museum of London's proposed move to Smithfield General Market and Annexe (West Smithfield).

Previous reports to this committee on 23 June 2015 and September 2015 (urgency) and the statement given by the Chairman to the Court of Common Council on 15 October 2015 advised Members that officers have been working with the Museum of London and GLA to investigate the Museum of London Board's preferred option for the siting of a new museum at West Smithfield.

This report updates Members on progress made to date on the Museum of London's proposed move to Smithfield General Market, Annexe and Poultry Market Basement. It outlines that more officer time and possibly financial commitment will be needed before a final decision can be made later this year but asks Members to provide their support in principle for the Museum's move. Such an agreement would make the City of London Corporation's intention clear and allow key stakeholders to express a view on the proposals to bring these historic market buildings back into public use. The report also notes the importance of stakeholder engagement and that the move would free up the Museum's existing London Wall site for a potential Centre for Music, significantly boosting the City's aspirations for a cultural hub.

It is important to note that whilst signaling the City of London Corporation's in principle support for the proposed move, there will be a number of practical considerations such as project governance, funding arrangements and due diligence which will need to be addressed ahead of any final commitment. The overall cost of the project is currently estimated to be £200-300m funded by the City, GLA and Museum.

Recommendations

That Policy and Resources Committee: -

1. Approve in principle the City of London Corporation supporting the Museum of London's proposed move, working with the GLA to bring new life and purpose to the underused buildings at Smithfield General Market, Annex and Poultry Market basement;
2. note that any move by the Museum will require the approval of multiple committees and the Court of Common Council;
3. note that full approval would have to be subject to satisfactory terms having been agreed between the City, GLA and Museum of London; satisfactory financial arrangements including cost envelope, affordability, capital and revenue funding shares; and satisfactory completion of due diligence including legal powers and governance proposals; and
4. note that a decision in principle at this stage would not predetermine a final decision later in the year which will be taken once the above considerations have been addressed.

Main Report

Background

1. In July 2015 the Court of Common Council approved the City's purchase of TH Real Estate's Leasehold interests in Smithfield General Market and Annexe. The purchase was completed in December 2015, allowing the City and Museum of London to explore the Museum's preferred option to relocate to West Smithfield or for the site to be used for another purpose. While the possible Museum of London relocation was an important incentive for the purchase, it was acknowledged that the purchase stood on its own merit even if the relocation did not proceed due to the importance of the site and its key location. Members were advised at the time that an alternative option for the site could be a stand-alone retail development.
2. In his statement to Members at the 25 October 2015 meeting of the Court of Common Council, the Chairman of your committee set out the context to this purchase, including how the proposed move is linked with a possible new Centre for Music at the Museum's current site: -

"As Members will be aware, the Museum of London has the ambition to create a new Museum at West Smithfield. This is not a "nice to have" project. The present building is wholly unsatisfactory and if the Museum remains there will require expensive repair and renovation work at a cost that could well exceed that of moving to a new building. At the same time the Treasury and the Mayor of London provided funding to the Barbican and the LSO for a feasibility study for a new Centre for Music in London. This study has now been completed and has concluded that it is indeed feasible for such a centre to be located on the present Museum of London site at London Wall. These two developments, occurring together, provide a unique opportunity that should be pursued.

The proposed new Museum of London at West Smithfield, located as it will be next to a new Crossrail and Thameslink station, would be a state-of-the-art institution to meet the needs of Londoners and visitors to the capital. Set in the complex of buildings at West Smithfield, including the iconic General Market and Red House, it would not only be a new landmark destination but also a space in which a 21st century museum can bring heritage and history to life for new generations. The new museum will create an unrivalled experience and contribute to the regeneration of this vibrant and historic part of London. The new museum at West Smithfield would welcome over two million people each year, connect with all parts of London, work with even more schools and display more of the museum's collection, much of which is currently in storage. It will be a more financially sustainable organisation that brings the latest academic thinking to the fore.

The freeing of the present Museum site makes possible the construction of a new Centre for Music on London Wall - a home for the London Symphony Orchestra, an inspiring place in which the LSO can flourish under the direction of Sir Simon Rattle, when he becomes their musical director in 2017. The Centre for Music would not only provide a space for superb performance, but would also promote learning, education and discovery for all."

3. Subsequently at the Policy and Resources Committee meeting on 19 November 2015, Members agreed in principle to support the development of a new Centre for Music on the Museum of London's current site subject to

confirmation of funding partners, final agreement of capital costs and sustainable long-term revenue costs.

4. In July 2015 the Museum of London applied for and was granted a Certificate of Immunity from Listing by the Secretary of State for Culture, Media and Sport on its current London Wall site. The current certificate is valid until July 2020.

Current Position

5. In January this year, the Museum announced their architectural competition to design a new museum at Smithfield General Market and Annexe. The competition has since progressed with six shortlisted architects (announced 4 April 2016). Their initial design ideas have been on public display at the Museum of London since 10 June ahead of a decision on the winner due to be taken by the Museum's Board on 13 July. The Museum is currently engaging stakeholders.
6. Concurrently, the Museum, with funding provided by the City, has been developing its business case for the move and conducting a technical study to explore any enabling works that could be conducted sooner to accelerate the overall building programme.
7. To date, the ongoing costs of the project (excluding purchase of the West Smithfield Site) have been shared between the City, GLA and Museum. The City and the GLA have committed £417,000 each towards the costs of the project excluding funds for the purchase of the Smithfield site and the Museum has spent £300,000 on items including an options appraisal study. The City has also set aside £25,000 to cover its own legal and regulatory matters. It has been acknowledged that while these funds have been expended "at risk" in that the relocation may not proceed, it is nevertheless inevitable that some early preparatory and feasibility work has had to be undertaken in order to progress the project to its current stage. The overall cost for the project is yet to be determined but it is currently estimated that this will be £200-300m.
8. There remain a number of key issues which require more officer time in order to resolve ahead of a final decision. These issues include: -
 - agreement between the City, GLA and Museum to Heads of Terms including in relation to funding shares for both the capital costs and subsequent revenue implications;
 - The project timetable (particularly around the dependency of the proposed C4M on vacation of the Museum's current site)
 - Funding agreement between the three parties
 - Review of the business case
 - Overall budget envelope;
 - Affordability in the context of other corporate priorities and the City Corporation's financial position at the time a final decision is required; and
 - Governance Structures.

9. It is expected that much of the above can be achieved through additional officer time alone but some additional financial resource may be required in order to reach a satisfactory position ahead of a final decision. Subject to resolving the above issues, the anticipated timeline of that report is set out in the table below:

Committee	Date (2016)
Policy & Resources Committee	08 September or 6 October
Property Investment Board	14 September
Markets Committee	21 September
Resource Allocation sub-Committee	6 October
Court of Common Council	13 October / 8 Dec

10. The General Market Buildings and Annexe have been largely unused for market purposes since around 1997 (following the extensive modernisation and consolidation of the meat market facilities). Much of this area has since endured a difficult history, further complicated by requirements to carry out works to the railway tunnel beneath part of the site for which the City is responsible, and Crossrail's requirements to use parts of the site. The background includes two failed attempts by two successive development companies to redevelop the site into an office-led mixed use development culminating in the planning decisions being called in by the Secretary of State for Communities and Local Government. These redevelopment efforts were significantly opposed by local and national pressure groups including SAVE, and the planning applications were refused.
11. The Poultry Market basement has been unused for Market purposes for a longer period, having been leased, in conjunction with a section of the Annexe, to a cold storage company since the 1930s and more recently to a document storage company from 1982 to 2009. Thereafter it has remained vacant.
12. Given the difficult history of the site, the Museum have begun their own dialogue with key stakeholders. The Museum have advised that initial indications from groups such as the Smithfield Market Tenant's Association (SMTA), The Victorian Society and SAVE have been that they would support the preservation and conservation of the market buildings for a museum use. The positive indications from these organisations are significant given the level of previous opposition. If the buildings could be redeveloped for museum use then it would be a significant boost for the Smithfield Conversation Area, bringing these heritage assets back into public use.
13. The City of London Corporation has also, as a courtesy, written to bodies with previous interests in the site (SAVE, the Victorian Society and SMTA) about this report advising that any comments should be provided within 14 days for inclusion in the report. The Victorian Society's response is attached at Appendix 1. No comments have been received in response to that letter from SAVE or SMTA. A letter was however received on behalf of the SMTA in September 2015 and a copy of the letter is attached in a non-public

appendix. While planning policy is to support the continued presence of Smithfield Market, the expansion of the market facility is not adopted policy, and would not realise the fullest potential and intensification opportunities offered by the new key Crossrail transport interchange at Farringdon.

Proposal

14. It is proposed that Members give their in principle approval to supporting the Museum of London's proposed move and to working with the GLA in supporting the Museum of London's ambition to bring new life and purpose to the underused buildings at Smithfield General Market, Annex and Poultry Market basement.
15. It should be noted that the proposal within this report does not predetermine the final decision which Members will be asked to consider before the proposed relocation could take place. This decision will need to be informed by a report which addresses many of the practical considerations surrounding the project such as the Heads of Terms, project governance, overall capital cost, funding agreements, due diligence and analysis of the Museum's long-term business model.

