



## Markets Committee

**Date:** WEDNESDAY, 24 JANUARY 2018  
**Time:** 11.30 am  
**Venue:** COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

**Members:**

James Tumbridge (Chairman)	Deputy Edward Lord
John Scott (Deputy Chairman)	Alderman Nicholas Lyons
Rehana Ameer	Alderman Professor Michael Mainelli
Tom Anderson	Andrew Mayer
Adrian Bastow	Deputy Robert Merrett
Matthew Bell	Andrien Meyers
Peter Bennett	Deputy Brian Mooney
Nicholas Bensted-Smith	Deputy Joyce Nash
Chris Boden	Stephen Quilter
John Chapman	Ruby Sayed
Richard Crossan	Ian Seaton
Deputy Kevin Everett	Oliver Sells QC
Sophie Anne Fernandes	Deputy Dr Giles Shilson
John Fletcher	Deputy Tom Sleigh
Angus Knowles-Cutler	Deputy John Tomlinson
Gregory Lawrence	Michael Welbank
Tim Levene	

**Enquiries:** Martin Newton  
tel. no.: 020 7332 3154  
martin.newton@cityoflondon.gov.uk

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 29 November 2017.  
**For Decision**  
(Pages 1 - 6)
4. **TERMS OF REFERENCE OF THE MARKETS COMMITTEE AND FREQUENCY OF MEETINGS**  
Report of the Town Clerk.  
**For Decision**  
(Pages 7 - 8)
5. **MARKETS BUSINESS PLAN UPDATE PERIOD 2 2017/18 (AUGUST - NOVEMBER)**  
Report of the Director of Markets and Consumer Protection.  
**For Information**  
(Pages 9 - 36)
6. **LONDON MARKETS BOARD**  
Report of the Director of Markets and Consumer Protection.  
**For Information**  
(Pages 37 - 40)
7. **RISK REPORT**  
Report of the Director of Markets and Consumer Protection.  
**For Information**  
(Pages 41 - 46)
8. **SUPERINTENDENTS UPDATES**  
The Superintendents to be heard.  
**For Information**
9. **SMITHFIELD MARKET - CONDENSER WATER COOLING SYSTEM - UPDATE**  
Report of the City Surveyor.  
**For Information**  
(Pages 47 - 50)
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 29 November 2017.  
**For Decision**  
(Pages 51 - 56)
14. **STRATEGIC MARKETS REVIEW**  
Report of the Director of Markets and Consumer Protection.  
**For Decision**  
(Pages 57 - 62)
15. **SMITHFIELD MARKET - LEASE OF SECTION OF BASEMENT CAR PARK AREA**  
Report of the City Surveyor.  
**For Decision**  
(Pages 63 - 68)
16. **MARKETS DEBT ARREARS - PERIOD ENDING 31 DECEMBER 2017**  
Report of the Director of Markets and Consumer Protection.  
**For Information**  
(Pages 69 - 82)
17. **DEBT WRITE OFF**  
Report of the Director of Markets and Consumer Protection.  
**For Decision**  
(Pages 83 - 86)
18. **TENANCIES AT WILL AND ASSIGNMENTS**  
Report of the Director of Markets and Consumer Protection.  
**For Information**  
(Pages 87 - 88)
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, 29 November 2017

Minutes of the meeting of the Markets Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Wednesday, 29 November 2017 at 11.30 am

### Present

#### Members:

James Tumbridge (Chairman)  
John Scott (Deputy Chairman)  
Rehana Ameer  
Adrian Bastow  
Matthew Bell  
Peter Bennett  
Nicholas Bensted-Smith  
Deputy Kevin Everett  
Sophie Anne Fernandes  
John Fletcher  
Angus Knowles-Cutler

Gregory Lawrence  
Deputy Edward Lord  
Alderman Professor Michael Mainelli  
Deputy Robert Merrett  
Deputy Brian Mooney  
Deputy Joyce Nash  
Stephen Quilter  
Ruby Sayed  
Deputy John Tomlinson  
Michael Welbank

#### Officers:

Leyla Dervish	-	Chamberlain's Department
Beth Forge	-	Chamberlain's Department
Julie Smith	-	Chamberlain's Department
Steven Chandler	-	City Surveyor's Department
Andrew Crafter	-	City Surveyor's Department
Mark Lowman	-	City Surveyor's Department
Nicholas Sommerville	-	City Surveyor's Department
Michael Cogher	-	Comptroller and City Solicitor
Paul Hickson	-	Comptroller and City Solicitor's Department
David Smith	-	Director of Markets and Consumer Protection
Don Perry	-	Markets and Consumer Protection Department
Malcolm Macleod	-	Superintendent, Billingsgate Market
Ben Milligan	-	Superintendent, New Spitalfields Market
Mark Sherlock	-	Superintendent, Smithfield Market
Peter Lisley	-	Town Clerk's Department
Philip Everett	-	Town Clerk's Department
Martin Newton	-	Town Clerk's Department

#### 1. APOLOGIES

Apologies were received from John Chapman, Tim Levene, Alderman Nicholas Lyons, Andrew Mayer, Andrien Meyers and Ian Seaton.

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

There were no declarations.

3. **PUBLIC MINUTES**

**RESOLVED** – That the public minutes of the meeting held on 20 September 2017 be approved as a correct record.

**Matters Arising**

**Christmas 2017 – Smithfield Market Traffic Management Plan**

At the request of the Chairman, the Superintendent of Smithfield Market confirmed that a report back on the success of the 2017 plan would be made at the next meeting of the Committee.

4. **REVENUE AND CAPITAL BUDGETS - 2017/18 AND 2018/19**

The Committee considered the joint report of the Chamberlain and the Director of Markets and Consumer Protection on revenue and capital budgets 2017/18 and 2018/19 and the following matters were raised:-

- The Committee noted that the report had been drafted prior to the proposed policy direction change relating to the Museum of London relocation and therefore some references in the paper did not reflect this change.
- On advertising hoardings it was noted that, following a restructure at Clear Channel, the anticipated additional sum of £125,000 for Billingsgate Market would not now be realised in the next financial year and would be removed from the budget. The viability of the project would be reassessed.
- In response to a question from the Chairman, the Chamberlain confirmed that the legal fees for film liaison (appendix 2, page 25) were a one-off payment and that clarification of the details would be reported back.
- A Member asked about the implications and risk of delayed expenditure in the additional works programme and the Chamberlain explained that many work plans span over more than one financial year with associated slippage / carry forward of identified funds to the next year.
- In response to a question from a Member, the Chamberlain said that the 2018/19 provisional revenue budget net surplus of £2.2m showed the figure that would not be spent during the year, but comprised of allocated funds going forward.
- A Member requested that an additional column be inserted alongside the actual budget for 2016/17, showing the original budget, in order to indicate variances. The Chamberlain confirmed that officers could provide a comparator for future reports.

**RESOLVED** – That:-

- (a) the latest 2017/18 revenue budget be approved;
- (b) the provisional 2018/19 revenue budget be approved for submission to the Finance Committee;
- (c) the draft capital budget be approved; and
- (d) the Building Repairs and Maintenance asset verification exercise being undertaken by the City Surveyor be noted, with the Chamberlain being authorised to make any minor changes for the 2017/18 latest and 2018/19 original budgets arising from the exercise.

5. **DRAFT DEPARTMENTAL BUSINESS PLAN 2018/19 - MARKETS AND CONSUMER PROTECTION**

The Committee considered a report of the Director of Markets and Consumer Protection on the draft Departmental Business Plan 2018/19 – Markets and Consumer Protection. It was noted that the full Plan would be submitted to the Committee in the Spring.

RECEIVED.

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

The Committee considered the report of the City Surveyor on the Smithfield Market – Condenser Water Cooling System and the following matters were raised:-

- In response to a question from a Member on the possibility of renewable energy usage by redirecting the heat removed from the system to offices or other buildings, the Principal Engineer confirmed that the temperature of the waste heat was relatively 'low grade' (25/26 c) and if used at the Market this heat may also conflict with the current energy supply agreement with Citigen. The Chairman asked that officers provide a comment on the possible use of the waste heat in a future report.
- It was noted that a suitable date to meet the third refrigeration contractor would be set.
- A Member raised the issue of the resource costs of the cooling system and the Chairman asked that officers provide information on operational costs to the next meeting.

RECEIVED.

7. **RISK MANAGEMENT**

The Committee considered a report of the Director of Markets and Consumer Protection on Markets Committee Risk.

RECEIVED.

## 8. **SUPERINTENDENTS' UPDATES**

The Committee considered oral reports of the Superintendents and the following matters were raised:-

### Billingsgate

- **Grant Funding** - The Superintendent informed the meeting that following the purchase of the waste compactor with 75% European Union grant funding, further bids would be submitted for funding for replacement floodlighting with LED lights and for forklift purchase. The cut-off date for applications for grant funding would be reported to Members.
- **Crossrail** – It was noted that the land previously used as part of the Crossrail works had now been satisfactorily reinstated and returned to the Market.
- **HSBC Window** – The Superintendent said that the window incident had not been reported to the Health and Safety Executive (HSE) by HSBC and that the report had therefore been made by the Market. The HSE would now investigate the incident and a report back would be made to the Committee on the findings.
- **London Fish Merchants' Association** – Members noted that a meeting had taken place with the Association and discussions on modernisation and requirements to replace fisheries containers in one area of the site. Budget costings and implications would now be investigated.
- **Café Fire** – It was noted that a fire had broken out in an on-site café. The Fire Brigade had attended and the incident had been dealt with. A report was still to be received but the cause had been identified as a faulty toaster. A further update would be reported to the Committee in due course.

### New Spitalfields

- **Entry Barrier** – The Superintendent said that a 2-stage 'design and build' solution was now being pursued. A report on cost and feasibility would be made to the Committee at the next meeting.
- **Flytipping** – With regard to the new waste contract, it was reported that there appeared to be more accountability now for waste dropped and a consequent saving because of that. It was also noted that an income generating rebate of £13,000 for reclaimed cardboard and plastic would mean a significant effect on service charges.
- **Leases** – The meeting were informed that a number of leases had been endorsed, whilst back rents of £1,029,000 had been recouped. New leases were subject to any back rents being paid.

### Smithfield

- **Recycling** - The Superintendent commented that approximately 750 tonnes of waste is incinerated and up to 50% or more of this is recyclable cardboard. Last year the Market only recycled about 40 tonnes of cardboard and far more should be recoverable. Long-term aims included investigating opportunities for the use of a baler. It was noted that better tenant input into 'separating at source' was required to improve recycling as this would benefit on 2 fronts in keeping costs to



the service charge down, less cost for incineration and more income for recycled cardboard.

- **HGVs** – On the previously reported red risk, a further review in October had shown only 3% of movements were unguided, although vehicles using second driver / banksman increased from 22% to 29%. A jointly signed letter from the Superintendent and the SMTA Chairman had been sent to 16 freight transport companies reminding them of site rules and raising the option to the Market of delivery rejections should sites rules not be followed and the use of driver or no banksman continue. In response to a question, the Superintendent reported that on average there were 30 HGV movements a night.
- **Apprentices** – It was reported that a plumbing apprentice had been appointed. The position had been filled from 175 applications for the role.

RECEIVED.

9. **NORTH - SOUTH CYCLE SUPERHIGHWAY PHASE 2**

The Committee considered the report of the Director of the Built Environment on the North – South Cycle Superhighway Phase 2.

RECEIVED.

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

There were no questions.

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

There were no urgent items.

12. **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 Paragraphs 3 (items 14, 15, 16 and 18); 1, 3, 5 and 7 (item 13); and 3, 5 and 7 (item 17) of Part I of Schedule 12A of the Local Government Act.

13. **NON-PUBLIC MINUTES**

**RESOLVED** – That the non-public minutes of the meeting held on 20 September 2017 be approved as a correct record.

14. **STRATEGIC MARKETS REVIEW**

The Committee considered an oral presentation of GVA on the Strategic Markets Review.

RECEIVED.

15. **MUSEUM OF LONDON RELOCATION – PROJECT UPDATE**

The Committee considered a report of the Town Clerk on the Museum of London Relocation – Project Update.

RECEIVED.

16. **POULTRY MARKET, MAJOR REPAIRS**

With the agreement of the Chairman, the Committee considered a late report of the City Surveyor on the Poultry Market, Major Repairs.

