

MARKETS COMMITTEE

Monday, 30 November 2015

Minutes of the meeting of the Markets Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Monday, 30 November 2015 at 11.30 am

Present

Members:

James Tumbridge (Deputy Chairman)	Professor John Lumley
Alex Bain-Stewart	Wendy Mead
Deputy John Barker	Deputy Joyce Nash
Deputy John Chapman	Graham Packham
Deputy Stanley Ginsburg	Chris Punter
Tom Hoffman	Elizabeth Rogula
Michael Hudson	James de Sausmarez
Deputy Jamie Ingham Clark	Ian Seaton
Ann Holmes	Patrick Streeter
Edward Lord	David Thompson

In Attendance

Officers:

Caroline Al-Beyerty	- Chamberlain's Department
Steven Chandler	- City Surveyor's Department
Andrew Crafter	- City Surveyor's Department
Paul Hickson	- Comptroller and City Solicitor's Department
Matthew Hill	- Superintendent, Smithfield Market
Richard Jeffrey	- Comptroller and City Solicitor's Department
Malcolm Macleod	- Superintendent, Billingsgate Market
Donald Perry	- Department of Markets and Consumer Protection
Julie Smith	- Chamberlain's Department
Gemma Stokley	- Town Clerk's Department
Robert Wilson	- Superintendent, New Spitalfields Market

The Deputy Chairman welcomed the Chief Commoner to the meeting and also welcomed Mr de Sausmarez to his first meeting following his recent appointment to the Markets Committee.

1. APOLOGIES

Apologies were received from John Scott (Chairman), Karina Dostalova, Deputy Brian Harris, Alderman Julian Malins, Deputy Dr Giles Shilson, Angela Starling and Mark Wheatley.

Apologies were also received from the Director of Markets and Consumer Protection.

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

There were no declarations.

3. PUBLIC MINUTES

The public minutes of the meeting held on 29 October 2015 were considered and approved as a correct record.

4. REVENUE AND CAPITAL BUDGETS - 2015/16 AND 2016/17

The Committee considered a joint report of the Chamberlain and the Director of Markets and Consumer Protection detailing the revenue and capital budgets overseen by the Markets Committee.

The Deputy Chairman drew Members' attention to two typographical errors within the report, one on page 19 of the agenda pack where the heading should read Forecast Outturn 2015/16 as opposed to 2017/18 and a further error in the heading of Appendix 4A which should read 'Original 2015-16 to LAB 2015-16'.

RESOLVED: That, the Committee:

1. are content that the latest 2015/16 revenue budget reflects their objectives and approve the budget for submission to the Finance Committee;
 2. are content that the provisional 2016/17 revenue budget reflects their objectives and approve the budget for submission to the Finance Committee;
 3. approve the draft capital budget; and
 4. authorise the Chamberlain to revise these budgets to allow for changes to the Additional Works Programme and in respect of recharges as well as any changes from Markets Service Reviews, City of London Procurement initiative savings and Carbon Trading Allowances. If the revisions vary by more than 10% of total expenditure a further report will be submitted to the Markets Committee for approval.
- 5. FUTURE PRESENTATION OF REVENUE OUTTURN REPORTS**
- The Chamberlain was heard relative to a recent request from this Committee to alter the future presentation of their Revenue Outturn Reports.

The Chamberlain made reference to the fact that this Committee had made the point that they were more commercially focused (where income was key) and that this was accepted and acknowledged by the Chamberlain's Department. The same also applied to other areas such as the three City School Boards and the Barbican Centre Board. The Chamberlain assured Members that, in these areas, officers were happy to assist in providing Members with management information in the most understandable and useful format practicable. However, there were some 'red lines' in terms of the budget approval procedures and the

financial systems currently used to generate this information. The Chamberlain reported that these systems adopted a Local Authority format with expenditure as 'king'. She explained that this was a statutory responsibility and was necessary in terms of the setting of council tax. She explained that the local government regulations and CIPFA definitions dictated how the budget books appeared.

The Chamberlain went on to state that whilst there was much that could be done around managing information and that work was already taking place in terms of looking at how budgets were presented to both the Finance Committee and the Court of Common Council going forwards, this process was not straightforward and would take some time. Members were informed that the City Corporation had already purchased a data interrogation tool and officers were currently exploring what this tool was capable of. She added that, until this had been explored in full, data interrogation was very manually intensive.