Strategic Implications

16. The proposal for the Museum of London to move to West Smithfield would be a significant step towards revitalising this corner of the Square Mile. The disused market buildings form a key part of the Smithfield Conservation Area; bringing them back to public use is likely to be welcomed by a range of stakeholders. In addition, the arrival of Crossrail (Elizabeth Line) will provide a further boost bringing an estimated 1.5m passengers within a 45min journey of the City. When it opens in December 2018, Farringdon will become one of the most accessible transport hubs in London with direct links to three of London's international airports. The London Borough of Islington are also proposing a Farringdon and Clerkenwell BID just north of the City border where a vibrant community of design focused SMEs are based.
17. The Museum's proposed move would free up its current London Wall site for the potential Centre for Music. Collectively these two landmark projects could make a significant contribution to the promotion of excellence, collaboration and inclusivity in the City's cultural offer, enhance London's arts, heritage and cultural experience, help increase the attractiveness of the City as a place to be, and increase the outreach and impact of the City's cultural, heritage and leisure contribution to the life of London and the nation.
18. These aspirations reflect the policies and priorities which have been adopted by the City in a range of strategy documents including the Corporate Plan 2015-19 (e.g. Key Policy Priority 5), the Cultural Strategy 2012 – 2017 (eg page 5), the Core Strategy (e.g. CS 11) and the Smithfield Conservation Area SPD 2012.

Conclusion

19. Following the purchase of the leasehold interests at Smithfield General Market and Annexe, work by the Museum to pursue their proposed move,

jointly funded by the GLA and City of London Corporation, has accelerated. Policy and Resources Committee is asked to consider the recommendations in this report given the momentum of the project, in order to provide a steer in advance of further resources being committed to the initiative. This report sets out progress to date and paves the way for detailed funding and governance arrangements to be progressed in the coming months. The final decision on whether the project will go ahead will be subject to report expected later this year and is not predetermined by any in principle decision taken at this stage. It is therefore recommended that Members approve the recommendations set out in this report.

Appendices

- Appendix 1 – Response from The Victorian Society
- Appendix 2 – Letter to City of London Corporation from Kidd Rapinet LLP on behalf of SMTA (non-public)

Background Papers

- Cultural Strategy 2012-2017
- Corporate Plan 2015 – 2019
- Core strategy (adopted 2015)
- Smithfield Conservation Area SPD (adopted 2012)

Matthew Pitt

Town Clerk's Department

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Pitt, Matthew

From: Christopher Costelloe (The Victorian Society)
Sent: 29 June 2016 18:03
To: Pitt, Matthew
Subject: RE: Museum of London proposed move to West Smithfield

Dear Mr Pitt,

Many thanks for your letter. The Victorian Society is supportive in principle of the Museum of London's proposed move to the Smithfield General Market site. While the design process is still at an early stage, the initial shortlisted concept designs demonstrate that it should be possible to accommodate the Museum without damaging the historic and architectural interest of the buildings and the Smithfield Conservation Area.

I would like to take this opportunity to compliment the City of London on its response to the outcome of the public inquiry over the previous scheme on this site; it has been constructive, pragmatic and strategic, in the best traditions of the City.

Kind regards,

Christopher Costelloe

Director

The Victorian Society

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London W4 1TT

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From: Pitt, Matthew
Sent: 15 June 2016 13:03
To: Christopher Costelloe (The Victorian Society)
Cc: Richard Seedhouse (The Victorian Society)
Subject: Museum of London proposed move to West Smithfield
Importance: High

Dear Mr Costelloe,

Please find attached a covering letter seeking the views of you and your organisation, The Victorian Society, on the attached draft report. The report will be considered by the City of London Corporation's Policy and Resources Committee on 7 July 2016.

Kind regards,

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Agenda Item 5

Committee(s):	Dated:
Markets	20 July 2016
Subject:	Public
Revenue Outturn 2015/16	
Report of:	For Information
The Chamberlain Director of Markets and Consumer Protection	
Report author:	
Debbie Howard, Chamberlain's Department	

Summary

This report compares the 2015/16 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 (£0.796m), whereas the total final budget was £0.608m, representing a surplus of (£1.404m) as summarised below.

Table 1 - Summary Comparison of 2015/16 Revenue Outturn with Final Budget

	Original Budget	Latest Approved Budget	Final Budget	Revenue Outturn	Variation Increase/ (Decrease)
	2015/16	(LAB) 2015/16			
	£'000	£'000	£'000	£'000	£'000
	(A)	(B)	(C)	(D)	(D-C)
Local and Central Risk					
Director of Markets & Consumer Protection	(3,389)	(2,993)	(3,014)	(3,886)	(872)
City Surveyor	960	1,323	1,324	907	(417)
Total Direct Expenditure/(Income)	(2,429)	(1,670)	(1,690)	(2,979)	(1,289)
Capital and Support Costs	2,147	2,221	2,298	2,183	(115)
Overall Totals	(282)	551	608	(796)	(1,404)

The Director of Markets and Consumer Protection had a net under spend of (£872,000) on his local and central risk budgets within Markets Committee, which

mainly related to savings at Smithfield Market in relation to employment costs, utilities, stock adjustment and delays in repair projects from agreed carried forward funds from 2014/15. There were also savings at Billingsgate and Spitalfields in relation to stock and car parking income and the Directorate in relation to training and conference expenses.

Chief Officers have submitted a request 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 £366,000 for all the Committees within his remit, of which £151,000 was within the services supporting Markets Committee. The City Surveyor's net under spend of (£417,000) mainly related to the re-phased additional work programme and historical repair work at Smithfield Market.

Recommendations

It is recommended that this revenue outturn report for 2015/16 and the proposed carry forward of under spending to 2016/17 are noted.

Main Report - Revenue Outturn for 2015/16

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 shown in the highlighted row for your Committee's services during 2015/16 totalled (£0.796m), a surplus of (£1.404m) compared to the final budget of £0.608m.

Table 2 - Detailed Summary Comparison of 2015/16 Revenue Outturn with Final Budget

		Original Budget	Latest Agreed Budget	Final Budget	Revenue Outturn	Variation Increase/(Decrease)	Variation Increase/(Decrease)
		£'000	£'000	£'000	£'000	£'000	%
Local Risk							
Director of Markets & Consumer Protection	A	1,600	1,739	1,718	1,156	(562)	(32.7%)
City Surveyors							
Repairs and Maintenance		520	707	708	690	(18)	(2.5%)
Additional Works Programme		440	616	616	217	(399)	(64.8%)
City Surveyor's Total		960	1,323	1,324	907	(417)	(31.5%)
Total Local Risk		2,560	3,062	3,042	2,063	(979)	(32.2%)
Central Risk							
Director of Markets & Consumer Protection	B	(4,989)	(4,732)	(4,732)	(5,042)	(310)	(6.6%)
Total Local and Central risk		(2,429)	(1,670)	(1,690)	(2,979)	(1,289)	(76.3%)
Capital and Support Services		2,147	2,221	2,298	2,183	(115)	(5.0%)
Overall Total		(282)	551	608	(796)	(1,404)	(230.9%)
Total Local and Central risk excluding City Surveyors	C	(3,389)	(2,993)	(3,014)	(3,886)	(872)	(28.9%)

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

2. The local risk under spend of (£979,000) comprises the following main variations:

Director of Markets and Consumer Protection (£562,000) underspend:

• Smithfield Market (£502,000) underspend -

- 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 on-going negotiations with the Smithfield Tenants Association regarding required service levels payable through the Service Charge (£79,000);
- carry forward funding of (£73,000) from the previous year remains unspent. This is partly due to better than expected costs of some repairs and partly due to delays in procurement and insufficient City Surveyor resources to achieve all of the planned work within the timeframe;
- the total stock held for materials and equipment has exceeded the City's threshold and a stock adjustment has been made to the balance sheet which has resulted in a reduced charge to the revenue account for materials in the year of (£82,000);
- Citigen costs for heating and cooling water are lower than anticipated due to the reduction in oil prices which is the basis of the calculation of the price charged to the City. This, together with the reduced consumption has resulted in reduced costs of (£101,000);
- utilities were lower than anticipated by (£76,000) as follows:
 - Water (£30,000) due to replacement of broken water meter;
 - Electricity and Carbon commitment was less than anticipated due to reduced consumption (£46,000);
- professional fees were lower than anticipated as arbitration for the renewal of services on the lease was not implemented in 2015-16 (£55,000);
- net reduction for supplies and services of (£11,000);
- higher than anticipated income for services charged to tenants (£25,000).

- **Billingsgate Market (£33,000) underspend** – additional income generated from filming and car parking (20% of car parking income is allocated to local risk).
- **Directorate (£10,000) underspend** – lower than anticipated training and the cancellation in 2015-16 of the Committee visit to Rungis Market.
- **New Spitalfields Market (£17,000) underspend** – the total of stock held for materials and equipment has exceeded the City's threshold and a stock adjustment has been made to the balance sheet which has resulted in a reduced charge to the revenue account for materials in the year.