**RESOLVED** – That the recommendations set out in the report be approved.

17. **MARKETS DEBT ARREARS - PERIOD ENDING 30TH SEPTEMBER 2017**

The Committee considered a report of the Director of Markets and Consumer Protection on Markets debt arrears for the period ending 30 September 2017.

RECEIVED.

18. **ANNUAL WAIVERS REPORT 2016/17**

The Committee considered a report of the Chamberlain on Annual Waivers 2016/17.

RECEIVED.

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

There were no questions.

20. **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 1.30 pm**

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Chairman

**Contact Officer: Martin Newton**  
**tel. no.: 020 7332 3154**  
**[martin.newton@cityoflondon.gov.uk](mailto:martin.newton@cityoflondon.gov.uk)**

<b>Committee:</b>	<b>Date:</b>
Markets Committee	24 January 2018
<b>Subject:</b> Terms of Reference of the Markets Committee and Frequency of Meetings	<b>Public</b>
<b>Report of:</b> Town Clerk	<b>For Decision</b>

## **Summary**

1. As part of the post-implementation review of the changes made to the governance arrangements in 2011, it was agreed that all Committees should review their terms of reference. This will enable any proposed changes to be considered in time for the reappointment of Committees by the Court of Common Council.
2. The terms of reference of the Markets Committee are set out at Appendix A for your consideration. It is proposed that the approval of any further changes to the Committee's terms of reference be delegated to the Town Clerk in consultation with the Chairman and Deputy Chairman.
3. The Committee are also required to review the frequency of their Committee meetings. At present, the Markets Committee meet six times a year – in January, March, May, July, September and November.
4. It should be noted that at the Markets Committee meeting on 4 September 2013 it was agreed that the number of meetings per annum be arranged in consultation with the Chairman, Deputy Chairman and the Director of Markets & Consumer Protection, in order for them to align with the anticipated work programme for the year.

## **Recommendations**

- a) That, subject to any comments, the terms of reference of the Committee be approved for submission to the Court of Common Council, as set out at Appendix A, and that any further changes required in the lead up to the Court's appointment of Committees be delegated to the Town Clerk in consultation with the Chairman and Deputy Chairman; and
- b) Members agree that the frequency of meetings per annum be arranged in consultation with the Chairman, Deputy Chairman and the Director of Markets & Consumer Protection, in order for them to align with the anticipated work programme for the year.

Martin Newton  
Town Clerk's Department  
Telephone: 020 7332 3154  
Email: [martin.newton@cityoflondon.gov.uk](mailto:martin.newton@cityoflondon.gov.uk)

**MARKETS COMMITTEE**

**Terms of Reference**

To be responsible for:-

- (a) oversight of the management of all matters relating to Smithfield Market, Billingsgate Market and Spitalfields Market and the letting of all premises therein;
- (b) the appointment of the Director of Markets and Consumer Protection (in consultation with the Port Health and Environmental Services and Licensing Committees).

<b>Committee:</b>	<b>Date:</b>
Markets	24 January 2018
<b>Subject:</b> Markets Business Plan Update Period 2 2017/18 (August – November)	<b>Public</b>
<b>Report of:</b> Director of Markets and Consumer Protection	<b>For Information</b>
<b>Report author:</b> Don Perry - Department of Markets and Consumer Protection	

## Summary

This report provides an update on progress for Period 2 (August-November) of 2017-18 against key performance indicators (KPIs) and objectives outlined in the Markets' Business Plan.

### The report consists of:

- Performance against the key performance indicators (KPIs) and progress report on the business plan – Appendix A
- Matters of general interest to the Committee – Appendix B
- Financial information – Appendix C
- Debt Information – Appendix D
- Sickness statistics – Appendix E

### Key points from the report are that:

#### General

- Following consultation with tenants, GVA (formerly GVA Grimley) have determined that traders at all markets recognise the advantages of moving to a composite site, in terms of remaining viable and potentially increasing their trade. There will be a further briefing provided to the Committee on 24 January.

#### Billingsgate Market

- A tug vehicle is being purchased, with the aid of a 75% EU fishing industry grant, to pull waste bins across the site and this will replace a hired vehicle.
- Despite a high turnover in customers, car park income for 2017/18 is on target to be achieved (£450k).
- The LFMA has elected a new council under the chairmanship of Russell Parish – Director of J Bennetts (Billingsgate) Ltd.
- The LFMA has agreed to restart the Additional Facilities project, which was on hold pending recalculations of cost.

### **Smithfield Market**

- The SMTA has agreed to provide a response to the proposed amendments to the Working Manual by the end of January.
- An initiative to increase the usage of the car park and income by utilising third party booking platforms and the installation of automatic number plate recognition (ANPR) is being developed.
- The target date for reducing the risk associated with HGV Banksmen duties to Amber has been revised to January 2018. A joint letter from the SMTA and CoL was issued to 16 freight delivery companies on 1 December 2017 highlighting that continued non-compliance with Site Rules will result in deliveries being rejected.

### **New Spitalfields Market**

- The 'Polluter Pays' scheme is now fully implemented and waste levels should reduce to approximately 9,000 tonnes per annum. An income of £13,000 was generated via recyclates in October 2017.
- The quotations received for both design and installation for the entry barrier system were unexpectedly high so the proposal now is to appoint a single supplier. This is now with City Procurement who have shortlisted 6 companies. The tender will be published in January 2018.
- The Superintendent, with the support of City Procurement, has decided it would be more cost-effective to have one company appointed to both design and install a new CCTV system. It is intended to go out to five or six suitable companies when a pan-Market Strategy for CCTV is agreed.

### **Finance**

- At the end of November 2017, the Department of Markets & Consumer Protection was £59k (24.8%) underspent against the local risk budget to date of £238k, over all the services managed by the Director of Markets & Consumer Protection covered by the Markets Committee. Overall, the Director is currently forecasting a year end overspend position of £60k (4.1%) for the City Fund and City Cash elements of the Wholesale Markets.

### **Recommendation(s)**

Members are recommended to note the content of this report and its appendices.

### **Main Report**

#### **Background**

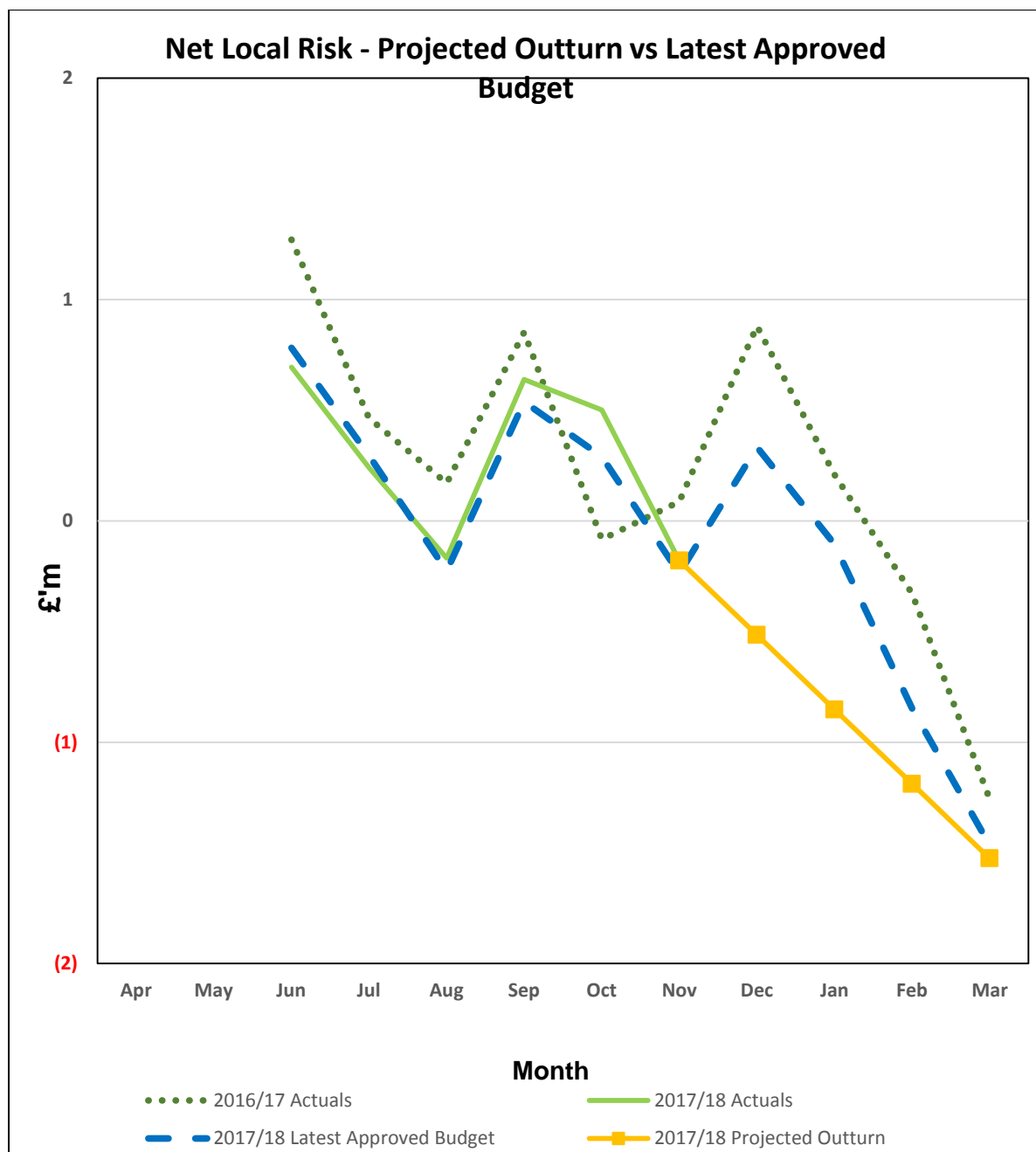
1. The 2017-18 Markets Business Plan sets out five Key Performance Indicators (KPIs) and 23 Key Improvement Objectives against which the Markets performance will be measured throughout the year.
2. The KPIs and objectives are updated in Appendix A.

### **Current Position**

3. To ensure that your Committee is kept informed of progress against the current business plan, progress against KPIs (Appendix A) and matters of general interest (Appendix B), a financial summary (Appendix C) and further debt information (Appendix D) are reported on a periodic (four-monthly) basis, along with sickness statistics (Appendix E).
4. This approach allows Members to ask questions and have a timely input on areas of particular importance to them. Members are also encouraged to ask the Director for information throughout the year.
5. Periodic progress is also discussed by Senior Management Groups (SMG) to ensure any issues are resolved at an early stage.

