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| Committee(s): | Date(s): |
| Policy and Resources Committee (for decision) Markets Committee (for information) | 20 February 2020 4 March 2020 |
| Subject: Markets Consolidation Programme Governance Update – Creation of Markets Consolidation Working Party | Public |
| Report of: Town Clerk and City Surveyor | For Decision |
| Report author: Peter Lisley, Director of Major Projects | |

Summary

Following the approval by the Court of Common Council (the Court) of the extension and funding of the Markets Consolidation Programme (MCP) to November 2020, the governance of the MCP has been reviewed to ensure that it will support submission of the private bill to move the City's markets (Billingsgate, New Spitalfields and Smithfield) at the end of November 2020. Your Chair has also had a number of conversations with external individuals with experience of governance or delivery of very large public sector projects, to inform a revised approach.

Whilst key decision making on the programme, such as approval to submit the bill and funding to support the programme during the passage of the bill, will continue to require the approval of the Court and the Policy and Resources (P&R) Committee, it is clear that, to move at pace, a governance arrangement is needed that allows a relatively small group of individuals to be kept up to date with the project, advise on options and, if necessary, make decisions on practical issues within an agreed policy framework. In addition, such a group of individuals would benefit from independent advice and support to ensure that the projects team has delivering the brief. This would be a form of Quality Assurance.

Whilst the Governance Review may address some of the wider issues around the speed of decision-making, it will not do so in the timescale of this phase of the Markets Consolidation Programme, which runs until November 2020.

It is, therefore, recommended that a dedicated Working Party of the Policy and Resources Committee is created for this specific piece of work. Membership of the Working Party would be limited to elected Members; however, it is recommended that Members receive advice at meetings from two external advisors with experience in major projects. This would serve as a means of quality assuring the advice that is being offered by officers. The Working Party will guide the programme, meeting monthly, until November 2020. A report in October 2020 will be recommending to P&R and the Court the submission of the private bill and budget and this will cover how the governance of the programme should continue once the private bill has been submitted. This would be an opportunity to incorporate any recommendations emerging from the Governance Review.

Recommendations

Members are asked to:

1. Approve the creation of a Markets Consolidation Working Party, with terms of reference as set out at Appendix A.
2. Approve the suggested composition of the Working Party and schedule of monthly meetings up until November 2020, as set out in Appendices A and B.
3. Note that a report will be submitted to P&R and Court in October 2020 recommending the submission of the private bill and budget, which will address how the governance of the programme should continue once the private bill has been submitted.

Main Report

Background

1. In January 2020, the Court approved a report concerning the Markets Consolidation Programme (MCP) which outlined a complex programme of activities, including:
 - Submission of outline planning followed by negotiation of any S106 requirements.
 - Work with TFL to develop a transport strategy for the A13 corridor to support planning and the submission of the private bill.
 - Engagement and negotiation with tenants on the developing design of the market, the type of facilities and services to be provided and the incentives available to tenants to move to the new consolidated market.
 - Management of a more proactive communication strategy including the publication of articles.
 - Agreement on the future of the existing market sites with the local boroughs of Waltham Forest and London Borough of Tower Hamlets.
 - Agreement on the likely future concept for the re-use of Smithfield.
 - Agreement on the contents of the private bill for submission with associated evidence on the 27th November.
2. There is, clearly, a large volume of complex activity to be undertaken and co-ordinated, with challenging timescales and significant budgets to be managed. Ensuring effective governance structures and Member oversight of these activities is in place is, therefore, of the utmost importance.

Current position

3. Formal decision-making by Members concerning the design and budget for the programme will still be made through the P&R Committee and the Court, with issues affecting the current market operations being the responsibility of Markets Committee.
4. Two informal Member groups have been established to provide advice to and guide the officer project team. One is chaired by the Chair of P&R and is concerned with the existing market sites; the other is chaired by Sheriff Chris Hayward and is concerned with the new consolidated market.
5. Regular meetings have also taken place between relevant chairmen (P&R, Finance, Markets and Capital Buildings) to ensure that issues are joined up.

Membership of the Working Party

6. It is proposed that a new Markets Consolidation Working Party is established to formalise the current chairmen's meetings. Membership would comprise of ex-officio posts for the Chairmen of the Policy & Resources, Finance, Markets, and Capital Buildings Committees, all of whom are already aware of the details of the programme and bring the breadth of perspectives to balance costs and benefits required to deliver this complex programme. It is proposed that they be joined by the Chair of the informal New Markets Member Group (referenced in paragraph 4), to link to the informal Member groups on the new market (and existing sites) which is chaired by Sheriff Chris Hayward.
7. It is further recommended that two external advisors are appointed, in consultation with the Chair of P&R, to provide advice to the Members and assist in quality assurance. These costs would be met through the Markets Consolidation Programme budget and would be subject to approval in the usual way once costs have been identified.
8. The Working Party will meet on a monthly basis to consider the progress of the programme, next steps, major risks, and a high-level communications strategy. This will provide the supporting senior officer group (and related Member groups) with advice on issues as they occur.
9. It is not considered that delegating power to act is necessary at this stage; hence, the proposal for a Working Party (rather than a Sub-Committee). The Working Party would provide officers with strategic direction and assurance in respect of actions to be taken within the budgets and policy parameters already agreed by the Policy & Resources Committee, as well as informing future requests and submissions to that Committee.

Support to the Working Party

10. It is intended that the Member groups for the New Sites and for the Existing Sites will continue to meet during the year to help consider specific deliverables, providing feedback from a wider Member base.

11. The City Surveyor will lead a design authority for the new market which will consider the desirability of requirements and the cost according to the agreed objectives for the programme. This will make recommendations to the Working Party each month to confirm the principles governing the future design.
12. A senior officer group will continue to meet to oversee the detailed progress of the programme, the items to be brought to the Working Party and to manage the delivery of the programme.

Conclusion

13. The Markets Consolidation Programme is a significant London-wide programme which should bring many benefits. These include: a sustainable and resilient solution to the provision of the benefits of food wholesale to Greater London; provision of a river transport solution for freight; support for better food education for Londoners; and the release of three important sites for uses suited to London in the 21st Century.
14. The programme is highly ambitious and complex and will consume significant resources before it can be fully delivered. Therefore, it is recommended that an agile and dedicated Working Party with in-depth knowledge of the programme is required to guide the programme at pace, making robust decisions that will influence the success of the private bill process and the progress of the programme over many years.

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Appendices

Appendix A – Draft Terms of Reference for the Markets Consolidation Working Party

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MARKETS CONSOLIDATION WORKING PARTY

1. Constitution

A Working Party consisting of the following ex-officio Members:

- The Chairman of the Policy and Resources Committee
- The Chairman of the Markets Committee
- The Chairman of the Finance Committee
- The Chairman of the Capital Buildings Committee
- The Chairman of the New Markets Site Member Group

The Committee shall be assisted by two external advisors, to be appointed by Policy and Resources Committee, who will attend meetings as non-voting observers.

2. Quorum

The quorum consists of any three Members.

3. Terms of Reference

For a period from 20 February 2020 to 19 November 2020, to be responsible for oversight of the management of the project to consolidate the three City markets (Billingsgate, Smithfield and Spitalfields) and specifically support submission of the private bill to move the City's markets.