City Surveyor (£417,000) underspend – the reduction in repairs and maintenance costs relates mainly to re-phased or cancelled projects, as listed below. These 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.

- **Smithfield Market (£372,000)** – is due to re-phased works on the Additional Work Programme and historical work programme due over the next two years;
- **Billingsgate Market (£61,000)**, is due to delayed projects;
- **New Spitalfields Market £16,000** – additional works and repairs funded from the reserves and/or the service charge.

3. The central risk under spend of (£310,000) comprises the following main variations:

- **Smithfield Market (£169,000) underspend**
 - savings made on the Food Standard Agency (FSA) inspections due to the cost of inspections now invoiced direct to the tenants (£83,000);
 - rebate for a contingency held on a Supplementary Revenue Project (SRP) run by City Surveyors (£71,000);
 - additional rental income (£9,000);
 - a net reduction in legal fees for rental and rates of premises and reduced provision for bad debts (£6,000).

- **Billingsgate Market £44,000 overspend**

- additional rental income (£7,000);
- reduction in reserves of £58,000 for City Surveyors costs;
- net income is higher due to additional City Surveyors staff time charged, resulting in additional income required from the market reserve (£7,000).

- **New Spitalfields Market (£185,000) underspend;**

- additional rental income (£51,000);
- professional fees for external surveyors for the lease renewal negotiations was unspent and a bid for a central risk carry forward has been included in the report to Resource Allocation Sub Committee (£120,000);
- additional income from reserves to fund higher City Surveyors costs (£14,000).

4. The (£115,000) underspend in Capital and Support Services is due to reduced premises insurance on buildings at Smithfield which are no longer owned by the City of London Corporation or which have been demolished.

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

Local Risk Carry Forward to 2015/16

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.

The Director of Markets and Consumer Protection had a local risk under spend excluding City Surveyors local risk of (£562,000) on the activities overseen by your Committee and is proposing to carry forward £151,000 of his local risk under spend for the following purposes:

City Cash - Smithfield Market

- £7,000 to replace the loading bays arms which was delayed due to finding a suitable provider of this specialised equipment for the East Market;

- £32,000 to procure two new scrubber/dryer machines. The procurement was started in time for delivery before 31st March 2016, however, delays from the supplier resulted in the machines being delivered on 4th April 2016;
- £27,000 to continue to renew emergency lighting in the East and West market and the car park. This work commenced in 2015/16 but due to operational demands of the market, some of the work had to be delayed - previously unspent carry forward from 2013/14;
- £80,000 for ‘tanking’ 4 rooms out of 8 in the car park that holds all the low and high voltage electrical equipment to power the East and West market;
- £5,000 for the Markets Committee Members visit to Rungis Market in Paris which was originally planned to take place early in 2016 but had to be delayed and is now scheduled for 30 June 2016.

Movement between Latest Approved Budget and Final Budget

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

6. 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.

Surpluses of £1.703m at Spitalfields, £1.134m at Billingsgate and £0.483m at Smithfield Market produced a combined surplus of £3.23m for the three Wholesale Markets. When capital costs of (£0.839m) and central support costs of (£1.61m) respectively are added, there is a consolidated surplus to the City of London Corporation of £0.871m in 2015/16.

7. Details of variances for Appendix B1 are listed and attached on Appendix B2.

Annex A1 - Comparison of 2015/16 Local Risk Revenue Outturn with Final Agreed Budget
Annex A2 - Comparison of 2015/16 Central Risk Revenue Outturn with Final Agreed Budget
Annex A3 – Movement from Latest Approved Budget to Final Budget
Appendix B1 - Comparison of 2015/16 Operating Statement with Operating Budget
Appendix B2 – Variance details for appendix B1

Contact details:

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Markets Committee - Comparison of 2015/16 Revenue Outturn with Final Budget

	Original Approved Budget	Latest Approved Budget	Final Budget	Revenue Outturn	Variation Increase/ (Decrease)	Variation %	Reasons
	£'000	£'000	£'000	£'000	£'000	%	
LOCAL RISK							
Director of Markets							
City Fund							
Spitalfields Market Service Charge	26	26	26	4	(22)	(84.6%)	1
Spitalfields Market Corporation	22	22	22	27	5	22.7%	2
Total City Fund	48	48	48	31	(17)	(35.4%)	
City Cash							
Smithfield Market Service Charge	936	861	840	514	(326)	(38.8%)	3
Smithfield Market Non Service Charge	75	264	264	86	(178)	(67.4%)	4
Smithfield Market Other Services	(48)	(27)	(27)	(26)	1	3.7%	5
Billingsgate Market Non Service	166	166	166	133	(33)	(19.9%)	6
Markets Directorate	423	427	427	418	(9)	(2.1%)	7
Total City Cash	1,552	1,691	1,670	1,125	(545)	(32.6%)	
Total Director of Markets	1,600	1,739	1,718	1,156	(562)	(32.7%)	
City Surveyor							
City Fund							
Spitalfields Market Service Charge	30	32	32	48	16	50.0%	8
Spitalfields Market Corporation	1	0	0	0	0	0.0%	
Total City Fund	31	32	32	48	16	50.0%	
City Cash							
Smithfield Market Service Charge	336	581	582	493	(89)	(15.3%)	9
Smithfield Market Non Service Charge	440	482	482	212	(270)	(56.0%)	9
Smithfield Market Other Services	0	56	56	43	(13)	(23.2%)	9
Billingsgate Market Service Charge	145	165	165	103	(62)	(37.6%)	10
Billingsgate Market Non Service	8	7	7	8	1	14.3%	10
Total City Cash	929	1,291	1,292	859	(433)	(33.5%)	
Total City Surveyor	960	1,323	1,324	907	(417)	(31.5%)	
TOTAL LOCAL RISK	2,560	3,062	3,042	2,063	(979)	(32.2%)	

Reasons for Local Risk Variations – Director of Markets

1. **Spitalfields Market Service Charge Account** - underspend (£22,000) 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 underspend of (£22,000).

2. **Spitalfields Market Corporation Account** - overspend of £5,000 is due to the following:
 - professional fees for the fork lift truck/ pedestrian segregation project £15,000;
 - supplies and Services were less than expected mainly due to the legal fee budget not required in 2015/16 (£6,000) and training, equipment, printing and conference budgets not fully expended (£4,000).

3. **Smithfield Market Service Charge Account** - underspend (£326,000) is mainly due to the following:
 - Reduced employment costs due to changes in staffing levels (£53,000);
 - lower than expected chilled and hot water provided by Citigen which is mainly due to a decreased pricing mechanism caused by the fall in oil prices (£71,000);
 - reduced electricity costs for common areas due to lower consumption and more accurate check meters (£15,000);
 - the cost of repairs and cleaning materials was off -set by a stock accounting adjustment resulting in a lower than anticipated cost of (£82,000). The adjustment was required as the City of London's stock threshold was exceeded for Markets due to the high value parts now kept in stock for the repair of the condensers;
 - reduced water charges due to lower consumption (£30,000);

- professional fees contingency set aside for possible arbitration was not required during the year (£55,000);
 - higher than expected service charge income from new tenants who are outside of the capped charge (£20,000);
4. **Smithfield Market Non Service Charge Account** - underspend (£178,000) is mainly due to the following:
- Lower than expected employment costs (£26,000);
 - due to reduced costs of repairs and equipment, delays in procurement and availability of City Surveyor resources, carry forward funding of (£94,000), was either unspent or being re-applied as a carry forward budget from 2015/16 into 2016/17;
 - reduced cost for repairs due to an off-set stock adjustment (£24,000);
 - lower than anticipated cost for chilled and hot water provided by Citigen of (£30,000) which is mainly due to the decreased pricing mechanism caused by the fall in oil prices;
 - low value underspends for the Animal By-product facility relating to professional fees and supplies and services (£4,000).
5. **Smithfield Market Other Services**- overspend of £1,000 is due to the following:
- Reduced repair costs for the car park due to delays in planned repairs (£20,000);
 - reduced equipment spend on barrier equipment (£6,000);
 - higher than expected management costs for running the car park due to the new tender and increased employment costs due to the introduction of the London living wage £14,000;
 - lower than expected car parking income of £13,000.
6. **Billingsgate Market Non Service Charge** – underspend (£33,000) is due to the following:
- Increased car parking and filming income (£55,000);
 - reduced communications and employment costs (£11,000);

- increased repairs costs for decoration of the Committee room and offices to let and increased costs for installation of car park barriers £33,000.
7. **Directorate** – The underspend of (£9,000) is due to a postponed trip to Rungis and lower than expected training costs. The reduction is passed onto all the Markets and Consumer Protection budgets under the remit of the Director on a proportionate basis, through the recharging policy of the City of London.

Reasons for Significant Local Risk Variations – City Surveyors

8. Overspend of £16,000 at New Spitalfields Market is due to additional general breakdown works.
9. Net under spend of (£372,000) at Smithfield Market is due to the Additional Work Programme being delayed and re-phased (£399,000) and additional general breakdown works of £27,000.
10. Net under spend of (£61,000) at Billingsgate Market is due to delayed or cancelled minor works.