### **Financial and Risk Implications**

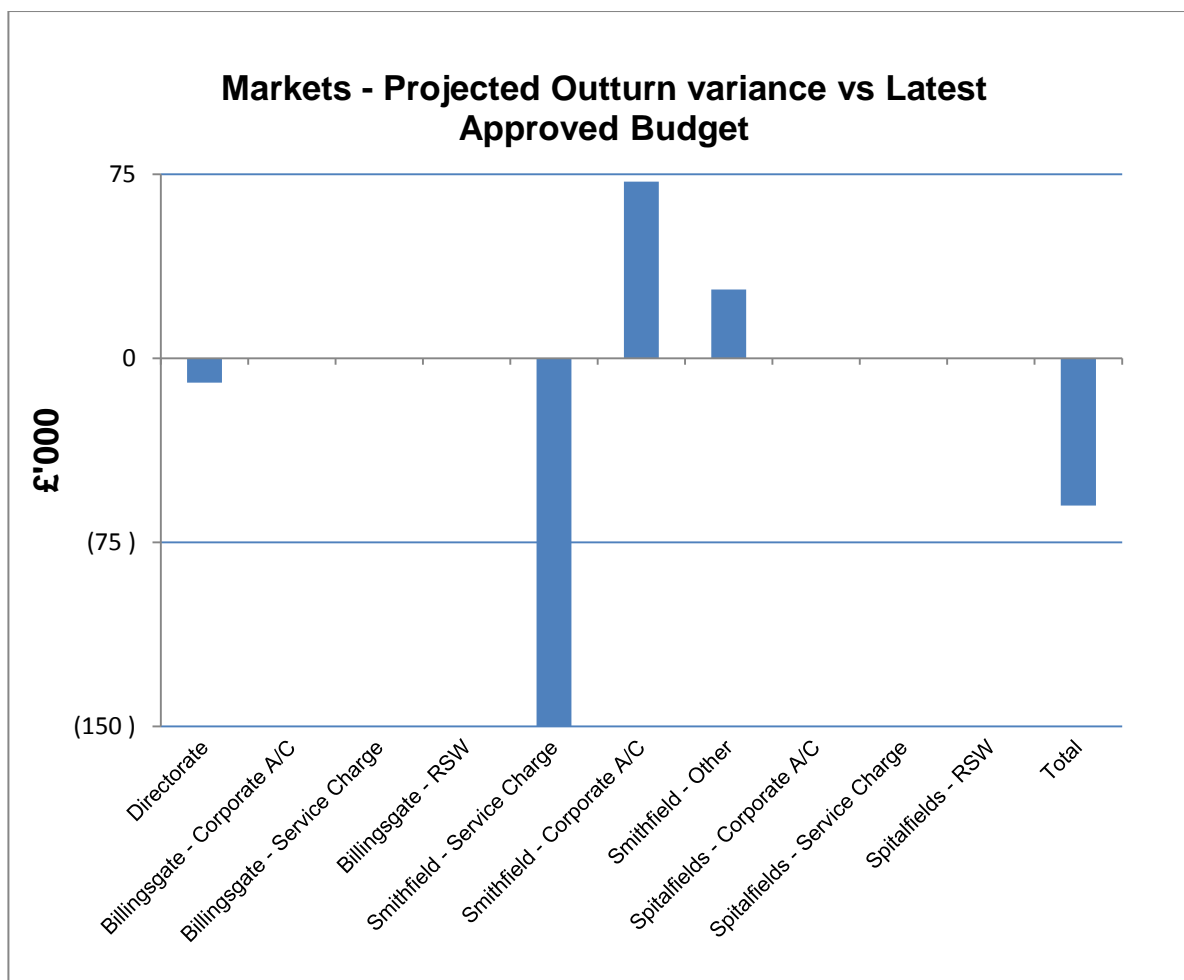
6. The end of November 2017 monitoring position for Department of Markets & Consumer Protection services covered by Markets Committee is provided at Appendix C. This reveals a net underspend to date of £59k (24.8%) against the overall local risk budget to date of £238k for 2017/18.



**Notes:**

1. Graph compares local risk actual net position to date and future projected outturn against the profiled budget for Markets.
  2. Markets forecast outturn is £1.524m, representing a projected overspend of £60k against the latest approved budget of £1.464m.
7. Overall the Director Protection is currently forecasting a year end overspend position of £60k (4.1%) for the Wholesale Markets City Fund and City Cash services under his control.





1. Zero is the baseline latest approved budget for each Division of Service.
2. Graph shows projected outturn position against the latest approved budget.
3. A variance above the baseline is favourable i.e. either additional income or reduced expenditure.
4. A variance below the baseline is unfavourable i.e. additional expenditure or reduced income.
5. Overall the Department is forecasting an overspend of £60k at year end.

8. The reasons for the significant budget variations are detailed in Appendix C, which sets out a detailed financial analysis of each individual division of service relating to this Committee, for the services the Director of Markets & Consumer Protection supports.
9. The better than budget position at the end of November 2017 relates mainly to salary underspends at New Spitalfields Market relating to staffing vacancies. These underspends will be offset at year end by a reduced service charge to the tenants to balance the service charge account to zero.
10. The Director anticipates this current better than budget position will reverse by year end mainly because of reduced service charge income at Smithfield Market due to delays in completing the additional premises lets.

## Consultees

11. The Town Clerk and the Chamberlain have been consulted in the preparation of this report.

## Appendices

Appendix A - Performance against the key performance indicators (KPIs) and progress reports on the business plan

Appendix B - Matters of general interest to the Committee.

Appendix C – Financial Information

Appendix D – Debt Information

Appendix E – Sickness Graph

### Contacts:

Donald Perry (*Report author*)

T: 020 7332 3221

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

Smithfield Market:

Superintendent – Mark Sherlock

T: 020 7332 3747

E: [mark.sherlock@cityoflondon.gov.uk](mailto:mark.sherlock@cityoflondon.gov.uk)

New Spitalfields Market:

Superintendent – Ben Milligan

T: 020 8518 7670

E: [ben.milligan@cityoflondon.gov.uk](mailto:ben.milligan@cityoflondon.gov.uk)

Billingsgate Market:

Superintendent – Malcolm Macleod

T: 020 7332 3067

E: [malcolm.macleod@cityoflondon.gov.uk](mailto:malcolm.macleod@cityoflondon.gov.uk)

Simon Owen (*Financial information*)

Chamberlain's Department

T: 020 7332 1358

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

**Progress against Key Performance Indicators 2017-18**  
**Period Two: 1 August – 30 November 2017**

	Target 2017/18		Target 2 period April - November 2017	Period 1 April - July 2017	Period 2 April - November 2017	Period 3
MKPI 1	Achieve an overall sickness absence level of no more than 6 days per person by 31 March 2018, and a total of no more than 684 days (<228 days per period) across all markets.	Billingsgate	<153 days	53	170	
		Smithfield	<160 days	110	244	
		Spitalfields	<121 days	107	196	
		Directorate	<22 days	39	39	
Totals:			<456 days	309	649	
Comments: Sickness absence is 193 days over the target figure of 456, and was high at Spitalfields, Smithfield and Billingsgate, with a combination of several long-term cases as well as short-term cases. Appendix E illustrates the sickness trend over the period with August being the worst month.						

	Target 2017/18		Period 1	Period 2	Period 3
MKP 2	a) 90% of debts to be settled within 60 days.	Billingsgate	95%	95%	
		Smithfield	98%	93%	
		Spitalfields	96%	45%	
	b) 100% of debts settled within 90 days.	Billingsgate	100%	100%	
		Smithfield	100%	100%	
		Spitalfields	97%	83%	
Comments: <u>New Spitalfields Market</u> – The majority of debt older than 90 days relates to 16 debtors who are being actively chased.					
Further detail on aged debt over 90 days is provided at Appendix D.					

	Target 2017/18		Period 1	Period 2	Period 3
MKP 3	Divert 90% of waste from landfill at the Markets	Billingsgate	100%	100%	
		Smithfield	100%	100%	
		Spitalfields	100%	100%	

## Appendix A

	Target 2017/18		Period 1	Period 2	Period 3
MKP 4	Achieve 95% occupancy of all lettable space at Billingsgate, Smithfield and New Spitalfields Markets.	Billingsgate	99%	98%	
		Smithfield	91%	94%	
		Spitalfields	100%	99.1%	
Comments: Letting of the remaining available vacant premises in the Poultry Market has taken longer than expected while work is planned to bring the individual premises up to the standards required by the Food Standard Agency. Letting any further premises is 'on hold' while the future of the Poultry Market is determined.					
	Target 2017/18		Period 1	Period 2	Period 3
MKP 5	Improve the standard of incident reports, ensuring all information and evidence is gathered thoroughly and documented. All reports to be completed within 3 days following the reporting of an incident.	Billingsgate	100%	100%	
		Smithfield	100%	100%	
		Spitalfields	100%	100%	

## Progress against key improvement objectives 2017-18

### Period Two: 1 August – 30 November 2017

Ref:	Objective	Progress to date
1	<u>Billingsgate Market</u> <b>Improve cleaning standards</b> A site where all stakeholders, particularly our tenants, have no cleaning complaints.	<b>Period 1: April – July 2017</b> <ul style="list-style-type: none"> <li>For period one there have been no written or formal verbal complaints made about cleaning.</li> <li>A replacement waste compactor has been purchased with the aid of a 75% EU fishing industry grant. The compactor compresses the waste (all waste except for wood, cardboard, polystyrene and fish waste) that is collected from site, which is then sent to a waste-to-energy plant.</li> <li>The Canal and River Trust has agreed that the dock side adjacent to Billingsgate Market will be cleared of the unsightly pontoons by end September.</li> </ul>
		<b>Period 2: August – November 2017</b> <ul style="list-style-type: none"> <li>Pest control has been a significant challenge this period: there have been a number of sightings of rats and although this recent problem does now seem to be under control in our common areas, there continues to be a problem within two Q shop tenant premises at the west end of site. These tenants are at present undertaking vermin proofing works to their premises. We will ensure that the tenants complete these works as the problem could easily spread to common areas or other tenants' premises if their vermin issues are not effectively addressed</li> <li>There continue to have been no formal tenant complaints regarding cleaning standards.</li> <li>A tug vehicle is being purchased with the aid of a 75% EU fishing industry grant. The vehicle will be used to pull waste bins across the site and will replace a vehicle that was on hire.</li> <li>The Canal River Trust has tidied up the dockside area. Some pontoons remain while the Trust looks for an alternative berthing location.</li> </ul>
2	<u>Smithfield Market</u> <b>Review the Working Manual and have an updated copy agreed and signed by the SMTA and CoL.</b> A fully implemented Working Manual that clearly sets out the responsibilities of the landlord, tenants and market workers in the safe and efficient running of the market.	<b>Period 1: April – July 2017</b> <ul style="list-style-type: none"> <li>The Superintendent has amended and updated the working manual. This was sent to the Smithfield Market Tenants' Association on 21 June. The Association's response is expected by end of September.</li> </ul>
		<b>Period 2: August – November 2017</b> <ul style="list-style-type: none"> <li>The SMTA did not provide a response at the end of September as expected but have committed to providing a response by end of January 2018.</li> </ul>

Ref:	Objective	Progress to date
3	<p><b>Carry out a comprehensive strategic review of the three wholesale markets, including transport needs and location.</b></p> <p>A clear statement of the proposed way ahead for the City's Markets.</p>	<p><b>Period 1: April – July 2017</b></p> <ul style="list-style-type: none"> <li>Following approval by the Markets Committee in November 2016 of the specification for the Strategic Review of Markets, a formal procurement exercise was carried out and GVA (formerly GVA Grimley) were selected. A contract for the work was signed on 1 June.</li> <li>The initial output will be an interim report that will be taken at the September Markets Committee, separately to this report, setting out the findings of the Stage 1 Element of the project.</li> </ul> <p><b>Period 2: August – November 2017</b></p> <ul style="list-style-type: none"> <li>A presentation was given at the November Committee updating members on the latest findings.</li> <li>A further briefing will be presented to the January 2018 Markets Committee.</li> </ul>
4	<p><u>New Spitalfields Market</u></p> <p><b>Ensure the successful implementation of the new waste and cleaning contract.</b></p> <p>Being more effective at segregating waste leading to improving recycling. Better standard of cleaning across the site. Introduce a 'polluter pays' policy.</p>	<p><b>Period 1: April – July 2017</b></p> <ul style="list-style-type: none"> <li>The cleaning contract goes live on 2 Oct 2017. Mobilisation for the contract is being finalised.</li> <li>The new contract will follow the "polluter pays" principle. Bins will be issued to each individual tenant for a range of different waste types to encourage segregation at source and maximise recycling. These bins will be identifiable to individual tenants, who will be charged according to the weight of waste they produce.</li> </ul> <p><b>Period 2: August – November 2017</b></p> <ul style="list-style-type: none"> <li>The 'Polluter Pays' scheme is now fully implemented and calculations suggest waste levels will reduce to approx. 9,000 tonnes per annum. An income of £13,000 was generated via recyclates in October 2017.</li> <li>The market hall and car park are noticeably cleaner and tenants are feeling positive about the changes.</li> </ul>
5	<p><u>New Spitalfields Market</u></p> <p><b>Investigate opportunities for the installation of paid advertising hoardings.</b></p> <p>An understanding of the feasibility of installing the advertising hoardings and the possible income that could be generated.</p>	<p><b>Period 1: April – July 2017</b></p> <ul style="list-style-type: none"> <li>A soft Market test was carried out for installing advertising hoardings but was deemed uneconomical as there would be a Business Rates liability, which would off-set any income generated from the scheme.</li> </ul> <p><b>Period 2: August – November 2017</b></p> <ul style="list-style-type: none"> <li>Objective completed.</li> </ul>