A Member stated that the accounts for three statutory funds were already produced in separate formats each year and questioned why this was not therefore possible to do throughout the year. The Chamberlain explained that this process was extremely time consuming and labour intensive process and that the information was collated over a period of months.

In response to further questions, the Chamberlain reported that, despite some initial issues, the core 'Oracle' system was now fully operational. Members were assured that the Markets Committee debt reporting was now therefore up to date. The Chamberlain added that, with regard to the Oracle Financial System, the City Corporation was at the tail end of those Local Authorities who had upgraded to version 12. The reason for this had been that the organisation had been keen to await some outcomes from others due to the number of balance sheets and functions they managed and their complexities.

RECEIVED.

6. SMITHFIELD MARKET - CONDENSER WATER COOLING SYSTEM - UPDATE

The Committee received a report of the City Surveyor providing a summary of three operating incidents that occurred on the Smithfield Market condenser water cooling system in July, August and September 2015.

In response to a question regarding the current, artificially low, operating temperature of the system, the City Surveyor reported that he had discussed this matter with the SMTA at a meeting in August 2015. Since this meeting, he had put together a schedule of the system's performance over the summer months and the Superintendent would be writing to the SMTA with this information explaining the City's plans to raise the operating temperature of the system. He stated that he did not envisage these plans being problematic.

In response to questions around the replacement and routine inspection of fridge and freezer equipment, the City Surveyor reported that there were plans to replace key components of the operating system (pump and pipes)

beginning next year, He added that the maintenance and replacement of tenants' equipment was, however, their responsibility. He acknowledged that not all tenants' equipment was functioning as well as officers would like.

With regard to the current operating temperature of 20 degrees centigrade, the City Surveyor stated that there had been no formal agreement on this but that it had become the 'norm' for some time. He clarified that the system was originally designed to operate at 28 degrees centigrade and that current plans were to slowly increase the temperature to approximately 25 degrees as a reasonable compromise.

The Superintendent of Smithfield Market reported that his staff were currently discussing obligations with tenants and had sought a clear steer on their servicing and regular maintenance cycles. The matter was also being discussed with the Comptroller & City Solicitor to ensure that the City Corporation were fulfilling their obligations.

In response to a question, the City Surveyor confirmed that the system required more power, water and chemicals to operate at 20 degrees as opposed to a higher temperature and that it was the City Corporation who paid for this. If the operating temperature were to be elevated as planned, the tenants' equipment would be required to work harder.

A Member expressed his concerns at the wear on tear on the operating system whilst it was operating outside of specifications.

RESOLVED – That Members note the contents of the report.

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

Proposal to move Smithfield Market

Mr Streeter questioned whether thought could be given to moving Smithfield Market from the City to the suburbs. He argued that the market had outgrown its current site, that the pollution from lorries was unacceptable and that a development of the market could further regenerate the area. He concluded by stating that he felt that this issue had been the 'elephant in the room' in the City for some time.

The Deputy Chairman reminded Members that a Strategic Review of the Markets would be progressed in the near future and was intended to look at issues such as these. The review would involve wholesale reviews of how the markets operate including things such as transport needs and location.

Mr Streeter thanked the Deputy Chairman for his response and stated that he awaited with anticipation a timetable for this future review.

Superintendents' updates

A Member questioned if the Committee could receive Superintendent's reports/updates at each future meeting. Others agreed that this would be a useful addition to each agenda. It was suggested that each of the

Superintendents be asked to give brief oral updates on current issues at their Market at every Committee meeting going forwards. Members were satisfied that oral updates versus written would provide them with the most up to date information possible.

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

Markets Committee Risk

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

A Member questioned some of the risks with target dates of 31 December 2015 stating that this was just a month away and it appeared that there was still much to be done to meet the target risk scores in this time.