Markets Committee - Comparison of 2015/16 Outturn with Final Budget

	Original Approved Budget £'000	Latest Approved Budget £'000	Final Budget £'000	Revenue Outturn £'000	Variation Increase/ (Decrease) £'000	Variatio n %	Reasons
CENTRAL RISK							
Director of Markets							
City Fund							
Spitalfields Market Service Charge	(439)	(443)	(443)	(453)	(10)	(2.3%)	11
Spitalfields Market City Account	(1,347)	(1,191)	(1,191)	(1,362)	(171)	(14.4%)	12
Spitalfields Market Tenants Repairs	(25)	(21)	(21)	(25)	(4)	(19.0%)	13
Total City Fund	(1,811)	(1,655)	(1,655)	(1,840)	(185)	11.2%	
City Cash							
Smithfield Market Service Charge	85	85	85	2	(83)	(97.6%)	14
Smithfield Market Non Service	(1,738)	(1,698)	(1,698)	(1,790)	(92)	(5.4%)	15
Smithfield Market Other Services	0	18	18	24	6	33.3%	16
Billingsgate Market Service Charge	(300)	(317)	(317)	(259)	58	18.3%	17
Billingsgate Market Non Service	(1,214)	(1,156)	(1,156)	(1,163)	(7)	(0.6%)	18
Billingsgate Market Special Works	(11)	(9)	(9)	(16)	(7)	(77.8%)	19
Total City Cash	(3,178)	(3,077)	(3,077)	(3,202)	(125)	(4.1%)	
TOTAL CENTRAL RISK	(4,989)	(4,732)	(4,732)	(5,042)	(310)	(6.6%)	

Reasons for Significant Central Risk Variations

- 11.Spitalfields Market Service Charge A/C** – net income was higher to fund increased City Surveyor costs resulting in additional funds required from tenants' contributions.
- 12.Spitalfields Market City A/C** – underspend of (£171,000) is due to additional rental income (£51,000) and lower than anticipated professional fees for external surveyor costs due to delays in the lease renewal process (£120,000). The unspent professional fees budget has been included in the central risk carry forward requests in 2016-17.
- 13.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 (£4,000).

14. **Smithfield Service Charge A/C** – net expenditure was lower due mainly to the reduction of the FSA Inspection fee charges (£83,000).
15. **Smithfield Market Non Service Charge A/C** – net income was higher due to the rebate of a Surveyors Revenue Project (£71,000), reduction in the bad debt provision and reduced legal costs of (£12,000) and additional Tenancy at Will fees of (£9,000).
16. **Smithfield Other Services A/C** – overspend of £6,000 due to the write-off of Snowhill Estate Ltd which was transferred in error from City Surveyors to Markets during the implementation of Oracle Property and Accounts Receivable modules £8,000, which was partly offset by reduced rates bills due to empty premises (£2,000).
17. **Billingsgate Market Service Charge A/C** – net income due to reductions in City Surveyors costs resulting in fewer funds required from tenants contributions £58,000.
18. **Billingsgate Market Non Service Charge A/C** – net income is higher due to additional rent income (£7,000)
19. **Billingsgate Market Special Works A/C** – net income is higher due to additional City Surveyors staff time charged, resulting in additional income required from the market reserves (£7,000).

Markets Committee – Movement in 2015/16 Latest Approved Budget to Final Budget

Analysis by Service Managed	Original Budget 2015-16 £'000	Latest Approved Budget* 2015-16 £'000	Final Budget 2015-16 £'000	Movement £'000	Notes
CITY FUND					
Spitalfields Market Service Charge	26	26	33	7	
Spitalfields Market City Account	(846)	(653)	(618)	35	
Spitalfields Market Repainting & Repair	0	0	0	0	
TOTAL CITY FUND	(820)	(627)	(585)	42	a
CITY CASH					
Smithfield Market Service Charge	1,713	1,990	2,003	13	
Smithfield Market City Account	(602)	(420)	(420)	0	
Smithfield Other Properties	19	119	119	0	
TOTAL SMITHFIELD MARKET	1,130	1,689	1,702	13	b
Billingsgate Market Service Charge	0	0	0	0	
Billingsgate Market City Account	(571)	(531)	(509)	22	
Billingsgate Market Repainting & Repair	0	0	0	0	
TOTAL BILLINGSGATE MARKET	(571)	(531)	(509)	22	c
DIRECTORATE – Late budget change for reapportionment.	(21)	20	0	(20)	
TOTAL CITY CASH	538	1,178	1,193	15	
TOTAL	(282)	551	608	57	

*Latest Approved Budget as reported to your Committee on 30th November 2015

Notes:

- (a) Recharged costs have increased mainly for capital charges and support costs.
 (b) Recharged costs have increased mainly for support costs
 (c) Recharged costs reduced due to reduction in surveyors costs
 (d) Late budget apportionment reapportioned after LAB for recharged IT costs.

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APPENDIX B1

	Spitalfields						Billingsgate						Smithfield						Total														
	A	B	C	D	C-D	% variance	Notes	A	B	C	D	C-D	% variance	Notes	A	B	C	D	C-D	% variance	Notes	A	B	C	D	C-D	% variance						
	Original Budget 2015/16 £'000	Latest Approved Budget 2015/16 £'000	Final Budget 2015/16 £'000	Actual 2015/16 £'000	Variance 2015/16 £'000			Original Budget 2015/16 £'000	Latest Approved Budget 2015/16 £'000	Final Budget 2015/16 £'000	Actual 2015/16 £'000	Variance 2015/16 £'000			Original Budget 2015/16 £'000	Latest Approved Budget 2015/16 £'000	Final Budget 2015/16 £'000	Actual 2015/16 £'000	Variance 2015/16 £'000			Original Budget 2015/16 £'000	Latest Approved Budget 2015/16 £'000	Final Budget 2015/16 £'000	Actual 2015/16 £'000	Variance 2015/16 £'000		Original Budget 2015/16 £'000	Latest Approved Budget 2015/16 £'000	Final Budget 2015/16 £'000	Actual 2015/16 £'000	Variance 2015/16 £'000	
Operating Expenditure																																	
Expenditure																																	
Employees (basic pay, NI, pension, overtime, training and recruitment advertising)	(1,276)	(1,340)	(1,340)	(1,327)	13	1%							(1,658)	(1,661)	(1,661)	(1,676)	(15)	(1%)	7	(1,876)	(1,751)	(1,751)	(1,672)	79	5%	13	(4,810)	(4,752)	(4,752)	(4,675)	77	2%	
Premises (Energy, repair and maintenance, rates, insurance, water, pest control, cleaning materials)	(1,254)	(1,309)	(1,309)	(1,182)	127	10%	1	(1,277)	(1,281)	(1,281)	(1,282)	(1)	(0%)	8	(3,041)	(3,501)	(3,502)	(2,542)	960	27%	14	(5,572)	(6,091)	(6,092)	(5,006)	1,086	18%	(5,572)	(6,091)	(6,092)	(5,006)	1,086	18%
Transport (Vehicle running costs, congestion charge and travel costs)	(6)	(6)	(6)	(3)	3	50%	2	(30)	(84)	(84)	(75)	9	11%	9	(13)	(4)	(4)	(2)	2	50%	15	(49)	(94)	(94)	(80)	14	15%	(49)	(94)	(94)	(80)	14	15%
Supplies and Services (Refuse collection, Equipment and CCTV hire/maintenance and purchase, uniforms and clothing, communication and office expenses)	(145)	(316)	(316)	(183)	133	42%	3	(121)	(176)	(176)	(214)	(38)	(22%)	10	(408)	(473)	(473)	(327)	146	31%	16	(674)	(965)	(965)	(724)	241	25%	(674)	(965)	(965)	(724)	241	25%
Waste and Cleaning contract (Spitalfield Market only)	(1,857)	(1,857)	(1,857)	(1,837)	20	1%	0	0	0	0	0	0%	0	0	0	0	0	0	0%	0	(1,857)	(1,857)	(1,857)	(1,837)	20	1%	(1,857)	(1,857)	(1,857)	(1,837)	20	1%	
Total operating expenditure	(4,538)	(4,828)	(4,828)	(4,532)	296	6%							(3,086)	(3,202)	(3,202)	(3,247)	(45)	(1%)		(5,338)	(5,729)	(5,730)	(4,543)	1,187	21%	(12,962)	(13,759)	(13,760)	(12,322)	1,438	10%		
Income																																	
Rent, Waives and Tolls Income	1,330	1,330	1,347	1,398	51	4%	4	667	644	644	681	37	6%	1,734	1,713	1,713	1,722	9	1%	3,731	3,687	3,704	3,801	97	3%	3,731	3,687	3,704	3,801	97	3%		
Charge for Services (Filming, car parking, service charge income, insurance, advertising hoarding, reimbursement if direct recovered costs)	4,795	4,896	4,876	4,837	(39)	(1%)	5	3,703	3,785	3,775	3,700	(75)	(2%)	11	3,470	3,462	3,462	3,304	(158)	(5%)	17	11,968	12,143	12,113	11,841	(272)	(2%)	11,968	12,143	12,113	11,841	(272)	(2%)
Total Operating Income	6,125	6,226	6,223	6,235	12	(0%)							4,370	4,429	4,419	4,381	(38)	(1%)	5,204	5,175	5,175	5,026	(149)	(3%)	15,699	15,830	15,817	15,642	(175)	(1%)			
Net Operating Surplus/(Deficit)	1,587	1,398	1,395	1,703	308	22%							1,284	1,227	1,217	1,134	(83)	(7%)	(134)	(554)	(555)	483	1,038	187%	2,737	2,071	2,057	3,320	1,263	61%			
Central Costs																																	
Capital Charges (Depreciation and Interest)	(556)	(555)	(572)	(572)	0	0%							(162)	(152)	(152)	(152)	0	0%	(16)	(115)	(115)	(115)	0	0%	(734)	(822)	(839)	(839)	0	0%			
Other Central Costs (All Markets = transfer from and to reserves, recharges across and within funds and the apportionment of the Market Directorate.)	(211)	(216)	(238)	(418)	(180)	(76%)	6	(551)	(544)	(556)	(411)	145	26%	12	(940)	(900)	(913)	(781)	132	14%	18	(1,702)	(1,660)	(1,707)	(1,610)	97	6%	(1,702)	(1,660)	(1,707)	(1,610)	97	6%
Total Market (Expenditure)/Income	820	627	585	713	128	22%							571	531	509	571	62	12%	(1,090)	(1,569)	(1,583)	(413)	1,170	74%	301	(411)	(489)	871	1,360	278%			