Ref:	Objective	Progress to date
6	<p><u>Smithfield Market</u></p> <p><b>Implement Service Based Review (SBR) proposals for:</b></p> <ul style="list-style-type: none"> <li>increased car park usage</li> <li>letting the 7 currently vacant premises in the Poultry Market.</li> </ul> <p>Increase in car park revenue. Reduction in cost to the City for the service charge voids on the premises.</p>	<p><b>Period 1: April – July 2017</b></p> <ul style="list-style-type: none"> <li>A revised strategy has been developed for increasing car park usage. A revised action plan with monthly reviews and inputs to improve the usage of the carpark and maximise its revenue is now in use.</li> <li>Letting of the remaining available vacant premises in the Poultry Market has taken longer than expected while work is planned to bring the individual premises up to the standards required by the Food Standard Agency.</li> </ul> <p><b>Period 2: August – November 2017</b></p> <ul style="list-style-type: none"> <li>A substantial part of the plan for increasing car park revenue is to market and utilise third party booking platforms and to install Automatic number plate recognition (ANPR).</li> <li>Funds have been allocated within the London Central Market Finance budget for the proposed installation of ANPR from April 2018.</li> </ul>
7	<p><u>Smithfield Market</u></p> <p><b>Being ready to implement the full service charge on 1 April 2018.</b></p> <p>A smooth transition into the full service charge agreement with the SMTA.</p>	<p><b>Period 1: April – July 2017</b></p> <ul style="list-style-type: none"> <li>The Joint Specification Committee is nearing completion of its role as the Security and Administrations functions are finalised.</li> <li>The Joint Review Group meetings are being held with SMTA to progress and agree costs towards full service charge implementation.</li> </ul> <p><b>Period 2: August – November 2017</b></p> <ul style="list-style-type: none"> <li>Both the Joint Specification Committee &amp; Joint Review Group have been suspended pending a review of the Poultry Market's long-term future.</li> </ul>
8	<p><u>Billingsgate Market</u></p> <p><b>Pursue opportunities to increase income from commercial car parking.</b></p> <p>Current levels of income to be sustained and options for growth in income generation to be identified and evaluated.</p>	<p><b>Period 1: April – July 2017</b></p> <ul style="list-style-type: none"> <li>At the end of the period, pro rata annual income is approximately £20k below the 2017/18 full year budget of £450k. There continues to be a high turnover of customers caused by employment issues such as relocation and redundancy. With the exception of the Mirror Group corporate account, the car parking customers are individual Canary Wharf based commuters. In addition to the City website, parking availability is being promoted through external websites such as parkopedia and yourparkingspace.</li> </ul> <p><b>Period 2: August – November 2017</b></p> <ul style="list-style-type: none"> <li>Car parking income now appears to be on track to achieve the £450k budget despite a continuing high turnover of customers (33% of the customer base has turned over this year). The Market is currently operating at full capacity with a waiting list. Although staff try to ensure that there are no gaps between a customer leaving and a new customer commencing it is not a seamless process and can result in short-term reductions in income.</li> </ul>

Ref:	Objective	Progress to date
9	<u>Smithfield Market</u> <b>Continue with the project to refurbish the Poultry Market roof.</b> Continue with the project to refurbish the Poultry Market roof.	<b>Period 1: April – July 2017</b> <ul style="list-style-type: none"> <li>The latest project board reports indicate a start date for main construction works (scaffold erection) on 5 October with subsequent main roof and internal MEP works starting in January 2018. This is subject to Gateway 5 Approval by Markets and Project Sub Committees once the final contract bid price is received from Keepmote.</li> </ul> <b>Period 2: August – November 2017</b> <ul style="list-style-type: none"> <li>The project team submitted an issues report for Project Sub Committee on 11 December 2017 with 3 options for consideration. The report was referred to the Policy and Resources Committee for decision. Members decided to put the roof repair project on hold while the future of the Poultry Market is decided.</li> </ul>
10	<u>Smithfield Market</u> <b>Implement the action plan, agreed with the SMTA, to control the risks associated with HGV Banksman duties.</b> The currently 'red', health and safety risk associated with Banksman duties will be fully controlled and the target risk status 'amber' achieved.	<b>Period 1: April – July 2017</b> <ul style="list-style-type: none"> <li>The action plan agreed with the SMTA has been progressed and the training of tenant HGV banksman has been completed.</li> <li>A July audit of the operation across 4 nights indicated 100% guided movements and another four night audit will take place on 11<sup>th</sup> September to review performance.</li> <li>The Superintendent has now initiated a review of the risk with the Corporate H&amp;S team to achieve the target risk of amber. Ongoing quarterly reviews of the action plan have been scheduled with the Tenants' Association.</li> </ul> <b>Period 2: August – November 2017</b> <ul style="list-style-type: none"> <li>The target to reduce the risk to Amber has been revised to the end of January 2018. This is because of CCTV reviews highlighting an increasing trend of second driver banksman and non-banksman deliveries in November.</li> <li>A joint letter from the SMTA and CoL was issued to 16 freight delivery companies on 1 December 2017 highlighting that continued non-compliance with Site Rules will result in deliveries being rejected.</li> </ul>
11	Complete the formal annual review of our property holdings with City Surveyors Department to ensure that we do not occupy buildings and land in excess of our identified operational need, in accordance with Standing Order 55.	<b>Period 1: April – July 2017</b> <ul style="list-style-type: none"> <li>Markets property holdings are reviewed annually with the City Surveyor as part of the business planning process.</li> <li>The Strategic Review of Markets could lead to significant long-term changes to the Markets property holdings.</li> </ul> <b>Period 2: August – November 2017</b> <ul style="list-style-type: none"> <li>Work has begun with the City Surveyor's Asset Management team to put together an asset management plan for the markets. This will be significantly influenced by the strategic review of markets that is currently being undertaken.</li> </ul>



Ref:	Objective	Progress to date
12	Review the CCTV requirements of each market site and assess whether current systems are sufficient and best value.	<b>Period 1: April – July 2017</b> <ul style="list-style-type: none"> <li>A CCTV Operational Requirements document has been produced for New Spitalfields Market. The Counter Terrorism Security Advisory Group have reviewed the document and made recommendations based on threat of a terror attack.</li> <li>AECOM will now undertake a review at New Spitalfields Market against the minimum counter terrorism standard and provide 4 options for the site (including a best value option).</li> <li>Reviews of Billingsgate and Smithfield Market will follow and this will enable a common specification document to be drafted for the three markets.</li> </ul>
	Fit-for-purpose, effective CCTV systems in place at all three markets.	<b>Period 2: August – November 2017</b> <ul style="list-style-type: none"> <li>The Smithfield and Billingsgate Market CCTV specification documents are now complete.</li> <li>An initial quotation received for CCTV system design at New Spitalfields Market was considered to be poor value for money. The Superintendent, with the support of City Procurement, has decided it would be more cost-effective to appoint one company to both design and install, rather than appointing a separate company for each process. It is intended to go out to 5 or 6 suitable companies when a pan-Market strategy for CCTV is agreed.</li> </ul>
13	Support the City Surveyor's Department with the mobilisation and implementation of the new BRM contract.	<b>Period 1: April – July 2017</b> <ul style="list-style-type: none"> <li>Asset validation work is currently being carried out at Smithfield Market as part of setting up the asset database.</li> <li>Billingsgate and Spitalfields Market will be scheduled for asset validation once Smithfield has been completed.</li> </ul>
	Influence and improve the standard of planned maintenance and the speed of reactive maintenance at the markets.	<b>Period 2: August – November 2017</b> <ul style="list-style-type: none"> <li>Project Planned Maintenance (PPM) templates for Market maintenance works have been issued by the Facilities Management team for upload by local maintenance teams onto MiCAD.</li> <li>Once uploaded, a verification against Skanska PPM work orders will be carried out to ensure no duplication of PPM activity.</li> </ul>
14	Review current practices and produce a report recommending common principles for the management of fork lift trucks (FLT) at each of the three markets.	<b>Period 1: April – July 2017</b> <ul style="list-style-type: none"> <li>All three Markets are now implementing comparable systems to control forklift truck use to ensure that: <ul style="list-style-type: none"> <li>only trained and certified operators use forklift on the common parts of each market,</li> <li>operators are insured to the required level,</li> <li>forklifts are well maintained in accordance with current standards and inspected</li> </ul> </li> </ul>
	Consistent approach to FLT management across all three markets.	

Ref:	Objective	Progress to date
		<p>prior to use.</p> <ul style="list-style-type: none"> <li>In addition, penalty schemes have been implemented to ensure that operators who engage in unsafe acts are sanctioned accordingly and may be banned from driving in the common parts upon receiving a certain number of penalty points.</li> </ul> <p><b>Period 2: August – November 2017</b></p> <ul style="list-style-type: none"> <li>Objective complete</li> </ul>
15	<p><u>New Spitalfields Market</u> Procure an entry barrier system for the market.</p> <p>Improved access and traffic management at the Market.</p> <p>Increased ability to enforce Market rules.</p>	<p><b>Period 1: April – July 2017</b></p> <ul style="list-style-type: none"> <li>A two-stage design and build procurement is now underway.</li> <li>AECOM will be involved to provide a RIBA 3 design to enable the City to gain planning permission from Waltham Forest for the entry barrier.</li> <li>Once planning permission has been granted there will be a tender exercise carried out for the installation of the approved plans.</li> </ul> <p><b>Period 2: August – November 2017</b></p> <ul style="list-style-type: none"> <li>The quotations received for both design and installation were unexpectedly high and would have made, the project unfeasible.</li> <li>The proposal now is to appoint a single supplier who can design, build and procure, with a planning caveat. This is now with City Procurement who have shortlisted 6 companies.</li> <li>The tender will be published in January 2018.</li> </ul>
16	<p><u>New Spitalfields Market</u> Explore opportunities for increased sustainability in our operations:-</p> <p>Rainwater harvesting</p> <p>A Biomass Boiler</p>	<p><b>Period 1: April – July 2017</b></p> <ul style="list-style-type: none"> <li>A representative from Cass Business School has approached the Superintendent to suggest that Business Masters students use Rainwater harvesting and Biomass Boiler projects as case studies.</li> <li>It is hoped this work will start in Sept and will provide free in-depth analysis of the various options as a starting point for feasibility studies.</li> <li>A visit to large scale biomass boiler has taken place. Options for obtaining fuel are now being considered.</li> </ul> <p><b>Period 2: August – November 2017</b></p> <ul style="list-style-type: none"> <li>The work with Cass Business School is expected to start in January depending on interest.</li> </ul>
17	<p><u>Billingsgate Market</u> In consultation with the Tenants' Association, identify and progress improvements to the market's facilities.</p>	<p><b>Period 1: April – July 2017</b></p> <ul style="list-style-type: none"> <li>The London Fish Merchants Association (LFMA) is to hold a member meeting on 21 September to elect a new LFMA Council and new Chairman.</li> <li>Discussions are progressing with some Q shop based tenants on relocating or expanding their on-site facilities. This includes constructing buildings in the south-east</li> </ul>

Ref:	Objective	Progress to date
Page 23		area of site, previously used for Crossrail lorry holding operations.
		<p><b>Period 2: August – November 2017</b></p> <ul style="list-style-type: none"> <li>• The LFMA have elected a new council under the chairmanship of Russell Parish, a director of J Bennetts (Billingsgate) Ltd.</li> <li>• The LFMA have again agreed to the Additional Facilities project, which had been put on hold, to be re-costed. The original plans for individual tenants' rooms will be revised to consider tenants' spaces being marked out rather than divided by physical walls, with the aim of reducing the project cost. The project would replace most of the storage containers on the site with purpose built storage and order picking facilities which, as well as being more aesthetically pleasing, would enable more efficient product movement.</li> <li>• The original project had an indicative capital cost of £3.3million. Revised budget costs are awaited for the revised project scope. The Billingsgate Sinking Fund, along with the possibility of matched EU grant funding are the expected funding sources if such a project were to go ahead.</li> <li>• The Additional Facilities project is the main modernisation project. Other, significantly smaller scale modernisation works are being discussed with the LFMA with the view that they will have a short payback period to recognise that Billingsgate Market will relocate before long.</li> <li>• Relocation and expansion discussions have been taking place with five Q shop tenants: <ul style="list-style-type: none"> <li>○ It is likely that by the end of January 2018 one Q shop tenant will have increased their facilities on site and constructed a container type building in the former Crossrail area.</li> <li>○ By the end of March 2018, it is likely that another Q shop tenant will have expanded their operations by taking a tenancy on the compactor house, a building previously used by the site maintenance team.</li> <li>○ One other Q shop tenant wishes to expand their operations into premises currently occupied by two other tenants. Alternative facilities on site are being proposed for those two tenants.</li> </ul> </li> </ul>
18	Support the corporate review of Asset Management and Facilities Management, led by the City Surveyor.	<p><b>Period 1: April – July 2017</b></p> <ul style="list-style-type: none"> <li>• A review of Facilities Management at the Markets has been completed. An action plan is now being prepared to implement the recommendations from the review.</li> </ul> <p><b>Period 2: August – November 2017</b></p> <ul style="list-style-type: none"> <li>• The plan has been drafted and approved by the Superintendents. Implementation has begun with the roll out of the use of the MICAD system for monitoring maintenance activities on each site.</li> </ul>

