

<b>Committee:</b> Markets Committee	<b>Date:</b> 15 July 2020
<b>Subject:</b> Markets Committee Risk	<b>Public</b>
<b>Report of:</b> 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-BG 001– Workplace Traffic Management, Billingsgate (Current Risk: AMBER)
- MCP-NS 001 – Workplace Traffic Management, New Spitalfields (Current Risk: AMBER)
- MCP-SM 001 – HGV Unloading Operations, Smithfield (Current Risk: AMBER)
- MCP-SM 011 Brexit - impact of no-deal Brexit on traders and imports, Smithfield (Current Risk: AMBER)

## Recommendation(s)

Members are asked to:

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

## Main Report

### Background

1. The Risk Management Framework of the City of London Corporation (the City) 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.

7. As part of the City Corporation's response to the threat of the Covid -19 virus affecting the operation of services and support for its stakeholders, a command and control structure has been implemented with Gold, Silver and Bronze levels to manage the on-going situation.

Gold requested that all Silver Groups should develop Covid-19 risks that may affect the departments that report to these groups. These risks are now recorded on the Pentana Risk system.

Guidance has been issued to all Chief Officers to report relevant Silver Group risks to their appropriate service/Grand Committee with the regular risk update reports that committee would receive. These risks are attached as appendix B. Members are asked to note that no target date has been included for the mitigation of each risk given the current uncertainty of the duration of this pandemic.

This approach enables Members to question and seek assurance that departmental Covid-19 risks, held at Silver Group, are being managed and mitigated effectively.

## **Summary of Key Risks**

8. The Department of Markets and Consumer Protection's Risk Register for Markets, attached as Appendix A to this report, has Four AMBER risks.

### **MCP-BG 001 – Workplace Traffic Management Billingsgate (Current Risk: AMBER constant)**

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 all 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.

This risk has been reviewed and is being temporarily increased to Amber as there is a perception by City staff that there has been a recent increase in non-compliance with our traffic management policies.

### **MCP-NS 001 – Workplace Traffic Management New Spitalfields (Current Risk: AMBER constant)**

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 all 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: AMBER constant)**

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.

### **MCP-SM 011 Brexit - impact of Brexit on traders and imports (Current Risk: AMBER constant)**

The outcome of Brexit negotiations between the UK government and the EU fails to secure continuity of contracts and/or security of supply chains.

If the market tenants fail to prepare appropriately for the end of the Brexit transition period on 31 December 2020, this could lead to delays and disruption in the food supply chain, and shortages of product over a prolonged period. There is a risk, albeit unlikely, that this could impact the financial viability of some tenants' businesses. This in turn could lead to business failures and vacant premises at the markets but given the current position this seems highly unlikely.

## **Conclusion**

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

## **Appendices**

- Appendix A – Markets Risk Register Summary
- Appendix B – Markets Covid-19 Risk Summary

## **Background Papers**

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

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# MCP Markets Committee Risk Report Appendix A

**Report Author:** John Smith

**Generated on:** 25 June 2020

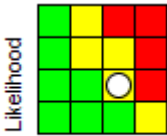
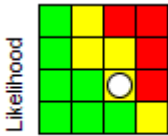



Rows are sorted by Risk Score

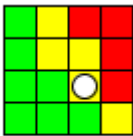
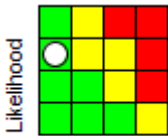

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
<b>MCP-BG 001 Workplace Transport</b>  26-Apr-2017 Daniel Ritchie	<b>Cause:</b> A lack of suitable and sufficient training and adequate management controls in relation vehicle movements at Billingsgate Market. <b>Event:</b> There is a risk of a life changing injury to a pedestrian if vehicle movements including forklift trucks 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.	Likelihood Impact	12	This risk has been reviewed and is being held at Amber until we have total compliance with our traffic management policies.  <b>25 Jun 2020</b>	Likelihood Impact	8	31-Jul-2020	 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
MCP-BG 001e	Respond to recommendations and agree an action plan.	An action plan has been put in place to deal with the highest risk factors.	Daniel Ritchie	25-Jun-2020	31-Dec-2020
MCP-BG 001f	Complete actions and record evidence with a view to reducing the risk rating (if appropriate).	Final report has been received and an action plan has been put in place. Actions are currently being addressed in order of priority.	Daniel Ritchie	25-Jun-2020	31-Dec-2020