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

Notes
The City has adopted the UKGAAP standards.
Favourable variances over 10% and all adverse variances are reported within Appendix B2.

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 2015-16 final budget to the actual outturn for 2015-16. 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 adverse variances between final budget and actual costs and favourable variances of 10% or more have been detailed below.

<u>New Spitalfields Market</u>	<u>Description</u>	<u>2015-16 Final Budget to actual outturn</u>
<u>Notes</u>	<u>Expenditure</u>	
1	Premises related	£127,000/10% decrease in premises related costs are due to: <ul style="list-style-type: none"> • City Surveyor and local maintenance team have carried out less repair projects at Spitalfields than planned £142,000, • small overspends on water, rates and utilities (£15,000).
2	Transport	<ul style="list-style-type: none"> • £3,000/50% decrease in transport is due to lower congestion charges and less staff travel.
3	Supplies and Services	£133,000/42% decrease in costs is due to: <ul style="list-style-type: none"> • a decrease in professional fees for the lease negotiations which are still on-going £120,000, • a decrease in purchasing uniforms and hi-viz clothing payable by the tenants £8,000 and • reduction in publicity and printing payable by the tenants of £5,000.
4	Income	<ul style="list-style-type: none"> • £51,000/4% increase in rent is due to an increase in Tenancy at Wills.

5		<ul style="list-style-type: none"> • (£39,000)/1% reduction is a result of net reductions from the reserve account due to the savings in service costs.
	Central Costs	
6	Other Central costs	<p>(£180,000)/76%, increase is as a result of:</p> <ul style="list-style-type: none"> • a net reduction of transfers from the reserves account to the service charge revenue account of (£120,000) due to a reduction in professional fees, • an increase of (£60,000) for support and IT central recharges.

<u>Billingsgate Market</u>	<u>Description</u>	<u>2015-16 Final Budget to actual outturn</u>
<u>Notes</u>	<u>Expenditure</u>	
7	Employees	<p>(£15,000)/1% increase in costs is due to the increased use of agency staff (£10,000) and additional overtime required (£5,000) for the service charge.</p>
8	Premises related	<p>(£1,000)/1% increase in costs relates to:</p> <ul style="list-style-type: none"> • a net reduction in repairs carried out by City Surveyors £20,000, • Energy and carbon commitment reduced by £55,000 on the service charge, • reduced contribution to reserves of £17,000, • a net reduction in cost for cleaning material due to a stock adjustment of £8,000 on the service charge, • reductions in pest control, rates and local repairs £10,000 on the service charge, • increase in general breakdown costs carried out locally of (£77,000),

		<ul style="list-style-type: none"> • higher than expected repairs for decoration to offices, Committee room and barriers (£34,000).
9	Transport related	£9,000/11% reduction is due to the receipt of a grant for the purchase of the Johnston Sweeper in 2015/16.
10	Supplies and Services	<p>(£38,000)/22% increase is due to:</p> <ul style="list-style-type: none"> • increase in waste collection costs (£14,000), • increase in cash collection costs (£8,000) and professional fees (£2,000) netted off against a reduction in bad debt provision £5,000. • further professional and legal fees for the letting of the Satellite unit (£19,000).
	Income	
11	Charges for services	(£75,000)/2% decrease is due to less funding required on the Service Charge account due to reduced costs for energy, rates and contribution to reserves.
	Central Costs	
12	Other central costs	<ul style="list-style-type: none"> • £145,000/26% decrease is a result of a reduction in net transfers from the reserve account to the revenue account £134,000, • net reduction in support costs and IT costs £11,000.

<u>Smithfield Market</u>	<u>Description</u>	<u>2015-16 Final Budget to actual outturn</u>
<u>Notes</u>	<u>Expenditure</u>	
13	Employee costs	£79,000/5% decrease is due to 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.
14	Premises related	<p>£960,000/27% decrease is due to:</p> <ul style="list-style-type: none"> • reduction of general breakdown costs due to the stock adjustment for materials held £106,000, • energy, water and CRC commitment cost reduction £71,000, • re-phased additional works programme £372,000, • incomplete repair work and projects part of carry forward requests £94,000, • rebate of surveyors revenue project £71,000, • cool and hot water reduction of £246,000. Due to the exceptional fall in oil prices, the Citigen price calculation for cool and heated water reduced significantly during 2015/16. The price will start to increase back to higher levels now that oil has started to increase. The reduction in price was passed onto the tenants.
15	Transport related	£2,000/50% decrease is due to a reduction in congestion charges and staff travel.
16	Supplies and Services	<p>£146,000/31% decrease is due to</p> <ul style="list-style-type: none"> • reduction in professional fees for potential arbitration fees £55,000, • reduction of FSA inspection costs which no longer take place £83,000,

		<ul style="list-style-type: none"> • reduction in legal fees £6,000, • net reduction for rates and provision for bad debt £2,000.
	Income	
17	Charges for Services	<p>(£158,000)/5% decrease in income is due to:</p> <ul style="list-style-type: none"> • a reduction in the reimbursement from Commercial Office Tenants for cool and heated water as costs for these services have fallen (£145,000), • reduction of energy costs reimbursed (£13,000).
	Central Costs	
18	Other central costs depreciation	<p>£132,000/14% decrease is due to:</p> <ul style="list-style-type: none"> • reduction in insurance £82,000, • reduction in central and IT costs £50,000.

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Committee(s)	Dated:
Corporate Projects Board Projects Sub Markets Committee	08 June 2016 29 th June 2016 20 th July 2016
Subject: Pedestrian Segregation Barrier – New Spitalfields Market (NSM)	Public
Report of: David Smith – Director of Markets and Consumer Protection	For Decision
Report author: Ben Milligan	

Summary

1. This report outlines the proposal to install a segregation barrier within New Spitalfields Market to separate Fork Lift Trucks (FLT) from pedestrians. There will be a full, waist height barrier on one side of the market “fire path” to stop FLT coming into contact with pedestrians, and a low level barrier on the other side to prevent FLT hitting the fences surrounding the market stands. (See Appendix 1 for pictures of an installed sample barrier). This barrier is required to remove the risk of a pedestrian being hit by an FLT.

Recommendation(s)

2. Members are recommended to approve expenditure of £118,000 for the installation of a segregation barrier in the fire paths of New Spitalfields Market. Note that no City funding will be required. Funds to install the segregation barrier will come solely from NSM resources. £850K of ring-fenced money is available for such works in the Market’s maintenance funds/reserves. This will easily cover the costs of implementation.

Main Report

Background

3. There are 225 fork lift trucks (FLT) on the New Spitalfields site. Work is ongoing to ensure that risks associated with these FLT, and workplace transport in general, are reduced where possible. Following an external review of FLT operation on site by Labyrinth Logistics Consulting Ltd, a work-plan was created to address risks to pedestrians. Several pieces of work have been implemented regarding FLT to ensure that pedestrians are kept safe. One recommendation that is yet to be actioned, is to segregate pedestrians from FLT, where FLT operation is essential. Whilst it is not reasonably practicable to ban FLT on-site, it is proposed to segregate pedestrians from FLT using barriers where possible.

4. An “A-Safe” barrier has been trialled, free of charge, over the last few months. It has been a great success as it does not simply reduce risks, it removes them completely. It is the intention now to implement this across all “fire paths” in the market.