## Appendix A

Ref:	Objective	Progress to date
19	Refresh the Departmental Workforce Plan and implement the priorities.	<p><b>Period 1: April – July 2017</b></p> <ul style="list-style-type: none"> <li>The Head of Business Performance has been appointed as the new Chair to the Work Force Planning group and the first meeting is scheduled 27<sup>th</sup> September.</li> </ul> <p><b>Period 2: August – November 2017</b></p> <ul style="list-style-type: none"> <li>A Workforce Planning group meeting under the new Chair was held on 27 September 2017. A new Workforce Planning template has been issued by Corporate HR to be completed by the end of January 2018.</li> </ul>
20	Investigate and identify options for mobile working at the markets to enable more effective enforcement work.	<p><b>Period 1: April – July 2017</b></p> <ul style="list-style-type: none"> <li>Stand inspections at Spitalfields Market are now carried out on tenants' stands using a mobile device with a proprietary auditing application.</li> <li>The use of this software for enforcement activity at the other two Markets is to be explored.</li> </ul> <p><b>Period 2: August – November 2017</b></p> <ul style="list-style-type: none"> <li>No further progress this period</li> </ul>
21	Deliver the second iteration of the M&CP Leadership Development Programme.	<p><b>Period 1: April – July 2017</b></p> <ul style="list-style-type: none"> <li>This is underway with a new group of candidates from across the Department.</li> <li>Certificates recognising ILM Level 7 credits will be presented by the Chief Commoner to the successful graduates of the 2016 course on Monday 25 September.</li> </ul> <p><b>Period 2: August – November 2017</b></p> <ul style="list-style-type: none"> <li>The Chief Commoner awarded ILM Level 7 Certificates and hosted a reception for the 2016 cohort.</li> <li>The 2017 programme has been completed; results are awaited.</li> </ul>
22	<u>New Spitalfields Market</u> Explore opportunities for providing business coaching for market tenants: a training programme for start-ups, SMEs, Directors aged below 30, and those from more deprived areas.	<p><b>Period 1: April – July 2017</b></p> <ul style="list-style-type: none"> <li>The Chief Executive and the Lead of Waltham Forest Council are very keen to work with the Market on this project and have tasked their Adult Learning Services teams with contacting the Superintendent.</li> </ul> <p><b>Period 2: August – November 2017</b></p> <ul style="list-style-type: none"> <li>To date, there has been no progress with Waltham Forest. Alternative options will be considered in early 2018.</li> </ul>
23	Participate in the Corporate Apprenticeship Scheme.	<p><b>Period 1: April – July 2017</b></p> <ul style="list-style-type: none"> <li>The five-year Apprentice programme is being rolled out to all departments this year. <ul style="list-style-type: none"> <li><u>Billingsgate</u> withdrew their application for an Electrician apprentice because the</li> </ul> </li> </ul>

Ref:	Objective	Progress to date
		<p>level of electrical experience required could not be provided at the Market. An Administration apprentice is now being considered.</p> <ul style="list-style-type: none"> <li>○ <u>Smithfield</u> are hoping for a Plumber apprentice but are in consultation with the apprentice team over the duration of the apprenticeship.</li> <li>○ <u>Spitalfields</u> an Administration apprentice is due to start in October 2017.</li> </ul> <p><b>Period 2: August – November 2017</b></p> <ul style="list-style-type: none"> <li>• <u>Spitalfields</u>: The new Operation and Administration Manager is drafting a Job Description and Person Specification for an Administration apprentice and the selected candidate will hopefully start work in the next round.</li> <li>• <u>Smithfield</u>: A Plumbing apprentice is due to start work in January 2018.</li> <li>• <u>Billingsgate</u>: An Administration apprentice has been agreed. A Job Description is being prepared with the aim of the recruitment being completed in early 2018.</li> </ul>

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## **Matters of General Interest to the Committee**

### **Billingsgate Market**

#### **Visitors**

##### **August**

No Visits

##### **September**

8<sup>th</sup> - Remembrancer - Catering Suppliers

22<sup>nd</sup> - Tour & Breakfast - Worshipful Company of World Traders

22<sup>nd</sup> - Food Safety/Consumer Protection Delegates from the Ukraine

##### **October**

No Visits

##### **November**

10<sup>th</sup> – Remembrance Day Service & Breakfast

#### **Filming/photography**

		<b><u>Activity</u></b>	<b><u>Fee Received</u></b>
<u>August 2017</u>	2 <sup>nd</sup>	Photography for personal use	No
	5 <sup>th</sup>	Photography for personal use	No
	10 <sup>th</sup>	Photography for personal use	No
	15 <sup>th</sup>	Photography for personal use	No
	16 <sup>th</sup>	Photography for personal use	No
	23 <sup>rd</sup>	Photography for personal use	No
	25 <sup>th</sup>	Photography for personal use	No
<u>September 2017</u>	16 <sup>th</sup>	Photography for personal use	No
	19 <sup>th</sup>	Photography for personal use	No
	23 <sup>rd</sup>	Photography for personal use	No
	23 <sup>rd</sup>	Photography for personal use	No
	27 <sup>th</sup>	Photography for personal use	No
<u>Oct 2017</u>	2 <sup>nd</sup> – 3 <sup>rd</sup>	CTM7 Productions Ltd Unit Base Parking	£2,125 +VAT
	7 <sup>th</sup>	Photography for personal use	No
	14 <sup>th</sup>	Photography for personal use	No
	19 <sup>th</sup>	Photography for personal use	No
	21 <sup>st</sup> – 23 <sup>rd</sup>	Little Island Productions Unit Base Parking	£4,000 + VAT
	28 <sup>th</sup>	Photography for personal use	No
<u>November 2017</u>	4 <sup>th</sup>	Photography for personal use	No
	8 <sup>th</sup>	Photography for personal use	No
	9 <sup>th</sup>	Photography for personal use	No
	15 <sup>th</sup>	Poppies Soho Ltd – Filming for Time Out	£150+VAT
	17 <sup>th</sup>	Photography for personal use	No
	21 <sup>st</sup>	Filming for Food Busker – non- commercial	No
	24 <sup>th</sup>	Photography for personal use	No
	29 <sup>th</sup>	Photography for personal use	No

## Appendix B

### **Smithfield Market**

#### **Visitors**

##### **August**

No Visits

##### **September**

6<sup>th</sup> - Markets Committee Visit.

19<sup>th</sup> - Remembrancer's office Visit.

##### **October**

No Visits

##### **November**

No Visits

#### **Filming/photography**

		<b><u>Activity</u></b>	<b><u>Fee Received</u></b>
<u>August 2017</u>	17 <sup>th</sup>	Photography for personal use	No
<u>September 2017</u>	7 <sup>th</sup>	Photography for personal use	No
	21 <sup>st</sup>	Photography for personal use	No
	28 <sup>th</sup>	Photography for personal use	No
<u>October 2017</u>	10 <sup>th</sup>	Photography for personal use	No
	31 <sup>st</sup>	Photography for personal use	No

### **New Spitalfields Market**

#### **Visitors**

##### **August**

No Visits

##### **September**

20<sup>th</sup> - A group of Chefs and Caterers arranged by Jade Harrison – Diary and Business Development Manager from the Remembrancer's Office.

21<sup>st</sup> - A group of agriculturists from Brazil.



## Appendix B

### **October**

No Visits

### **November**

23<sup>th</sup> - A small group from New Covent Garden Market Authority which included Daniel Tomkinson the Chief Executive and Helen Evans, Director of Business Development and Support.

### **Filming/photography**

		<b><u>Activity</u></b>	<b><u>Fee Received</u></b>
<u>September 2017</u>	19th	Lagoon Media – filmed the market activity during trading hours for the Spitalfields Market Tenants Association Website - No Charge	No
<u>October 2017</u>	17 <sup>th</sup> & 18th	Jerry Syder took photographs of tenants in the market for the for the Spitalfields Market Tenants Association Website - No Charge	No

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**Department of Markets & Consumer Protection Local Risk Revenue Budget - 1st April to 30th November 2017**  
**(Income and favourable variances are shown in brackets)**

Appendix C

	Latest Approved Budget 2017/18 £'000	Budget to Date Net Expenditure £'000	Actual to Date Net Expenditure £'000	Variance to Date +Deficit / (Surplus) £'000	Projected Outturn +Deficit / (Surplus) £'000	Variance from Latest Approved Budget 2017/18		Note
						£'000	%	
<b><u>Markets (City Cash)</u></b>								
Directorate	(604)	(394)	(396)	(2)	(614)	(10 )	2%	
Billingsgate - Corporate Account	(140)	(91)	(105)	(14)	(140)	0	0%	
Billingsgate - Service Charge	0	48	42	(6)	0	0	0%	
Billingsgate - Repainting and Special Works	0	(59)	(59)	0	0	0	0%	
Smithfield - Service Charge	(575)	(264)	(371)	(107)	(725)	(150 )	26%	1
Smithfield - Corporate and Direct Recovered	(201)	(180)	(172)	8	(129)	72	-36%	2
Smithfield - Other (Including Car Park)	104	79	99	20	132	28	-27%	
	<b>(1,416)</b>	<b>(861)</b>	<b>(962)</b>	<b>(101)</b>	<b>(1,476)</b>	<b>(60 )</b>	4%	
<b><u>Markets (City Fund)</u></b>								
Spitalfields - Corporate Account	(21)	(14)	(10)	4	(21)	0	0%	
Spitalfields - Service Charge	(27)	684	840	156	(27)	0	0%	3
Spitalfields - Repair and Repainting	0	(47)	(47)	0	0	0	0%	
	<b>(48)</b>	<b>623</b>	<b>783</b>	<b>160</b>	<b>(48)</b>	<b>0</b>	0%	
<b>TOTAL MARKETS COMMITTEE LOCAL RISK</b>	<b>(1,464)</b>	<b>(238)</b>	<b>(179)</b>	<b>59</b>	<b>(1,524)</b>	<b>(60)</b>	4%	

