

Agenda Item 5

Committee: Markets Committee	Date: 27 November 2019
Subject: Markets Committee Risk	Public
Report of: Director of Markets and Consumer Protection	For Information
Report author: 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 008 Fire Alarm Panel Performance, Smithfield (Current Risk: AMBER)
- MCP-SM 009 Lack of Sprinkler System in Buyers Walks E&W Mkts & Grand Ave (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.
7. 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

8. The Department of Markets and Consumer Protection's Risk Register for Markets, attached as Appendix 1 to this report, has Six 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 decreasing)

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 008 Fire Alarm Panel Performance Smithfield (Current Risk: AMBER constant)

A number of performance issues have been identified including faults with graphines, zones and pre-alarms. Issues have also been identified with the Planned Preventative Maintenance (PPM) schedule. These issues have been escalated to Head of Facilities Management.

There is a risk of injury and/or loss of life to members of the public, market staff and other service users as well as irreparable or costly damage to the Market structure in the event that the alarm were not to activate when required.

Realisation of this risk could result in prosecution, fine and serious reputational damage to the City.

MCP-SM 009 – Lack of Sprinkler System in Buyers Walks E&W Mkts & Grand Ave Smithfield (Current Risk: AMBER new risk)

The sprinkler system that serves the East & West markets is currently impaired. 18/20 pendants failed. An approved contractor has been assigned to undertake the replacement of the sprinklers in the emergency evacuation routes

All works to date are currently running to schedule with an estimated completion date of 30th November 2019.

There is a risk of injury and/or loss of life to members of the public, market staff and other service users as well as irreparable or costly damage to the Market structure if the sprinkler heads were not to activate when required.

Realisation of this risk could result in prosecution, fine and serious reputational damage to the City.

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

The Smithfield Market Tenants fail to adequately prepare for the UK departure from the EU in January 2020.

If the UK departs the EU on or before 31 January 2020 without a trade deal in place the UK would be obliged under World Trade Organization rules to impose average food import tariffs and potentially to conduct inspections at borders, leading 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

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

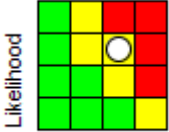
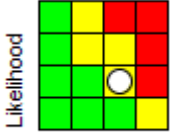

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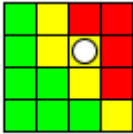
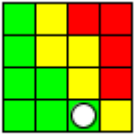
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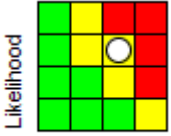
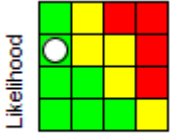

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
MCP-BG 001 Workplace Transport - Billingsgate Market 28-Apr-2017 Daniel Ritchie	<p>Cause: A lack of suitable and sufficient training and adequate management controls in relation vehicle movements at Billingsgate Market.</p> <p>Event: There is a risk of a life changing injury to a pedestrian if vehicle movements including forklift trucks are not appropriately managed and controlled.</p> <p>Effect: An accident involving a pedestrian and a vehicle which resulted in a serious or life changing injury could result in prosecution, a fine, reputational damage for the City.</p>	<p>Likelihood</p> <p>Impact</p>	12	<p>This risk has been reviewed and is being held at Amber as there is a perception by City of London staff that there has been an increase in non compliance with our traffic management policies.</p> <p>31 Oct 2019</p>	<p>Likelihood</p> <p>Impact</p>	8	31-Jul-2020	<p>Constant</p>

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
MCP-BG 001e Produce action plan	Respond to recommendations and agree an action plan.	An action plan has been put in place to deal with the highest risk factors. A further meeting has been arranged for 26 November to address the lower rated actions.	Daniel Ritchie	28-Oct-2019	31-Jan-2020
MCP-BG 001f Actions complete	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	28-Oct-2019	31-Dec-2019

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
MCP-NS 001 Workplace Traffic Management – New Spitalfields Market 24-Feb-2015 Debbie Howard	Cause: Over 200 forklift trucks operate on the New Spitalfields Market site. Event: 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. Effect: An accident involving a pedestrian and a vehicle which resulted in a serious or life changing injury could result in prosecution, a fine, reputational damage for the City and have an adverse impact on the operation and sustainability of the service.	 Likelihood	12	SpMTA are to arrange further training sessions for the remainder of tenants. approximately 50% have received training. Once sessions are complete any tenant who has not attended the training will be subject to an admin fee in line with the tenants' compliance inspection process. 18 Oct 2019	 Likelihood	8	31-Dec-2019	 Constant