Current Position

5. At present there is no physical barrier to prevent FLTs coming into contact with pedestrians in shared use areas.

Options

6. There are two possible options for the installation of the barrier system:
 1. Install a full height on one side of the fire path to protect pedestrians, and low height on the other side to prevent FLTs striking the fence surrounding trader stands.
 2. It is possible to install only part of the barrier system. i.e. install only the full height barriers to protect pedestrians and use the current Armco barrier to prevent damage to tenant stands, instead of installing the low level barriers, . This would reduce installation costs. However, the Armco is not flexible and takes up more room than the “A-Safe” barrier intended for installation; therefore Armco would narrow the fire path making it harder for FLTs to pass each other.

Proposals

7. It is proposed that option 1 is implemented. Flexible, heavy-duty, plastic barriers will be installed along the edge of the current pedestrian walkways in all of the market “fire paths” to ensure that FLTs will not come into contact with pedestrians. These “fire paths” are the main routes into, and out of, the market hall. Appendix 1 has pictures of the A-Safe trial barrier, and the pedestrian walk-way before and after the installation. Appendix 2 shows a plan of the market hall with the fire paths highlighted)
8. These routes are the main evacuation routes in the event of an emergency, and as such, they must remain clear. They are much narrower than the main avenues of the market hall, and therefore, when FLTs pass each other in these fire paths there is more chance of FLTs crossing into the pedestrian walk way. This presents the risk of a pedestrian being struck by the FLT, its forks, or its load. There is also a risk of a pedestrian having their foot run over. The barrier will reduce this risk to nil whilst ensuring the pathways are always clear to facilitate speedy evacuation.
9. The barriers are slightly flexible to cushion any impact when struck, thereby minimising damage to the FLT or the barrier itself. The barrier will be full height on one side of the fire path to protect pedestrians, and low height on the other side to

prevent FLT's striking the fence surrounding trader stands. The barrier itself is of a modular construction, and as such, repairs are fast and simple when required.

10. Over the past month there has been a free trial of one segregation barrier variety. It was installed in one section of one of the fire paths by A-Safe. It has proven to be very popular across the market. The product is of good quality and meets all relevant requirements. There have been no accidents or incidents reported in this fire path during the trial.
11. A-Safe have quoted an all-encompassing price of **£117,844.45** for installation. City Procurement are now in the process of ascertaining if this price can be beaten whilst maintaining the required specification.

Corporate & Strategic Implications

12. This proposal has been incorporated in the Departmental Business Plan. It also aligns with the City's Corporate Asset Management Strategy and strategic objectives, namely that:
 - i) Operational assets remain in a good, safe and statutory compliant condition
 - ii) Operational assets are fit for purpose and meet service delivery needs.
 - iii) Capital and supplementary revenue projects are affordable, sustainable, and prudent and that the limited available resources are directed to the highest corporate priorities

Implications

13. There have been 106 FLT related incidents in the market since 2012 (accidents or near-misses). Of these, 67 resulted in injury. As such, this matter therefore requires immediate action to safeguard employees, non-employees, and members of the public, whilst also ensuring the City of London Corporation (COL) maintains the required due diligence.
14. The COL have an obligation under the Health and Safety at Work Act 1974 to ensure, so far as is reasonably practicable, that the market (a place of work under the COL's control) is maintained in a condition that is safe and without risks to health. The COL must also make provision for, and maintain, means of access to, and egress from, the market in a way that makes it safe and without such risks. These requirements extend to employees in para 2, members of the public in para 3, and non-employees (tenants) in para 4.
15. The COL also have an obligation under the Workplace (Health, Safety and Welfare) Regulations 1992 para 17 to ensure that where vehicles and pedestrians use the same traffic route, there is sufficient separation between them.

16. In May this year Royal Mail were fined over £60,000 under para 17 of the above legislation when an employee's foot was crushed by a passing Reach Truck. The HSE investigation criticised the lack of segregation on-site. A pertinent statement was made at the trial by the investigating HSE officer who stated - *"What they should have done, and what they did do eventually, was install a solid barrier in the middle of aisle so reach trucks would be operating on one side and people working on foot on the other side. For a company of that stature it's something that you would expect them to have picked up on and put in place."*

17. Failure to comply with the relevant legislation could result in

- i) Serious accident,
- ii) Potentially life changing injury to pedestrian,
- iii) HSE led prosecution of the COL,
- iv) Potential long term closure of part of the market during HSE investigation,
- v) Financial penalty of up to £350,000 or imprisonment,
- vi) Loss of reputation for the COL.

Conclusion

18. It is clear that the segregation of FLT's and pedestrians must occur as soon as possible. There are many ways to reduce risks, but attention must be given to actions that could remove risks completely. A segregation barrier system would completely remove the risk to pedestrians in the fire paths in the market at a relatively low cost.

19. Since the approval track for this report is in the "light" category the subsequent Gateway 5 report can be signed off by a Chief Officer. It is therefore requested that this Gateway 1&2 report is authorised with a view to the Chief Officer authorising the Gateway 5 report, thereby approving a monetary spend in the region of £118,000 to implement an FLT segregation barrier system in New Spitalfields Market.

Appendices

- Appendix 1 – Pictures of fire paths with and without trial "A-Safe" installation
- Appendix 2 – Plan of the market with fire paths marked

Ben Milligan

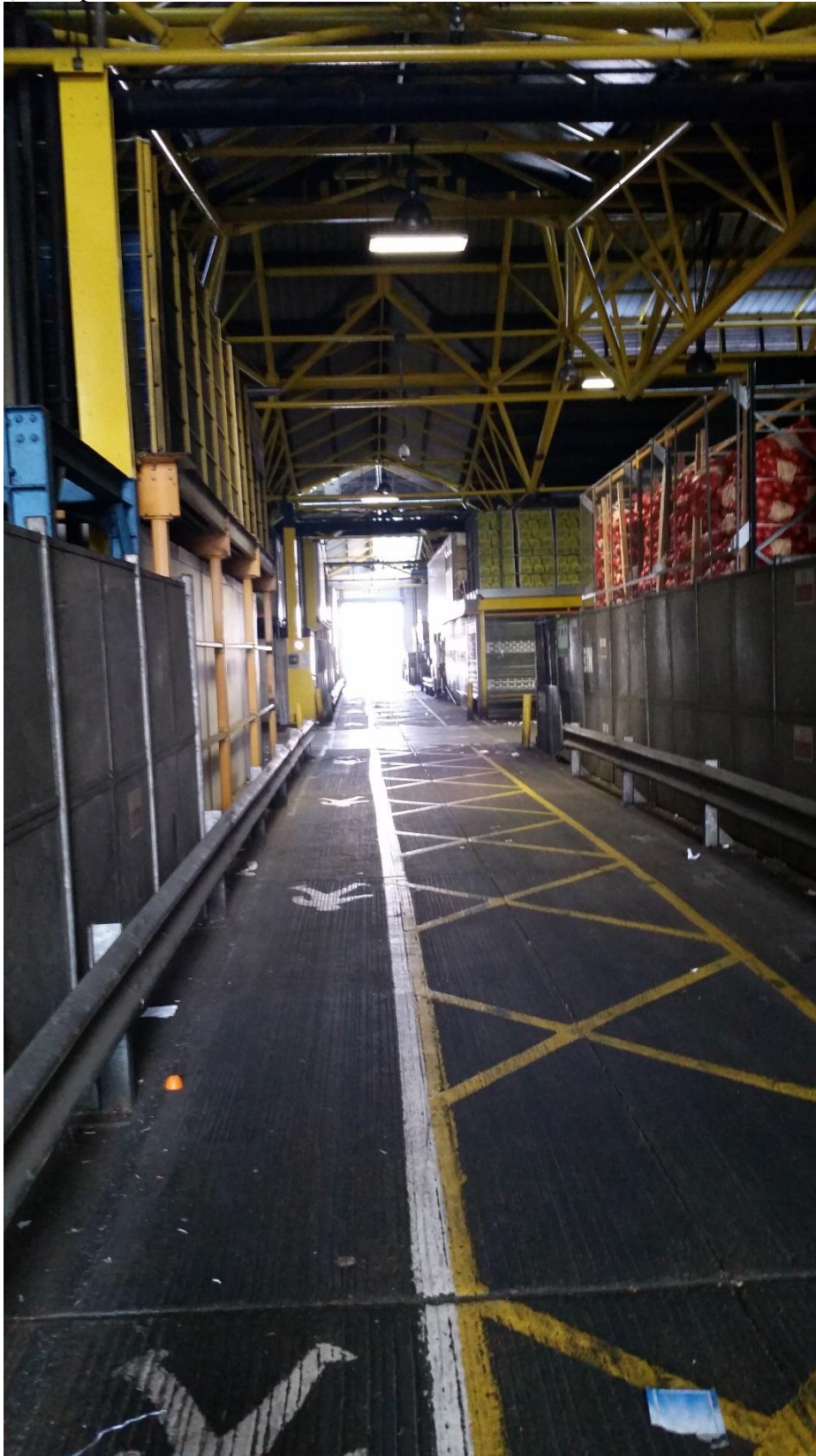
Superintendent New Spitalfields Market

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E: [ben.milligan@cityoflondon.gov.uk]