**Notes:**

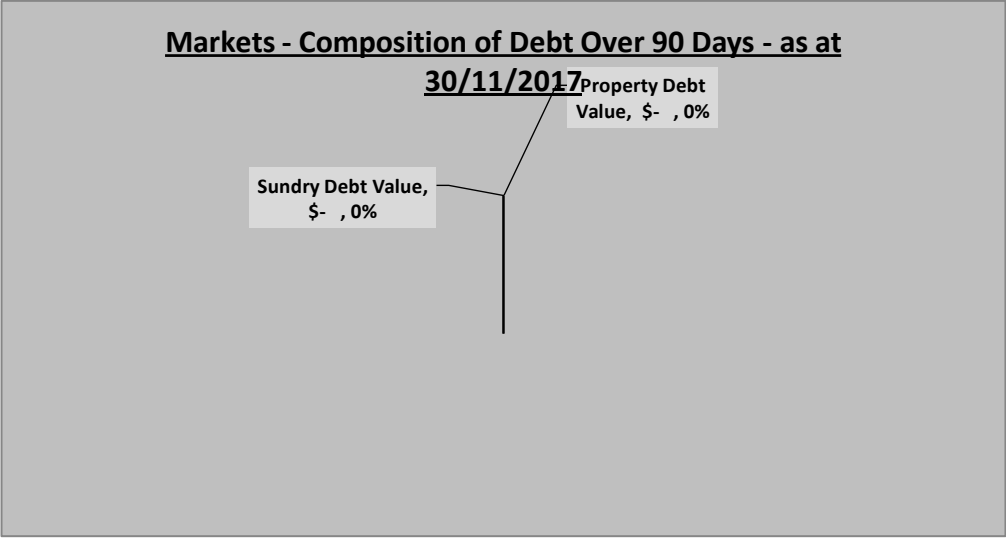
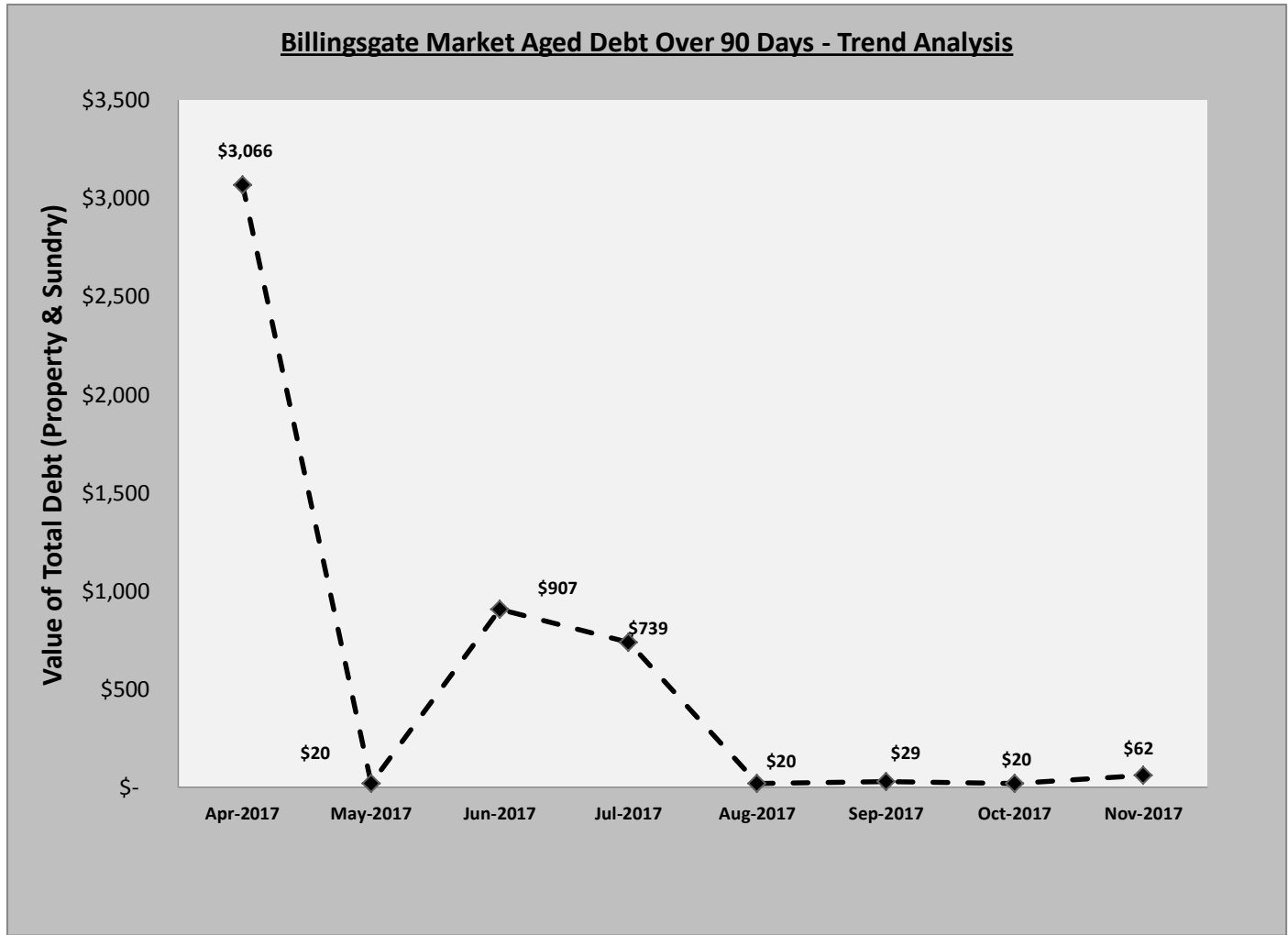
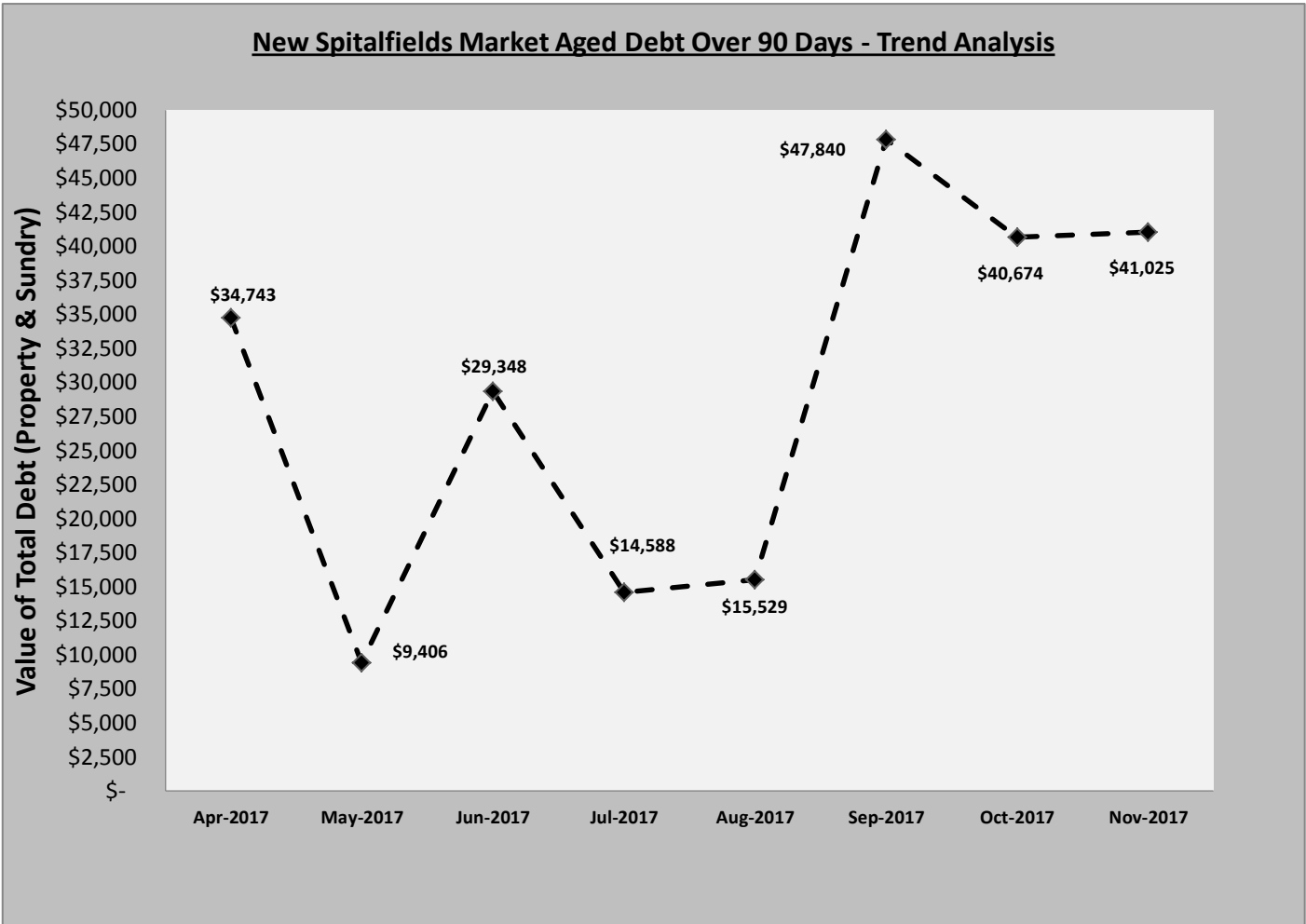
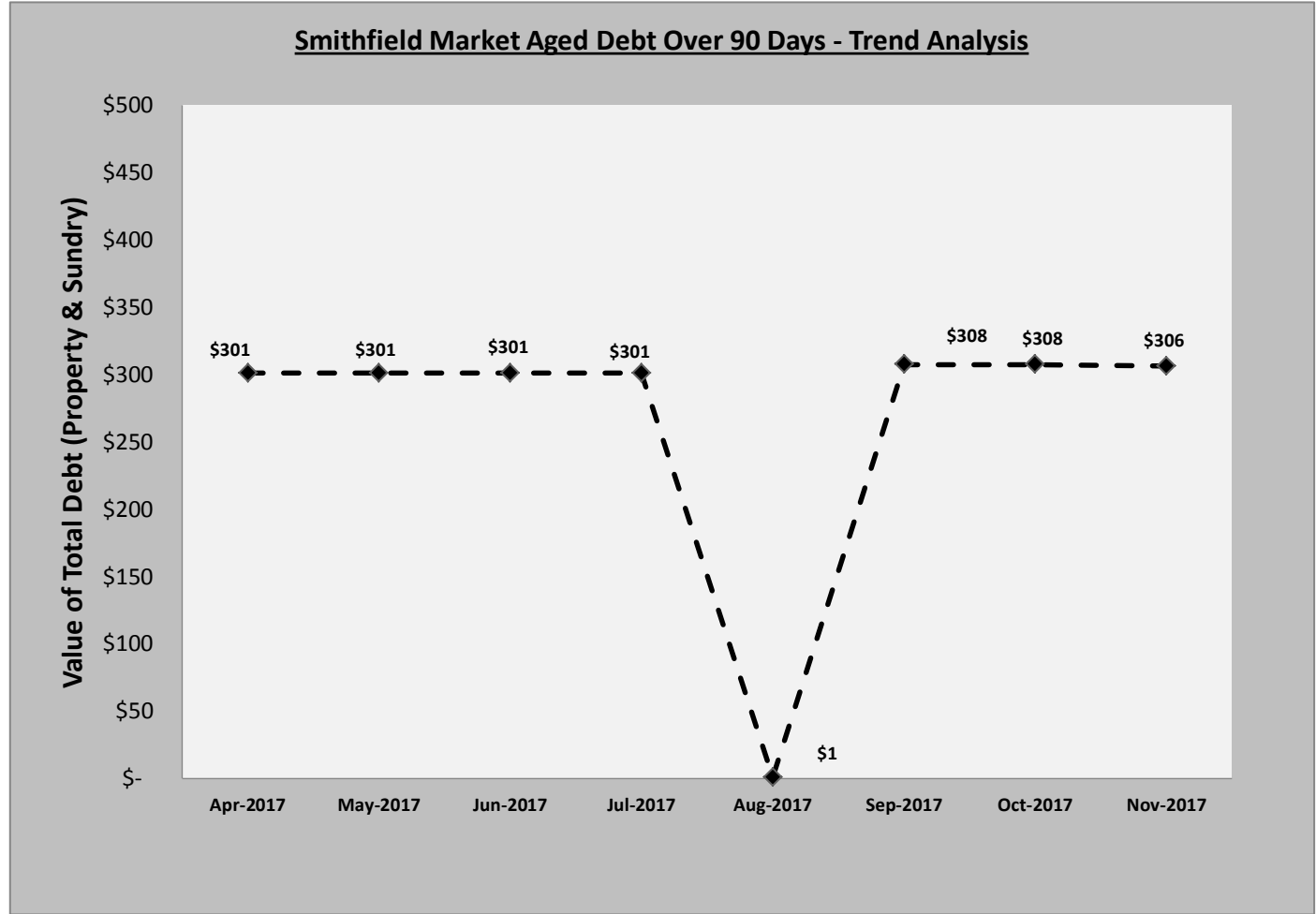
- 1. Smithfield Service Charge** - projected overspend due to reduced service charge income as a result of additional premise lets not completed. Budget holder is in discussion with City Surveyor to push for the leases to be completed ASAP to ensure that the City is not picking up the costs for longer than necessary.
- 2. Smithfield Corporate Account** - favourable outturn due to resource base under utilisation identified during revised estimates. This can be offset against anticipated shortfall on service charge income.
- 3. Spitalfields Service Charge** - favourable variance mainly due to a vacant maintenance/painter post which the budget holder requested be kept in the budget as the post is on the establishment list, plus 3 further vacant security posts which will be recruited against. Any over/under recovery on income or expenditure will be returned/charged to tenants so the bottom line balances to zero at year end.