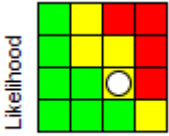
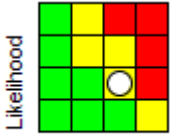

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
MCP-NS 001i Train Managers In Forklift Safety	A member of staff from all tenants to be nominated and trained in FLT safety procedures.	The SpMTA are arranging the final training sessions for managers and supervisors. Following this training session any Tenants that have not attended will be subject to enforcement through the tenant's compliance system.	Debbie Howard	18-Oct-2019	31-Jan-2020
MCP-NS 001k Install Barrier System	Controlled barriers entry system for pedestrians and vehicles.	The equipment has been installed and will be subject to a soft start over the next week. Access cards and the on line app have yet to be completed and once the app is ready then signs will be installed on site.	Debbie Howard	28-Oct-2019	30-Nov-2019

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
<p>MCP-SM 008 Fire Alarm Panel Performance – Smithfield Market</p> <p>10-Apr-2019 Mark Sherlock</p>	<p>Cause: Failure of the fire alarm system</p> <p>Event: Serious risk of injury and loss of life to members of the public, market staff and other service users as well as irreparable or costly damage to the Market structure. The cause would be a result of unreliable or incorrect pre alarms and fire alarms and delay to evacuation if a fire were to occur.</p> <p>Effect: Realisation of this risk could result in prosecution, fine and serious reputational damage to the City.5</p>	<p>Likelihood</p>  <p>Impact</p>	<p>12</p>	<p>CS have updated the Alarm Panel Review - V8 19/9/19</p> <p>4 outstanding faults on the panel.</p> <p>NH is checking with ID the current testing practice and advising on improvements.</p> <p>19/9 - A new PSDN 142358 was raised on 28/8 for MECE to address outstanding issues with the VESDA system. Remedial works in 202/203 have been completed but the sounder test is still outstanding.</p> <p>Graphics Package is still faulty. A new PSDN 143898 has been raised on 24/8 - MECE are scheduled to attend site for a full system review on the 8/10 - CS are looking to bring the date forward due to protests.</p> <p>VESDA data has been reprogrammed in relation to locations. MECE ran a full service and a filter and system is clean is booked for 10/10 - CS are looking to bring date forward due to protests.</p> <p>Car Park Smoke Extractor - 6/8 servicing was completed by APS - 12 smoke vents/dampers are on order</p> <p>01 Nov 2019</p>	<p>Likelihood</p>  <p>Impact</p>	<p>4</p>	<p>31-Dec-2019</p>	<p>■</p> <p>Constant</p>

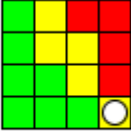
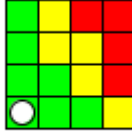
Action no, Title,	Action description	Latest Note			Action owner	Latest Note Date	Due Date
MCP-SM 008a	Request progress update from Karyn Burnham and update the risk accordingly.	No further updates have been issued by the FM team.			Mark Sherlock	01-Nov-2019	31-Dec-2019
Progress update from FM		This item is still being reviewed.					
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	
MCP-SM 011 Brexit - impact of Brexit on traders and imports – Smithfield Market 06-Sep-2019 Mark Sherlock	Cause: The Smithfield Market Tenants fail to adequately prepare for the UK departure from the EU in January 2020. Event: The UK departs the EU in January 2020 without a trade deal in place. Effect: In the event of a no-deal Brexit, the UK would be obliged under World Trade Organization rules to impose average food import tariffs and conduct product inspections, leading 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.	 Likelihood Impact	12 In the event of a no-deal Brexit, between 30 and 40% of carcass meat and other boxed products may not be exported from the UK due to European quotas and tariffs. Smithfield is one of only a very few consolidation centres where excess product can be traded. Therefore, a no-deal Brexit will create potentially significant volumes of product coming to Market at short notice. This will create significant challenges to the current operational model. 25 Oct 2019	 Likelihood Impact	3 31-Jan-2020	 Constant	