With regard to the Risk entitled 'East Poultry Avenue', the Superintendent of Smithfield Market provided the Committee with some historical background to the issue. He reported that he had now met with colleagues from the Department of Built Environment to examine how the risks here could be addressed and lowered. He added that this matter was still subject to an overall review. The immediate past Superintendent of Smithfield Market confirmed that a great deal of work had already been undertaken against this risk including the installation of signage and the defining of certain areas in terms of things such as right of way. However, people obeying the regulations that were now in place, was an ongoing issue.

The immediate past Superintendent went on to report that a number of traffic calming measures had been explored in this area including the installation of speed humps and mini roundabouts however, due to forklift truck use and their small wheel base these had subsequently been dismissed.

The Member thanked Officers for the update on this matter but highlighted that this sort of information should be summarised within the risk update column of the report. He went on to point out that some of the risks listed were also without any target date.

The Committee requested that a further, updated, Risk Register be submitted to the next meeting.

A Member questioned the target date of 2 January 2017 against the risk entitled 'Workplace Traffic Management' and questioned whether this should be brought forward given the potential severity of an event relating to this risk as set out within the report. The Superintendent of Spitalfields Market highlighted that there had been short, medium and long term proposals set out to mitigate this risk and that the January 2017 date represented the implementation of the long term proposal. He informed the Committee that Officers had now received a report from an independent logistics expert which contained 35 recommendations. It was clear that, at present, there was not adequate

segregation between forklifts, customers and pedestrians but an Action Plan could now be formulated on the basis of these recommendations with some points able to be addressed immediately and others in the longer term.

The Superintendent of Spitalfields Market went on to report that officers had met with the Tenants Association last week to discuss this matter and that further meetings would take place this week where the logistics team would be giving a presentation on their findings and recommendations. All tenants had been invited to attend the presentation. In addition to this, communications had now gone out to each tenant from the Tenants Association highlighting the seriousness of this matter and each individual tenant's responsibilities in relation to this.

The Deputy Chairman highlighted that he had raised the issue of forklift trucks more generally with the Director of Markets and Consumer Protection earlier this year with a view to beginning to acquire electric vehicles going forward. He hoped that a broader update on what the plans were here would therefore be forthcoming at future meetings of this Committee.

The Superintendent of Spitalfields Market stated that this proposal had already been discussed with the Tenants Association and it was something that they were looking at positively. In response to a question, the City Surveyor stated that there was a working manual to accompany each lease and that consideration could be given to including the use of electric vehicles within this manual and including this within lease negotiations in future.

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

Resolution to the Police Committee regarding the City of London's participation in the Community Accreditation Scheme (CSAS)

The Deputy Chairman reported that, at the request of this Committee, a resolution had been sent to the Police Committee questioning the City Corporation's participation in the Community Accreditation Scheme (CSAS). He went on to report that he and the Chairman would now be meeting with the Commander of Operations together with the Chairman and Deputy Chairman of the Police Committee to discuss the current position of the scheme in terms of the benefits and impacts of its delivery.

9. **EXCLUSION OF THE PUBLIC**

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

Item	Paragraph
10	1, 2, 3, 5 & 7
11	3

12	1 & 5
13	3

10. **NON-PUBLIC MINUTES**

The non-public minutes of the meeting held on 29 October 2015 were considered and approved as a correct record.

11. **RECOVERING THE COSTS OF ADMINISTERING DEBT AT THE MARKETS**

The Committee considered a joint report of the Chamberlain and the Comptroller and City Solicitor considering the feasibility of introducing and levying an additional administration charge whenever administrative or legal action is taken to pursue a debt owed by market traders or to deal with a breach of the lease.

12. **SMITHFIELD MARKET - CONDENSER WATER COOLING SYSTEM - UPDATE - NON PUBLIC APPENDIX**

The Committee received a non-public appendix to Item 6 on the agenda.

13. **CONCESSIONARY PARKING AT SMITHFIELD MARKET DURING THE CHRISTMAS PERIOD 2015 - SMTA SECOND REQUEST**

The Committee considered and approved a report of the Superintendent of Smithfield Market regarding a request from the Chairman of the SMTA for an extension on the agreed concessionary period for parking at Smithfield Market during the Christmas Period 2015.

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

There were no questions raised in the non-public session.

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

Items concerning interim rent settings at Spitalfields Market and lease terms for a property at the Poultry Market were raised.

The meeting ended at 1.00 pm

Chairman

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