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Markets Aged Debt Over 90 Days - as at 30th November 2017  
For Inclusion in Business Plan

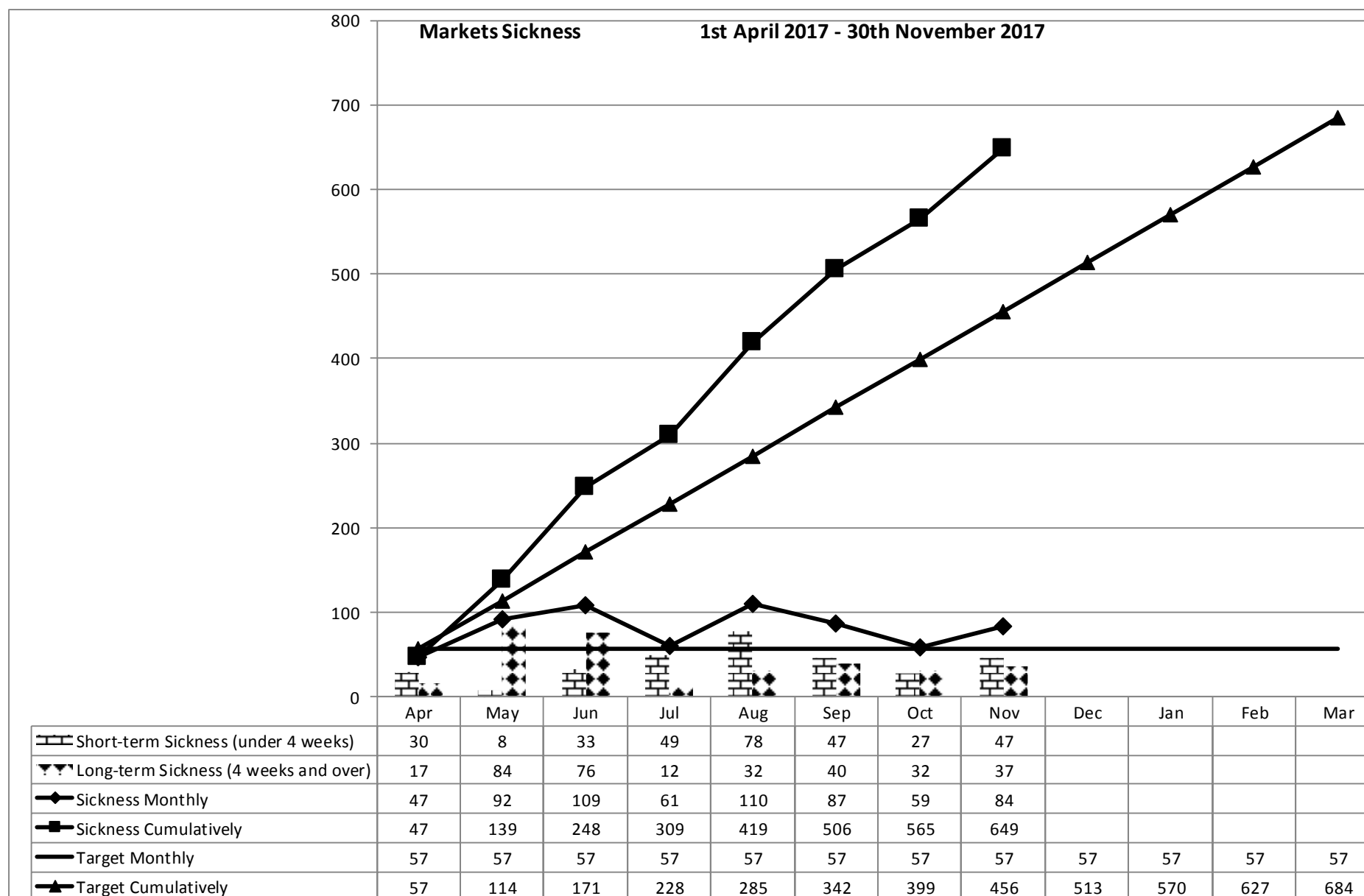
	Smithfield Total Debts		Billingsgate Total Debts		Spitalfields Total Debts		Total
Apr-2017	£	301	£	3,066	£	34,743	£ 38,111
May-2017	£	301	£	20	£	9,406	£ 9,727
Jun-2017	£	301	£	907	£	29,348	£ 30,556
Jul-2017	£	301	£	739	£	14,588	£ 15,629
Aug-2017	£	1	£	20	£	15,529	£ 15,551
Sep-2017	£	308	£	29	£	47,840	£ 48,177
Oct-2017	£	308	£	20	£	40,674	£ 41,002
Nov-2017	£	306	£	62	£	41,025	£ 41,393

Note: New Spitalfields Market aged debt over 90 days for November 2017 excludes debts relating to the back dated rent (£475,989.54).



Type of Debt	Value of Debt
Property Debt Value	#REF!
Sundry Debt Value	#REF!

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Note: Due to a change in the way that HR provides sickness absence data, it is not possible to identify the number of individual cases that comprise the long-term absence figure

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<b>Committee(s):</b>	<b>Date(s):</b>
Markets Committee	24 January 2018
<b>Subject:</b> London Markets Board – Briefing note	<b>Public</b>
<b>Report of:</b> Director of Markets and Consumer Protection	<b>For Information</b>

## **Summary**

The aim of this briefing note is to bring Members of the Markets Committee up-to-date on the new London Markets Board, set up by the Mayor of London. The Board will advise the Mayor on the delivery of a London markets strategy, and on action to support and promote the capital's wholesale, street and covered markets.

## **Recommendations**

The Committee are asked to receive this report as information.

## **Main Report**

1. Markets are part of the fabric of London life. They are at the heart of communities and local places, and offer Londoners a diverse range of economic, social, and environmental benefits, collectively known as 'social value'. Overall, the markets sector is flourishing, but although many markets are thriving, there are challenges too for them to maximise this social value, to evidence it to unlock further investment and to ensure that the ways markets change benefit all Londoners.

2. The Mayor of London's report on 'Understanding London's Markets', published 20 December 2017, sets the context for a new, strategic approach to London's markets by the London Markets Board. By drawing on the wide-ranging experience of people working across the sector, it seeks to build a better picture of London's markets. It explores the challenges markets face, the breadth of value they offer, and the opportunities available, and it makes recommendations that will inform the Board's work towards a new markets strategy, to ensure London's markets thrive in the future.

## **London Markets Board**

3. The London Markets Board is a group of industry experts and London government representatives drawn from across the markets community to advise the Mayor and Deputy Mayor for Planning, Regeneration & Skills and provide a strategic overview of London's markets. The Board will provide thought leadership, identify evidence on specific issues and give strategic oversight to promote and deliver improvements across London's market sector, with activities and policies supporting wholesale, street and covered markets. It will address needs across local authority, private and community-run markets, raise the profile and value of London's markets and lobby for the resources and tools they need to remain a thriving and important part of our city. All of this will inform a London markets strategy.

#### 4. The London Markets Board members are:

- **Jules Pipe** – Deputy Mayor for Planning, Regeneration and Skills and co-chair of the Markets Board.
- **Helen Evans** – Director of Business Development at New Covent Garden Market. Helen is also a member of the London Food Board and the co-chair of the Markets Board.
- **Darren Henaghan** – Managing Director of Borough Market.
- **Debbie Carpenter** – Market Development Manager at London Borough of Camden.
- **Diane Cunningham** – Director of The Assembly Line. Diane co-founded Chatsworth Road market in Hackney where she was a director of the Community Interest Company (CIC).
- **Graham Wilson** – National Association of British Market Authorities. Graham is the former CEO and legal advisor and has an in-depth knowledge of markets legislation.
- **Hazel Simmonds** – Consultant with MAC-UK, which engages with the UK's most deprived young people to improve their well-being. Hazel was previously Interim Assistant Director at Hampshire County Council for Economic Development.
- **Hilary Paxman** – Chief Executive of National Association of British Market Authorities (NABMA).
- **Ian Dodds** – Head of Markets, KERB. Ian has developed and now oversees a portfolio of six London street food markets.
- **John Burton** – Urban Space Management. A chartered surveyor, John managed Greenwich Market, Gravesend Heritage Quarter, Swindon Market Hall and West Silvertown retail.
- **John Shepherd** – Managing Director of Partridges of Duke of York Square on the King's Road. John has many years' experience in the world of food.
- **Kay Richardson** – Director of Space Embrace Community Interest Company. Kay is also a grant holder for the Wellcome Trust and will deliver public health-themed festivals in 2018.
- **Cllr Nadia Shah** – Camden Councillor. Nadia has been a councillor since 2014.
- **Cllr Rachel Tripp** – Newham Councillor. Rachel's experience includes working at the Health Professions Council which gives her an excellent understanding of regulation, particularly of designing systems that combine accessibility with robust public protection.
- **Seamus Adams** – Head of Service Parking and Markets at London Borough of Hackney.
- **Stuart Horwood** – Brixton Traders' Association. Stuart is one of the founding directors of the Brixton Market Traders' Federation and has been a local trader since 1984.
- **Joe Harrison** (board advisor) – Chief Executive of the National Markets Traders Federation (NMTF). Joe has been appointed as an advisor to the London Markets Board.

## **Recommendations for the London Markets Board**

5. The 12 recommendations listed in the report are intended to support the Board in their work, identifying ways forward towards a London markets strategy:

- Set an action plan for a London markets strategy
- Identify how local authority market operators can maximise social value and work positively within the existing legislation
- Lobby for a full review of the current markets legislation
- Define different types of markets
- Help markets evidence the diverse social benefit they provide
- Encourage innovation in markets
- Support diversity across the markets sector
- Strengthen opportunities to access healthy food
- Lower barriers to entry for traders
- Make markets places to build careers
- Maximise markets as valued places for communities
- Promote a practical design approach to markets

## **Further Information**

6. A full version of the Mayor's report on 'Understanding London's Markets' can be found at:-

[https://www.london.gov.uk/sites/default/files/20171219\\_gla\\_markets\\_report\\_web.pdf](https://www.london.gov.uk/sites/default/files/20171219_gla_markets_report_web.pdf)

Or an Executive Summary:-

[https://www.london.gov.uk/sites/default/files/20171219\\_gla\\_markets\\_report\\_short\\_web.pdf](https://www.london.gov.uk/sites/default/files/20171219_gla_markets_report_short_web.pdf)

## **Contacts**

Jane Poulton – Performance Management Officer  
Markets and Consumer Protection

T: 020 7332 1714

E: [Jane.poulton@cityoflondon.gov.uk](mailto:Jane.poulton@cityoflondon.gov.uk)

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# Agenda Item 7

<b>Committee:</b> Markets Committee	<b>Date:</b> 24 January 2018
<b>Subject:</b> Markets Committee Risk	<b>Public</b>
<b>Report of:</b> David Smith Director of Markets and Consumer Protection	<b>For Information</b>
<b>Report author:</b> Donald Perry Department of Markets and Consumer Protection	

## 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, New Spitalfields (Current Risk: AMBER)
- MCP-SM 001 – HGV Unloading Operations, Smithfield (Current Risk: RED)

## Recommendation(s)

Members are recommended 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 regular 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 regular 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 one RED risk and one AMBER risk.

### **MCP-NS 001 – Workplace Traffic Management New Spitalfields (Current Risk: AMBER no change)**

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.

As of these activities are undertaken in an area under the direct control of the City, 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.

### **MCP-SM 001 – HGV Unloading Operations Smithfield (Current Risk: RED no change)**

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, on an area under the overall control of the City, 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.

This risk is still rated as RED as, although some safety improvements have been made, the Market management team does not yet have complete confidence that the new arrangements will deliver a sustained reduction in risk as this depends upon the effectiveness of the tenants' staff, which has still to be proven beyond the short term. Assuming that the current improvements are maintained, this risk should revert to Amber.