Action no, Title,	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 a contractor's compound, and Giltspur Street, which is apparently used for parking buses overnight at present.	MS met with the City's Traffic Manager 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, CoLP have to man it so unlikely to be an option.	Mark Sherlock	25-Oct-2019	31-Dec-2019

MCP-SM 011b Reschedule staff hours	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-Oct-2019	31-Dec-2019
MCP-SM 011c Review parking hours	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-Oct-2019	31-Dec-2019
MCP-SM 011d Allow two-way traffic	Open Charterhouse Street and Long Lane to two-way traffic.	KE to review road safety audits and traffic management plans.	Mark Sherlock	25-Oct-2019	31-Dec-2019

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
MCP-SM 001 HGV Unloading Operations – Smithfield Market 21 Feb-2015 Mark Sherlock	Cause: A lack of suitable and sufficient training and adequate management controls in relation to Heavy Goods Vehicle banksman activities undertaken by staff employed by Smithfield Market tenants. Event: Serious or life changing injury to members of the public, market staff and other service users caused by uncontrolled or unguided reversing vehicles. Effect: Realisation of this risk could result in a prosecution, fine and reputational damage for the City.	 Likelihood Impact	8	Dedicated Banksman are assigned to guide deliveries onto the loading bay. Regular deliveries to the market, make the process more familiar, potentially lowering risk. No reported injuries in the past year 17 Oct 2019	 Likelihood Impact	8	31-Dec-2019	 Decreasing

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
MCP-SM 001k Traffic Management Audit Review	Keep the risk under review.	A night audit was undertaken from 8-12 September 19 99 movements of HGV's 1 Unguided was recorded by an unknown delivery agent. Southgate Distribution Details were recorded and the company have received a first warning, further literature on Market policy and procedure of guided delivery has been issued.	Mark Sherlock	01-Nov-2019	29-Nov-2019

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
<p>MCP-SM 009 Lack of Sprinkler System in Buyers Walks E&W Mkts & Grand Ave</p> <p>21-Aug-2019 Mark Sherlock</p>	<p>Cause: The sprinkler system that serves the East & West markets is currently impaired. 18/20 pendants failed. An approved contractor has been assigned to undertake the replacement of the sprinklers in the emergency evacuation routes</p> <p>Event: There is a risk of injury and/or loss of life to members of the public, market staff and other service users as well as irreparable or costly damage to the Market structure if the sprinkler heads were not to activate when required.</p> <p>Effect: Realisation of this risk could result in prosecution, fine and serious reputational damage to the City.</p>	<p>Likelihood</p>  <p>Impact</p>	<p>8</p> <p>CS have assigned works to an approved contractor and pendants have been ordered and received. A full site meeting between Skanska, JH Fire and CoL was held on 12/9 to discuss RAMS and delivery schedule. A full update on the proposed blockade was discussed and JH are providing a dynamic risk assessment and plan to work through the protest to deliver on time. Sanctions are in place for works to stop if risks are too high. Scaffolding has been erected on 22/9 with removal on 28/9 ahead of the protest. CoL have agreed a safe area for equipment to be stored to aid the completion date of 30/11/19. All works to date are running to schedule.</p> <p>01 Nov 2019</p>	<p>Likelihood</p>  <p>Impact</p>	<p>1</p> <p>13-Dec-2019</p>	<p>Constant</p>

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
MCP-009a Review & Replace Pendants	Assign contractor to review failed pendants, order & replace.	<p>JH Fire have been appointed as the approved contractor. Pre-meet start meeting was held in September 19 with Skanska.</p> <p>Start date: 17 September - Estimate finish date 30 November 19</p> <p>As of 17/10/19</p> <p>East Market: Completed:</p>	Shelley Ross-Harding; Mark Sherlock	01-Nov-2019	30 Nov 2019

		Buyers Walk Fridge Decks (Mez floors) West Market: Buyers Walk completed Fridge Decks (Mez floors) in progress Grand Avenue: Completed Stairs to both East/West and the high-level sprinklers in these 4 area are completed The lower level sprinklers under the Dry-lined ceilings are in progress			
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