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 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.	 Impact	8	Following extensive audits of the banksman control process, the target and current risk have been reduced to 8. Across the last 18 months of audit, the non-compliance rate has averaged 1.5% reducing the level of likelihood. However the current score and target score will not reduce any further in order to maintain focus on the need to reduce the average still further as much as possible.  <b>25 Jun 2020</b>	 Impact	8	01-May-2021	          Constant

Action no	Action description	Latest Note			Action owner	Latest Note Date	Due Date
MCP-SM 001k	Keep the risk under review.	A HGV audit will commence on Friday PM, to assess the number of vehicles that are sitting over the weekend idling. We have received a complaint, linking pollution to COVID-19 infection. A formal response has been sent by the Air Pollution team as well as Mark Sherlock, Superintendent of Smithfield, to showcase that the air quality in and around Smithfield, is lower than expected, with legal levels being adhered to. The HGV audit is to identify and persistence offenders who sit at the Market all weekend. Emails sent w/c 27/4/2020			Mark Sherlock	25-Jun-2020	01-Sep-2020

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 011</b> <b>Brexit - impact of Brexit on traders and imports</b>  06-Sep-2019 Mark Sherlock	<p><b>Cause:</b> The outcome of Brexit negotiations between the UK government and the EU fails to secure continuity of contracts and/or security of supply chains.</p> <p><b>Event:</b> The market tenants fail to prepare appropriately for the end of the Brexit transition period on 31 December 2020. Uncertainty around the potential outcomes until it is too late to react.</p> <p><b>Effect:</b> Delays and disruption in the food supply chain, and shortages of product over a prolonged period. There is also a risk, albeit unlikely, that this could impact the financial viability of some tenants' businesses. This in turn could lead to business failures and vacant premises at the markets but given the current position this seems highly unlikely.</p>	 <p>Likelihood</p> <p>Impact</p>	8	Trade discussions with the EU continue although the UK's chief negotiator has recently stated that the two sides had "made very little progress towards and agreement on the most significant outstanding issues". The Prime Minister has insisted he will not consider an extension to the negotiations. The next round of negotiations has begun and will be followed by a summit with the Prime Minister and the head of the European Commission.  <b>25 Jun 2020</b>	 <p>Likelihood</p> <p>Impact</p>	3	31-Dec-2020	  Constant

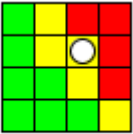
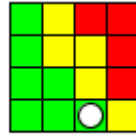

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
MCP-SM 011a	Review the possibility of establishing HGV parking / holding areas in the vicinity of the market to cope with the anticipated increased volume of traffic, including the suspension of some on-street parking bays for this purpose. Other suggestions were West Poultry Avenue, where there is currently an contractor's compound, and Giltspur Street, which is apparently used for parking buses overnight at present.	MS met with Kay English and shared proposals. In principle the suspension of pay parking bays is ok. The Market will provide a plan/list of the locations for consideration. West Poultry is unlikely to become available due to the project site compound. Giltspur St is highly contentious as it forms the ring of steel. If opened, CoL have to man it so unlikely to be an option.	Mark Sherlock	25-Jun-2020	30-Sep-2020
MCP-SM 011b	Reschedule working hours for market staff to cover possible extended trading hours.	MS is reviewing annual leave remaining entitlements and will place a moratorium on leave if necessary across the Maintenance and Constabulary function. There could be the need for additional resource particularly in the Rail man and cleaning teams. No budget for this.	Mark Sherlock	25-Jun-2020	30-Sep-2020
MCP-SM 011c	Extend parking permissible on-street parking periods. Be prepared to be flexible in response to demand possibly up to 1pm each day.	KE is open to this.	Mark Sherlock	25-Jun-2020	30-Sep-2020
MCP-SM 011d	Open Charterhouse Street and Long Lane to two-way traffic.	KE to review road safety audits and traffic management plans.	Mark Sherlock	25-Jun-2020	30-Sep-2020