## **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

## **Background Papers**

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

### **Contacts:**

Donald Perry (*Report author*)  
Head of Business Performance  
T: 020 7332 3221  
E: [donald.perry@cityoflondon.gov.uk](mailto:donald.perry@cityoflondon.gov.uk)

Smithfield Market:  
Superintendent – Mark Sherlock  
T: 020 7332 3747  
E: [mark.sherlock@cityoflondon.gov.uk](mailto:mark.sherlock@cityoflondon.gov.uk)

New Spitalfields Market:  
Superintendent – Ben Milligan  
T: 020 8518 7670  
E: [ben.milligan@cityoflondon.gov.uk](mailto:ben.milligan@cityoflondon.gov.uk)

Billingsgate Market:  
Superintendent – Malcolm Macleod  
T: 020 7332 3067  
E: [malcolm.macleod@cityoflondon.gov.uk](mailto:malcolm.macleod@cityoflondon.gov.uk)

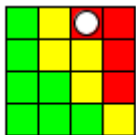
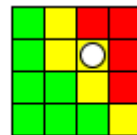

# MCP Markets Committee Risk Report Appendix A

Report Author: Donald Perry

Generated on: 02 January 2018






Rows are sorted by Risk Score

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
<b>MCP-SM 001</b> <b>HGV Unloading Operations</b> 24-Feb-2015 Mark Sherlock	<b>Cause:</b> 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. <b>Event:</b> Serious or life changing injury to members of the public, market staff and other service users caused by uncontrolled or unguided reversing vehicles. <b>Effect:</b> Realisation of this risk could result in a prosecution, fine and reputational damage for the City.	Likelihood  Impact	16	No change  06 Dec 2017	Likelihood  Impact	12	31-Jan-2018	  No change

Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
MCP-SM 001f Review delivery practices	Work with the Market Tenants' Association to review sender delivery practices.	Tenant banks-man training is complete, and a jointly signed letter from the Superintendent and Chairman of the SMTA has been issued to all freight transport companies which deliver to the Market, confirming the improved operational safety standards required and the consequential lock-off of the delivery bays if these standards are not met. This letter included a site plan, delivery process, and site rules. Detailed monitoring continues by the onsite Constabulary. Continuing risk management work streams are; Stakeholder actions/review meetings set with the SMTA until all recommendations of the FTA report are fully demonstrable, evidence based, and implemented. Ensure that all training records of individuals are retained and updated by the SMTA, on behalf of the tenants, for review with the Superintendent's office for ongoing controls. The City will implement immediate closure of vehicle lock-ons where unsafe & unmanaged activities are identified and after consultation with the SMTA an effective date agreed. In the short to medium-term the Superintendent will evaluate the opportunity to remove certain human inputs/errors in the control process, and to replace them with software managed and	Mark Sherlock	15-Nov-2017	31-Jan-2018



		sequenced inter-lock interfaces, before the lock-on process is safely complete. This has been progressed with site visits being made by industry experts. Good progress is being made through structured working with the SMTA. Improvements have been made with both training and additional safety measures introduced by the Market, such as Tensa barriers, additional signage, road markings and hatchings, traffic lights, speed controls, additional bollards, and road surface improvement including road markings and signage. It is anticipated that by continuing with this approach, the current Red risk will be able to be reduced to Amber.			
MCP-SM 001h Monitor traffic routes.	Monitor market traffic routes.	The Superintendent has written to 6 traders about the need to improve operational management of the loading/parking bays. 1 tenant has been written to again with the impending sanction of a 146 Notice being levied if poor practices continue. Immediate improvements have been witnessed. A further tenant has installed CCTV in order to record /review/ implement better management practices on the north-east corner of the East Market. The Constabulary are to inform the Superintendent as soon as any poor practices return.	Mark Sherlock	28-Nov-2017	31-Jan-2018
MCP-SM 001i Review unloading practices	Work with the Market Tenants' Association to review unloading practices.	October audit identified 16 transport companies that used a driver banksman and 1 (Fairfield) which made 2 deliveries without any banksman. The Superintendent has agreed a second joint letter with the SMTA which will be sent to all FTCs with a reminder of a pending delivery rejection implementation should site rules not be followed in future. This will be issued to FTCs by 1st December 2017.	Mark Sherlock	28-Nov-2017	31-Jan-2018
MCP-SM 001j Review forklift management.	Review and implement the local forklift truck management scheme.	The revised Policy has been circulated and a joint COL/SMTA meeting due to be held on 30th November to formalise an agreement before the end of 2017. Previous dates have been postponed due to the unavailability of SMTA members.	Mark Sherlock	15-Nov-2017	31-Jan-2018

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
<b>MCP-NS 001</b> <b>Workplace Traffic Management</b>  24-Feb-2015 Ben Milligan	<b>Cause:</b> Over 200 forklift trucks operate on the New Spitalfields Market site. <b>Event:</b> There is a serious risk of life changing injury to a pedestrian if vehicle movements in this constrained space are not appropriately managed and controlled. <b>Effect:</b> 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.	 Likelihood Impact	12	With the increased levels of compliance by tenants' fork lift truck operators through the enforcement of the fork lift truck policy and the success of the single fork lift training provider the number of fork lift truck incidents has reduced significantly.  11 Dec 2017	 Likelihood Impact	8	01-Oct-2018	  No change

Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
MCP-NS 001i Train Managers in Forklift Safety	A member of staff from all tenants to be nominated and trained in FLT safety procedures.	This action is in progress.	Ben Milligan	13-Nov-2017	30-Mar-2018
MCP-NS 001j Create Time Segregation	Artic Time Segregation and No Tolerance in market hall.	A parking policy has now been implemented that encompasses HGV parking. Penalty charge notices have been implemented to ensure that vehicles park in their respective areas. Curtain side trucks now have special provision for their parking and unloading. An offence has been created for forklift drivers unloading HGVs outside loading times allowable around the market. HGVs onsite must not unload around the market beyond 3am up until 8am. Once the car park at the far end of the market has been reviewed and the parking changed, as required, these HGVs will not be allowed to unload around the market between 12 midnight and 8am. This is the next step in the process.	Ben Milligan	13-Nov-2017	30-Mar-2018
MCP-NS 001k Install Barrier System	Controlled barriers entry system for pedestrians and vehicles.	This action is in progress	Ben Milligan	13-Nov-2017	01-Oct-2018

<b>Committee(s):</b>	<b>Date:</b>
Markets	24 January 2018
<b>Subject:</b> Smithfield Market – Condenser Water Cooling System - Update	<b>Public</b>
<b>Report of:</b> The City Surveyor (Report no. CS010/18)	<b>For Information</b>
<b>Report author:</b> Andrew Crafter, Principal Engineer, City Surveyor's Department	

## Summary

This update report informs Members about recent developments on Smithfield Market's refrigeration condenser water cooling system, and answers two questions raised at the last Committee meeting.

The system has been operating normally since the end of November 2017. The system operating temperature has been set at 24<sup>0</sup> C since 22 November. This will be increased to 25<sup>0</sup> C again when agreed with the Market Tenants' Association.

## Recommendation(s)

Members are recommended to note the contents of this report.

## Main Report

### Background

1. The Market's condenser water cooling system removes waste heat from 120 tenants' refrigeration units in East, West and Poultry Markets and dissipates it to the atmosphere via five cooling towers located in the Poultry Market. The system is operated and maintained by the City Corporation as Landlord.
2. In 2014, the City Corporation completed a programme of works to improve the water circulation in the three Market buildings served and remove dirt contamination in the system. As a result, performance greatly improved.
3. The cooling system was originally specified to provide water to tenants' fridges at 30°C. Over the years, this was gradually reduced and for approximately five years was set at 20°C. This was done to assist fridges at a time when there were issues with water flow, dirt contamination, system balancing, and tenants' condenser under-sizing.
4. Over the last 18 months, the City has gradually raised the system operating temperature a degree at a time to alleviate airborne dirt ingestion at cooling

towers, allow more economical operation in the future, and reduce risk of breakdown. The eventual aim is to operate the system at 25°C year round. However, a higher temperature results in fridges working harder and in some cases experiencing problems.

### **Current position**

5. Immediately prior to the last Committee report in November 2017, there had been reports of further fridge operating problems, which were traced to faults with the City's water softening plant which supplies softened make-up water to the cooling system. Since these were rectified, the system has been operating normally.
6. The system operating temperature had been raised a degree to 25°C on 14 November 2017, however, at the request of the Market Tenants' Association, it was reset back to 24°C on 22 November, and has remained at that setting to date.

### **Incidents since last report**

7. Since the end of November there have been no further operating incidents reported on the cooling system.

### **Response to matters raised at last Committee Meeting**

#### **(a) re-use of waste heat**

8. The waste heat returned from the fridges to be dissipated to atmosphere by the five cooling towers is 'low grade' heat at about 25-28<sup>0</sup> C. Whilst the system operates continuously, the quantity of heat from the three markets varies from about 500 kilowatts at quiet, cold times to about 1,200 kilowatts at peak summer times.
9. Heat could be recovered from the system return water to the cooling towers by means of technology known as a water source heat pump. This could be used to supply useful heat to a heating circuit, although an electrical power supply is needed.
10. A couple of issues arise. Firstly, most commercial heating systems, including that serving the Meat Market, are designed to work at about 80<sup>0</sup> C. A heat pump would generate hot water at a significantly lower temperature than this, meaning a re-design of the heating system would be required to make use of the heat, or a more complex heat pump design.
11. Secondly, the Market is committed to take all its bulk heat supplies from the Citigen Combined Heat and Power (CHP) system, based close by in Charterhouse Street. The City has long term agreements with Citigen to develop, support and expand the system. Replacing the Citigen supplies (which are considered low-carbon) with an alternative source would breach legal agreements and be seen as a withdrawal of the City's support for the scheme.

### **(b) cooling system operating costs**

12. With refrigeration systems there is always the need to remove and dissipate the waste heat produced in the fridge condenser. This can either be air cooled or water cooled. Air cooled condensers can be adjacent to the fridge, but are less energy-efficient, require a good air supply, and can create noise problems. Most larger systems are water cooled for energy efficiency, and allow cooling towers to be sited remotely from the fridges, which assists with planning and noise problems, although more costly and with the disadvantage of the need for strict water hygiene controls.
13. At Smithfield Market, the use of air cooled fridge condensers would have been difficult and probably non-feasible due to the amount of heat to be dissipated, up to 600 kW in each half of the Market. Without major ventilation works, temperatures above Buyer's Walk would have become excessive in summer, adversely affecting fridge performance. As listed building restrictions limit the options to provide high levels of ventilation, it is possible significant office space would have had to be sacrificed for plant.
14. Figures given below are estimates of the average annual system operating costs for the cooling system met by the City, compiled with the assistance of Skanska.

Water	£6,000
Power – cooling tower fans	£12,000
Power - pumps	£100,000
Salt and chemicals	£16,500
Water treatment servicing	£15,500
Cooling tower maintenance	£9,000
Repairs and call-outs	£18,000
Strainer/condenser cleaning	£15,000
<b>TOTAL</b>	<b>£192,000</b>

Apart from power to pumps and water treatment servicing, all costs would tend to reduce as the system operating temperature is increased.

15. Operating costs for equivalent air-cooled fridges including additional ventilation plant in each quadrant, assuming this could be provided, may well be of the same order, taking into account loss of income from commercial office space needed to house the plant. As noted above, the likelihood is that this would not be feasible for technical reasons.

## **Proposals**

16. The temperature of the system will be increased back to 25°C when agreed with the Tenants' Association. Performance of fridges will continue to be monitored and any reports of fridges experiencing problems investigated.

## **Corporate & strategic implications**

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

## **Implications**

18. The cooling system operated by the City provides a critical service for tenants' refrigeration equipment. A failure of the system could potentially expose the City to claims from tenants for loss of product. The City therefore needs to ensure it provides a reliable service that meets the needs of the tenants, whilst at the same time keeping its operating and maintenance costs and risk of breakdown to the minimum.

## **Conclusion**

19. Provided that the water quality and flow is maintained, fridges appear to be able to cope with water supplied by the cooling system at 25<sup>0</sup> C in winter conditions. However, if flow is reduced, or scale build-up occurs within condensers due to water hardness, heat transfer is impaired, and unless these problems are corrected, it is necessary to reduce the water temperature to compensate.
20. Added to this, the City considers there are still some condensers which are undersized for the duty required and hence more sensitive to reduced flow and scale accumulation.

## **Background Papers**

Report of the City Surveyor 'Smithfield Market – Condenser Water Cooling System – update' to Markets Committee, November 2017 (Report ref. CS561/17).

### **Andrew Crafter**

Principal Engineer, Operations Group, City Surveyor's Department

T: 020 7332 1252

E: Andrew.Crafter@Cityoflondon.gov.uk

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of the Local Government Act 1972.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
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