APPENDIX 1: A-Safe barrier pictures

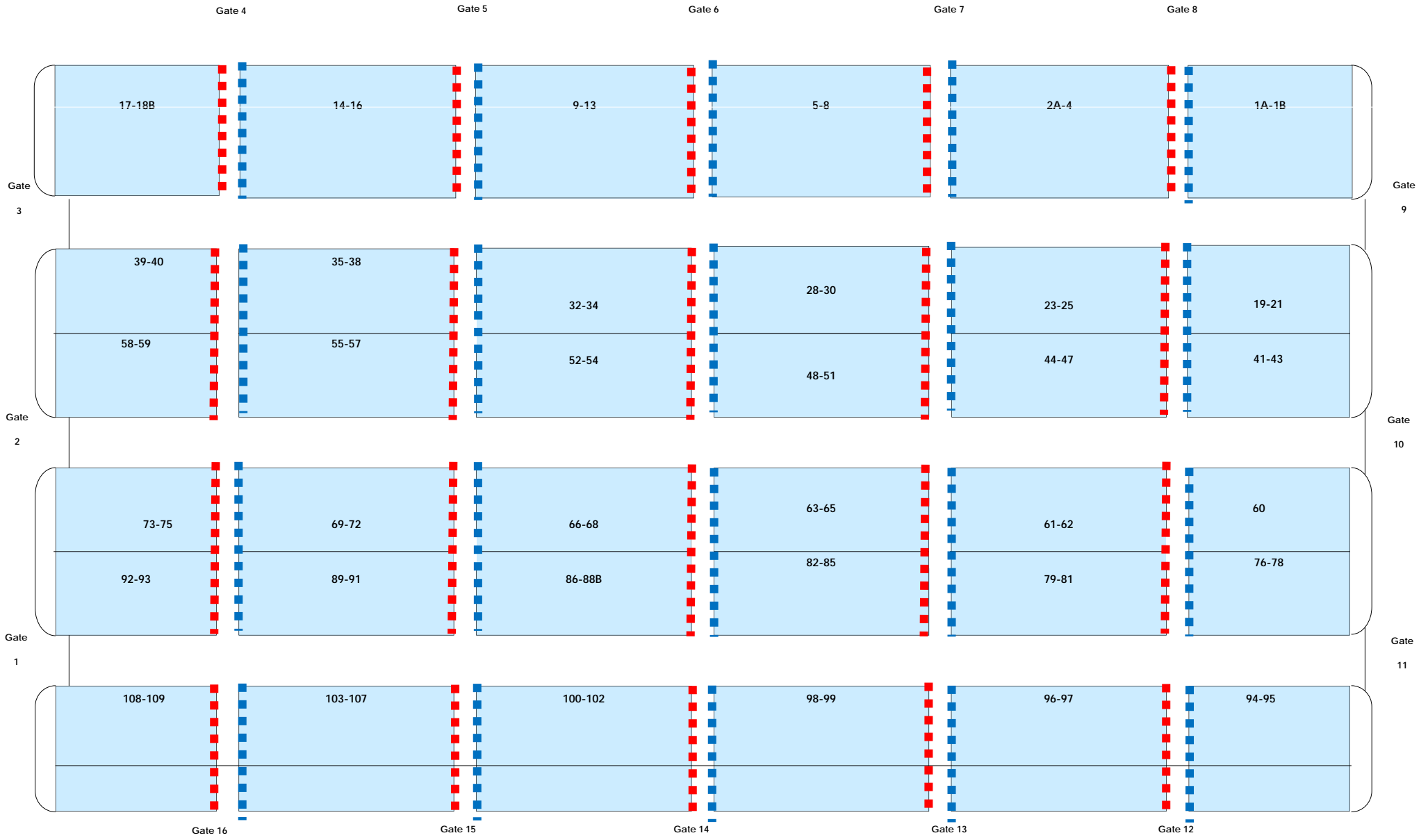
i) Fire path without A-Safe installation



ii) Fire path with A-safe installation.



Appendix 2: Barrier positions in New Spitalfields Market Hall



- ■ ■ ■ ■ Full height barrier in fire path
- ┆ ┆ ┆ ┆ ┆ Low height barrier in fire path

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Agenda Item 7

Committee(s)	Dated: 20 July 2016
Markets Committee	
Subject: Markets Committee Risk	Public
Report of: Director of Markets and Consumer Protection	For Information

Summary

This report has been produced to provide the Markets Committee with assurance that risk management procedures in place within the Department of Markets and Consumer Protection are satisfactory and that they meet the requirements of the corporate Risk Management Framework.

Risk is reviewed regularly by the departmental Senior Management Team as part of the on-going management of operations within the Department of Markets and Consumer Protection. In addition to the flexibility for emerging risks to be raised as they are identified, a process exists for in-depth periodic review of the risk register.

The Department of Markets and Consumer Protection have identified a number of departmental risks. Of these, the most significant risks for this Committee to consider are:

- MCP-NS 001 – Workplace Traffic Management (Current Risk: AMBER)
- MCP-SM 001 – HGV Unloading Operations (Current Risk: AMBER)
- MCP-SM 002 – Cooling Towers (Current Risk: AMBER)

Recommendation(s)

Members are asked to:

- Note the report and the actions taken in the Department of Markets and Consumer Protection to monitor and manage effectively risks arising from our operations.

Main Report

Background

1. The Risk Management Framework of the City of London Corporation requires each Chief Officer to report regularly to Committee the key risks faced in their department.

Current Position

2. This report provides an update of the key risks that exist in relation to the operations of the wholesale markets within the Department of Markets and Consumer Protection. The report also outlines the processes adopted for the on-going review of risk and mitigating actions.

Risk Management Process

3. The Department of Markets and Consumer Protection risk management is a standing agenda item at the monthly Departmental Senior Management Group (SMG) meeting, over and above the suggested quarterly review. SMG receives the risk register for review, together with a briefing note highlighting any changes since the previous review. Consideration is also given as to whether any emerging risks exist for inclusion in the risk register as part of Divisional updates on key issues from each of the Superintendents and Assistant Directors, ensuring that adequate consideration is given to operational risk.
4. Between each SMG meeting, risk and control owners are consulted regarding the risks for which they are responsible, with updates captured accordingly.
5. Regular risk management update reports are provided to this Committee in accordance with the City's Risk Management Framework.

Identification of New Risks

6. New and emerging risks are identified through a number of channels, the main being:
 - Directly by SMG as part of the monthly review process.
 - In response to regular review of delivery of the departmental Business Plan; slippage against key deliverables, for example.
 - Annual, fundamental, risk register review, undertaken by the tier of management below SMG.

The risk register may be refreshed over and above the stated process for review and oversight, in response to emerging issues or changing circumstances.

Summary of Key Risks

7. The Department of Markets and Consumer Protection's Risk Register for Markets, attached as Appendix 1 to this report, has no red risks, but includes three AMBER risks:

MCP-NS 001 – Workplace Traffic Management (Current Risk: AMBER)

Over 200 forklift trucks are in operation on the New Spitalfields Market site.

An accident involving a pedestrian and a vehicle which resulted in a serious or life changing injury could result in prosecution, a fine, reputational damage for the City and have an adverse impact on the operation and sustainability of the service.

MCP-SM 001 – HGV Unloading Operations (Current Risk: AMBER)

A lack of suitable and sufficient training and adequate management controls in relation to Heavy Goods Vehicle banksman activities, undertaken by staff employed by Smithfield Market tenants, could result in a serious or life changing injury to pedestrians, caused by uncontrolled or unguided reversing vehicles.

An accident involving a pedestrian and a vehicle which resulted in a serious or life changing injury could result in prosecution, a fine, reputational damage for the City and have an adverse impact on the operation and sustainability of the service.

MCP-SM 002 – Cooling Towers (Current Risk: AMBER)

Failure adequately to manage or maintain the cooling towers at Smithfield Market could result in an outbreak of Legionellosis. St Bartholomew's Hospital is within the drift area of these towers which exacerbates the impact of this risk due to the close proximity of susceptible persons.

If this risk were to be realised it could result in prosecution, a fine and reputational damage for the City.

Conclusion

8. Members are asked to note that risk management processes within the Department of Markets and Consumer Protection adhere to the requirements of the City Corporation's Risk Management Framework. Risks identified within the operational and strategic responsibilities of the Department of Markets and Consumer Protection are proactively managed.