## M&CP Covid-19 Silver - Appendix B

**Report Author:** John Smith

**Generated on:** 25 June 2020



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
CVD19 SG BE 03 Wholesale Markets (M&CP)	<p><b>Cause:</b> The spread of COVID-19 continues to escalate affecting staff, businesses and stakeholders.</p> <p><b>Event:</b> Trading at the markets reduces to a point where businesses will begin to close, either temporarily or cease trading permanently. Absence levels of CoL staff increase to a point where we are unable to provide critical services. This includes maintaining regulatory compliance</p> <p><b>Effect:</b> The spread of COVID-19 impacts on the City's ability to safely operate the three wholesale food markets leading to partial or full closure which may lead to permanent business closures and affect the future viability of the markets. Reputational and damage to the City and public health risks may be realised due to overcrowding. The City may also be unable to recover debts if businesses are not sufficiently able to mitigate the threat of coronavirus to enable them to reopen post lockdown.</p>	 <p>Likelihood</p> <p>Impact</p>	12	<p>A consequence of the spread of COVID 19 will be that we must prioritise critical services. This includes maintaining minimum regulatory compliance at the City's three Wholesale markets. These wholesale markets are a vital link in the supply chain between manufacturers and food retailers not just in London, but also across the South East. Through effective management of staff and social distancing measures, we have endeavoured to keep the markets operating throughout this difficult time. Even though we have been successful and have reduced the risk score, businesses may still fail due to reduced trade in the catering and hospitality sectors or, closure of the markets by Central Government if this outbreak is followed by a second, larger wave.</p>	 <p>Likelihood</p> <p>Impact</p>	4		
09-Apr-2020 Jon Averbs				25 June 2020				Decreasing

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CVD19 SG BE 03a Planning	Prepare and implement plans that will be deployed based upon the continuing /evolving situation.	This is now complete.	Jon Avern	25-June-2020	31-Dec-2020
CVD19 SG BE 03b Review plans	Review and revise emergency and business continuity plans	Plans are being constantly reviewed as the situation develops.	Jon Avern	25-June-2020	31-Dec-2020
CVD19 SG BE 03c Market operations	Review market operations to evaluate the possibility of implementing social distancing, PPE and delivery of orders to reduce the need for collection and other measures to keep people safe.	<p>All three markets have implemented social distancing and public information measures. The following has been introduced at Billingsgate.</p> <ul style="list-style-type: none"> <li>• The constabulary are visible on the market floor and advising the public to stay apart.</li> <li>• Posters are in place and visitors are given flyers reminding them of social distancing guidelines.</li> <li>• During trading hours there are regular public address system announcements reminding market users of social distancing guidelines.</li> <li>• Billingsgate will refuse to allow access to groups of people (families) that arrive. One member of the group will be admitted access.</li> <li>• The Superintendent will speak with tenants whose businesses attract more public sales and instruct them to do more to manage their customers.</li> <li>• The Superintendent has considered line marking but decided against this measure as the market floor is constantly wet, so tape will not stick, and coloured lines would fade quickly.</li> <li>• These measures compare favourably with the steps taken by other UK wholesale markets.</li> </ul>	Jon Avern	25-June-2020	31-Dec-2020
CVD19 SG BE 03d Financial considerations	Evaluate the implementation of temporary financial help for market tenants if packages provided by Central Government prove to be insufficient.	This is currently under review by Members. Tenants have been offered a 3-month rent deferment to be repaid over a period of 12 months commencing September 2020.	Jon Avern	25-June-2020	31-Dec-2020