Appendices

- Appendix A – Markets Risk Register Summary
- Appendix B – Risk Matrix

Background Papers

Department Business Plan
Department Risk Review
Department Business Plan Progress Report
Risk Management Strategy

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MCP Markets Committee Risk Report Appendix A

Generated on: 01 July 2016 12:44



Code	MCP-NS 001	Title	Workplace Traffic Management
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Description	<p>Cause: Over 200 forklift trucks operate on the New Spitalfields Market site.</p> <p>Event: There is a serious risk of life changing injury of a pedestrian if vehicle movements in this constrained space are not appropriately managed and controlled.</p> <p>Effect: An accident involving a pedestrian and a vehicle which resulted in a serious or life changing injury could result in prosecution, a fine, reputational damage for the City and have an adverse impact on the operation and sustainability of the service.</p>
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Category	Health and Safety	Approach	Reduce (By appropriate remedial action)
Risk Level	Departmental	Risk Owner	Ben Milligan

Strategic Aim	SA3	Key Policy Priority	KPP4
Department	Department of Markets and Consumer Protection	Committee	Markets Committee

Current Risk Assessment, Score & Trend Comparison		Target Risk Assessment & Score	
Likelihood	Possible	Likelihood	Unlikely
Impact	Major	Impact	Major
Risk Score	12	Risk Score	8
Review Date	09-Jun-2016	Target Date	02-Jan-2017

Latest Note	Mitigation works are in progress. The proposed pedestrian segregation barrier has been passed through the projects committee initial stages without issue. A review of the HGV parking area has occurred, and a CAD specialist has been tasked with drawing up the proposed changes.
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Actions related to this risk:

Ref No:	Title	Action Description	Action Owner	Due Date	Progress	Latest Note
MCP-NS 001i	Train Managers In Forklift Safety	A member of staff from all tenants to be nominated and trained in FLT safety procedures.	Ben Milligan	28-Jul-2016	30%	This point is to be revisited at the next NSM health and safety meeting to ascertain if it is still relevant. As such, the deadline has been moved back.
MCP-NS 001j	Create Time Segregation	Artic Time Segregation and No Tolerance in market hall.	Ben Milligan	30-Sep-2016	28%	The control of HGV movements and access is largely dependent on there being an entry barrier for the market. The intention is to have authorisation for the entry barrier at the Sept Market Committee. A HGV policy will then be drafted to outline conditions of entry. This will be implemented before the barrier is constructed.
MCP-NS 001k	Install Barrier System	Controlled barriers entry system for pedestrians and vehicles.	Ben Milligan	01-Oct-2018	40%	Project, Project Sub, and Markets Committees all passed with no issues. Procurement are now inviting potential installation companies in to show the level of tech they believe should be installed. Once this has occurred, a detailed gateway 5 report will be created for final sign off at the Markets Committee.
MCP-NS 001l	Segregate Walkways	Create segregated walkways in crossroads.	Ben Milligan	31-Aug--2016	70%	The project has been passed by Project Sub Committee. The next committee for sign off is the Markets Committee on the 20th July. Once signed off by them the Gateway 5 report will be produced for sign off. Procurement have been asked to provide 3 quotes for installation.
MCP-NS 001n	Prohibit Forklifts	No forks lift truck movements in market pavilion during trading hours.	Ben Milligan	02-Oct-2017	5%	This is part of the long term plan and is scheduled for Q4 of 2016.

Code	MCP-SM 001	Title	HGV Unloading Operations
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Description	<p>Cause: A lack of suitable and sufficient training and adequate management controls in relation to Heavy Goods Vehicle banksman activities undertaken by staff employed by Smithfield Market tenants.</p> <p>Event: Serious or life changing injury to members of the public, market staff and other service users caused by uncontrolled or unguided reversing vehicles.</p> <p>Effect: Realisation of this risk could result in a prosecution, fine and reputational damage for the City.</p>
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Category	Health and Safety	Approach	Reduce (By appropriate remedial action)
Risk Level	Departmental	Risk Owner	Matthew Hill

Strategic Aim	SA3 To have a safe and built for purpose loading operation	Key Policy Priority	KPP4
Department	Department of Markets and Consumer Protection	Committee	Markets Committee

Current Risk Assessment, Score & Trend Comparison	<p>12 ↓ Decreased Risk Score</p>
Likelihood	Possible
Impact	Major
Risk Score	12
Review Date	01-Jul-2016

Target Risk Assessment & Score	<p>8</p>
Likelihood	Unlikely
Impact	Major
Risk Score	8
Target Date	30-Nov-2016

Latest Note	This risk has been reviewed and reworded
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Actions related to this risk:

Ref No:	Title	Action Description	Action Owner	Due Date	Progress	Latest Note
MCP-SM 001c	Action Plan	Develop and implement an action plan.	Matthew Hill	30-Dec-2016	80%	Implementation of the action plan is on schedule. Meetings have been held with DBE and the tenants to update the action plan.

						Once the tenants have confirmed the management of the vehicle lock-ons, further training of tenants' staff on the use of physical control measures and equipment around the lock-ons will be arranged. Arrangements are also being made to get the Freight Transport association to visit the site in September 2016 to carry out an audit and review progress against their original recommendations.
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Code	MCP-SM 002	Title	Cooling Towers
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Description	<p>Cause: Inadequate management and maintenance of the cooling towers at Smithfield Market.</p> <p>Event: An outbreak of Legionellosis associated with these towers. St Bartholomew's Hospital is within the drift area of these towers which exacerbates the impact of this risk due to the close proximity of susceptible persons.</p> <p>Effect: If this risk were to be realised it could result in prosecution, a fine and reputational damage for the City.</p>
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Category	Health and Safety
Risk Level	Departmental

Approach	Reduce (By appropriate remedial action)
Risk Owner	David Smith

Strategic Aim	SA3
Department	Department of Markets and Consumer Protection

Key Policy Priority	KPP4
Committee	Markets Committee

Current Risk Assessment, Score & Trend Comparison	
Likelihood	Unlikely
Impact	Major
Risk Score	8

Target Risk Assessment & Score	
Likelihood	Unlikely
Impact	Major
Risk Score	8

Review Date	01-Jul-2016
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Target Date	31-Jul-2016
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Latest Note	Target risk updated.
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Actions related to this risk:

Ref No:	Title	Action Description	Action Owner	Due Date	Progress	Latest Note

City of London Corporation Risk Matrix (Black and white version)

Note: A risk score is calculated by assessing the risk in terms of likelihood and impact. By using the likelihood and impact criteria below (top left (A) and bottom left (B) respectively) it is possible to calculate a risk score. For example a risk assessed as Unlikely (2) and with an impact of Serious (2) can be plotted on the risk scoring grid, top right (C) to give an overall risk score of a green (4). Using the risk score definitions bottom right (D) below, a green risk is one that just requires actions to maintain that rating.

MCP Markets Committee Risk Report Appendix B

(A) Likelihood criteria

	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)
Criteria	Less than 10%	10 – 40%	40 – 75%	More than 75%
Probability	Has happened rarely/never before	Unlikely to occur	Fairly likely to occur	More likely to occur than not
Time period	Unlikely to occur in a 10 year period	Likely to occur within a 10 year period	Likely to occur once within a one year period	Likely to occur once within three months
Numerical	Less than one chance in a hundred thousand (<10-5)	Less than one chance in ten thousand (<10-4)	Less than one chance in a thousand (<10-3)	Less than one chance in a hundred (<10-2)

(B) Impact criteria

Impact title	Definitions
Minor (1)	Service delivery/performance: Minor impact on service, typically up to one day. Financial: Financial loss up to 5% of budget. Reputation: Isolated service user/stakeholder complaints. Legal/statutory: Litigation claim or find less than £50,000. Safety/health: Significant injury or illness causing short-term disability to one or more individuals. Objectives: Failure to achieve team plan objectives.
Serious (2)	Service delivery/performance: Service disruption 2 to 5 days. Financial: Financial loss up to 10% of budget. Reputation: Adverse local media coverage/multiple service user complaints. Legal/statutory: Litigation claimable fine between £5000 and £50,000. Safety/health: Significant injury or illness causing short-term disability to one or more individuals. Objectives: Failure to achieve a strategic plan objective.
Major (4)	Service delivery/performance: Service disruption 4 weeks. Financial: Financial loss in excess of £500,000. Reputation: Adverse national media coverage 1 to 3 days. Legal/statutory: Litigation claimable fine between £50,000 and £500,000. Safety/health: Major injury or illness causing long-term disability to one or more people. Objectives: Failure to achieve a strategic plan objective.
Extreme (8)	Service delivery/performance: Service disruption > 4 weeks. Financial: Financial loss in excess of £500,000. Reputation: National publicity more than three days. Possible resignation leading member or chief officer. Legal/statutory: Multiple civil or criminal suits. Litigation claim or find in excess of £500,000. Safety/health: Fatality or life-threatening illness/disease (e.g. mesothelioma) to one or more persons. Objectives: Failure to achieve a major corporate objective.

(C) Risk scoring grid

Likelihood	X	Impact			
		Minor (1)	Serious (2)	Major (4)	Extreme (8)
Likely (4)	4 Green	8 Amber	16 Red	32 Red	
Possible (3)	3 Green	6 Amber	12 Amber	24 Red	
Unlikely (2)	2 Green	4 Green	8 Amber	16 Red	
Rare (1)	1 Green	2 Green	4 Green	8 Amber	

(D) Risk score definitions

RED	Urgent action required to reduce rating
AMBER	Action required to maintain or reduce rating
GREEN	Action required to maintain rating

This is an extract from the City of London Corporate Risk Management Strategy, published in May 2014.
Contact the Corporate Risk Advisor for further information. Ext 1297
Version date: December 2015

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